



GREENHOUSE
GAS
INVENTORY

FY2020



CARBON CALCULATED
Measure | Verify | Manage

SANLAM GROUP FY2020
CARBON FOOTPRINT REPORT
12 March 2021

Final Version 1.0

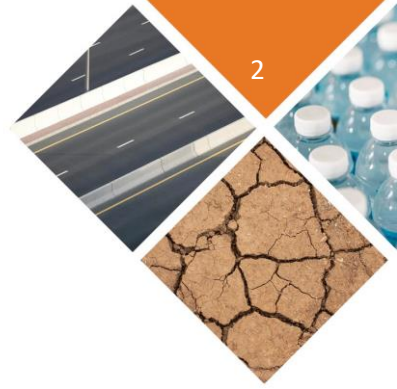
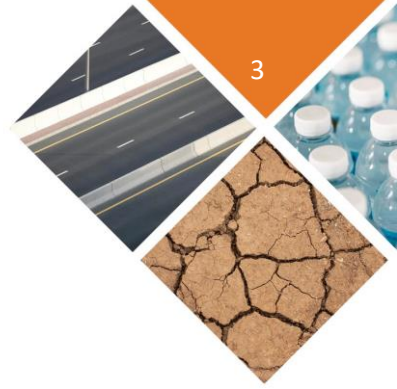


TABLE OF CONTENTS

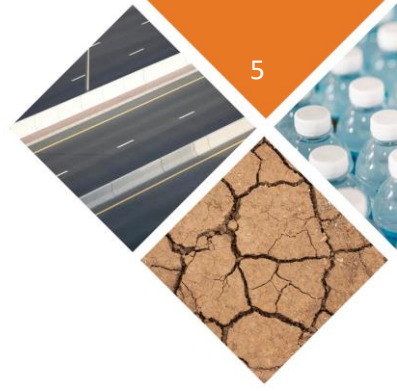
ABBREVIATIONS AND GLOSSARY OF TERMS	3
ACKNOWLEDGEMENTS	5
REVISION HISTORY	5
1. REPORT OVERVIEW – EXECUTIVE SUMMARY	6
2. INTRODUCTION	7
3. COMPANY DESCRIPTION	9
4. NOTABLE YEAR-ON-YEAR CHANGES	13
5. REQUIRED INFORMATION	14
6. METHODOLOGY, EXCLUSIONS AND ASSUMPTIONS	17
7. INFORMATION ON SANLAM GROUP’S EMISSIONS	19
8. ADDITIONAL INFORMATION UNDER THE GHG PROTOCOL	23
9. ILLUSTRATED SUMMARY	28
10. COMPARISON OF EMISSIONS AND INTENSITY	31
11. SANLAM GROUP INTEGRATED INFORMATION	33
12. CURRENT AND FUTURE TRENDS IN THE CARBON SECTOR	39
CONTACT INFORMATION	45
REFERENCE LIST	46
APPENDIX A: GHG PROTOCOL’S SCOPE 3 CATEGORIES	48
APPENDIX B: OVERVIEW OF SANLAM’S FY2020 GHG EMISSIONS – AT PERCENT SHARE	50
APPENDIX C: SANTAM FY2020 CARBON FOOTPRINT	56
APPENDIX D: COMMUTING	61
APPENDIX E: INDEPENDENT VERIFICATION STATEMENT	62



ABBREVIATIONS AND GLOSSARY OF TERMS

Base year	A past year used as a baseline to compare year-on-year emissions
CDP	A non-profit organisation that supports companies and cities in the disclosure of their environmental impact to the international investor community (see www.cdp.net)
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent – conversion of all greenhouse gases to reflect their global warming potential relative to CO ₂
Defra	United Kingdom Department for Environment, Food and Rural Affairs
Direct emissions	Greenhouse gas emissions from facilities/sources – e.g., generators, fugitive emissions, vehicle fleets, etc. – owned or controlled by a reporting company
Downstream emissions	Greenhouse gas emissions related to manufactured and/or sold goods and services, e.g., end-of-life treatment of sold products, transportation and distribution of sold products and franchises
Emission factors	Specific value used to convert activity data into greenhouse gas emission values, presented in specific units, e.g., kgCO ₂ e/km travelled
FTE	Full-time equivalent employee
Fugitive emissions	Emissions from gases or vapours from pressurised equipment due to leaks and other unintended or irregular releases of gases e.g., air-conditioning gas leaks, refrigeration and fire-suppressant gas refills, or methane emissions from coal mining
FY	Financial year
GHG	Greenhouse gas
GHG Protocol	International methodology used to calculate the carbon footprint of an organisation – developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI)
GWP	Global Warming Potential – an indication of the global warming effect of a GHG in comparison to the same weight of CO ₂
Indirect emissions	GHG emissions from facilities/sources that are not owned or controlled by the reporting company, but for which the activities of the reporting company are responsible, e.g., purchasing of electricity, business travel, etc.
Intensity	A metric to compare CO ₂ e emissions, expressed in terms of another metric of activity, e.g., CO ₂ e per FTE, area, income or tonnes of product

Kyoto Protocol	The Kyoto Protocol is an international agreement linked to the United Nations Framework Convention on Climate Change, which commits its Parties by setting internationally-binding emission reduction targets. The Kyoto Protocol was adopted in Kyoto, Japan, on 11 December 1997 and entered into force on 16 February 2005
Market-based electricity	The emissions from electricity-generating sources that companies have purposefully chosen – for example, energy from a specific wind farm – which may be different from the electricity that is generated for the local grid, thus using a supplier-specific emission factor
Off-road mobile fuel	All fuel emissions from vehicles used onsite, e.g., forklifts, tractors, but not used on public roads
On-road mobile fuel	All fuel emissions from vehicles used off-site, on public roads, e.g., passenger vehicles, delivery vehicles
Outside of Scopes	Emissions accounted for by the direct CO ₂ impact of burning biomass and biofuels because the Scope 1 impact of these fuels has been determined to be a net zero. This also includes fugitive emissions outside of the GHG Protocol
Scope 1 emissions	Emissions resulting from equipment owned or controlled by a reporting company (direct emissions)
Scope 2 emissions	Emissions resulting from consumption of electricity, steam or heat purchased by a reporting company (indirect emissions)
Scope 3 emissions	Emissions resulting from indirect activities, excluding Scope 2, of a reporting company, e.g., commuting travel, business travel, paper consumption (indirect emissions)
Upstream emissions	Indirect GHG emissions that occur in the development of a material/product, up to the point of sale by the producer, sometimes referred to as cradle-to-gate emissions, e.g., manufacture and delivery of supplied goods or raw materials, business travel, employee commuting and waste generated in operations
Verification	The act of reviewing, inspecting or testing by an independent third-party, in order to establish and document that a product, service or system meets regulatory or technical standards



ACKNOWLEDGEMENTS

Carbon Calculated would like to thank Nonkululeka Shabalala, Samantha Young and Luandri Van Bergen for fielding all questions and coordinating the Sanlam Group (Sanlam) team in the compilation of this Carbon Footprint Report (CFR).

REVISION HISTORY

Date	Version	Amendments to Previous Version	Approved By	Prepared By
19.02.2019	Draft - 0.1	First draft – tables only	Kerry Evans (verifier)	Nici Palmer
23.02.2021	Draft – 0.1.1	First draft – full report	Kerry Evans (verifier)	Nici Palmer
25.02.2021	Draft – 0.1.2	Verification statement added	Kerry Evans (verifier)	Nici Palmer
02.03.2021	Draft – 0.1.3	Energy and water efficiencies added	Sam Young	Nici Palmer
12.03.2021	Final	None	Sam Young	Nici Palmer

SECTION A

1. REPORT OVERVIEW – EXECUTIVE SUMMARY

Figure 1 is a summary of the emissions and company metrics reported by Sanlam Group in FY2020 adjusted down where data was centralised so as to correspond with the reporting boundary.

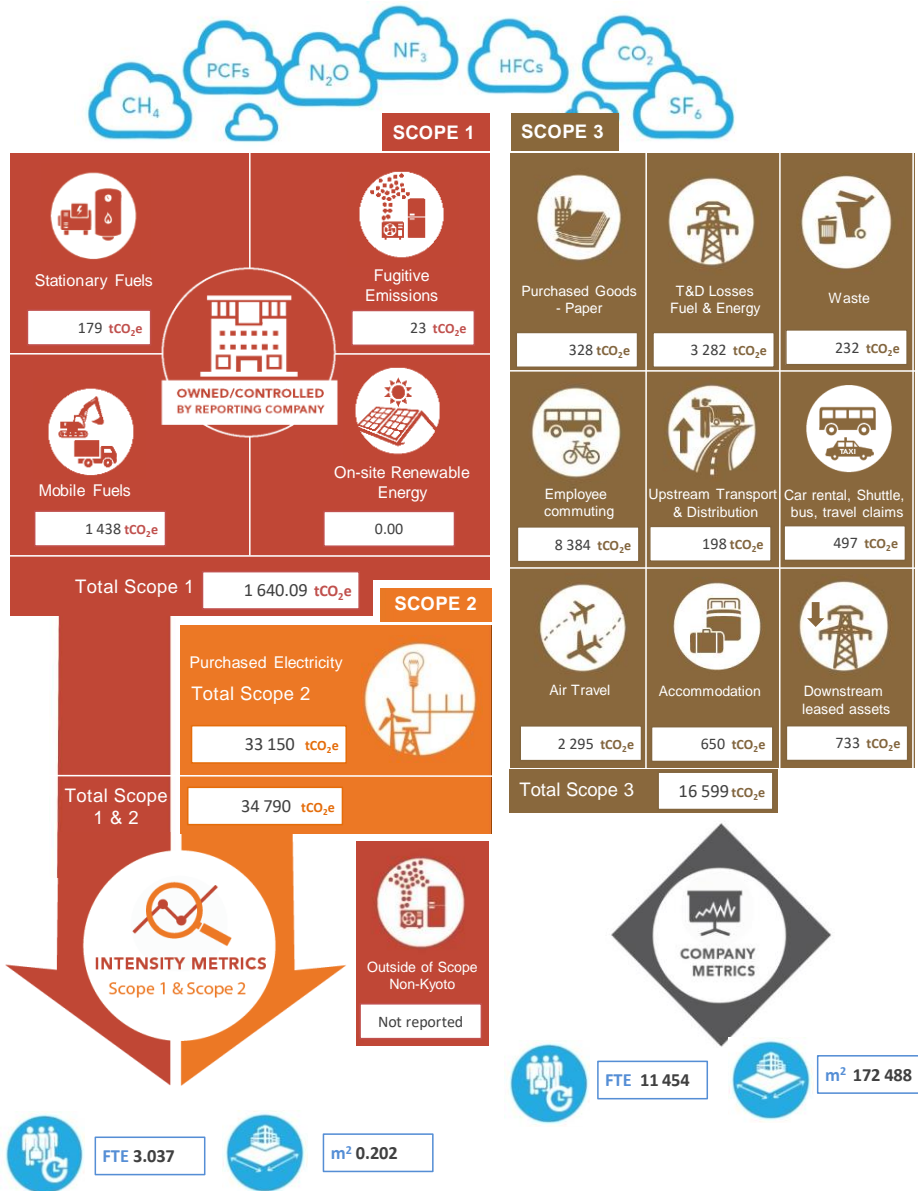
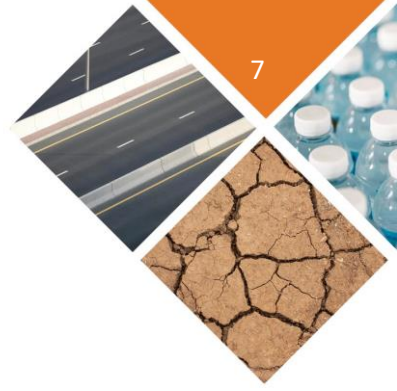


Figure 1: Summary of Sanlam Group’s FY2020 emissions and company metrics



2. INTRODUCTION

This FY2020 CFR constitutes the thirteenth carbon footprint report commissioned by Sanlam Group and should be compared against previous carbon footprint calculations to review changes in annual consumption, boundaries and areas of improvement. All reports have been prepared using the GHG Protocol Corporate Accounting and Reporting Standard methodology.

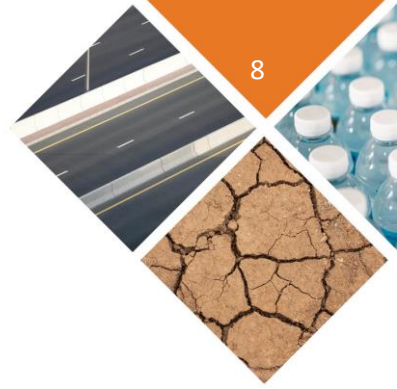
Within the GHG Protocol, accounting and reporting are guided by five principles – relevance, completeness, consistency, transparency and accuracy – to ensure that reported information represents a true and fair account of emissions. These principles are intended to underpin all aspects of GHG accounting and reporting according to the GHG Protocol, and to which Carbon Calculated subscribes in the delivery of all its reports.

In accordance with the GHG Protocol, clear organisational and operational boundaries have been defined and agreed to by Sanlam Group, and the relevant activity data has been supplied. This CFR covers emissions from the business activities of Sanlam Group.

The GHG Protocol

The GHG Protocol is the most widely used standard for mandatory and voluntary corporate GHG reports and is compatible with other international GHG reporting standards such as ISO 14064. It is derived from a multiple-stakeholder partnership of businesses, NGOs and governments led by the WRI and the WBCSD.

The CFR covers 11 454 FTEs, 172 488 square metres (m²) of office area. It is important to highlight that under the GHG Protocol, the reporting of both Scope 1 direct emissions and Scope 2 indirect emissions is compulsory. All Scope 3 emissions, (i.e. those from supply chain activities), are reported at the discretion of the reporting company.



As a result, the GHG-emitting activities covered by the CFR include:

- ◆ Direct emissions (referred to as Scope 1), resulting from fuel used by Sanlam Group-owned or Sanlam Group-controlled equipment (stationary fuels); fleet vehicles (mobile fuels); air-conditioning, refrigeration, and fire-suppressing gas refills (fugitive emissions).
- ◆ Indirect emissions (referred to as Scope 2) from purchased electricity.
- ◆ Selected indirect emissions in the supply chain (referred to as Scope 3), resulting from Sanlam Group's business travel activities, its employee commuting, upstream and downstream distribution, the consumption of office paper, electricity transmission and distribution (T&D) losses and waste.

In this regard, see Tables 1 and 2. Figure 2 below shows the detailed breakdown of Scopes and emission categories.

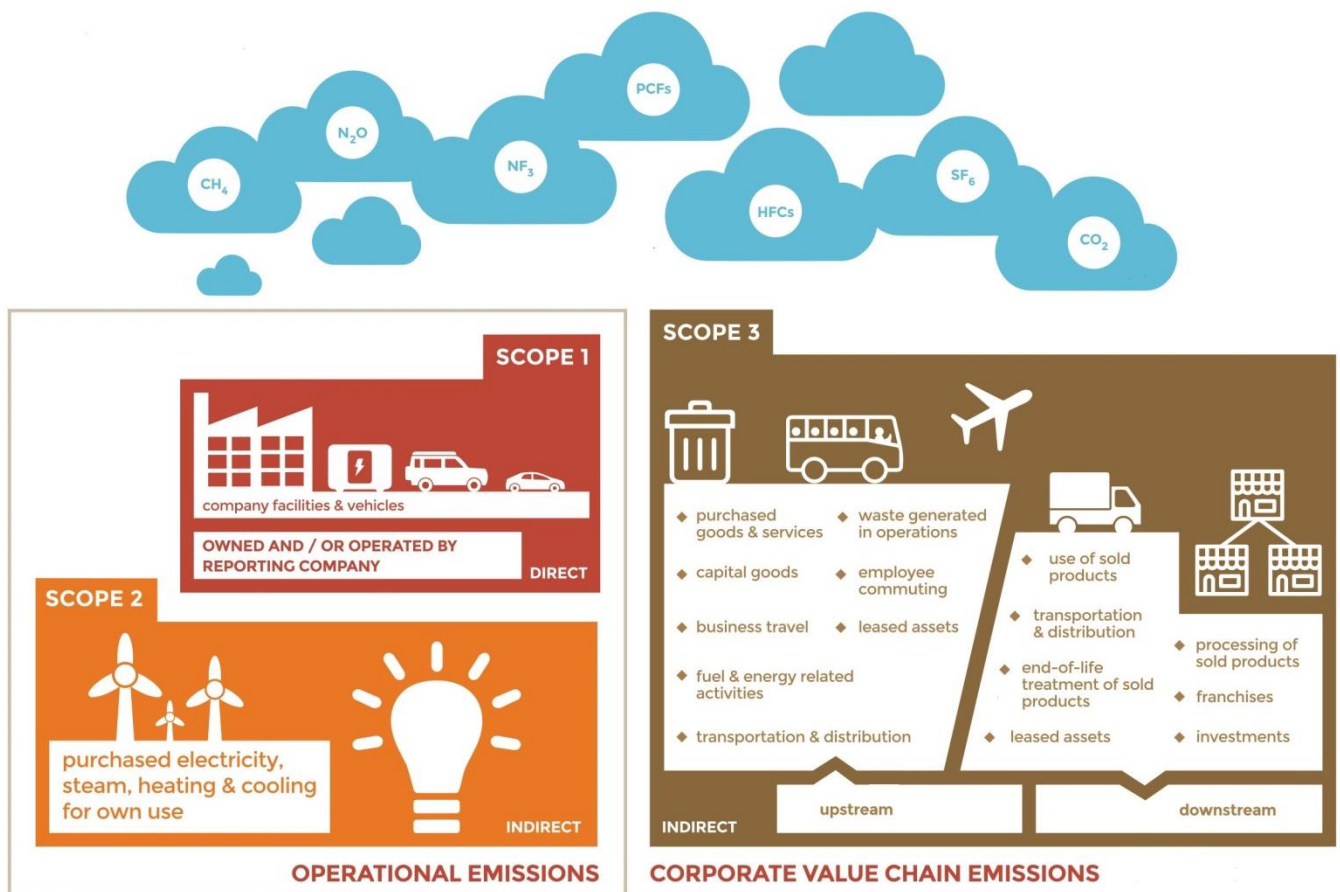
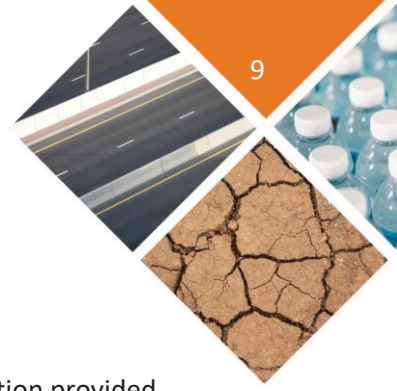


Figure 2: Illustration of Scopes and emission categories



Carbon Calculated has gone to all reasonable lengths to ensure that the primary information provided by Sanlam Group is correct. Carbon Calculated is not liable for any inaccuracies that this information might contain. This CFR, in its entirety, is both material and complete and is intended for Sanlam Group internal use only. Information may, however, be extracted for reporting purposes, such as for submission into international and national GHG registries and for purposes of sustainability reporting. It may also be presented for third-party verification purposes.

3. COMPANY DESCRIPTION

In 1918, the Sanlam Group was established as a traditional life insurance company. Over the years, the group has evolved into a diversified one-stop financial services business, fit to serve all financial market segments. Sanlam's core operations lie in the life and long-term insurance sector, as well as asset management. Through their subsidiary¹, Santam, Sanlam also holds an interest in the short-term insurance sector. Sanlam commands both a local and global presence, with business interests located throughout South Africa, Africa, India, Malaysia, Australia, Philippines, the UK/Ireland, the USA and Switzerland, amongst others. The Group's Head Office is in Bellville, Cape Town, South Africa.

The Sanlam Group is listed on both the Johannesburg Stock Exchange and the Namibian Stock Exchange. In 2007, Sanlam was listed on the Socially Responsible Investment (SRI) Index of the Johannesburg Securities Exchange. Sanlam and Santam participate in the CDP.

¹ With the exception of Santam, this Carbon Footprint Report does not include Sanlam Group subsidiaries.

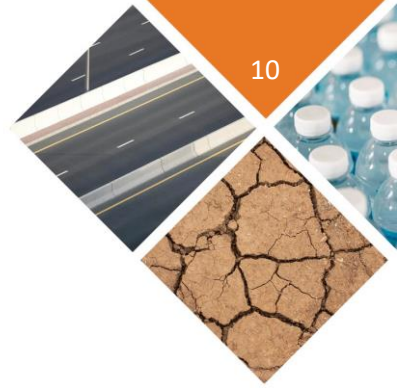


Table 1: OVERVIEW OF SANLAM GROUP'S FY2020 GHG EMISSIONS

REPORTING PERIOD: Sanlam Group's financial year (01 January 2020 – 31 December 2020)

CARBON FOOTPRINT CALCULATION CONDUCTED ON: Sanlam Group Sanlam Head Office, Sanlam Sky (Houghton), Sanlam Investments, Sanlynn (Pretoria), Sanlam Glacier, Sanlam Alice Lane, Santam Head Office, Santam Auckland Park, Santam Garsfontein, Santam Alice Lane and Santam Glacier

METHODOLOGY: GHG Protocol – Corporate Accounting and Reporting Standard

GHG CONSOLIDATION APPROACH: Operational Control Approach

Company Metrics

Total Sanlam Group employees	14 950
Total full-time Sanlam Group employees (FTE) covered by CFR	11 454
Total square metreage of area reported	172 488

	100%	Adjusted
	Metric tonnes of CO ₂ e	
Scope 1 Direct Emissions		
Stationary fuel emissions	183.24	179.33
Fugitive emissions	22.76	22.76
Mobile fuel emissions	1 438.05	1 438.00
On-site renewable energy emissions	0.00	0.00
TOTAL SCOPE 1 EMISSIONS	1 644.05	1 640.09

Scope 2 Indirect Emissions

Purchased electricity – location-based	33 150.38	33 150.38
Purchased electricity – market-based	33 150.38	33 150.38 ²
TOTAL SCOPE 2 EMISSIONS	33 150.38	33 150.38³

TOTAL SCOPE 1 & 2 EMISSIONS

34 794.43 **34 790.48**

Intensity Metrics

Scope 1 & 2 emissions per full-time employee (tCO ₂ e/FTE)	3.038	3.038
Scope 1 & 2 emissions per square metre of building (tCO ₂ e/m ²)	0.202	0.202

² Sanlam Group's market-based electricity is identical to location-based electricity because no supplier-provided contractual instruments were reported in 2020.

³ In dual reporting (market-based and location-based methodologies), the Scope 2 total is for each respective methodology and not the combined totals of both methodologies.

Table 2: OVERVIEW OF SANLAM GROUP'S FY2020 GHG EMISSIONS –AT 100%

		Metric tonnes of CO ₂ e	
TOTAL SCOPE 1 EMISSIONS: Direct emissions from owned/controlled operations		1 644.05	
TOTAL SCOPE 2 EMISSIONS: Indirect emissions from the use of purchased electricity		33 150.38	
TOTAL SCOPE 1 & 2 EMISSIONS		34 794.43	
Scope 3 Indirect Emissions			
1. Purchased goods and services	Office paper	151.68	338.11
	Policy paper	186.43	
3. Fuel- and energy-related activities	Electricity T&D losses		3 281.89
4. Upstream transportation and distribution	Courier		212.54
5. Waste generated in operations	Waste to landfill	231.19	234.23
	Recycling and compost	2.80	
	Food waste	0.24	
6. Business travel	Car hire	81.39	3 673.59
	Air travel	2 458.37	
	Accommodation	691.48	
	Shuttle and chauffeur	14.44	
	Bus	3.44	
	Travel claims	424.47	
7. Employee commuting			8 384.34
13. Downstream leased assets	Tenant electricity		732.89
TOTAL SCOPE 3 EMISSIONS		16 857.59	
Outside of Scopes:			
Non-Kyoto Protocol GHG emissions		0.00	
TOTAL EMISSIONS		51 652.03	
Intensity Metrics			
Scope 1 & 2 emissions per full-time employee (tCO ₂ e/FTE)		3.038	
Scope 1 & 2 emissions per square metre of building (tCO ₂ e/m ²)		0.202	
Total emissions per full-time employee (tCO ₂ e/FTE)		4.510	
Total emissions per square metre of building (tCO ₂ e/m ²)		0.299	

Table 3: OVERVIEW OF SANLAM GROUP'S FY2020 GHG EMISSIONS – ADJUSTED⁴Metric tonnes of CO₂e

TOTAL SCOPE 1 EMISSIONS: Direct emissions from owned/controlled operations		1 640.09
TOTAL SCOPE 2 EMISSIONS: Indirect emissions from the use of purchased electricity, steam, heating, and/or cooling		33 150.38
TOTAL SCOPE 1 & 2 EMISSIONS		34 790.48
Scope 3 Indirect Emissions		
1. Purchased goods and services	Office paper	141.28
	Policy paper	186.43
		327.71
3. Fuel- and energy-related activities	Electricity T&D losses	3 281.89
4. Upstream transportation and distribution	Courier	197.95
5. Waste generated in operations	Waste to landfill	228.88
	Recycling and compost	2.76
	Food waste	0.23
		231.86
6. Business travel	Car hire	76.04
	Air travel	2 294.72
	Accommodation	649.92
	Shuttle and chauffeur	14.00
	Bus	3.17
	Travel claims	404.10
		3 441.95
7. Employee commuting		8 384.34
13. Downstream leased assets	Tenant electricity	732.89
TOTAL SCOPE 3 EMISSIONS		16 598.60
Outside of Scopes:		
Non-Kyoto Protocol GHG emissions		0.00
TOTAL EMISSIONS		51 389.08
Intensity Metrics		
Scope 1 & 2 emissions per full-time employee (tCO ₂ e/FTE)		3.037
Scope 1 & 2 emissions per square metre of building (tCO ₂ e/m ²)		0.202
Total emissions per full-time employee (tCO ₂ e/FTE)		4.4870
Total emissions per square metre of building (tCO ₂ e/m ²)		0.298

⁴ Sanlam Head Office consumption was adjusted to 98.66% of total consumption to exclude the few 3rd party tenants that are metered together with Sanlam. For data that was reported at group-level/centralised, these GHG emissions were further adjusted down to reflect the % of total FTE employees based at the facilities included in the reporting boundary (92.03% for FY2020). It should be noted that to align with historical reporting, a similar adjustment was not made for Santam.



4. NOTABLE YEAR-ON-YEAR CHANGES

The following are notable changes between FY2019 and FY2020:

- ◆ The most notable of changes was the reduction in consumption across the business due to the drop in occupancy from the effects of lockdown because of COVID-19.
- ◆ Loadshedding during the reporting year resulted in an increase in diesel consumed in generators.
- ◆ Limited air-conditioning and refrigeration gas refills data was available. Only 10.90kg of R410a was reported by Auckland Park.
- ◆ A commuting survey was not completed in FY2020. FY2018 data was used as a proxy. To account for the reduced occupancy during lockdown, the estimated headcount of employees entering the office per month was used to appropriately adjust the emissions from commuting - Appendix D.
- ◆ Food waste in FY2020 was split between composted waste and that which was repurposed as animal feed to pig and fly farms. In FY2018, it was assumed all emissions were repurposed.
- ◆ The Funeral Parlour business, including its fleet, was sold in August 2020, thereby reducing mobile fuel emissions.
- ◆ The emission factor for electricity decreased slightly by 2%, further decreasing relative emissions compared to FY2019.
- ◆ Sanlam Head Office electricity consumption was reported excluding tenant electricity in Scope 2. In FY2019, this was included in Scope 2 and tenant electricity was also reported as Scope 3.
- ◆ Garsfontein closed at the end of the F2020 reporting year, further reducing overall consumption.
- ◆ Limited data was available for West End, one of the 8 previously omitted facilities. The data was incomplete and therefore not included.
- ◆ Employee and area metrics were externally verified during FY2020, resulting in a restatement of FY2019 data and intensity ratios.
- ◆ Total employees excluded 159 international employees as they were outside the reporting boundary.
- ◆ Sanlam HO has a few solar panels installed. These are used to charge batteries and other equipment in the event of a power outage. None of this power is available to the building to use as an alternative to grid power.
- ◆ Reductions in food waste and LPG are linked to kitchens being closed during lockdown with limited offerings after July 2020 due to minimal staff onsite.

SECTION B

5. REQUIRED INFORMATION

5.1. GHG INVENTORY – ORGANISATIONAL BOUNDARY

Organisational Boundaries

Organisational boundaries determine which business units (core, subsidiaries, franchises, etc.), facilities, or physical places of operation, owned or controlled by the reporting company, are included in the GHG inventory. The more complex the company structure, the more important are the boundaries of an organisation for the clear definition and scope of the report.

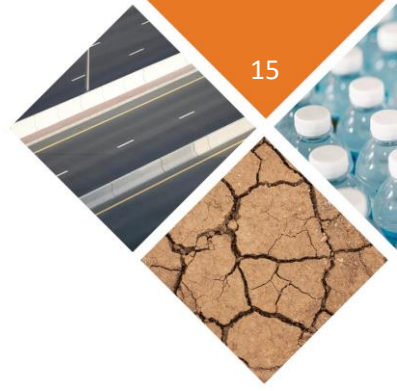
Organisational boundaries are established on either the control approach or the equity share approach.

Under the **control approach** – either financial or operational control – a company accounts for all emissions by entities and activities that are under the direct control of the organisation. Under the **equity share approach**, a company accounts for its GHG emissions from operations according to its share of equity in the operation.

Sanlam Group reports on all emissions using the **operational control approach** adjusted downwards to reflect only those facilities and FTE employees included in the reporting boundary.

The following facilities are included in the FY2020 Sanlam Group CFR:

- ◆ Sanlam:
 - Sanlam Head Office
 - Sanlam Sky
 - Sanlam Investments
 - Sanlynn
 - Sanlam Glacier
 - Sanlam Alice Lane
- ◆ Santam:
 - Santam Head Office
 - Santam Auckland Park
 - Santam Garsfontein
 - Santam Alice Lane
 - Santam Glacier



All Scope 3 emissions, except waste, policy paper, commuting, tenant electricity and T&D losses of electricity, are reported at group level for all South African operations. In the Carbon Footprint Report Overview, GHG emissions are reported in two ways: At 100% (p. 10 and 11) and, adjusted firstly to exclude Sanlam Head Office tenant consumption (96.88% for this facility) and then for emissions sources that were reported at Group-level, by a further 92.03% to correspond with the number of employees and buildings included in Sanlam's reporting boundary. For all Santam buildings, 100% of consumption was used for the GHG calculations.

5.2. GHG INVENTORY – OPERATIONAL BOUNDARY

Operational Boundaries

Operational boundaries determine the actual operational activities of the reporting company that generate emissions; which of these activities should be included in the calculation; and how these activities should be classified (i.e., direct or indirect emissions).

Direct and Indirect Emissions

Under the GHG Protocol, emissions are categorised as 'direct' when they are generated from activities or sources within the reporting company's organisational boundary and which the company owns or controls. 'Indirect' sources are those emissions related to the company's activities that are emitted from sources owned or controlled by another company, but for which the activities of the reporting company are responsible, e.g., purchased electricity, rental cars, commercial airlines or paper.

GHG emissions for the following categories have been included and calculated as part of Sanlam Group's inventories in FY2020, as follows:

Table 3: Categories included in the Sanlam Group FY2020 CFR

Scope	Category	Type/Source
Scope 1	Stationary fuel	<ul style="list-style-type: none"> ◆ Generators ◆ Cookers
	Mobile fuel – on -road	<ul style="list-style-type: none"> ◆ Pool/maintenance vehicles ◆ Sanlam Funeral cars ◆ Santam ABSA fleet
	Fugitive gas	<ul style="list-style-type: none"> ◆ Air-conditioning ◆ Refrigerants
	Onsite renewable energy	<ul style="list-style-type: none"> ◆ Photovoltaic
Scope 2	Purchased electricity	<ul style="list-style-type: none"> ◆ Grid electricity
Scope 3	Purchased goods and services	<ul style="list-style-type: none"> ◆ Office paper

		◆ Policy paper
	Fuel- and energy-related activities	◆ Electricity T&D losses ⁵
	Upstream and downstream transportation and distribution	◆ Courier services
	Waste	◆ Landfill ◆ Recycling ◆ Food waste
	Business travel	◆ Car hire ◆ Air travel ◆ Accommodation ◆ Travel claims ◆ Third party transfers (shuttles, bus)
	Employee commuting	◆ Private commuting to/from work
	Downstream leased assets	◆ Tenant electricity at Sanlam HO
Outside of Scopes	Fugitive gases	◆ Air-conditioning (R22)

5.3. REPORTING PERIOD

The reporting period of this CFR is Sanlam Group's 2020 financial year (01 January 2020 – 31 December 2020)

5.4. BASE YEAR

Base-year Calculations

A base year is the historical year against which a reporting company's emissions are tracked and compared over time. It is typically the earliest relevant point in time for which a company has reliable data.

Sanlam Group has set FY2014 as the base year for carbon footprint calculations because it best represents the reporting boundaries with reliable and transparent data. The base year has not been recalculated. It is recommended the base year is restated as there have been significant structural changes to the organisation. For the past four years, the Group Carbon Footprint has included Santam and this needs to be clearly stated when comparing data to the base year. For a historical record of Sanlam Group's emissions, see Tables 10, 11 and 12.

⁵ T&D emissions are the energy losses that occur in the transfer of electricity from the power plant to the end user. To account for electricity emissions fully, organisations should report the T&D loss associated with their purchased power. This does not apply for renewable energy generated onsite; thus, reporting T&D emissions helps represent the full impact of an organisation's activities and operations, and is regarded as best practice.



6. METHODOLOGY, EXCLUSIONS AND ASSUMPTIONS

This CFR has been completed using Guidelines from the GHG Protocol. The following exclusions and/or assumptions are noted in relation to the reporting boundary as well as the Scope 1, Scope 2 and Scope 3 emissions covered by the CFR:

6.1. ORGANISATIONAL BOUNDARY EXCLUSIONS

Emissions generated by the following facilities and/or entities are excluded from the reporting boundary:

- ◆ Only eleven facilities are included within the reporting boundary as indicated in Section 2.1. All other facilities are excluded.
- ◆ It is assumed that facilities leased by Sanlam to third parties are under Sanlam's operational control and omitted from the reporting boundary.

6.2. OPERATIONAL BOUNDARY EXCLUSIONS AND ASSUMPTIONS

Scope 1 – Direct Emissions

- ◆ Limited air-conditioning and refrigeration gas refills data was available.

Scope 2 – Indirect Emissions

- ◆ No known exclusions or assumptions

Scope 3 – Indirect Emissions

- ◆ Refer to Table 4 for category or activity exclusions within the reporting year.



Table 4: SPECIFIC SCOPE 3 EMISSION CATEGORIES AND EXCLUSIONS ACCORDING TO THE CORPORATE VALUE CHAIN FOR SANLAM GROUP IN FY2020

Category	Scope 3 category	Evaluation status	Reason for exclusions
1	Purchased goods and services	Relevant, partially reported: ◆ Office paper ◆ Policy paper	Information on other “goods and services” not provided
2	Capital goods	Relevant, not reported	Information not available
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Relevant, reported: ◆ Electricity T&D losses.	Not applicable
4	Upstream transportation and distribution	Relevant, reported: ◆ Courier	Not applicable
5	Waste generated in operations	Relevant, reported: ◆ Waste to landfill ◆ Recycling ◆ Food waste	Not applicable
6	Business travel	Relevant, reported: ◆ Rental cars ◆ Commercial flights ◆ Accommodation ◆ Shuttle, chauffeur, bus ◆ Travel claims	Information on other “Business Travel” not available.
7	Employee commuting	Relevant, reported	Not applicable
8	Upstream leased assets	Relevant, not reported	Information not available
9	Downstream transportation and distribution	Relevant, not reported	Information not available
10	Processing of sold products	Not relevant, explanation provided	The Sanlam Group is a financial services company and their products do not produce GHGs
11	Use of sold products	Not relevant, explanation provided	The Sanlam Group is a financial services company and their products do not produce GHGs
12	End-of-life treatment of sold products	Not relevant, explanation provided	The Sanlam Group is a financial services company and their products do not produce GHGs
13	Downstream leased assets	Relevant, provided	Information provided
14	Franchises	Not relevant, explanation provided	Sanlam do not have franchises
15	Investments	Relevant, not reported	Not available

SECTION C

7. INFORMATION ON SANLAM GROUP'S EMISSIONS

7.1. TOTAL SCOPE 1 & 2 EMISSIONS

The GHG Protocol requires carbon footprint calculations to include, as compulsory reporting, all direct emissions under Scope 1 and indirect emissions under Scope 2.

All emissions are calculated using emission factors and reported as carbon dioxide equivalent (CO₂e) gases as required by the GHG Protocol. Unless otherwise stated, emission factors are sourced from Defra⁶.

Emission Factors

Emission factors convert operational activity data (e.g., kilometres driven, kilowatt hours of purchased electricity) into a value indicating the GHG emissions generated by that activity – reported as carbon dioxide equivalent (CO₂e). Emission factor values can be sourced from a variety of different providers.

Carbon Dioxide Equivalent (CO₂e)

A standard unit for measuring emissions from various GHGs based on their GWP in relation to that of carbon dioxide.

The GHGs covered by this calculation are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). As described above, all these gases are amalgamated and reported in terms of their carbon dioxide equivalency (CO₂e).

7.2. COMPANY INTENSITY METRICS

Intensity metrics are indicators that provide a comparison of the amount of CO₂e relevant to an operational indicator. Typically, the indicator is a factor that is comparable across years and sectors. Examples include: full-time equivalent employees (FTEs), area in square metres (m²), volumes of production, and/or a monetary factor such as EBITDA, revenue or turnover.

⁶ UK Government's Defra, Guideline to Defra's GHG Conversion Factors for Company Reporting; Annexes Updated in August 2020.

7.3. SCOPE 1 EMISSIONS

Scope 1 emissions are from sources owned or controlled by the reporting company, e.g., generators, refrigeration, air-conditioning units.

Table 5 provides a breakdown of Sanlam Group's direct Scope 1 consumption and carbon emissions for FY2020. Please note that throughout the CFR, all consumption, and emissions in tonnes of CO₂e are rounded to two decimal places⁷ and intensity metrics are rounded to three decimal places.

Table 5: SANLAM GROUP'S DIRECT SCOPE 1 EMISSIONS IN FY2020

Description	Units	Total consumption	Metric tonnes of CO ₂ e ⁸
Stationary fuel	Litres of diesel in equipment – Sanlam	57 005.00	153.22
	Litres of petrol in equipment – Santam	8 828.42	23.73
	Kilograms of LPG – Sanlam	1 302.41	3.83
	Kilograms of LPG – Santam	835.78	2.46
	Total		183.24
Fugitive gas ⁹	Kilograms of 410a – Santam	10.90	22.76
	Total	10.90	22.76
Mobile fuel – mobile	Litres of diesel – Sanlam	935.10	2.51
	Litres of petrol – Sanlam	1 426.95	3.30
	Litres of diesel – Santam	78 573.50	211.20
	Litres of petrol – Santam	431 405.50	998.56
	Total		1 215.57
Mobile fuel – fleet	Litres of diesel – Sanlam (SIM funeral)	4 523.98	12.16
	Litres of petrol – Sanlam (SIM funeral)	88 849.56	205.66
	Litres of diesel – Santam (ABSA fleet)	994.80	2.67
	Litres of petrol – Santam (ABSA fleet)	858.70	1.99
	Total		222.48
Renewable energy generated on-site	kWh – Solar energy at Sanlam HO	Not available ¹⁰	0.00

⁷ Should the figures in the breakdown tables of this CFR be summed manually, there may be variances of 0.01 (up or down) from the totals stated herein due to rounding of data to two decimal places.

⁸ Unless otherwise stated, all emission factors are provided by the UK Government's Defra conversion factors, Guideline to Defra's GHG Conversion Factors for Company Reporting; Annexes. Updated in August 2020.

⁹ The GWP for air-conditioning, fire suppressant and refrigeration gas refills are sourced from the IPCC fourth assessment report.

¹⁰ Sanlam Head office has small solar panels on the roof that are insignificant and therefore not measured. It is strictly for the purpose of disaster recovery.

7.4. SCOPE 2 EMISSIONS – MARKET-BASED AND LOCATION-BASED EMISSIONS

Scope 2 emissions are associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by the reporting company, e.g., an electricity utility such as Eskom. Scope 2 emissions are reported according to either the location-based or market-based approach.

Location-based electricity

The location-based method reflects the average emissions intensity of electricity grids on which energy consumption occurs, taking into account all electricity generation (renewable and non-renewable), thus using the grid average emission factor. An example is the national annual electricity emission factor provided by Eskom to South African electricity consumers.

Market-based electricity

The market-based method reflects the emissions from electricity-generating sources that companies have purposefully chosen – for example, energy from a specific wind farm – which may be different from the electricity that is generated for the local grid. Different electricity suppliers and contracts emit more or less GHGs depending on the energy source or technology, resulting in a supplier-specific emission factor.

Where relevant, this means reporting the specific emissions associated with the procurement of energy from a contracted supplier. Contracts with low-carbon electricity suppliers and renewable energy certificates (RECs) are examples of instruments that provide companies with an opportunity to account for emissions under the market-based approach. Regardless of whether supplier-specific emission factors are employed or not, dual reporting of location and market-based electricity is required.

Table 6 provides a breakdown of Sanlam Group's indirect Scope 2 consumption and carbon emissions for FY2020.



Table 6: SANLAM GROUP'S INDIRECT SCOPE 2 EMISSIONS FROM PURCHASED ELECTRICITY IN FY2020 at 100%

Description	Location	Units	Total consumption	Metric tonnes of CO ₂ e ¹¹
Purchased electricity – South Africa – Sanlam	Sanlam Head Office	kWh location-based	22 326 189.62 ¹²	22 772.71
	Houghton/Sky	kWh location-based	771 716.00	787.15
	Sanlam Investments	kWh location-based	742 422.00	757.27
	Sanlam Alice Lane	kWh location-based	1 741 297.47	1 776.12
	Sanlam Glacier	kWh location-based	514 053.83	524.33
	Sanlynn	kWh location-based	583 733.24	595.41
	Total			26 679 412.16
Purchased electricity – South Africa – Santam	Santam Head Office	kWh location-based	1 689 768.99	1 723.56
	Santam Auckland Park	kWh location-based	2 431 543.66	2 480.17
	Santam Garsfontein	kWh location-based	607 177.99	619.32
	Santam Alice Lane	kWh location-based	876 407.69	893.94
	Santam Glacier	kWh location-based	216 066.46	220.39
	Total			5 820 964.78
Total purchased electricity – location-based			32 500 376.95	33 150.38
Total purchased electricity – market-based ¹³			32 500 376.95	33 150.38

¹¹ South African emission factor sourced from the Eskom 2020 Integrated Report.

¹² Sanlam Head Office electricity excludes 718 522.88 kWh (732.89 tCO₂e) of tenant electricity. It includes the Data Centre but excludes other tenant consumption and a small amount of renewable energy generated onsite.

¹³ In dual reporting (market-based and location-based methodologies), the Scope 2 total is for each respective methodology and not the combined totals of both methodologies.

SECTION D

8. ADDITIONAL INFORMATION UNDER THE GHG PROTOCOL

8.1. SCOPE 3 EMISSION CATEGORIES

Scope 3 emissions

Scope 3 emissions are indirect emissions (other than purchased electricity, heat or steam) that can be described as relevant to the activities of the reporting company, e.g., business travel, and which are emitted by sources in the reporting company's supply chain. Scope 3 emissions are reported at the discretion of the reporting company.

It is widely accepted that reporting on a variety of Scope 3 categories (refer to Appendix A) allows companies to gain more meaningful and comprehensive information that provides input into their wider business strategy. Furthermore, reporting of Scope 3 categories is increasingly becoming a focus in management of corporate carbon emissions. Certain reporting platforms, such as CDP and the SBT Initiative (SBTi), are steadily requiring greater and more detailed understanding of the entire supply chain of an organisation, making Scope 3 reporting increasingly important for companies.

If a company is reporting on Scope 3 emissions, then they will first need to identify which Scope 3 categories are relevant to their operations. Once relevancy is established, the selection of Scope 3 activities is based on the availability, reliability and accuracy of the relevant data within the organisation.

8.2. RELEVANT SCOPE 3 EMISSIONS

Table 7 outlines Scope 3 emissions generated during Sanlam Group's reporting year from data that was available and deemed accurate. The Table indicates the consumption together with the calculated emissions. Please refer to relevant footnotes for further details.



Table 7: SANLAM GROUP'S INDIRECT SCOPE 3 EMISSIONS FROM FY2020 at 100%

Description	Units	Total consumption	Metric tonnes of CO ₂ e ¹⁴
Third party production of office paper	Tonnes of Mondi Rotatrim – Sanlam	64.58	130.50
	Tonnes of Mondi Rotatrim – Santam	10.48	21.18
	Total	75.06	151.68¹⁵
Third party production of policy paper	Tonnes of Mondi Rotatrim – Sanlam	32.14	64.95
	Tonnes of Sappi Typek – Sanlam	32.14	77.84 ¹⁶
	Tonnes of Mondi Rotatrim – Santam	9.82	19.85
	Tonnes of Sappi Typek – Santam	9.82	23.79
	Total	83.92¹⁷	186.43
Fuel- & energy-related activities – T&D losses from purchased electricity	Kilowatt hours – Sanlam	26 679 412.16	2 694.09
	Kilowatt hours – Santam	5 820 964.78	587.80
	Total	32 500 376.95	3 281.89
Upstream distribution – courier ¹⁸	Tonne.km – Sanlam (DSV)	227 883.03	183.12
	Tonne.km – Santam (DSV)	24 028.21	29.42
	Total	251 911.24	212.54¹⁹
Waste	Tonnes to landfill – Sanlam	139.54	180.28
	Tonnes of recycling – Sanlam	110.18	2.35
	Tonnes of food composted – Sanlam	21.15	0.22
	Tonnes of food fly/pig farm - Sanlam	3.96	0.00
	Tonnes to landfill – Santam ²⁰	39.41 ²¹	50.91
	Tonnes of recycling – Santam	21.11	0.45
	Tonnes of food composted– Santam	2.14	0.02
	Tonnes of food fly/pig farm - Sanlam	8.77	0.00
Total	346.26	234.23²²	
Business travel – rental cars – Sanlam	Km – diesel < 1.7	6 655.00	0.91
	Km – petrol < 1.4 litre	127 876.00	18.97
	Km – diesel 1.7–2.0 litre	6 119.00	1.02
	Km – petrol 1.4–2.0 litre	177 780.00	33.17
	Km – diesel > 2.0 litre	20 085.00	4.10
	Km – petrol unknown size	22 612.00	3.94

¹⁴ Unless otherwise stated, all emission factors are provided by Defra, Guideline to Defra's GHG Conversion Factors for Company Reporting, Annexes. Updated in August 2020.

¹⁵ Emission factor for Mondi Rotatrim paper, October 2020 via private communication.

¹⁶ Emission factor for Sappi Typek paper, June 2020 via private communication.

¹⁷ It was assumed a 50:50 split between Mondi and Sappi Typek for policy paper as the paper manufacturer was unavailable.

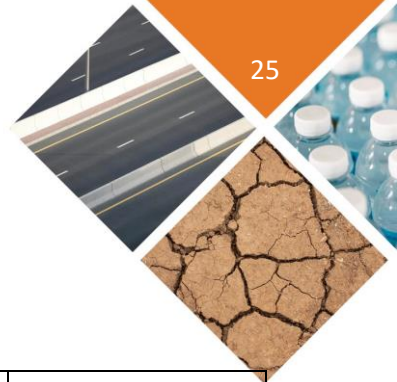
¹⁸ The Courier supplier changed from DSV to CIT in December 2020.

¹⁹ Courier transport type was calculated as trucks for Economy and Next Day and by air for Overnight, Same day and International. Previously, emission factors were calculated using distance travelled.

²⁰ Santam head office and Glacier waste data is provided by WasteWant and the data is split 89% and 11% respectively.

²¹ Waste to landfill includes food waste that is sent to landfill.

²² Emission factor for waste to landfill is sourced from Friedrich, E. and Trois, C., 2013. Note that the specific factor used is for "landfill sites without gas collection and including carbon storage."



	Km – avg. vehicle, unknown fuel	29 449.00	5.05
	Km – van up to 3.5 t, unknown fuel	118.00	0.03
	Total	390 694.00	67.19
Business travel – rental cars – Santam	Km – diesel < 1.7	235.00	0.03
	Km – petrol < 1.4 litre	31 106.00	4.61
	Km – diesel 1.7–2.0 litre	1 196.00	0.20
	Km – petrol 1.4–2.0 litre	41 881.00	7.81
	Km – diesel > 2.0 litre	7 027.00	1.43
	Km – petrol unknown size	600.00	0.10
	Total	82 045.00	14.20
Business travel – flights ²³ – Sanlam	Km – domestic	314 619.16	76.86
	Km – short-haul economy class	6 533 344.32	999.47
	Km – short-haul business class	874 519.23	200.68
	Km – long-haul economy class	844 550.93	123.43
	Km – long-haul prem economy class	38 591.44	9.02
	Km – long-haul business class	1 520 245.85	644.36
	Total	10 125 870.93	2 053.82
Business travel – flights – Santam	Km – domestic	32 096.84	7.84
	Km – short-haul economy class	1 428 758.53	218.57
	Km – short-haul business class	685 071.10	157.20
	Km – long-haul economy class	118 874.10	17.37
	Km – long-haul business class	8 392.89	3.56
	Total	2 273 193.46	404.55
Business travel – accommodation ²⁴	Bed nights in SA & Africa – Sanlam	7 622.00	491.62
	Bed nights outside of Africa – Sanlam	755.00	29.90
	Bed nights in SA & Africa – Santam	2 635.00	169.96
	Total	11 012.00	691.48
Business travel – transfer/shuttle/chauffeur	Km for EZ Shuttle – Sanlam	23 246.00	3.98
	Km for Kwathlano – Sanlam	5 603.50	0.96
	Km for On-Time – Sanlam	2 957.00	0.51
	Km for EZ Shuttle – Santam	52 435.00	8.99
	Total	84 241.50	14.44²⁵
Business travel – bus	Km – Sanlam	28 780.00 ²⁶	3.44
Travel claims	Km unknown vehicle – Sanlam	1 492 110.00	255.75
	Km unknown vehicle – Santam	984 397.41	168.73
	Total	2 476 507.41	424.47
Employee commuting	TCO _{2e} /survey – Sanlam	1.82550 ²⁷	5 957.53

²³ An 8% uplift factor is included to account for non-direct routes and delays/circling. The impact of radiative forcing is also included.

²⁴ A country-specific emission factor is now used, which significantly increases emissions from accommodation.

²⁵ Emissions are estimated based on zones travelled using an emission factor for unknown vehicle and fuel. Data from both the central data base and the individually booked transfers were included.

²⁶ Travel in buses was calculated using Google Maps between origin and destination points provided.

²⁷ Emissions per employee for Sanlam commuting was extracted from the 2018 commuting survey.

	TCO _{2e} /survey – Santam	2.02179 ²⁸	2 426.82
	Total		8 384.34
Downstream leased assets – tenant electricity	Kilowatt hours – Sanlam Head Office	718 522.88 ²⁹	732.89

8.3. OUTSIDE OF SCOPES: EMISSIONS FROM GHG EMISSIONS NOT COVERED BY THE KYOTO PROTOCOL

The GHG Protocol methodology was developed to report on all GHGs that were identified under the Kyoto Protocol. Outside of Scopes emissions include, among others, GHGs that are not incorporated under this agreement, as they are presumed to have been phased out under the Montreal Protocol. In South Africa, certain GHGs which are not part of the Kyoto Protocol, such as HCFC22 (Freon a.k.a. R22), and are therefore considered Outside of Scopes, continue to be used as gas refills in air-conditioning and refrigeration equipment.

Sanlam Group reported little air-conditioning and refrigeration gas refills. Only 10.9 kg of R410a at Auckland park was reported.

Sanlam Group did not report or record usage of zero kilograms of R22 Freon gas refills during the reporting year.

8.4. WATER CONSUMPTION

The incorporation of water consumption is recommended as an awareness-raising tool. Total water consumed by Sanlam Group in FY2020 was 112 721 kilolitres. Table 8 provides a breakdown of municipal water consumption in FY2020.

²⁸ Emissions per employee for Santam commuting was extracted from the 2018 commuting survey.

²⁹ Tenant electricity was calculated using the balance of kilowatt hours from the Sanlam unoccupied portion of Sanlam Head Office – 3.118 % of the total 23 044 712.50 kWh's.

Table 8: SANLAM GROUP'S WATER CONSUMPTION IN KILOLITRES, FY2016–FY2020 – ADJUSTED

	Location/Type	FY2014 Baseline	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
SANLAM	Sanlam Head Office	33 020 ³⁰	32 251 ³¹	117 253 ³²	81 142 ³³	73 432 ³⁴	68 124 ³⁵	51 376 ³⁶
	Sanlam Sky	12 378	9 408	6 612	7 744	18 263	21 863 ³⁷	3 157
	Sanlam Investments	5 580	5 174	11 619	7 585	5 448	4 405	3 200
	Alice Lane	837	8 159	14 376	20 897	25 905	24 868	23 301
	Glacier	9 985	5 411	5 824	3 058	3 931	4 028	2 146
	Sanlynn	5 218	4 918	3 804	4 934	547	1 595	887
	Hyde Park	10 303	Closed	Closed	Closed	Closed	Closed	Closed
	Total	77 320	65 322	159 488	125 360	127 527	124 881	84 068
SANTAM	Santam Head Office	10 290	33 449	13 478	6 125	4 642	7 980	3 884
	Santam Auckland Park	19 575	18 876	33 662	33 663	18 257	25 388	9 190
	Santam Garsfontein	1 835	1 370	1 587	1 404	2 408	2 158	1 256
	Santam Alice Lane	-	4 466	5 557	7 797	12 947	12 515	11 767
	Santam Glacier	-	2 429	2 239	2 072	1 653	1 689	902
	Illovo	5 622	Closed	Closed	Closed	Closed	Closed	Closed
	Total	37 323	60 588	56 523	51 061	39 907	49 731	26 999
GRAND TOTAL		114 643	125 910	216 011	176 421	167 434	174 612	111 067

Carbon associated with water consumption can be calculated relative to the electricity consumed by a water utility to pump water to the reporting organisation. The most reasonable South African-specific emission factor is one supplied by eThekweni Municipality. It is not included in this footprint due to historical reporting and the emission factor is specific and localised. However, should the carbon have been calculated using this emission factor, Sanlam Group would have emitted an additional 106 tonnes of CO₂e at 100%, which is not material to the Carbon Footprint Report.

³⁰ The water data for Sanlam Head Office for 2014 is incorrect as there was an error in billing. The consumption has only been included to align the totals. Water represents only 94.14% of Sanlam Head Office, as ascribed to Sanlam occupancy of building.

³¹ The water data for Sanlam Head Office for 2015 is incorrect as there was an error in billing. The consumption has only been included to align the totals. 94.14% of Sanlam Head Office, as ascribed to Sanlam occupancy of building.

³² The original water data for Sanlam Head Office for has been restated from 33 396 to 117 253 kl. Sanlam Head Office water is at 94.14% building occupancy. Water at 100% occupancy would have been 124 552 kl.

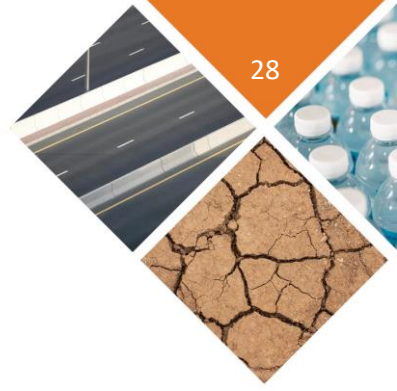
³³ Sanlam Head Office water is at 97% building occupancy. Water at 100% occupancy was 83 652 kl, totalling 127 870 kl for Sanlam.

³⁴ Sanlam Head Office water is at 96.79% building occupancy. Water at 100% occupancy was 75 865 kl, totalling 129 960 kl for Sanlam.

³⁵ Sanlam Head Office water is at 9% building occupancy. Water at 100% occupancy was 70 231 kl, totalling 126 988 kl for Sanlam.

³⁶ Sanlam Head Office water is at 96.88% building occupancy. Water at 100% occupancy was 53 030 kl, totalling 112 721 kl for Sanlam.

³⁷ In 2018 a leak was detected underground, which was fixed. The number of students that visited the Training and Development Building from all over the country also increased dramatically, leading to more water usage.



9. ILLUSTRATED SUMMARY

9.1. ILLUSTRATED OVERVIEW OF RESULTS OF EMISSIONS BY SCOPE FOR SANLAM GROUP IN FY2020

Table 9: SUMMARY OF SANLAM GROUP'S EMISSIONS BY SCOPE IN FY2020

Description	Metric tonnes of CO ₂ e				
	Sanlam (100%)	Sanlam (% share)	Santam	Sanlam Group (100%)	Sanlam Group (% share)
Scope 1	380.68	376.73	1 263.36	1 644.05	1 640.09
Scope 2	27 213.00	27 213.00	5 937.38	33 150.38	33 150.38
Scope 3	12 930.93	12 671.94	3 926.66	16 857.59	16 598.60
Outside of Scopes	N/R	N/R	N/R	N/R	N/R
Grand total	40 524.62	40 261.67	11 127.41	51 652.03	51 389.08

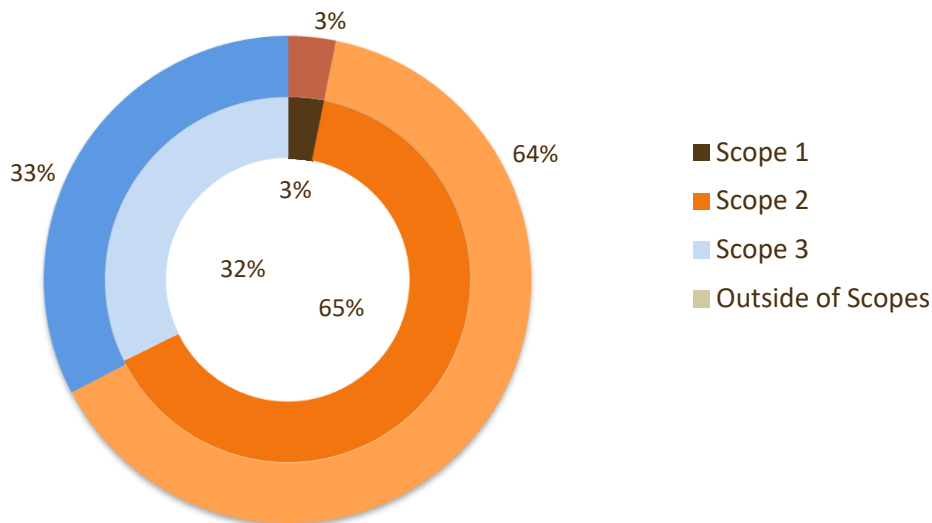


Figure 3: Sanlam Group's emissions in tonnes of CO₂e by Scope in FY2020

Note: The outside of the graph and the legend represents emissions at 100%. The inside of the graph is emissions under operational control – percentage share - within the reporting boundary.

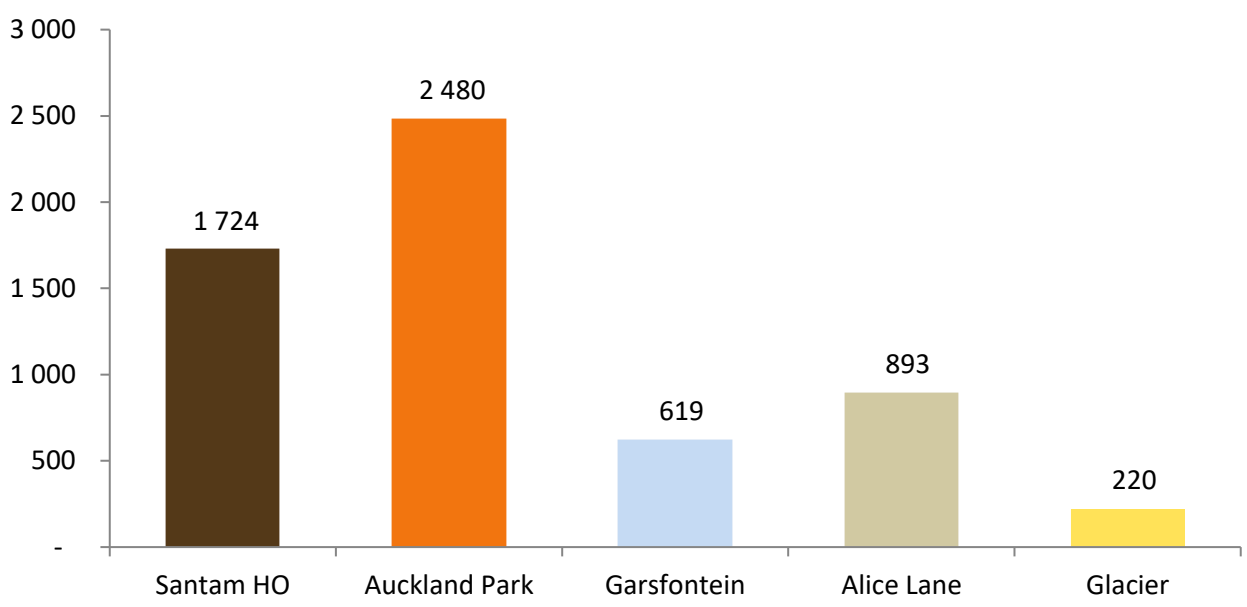
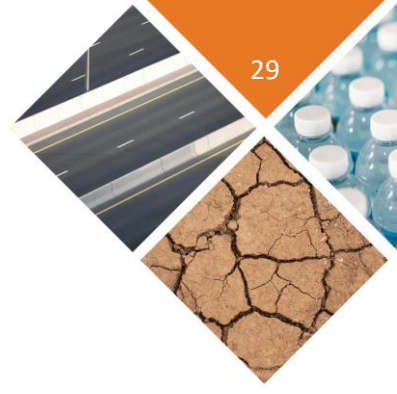


Figure 4: Santam's Scope 2 emissions by region in tonnes of CO₂e in FY2020 at 100%

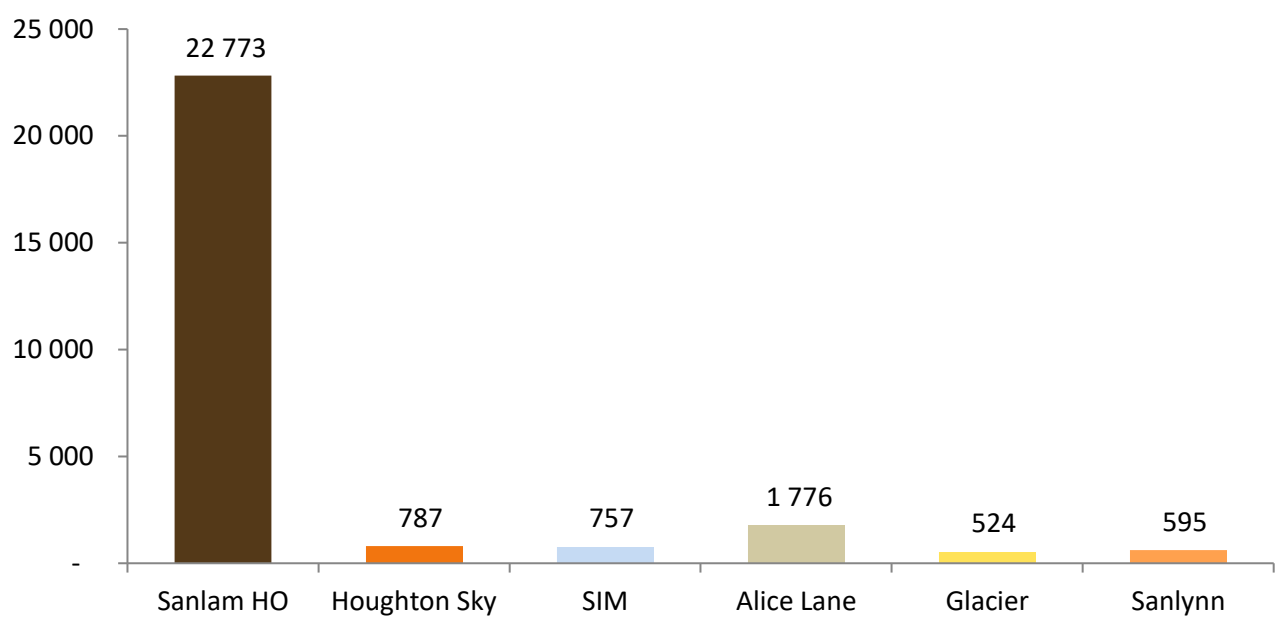


Figure 5: Sanlam's Scope 2 emissions by region in tonnes of CO₂e in FY2020 at 100%

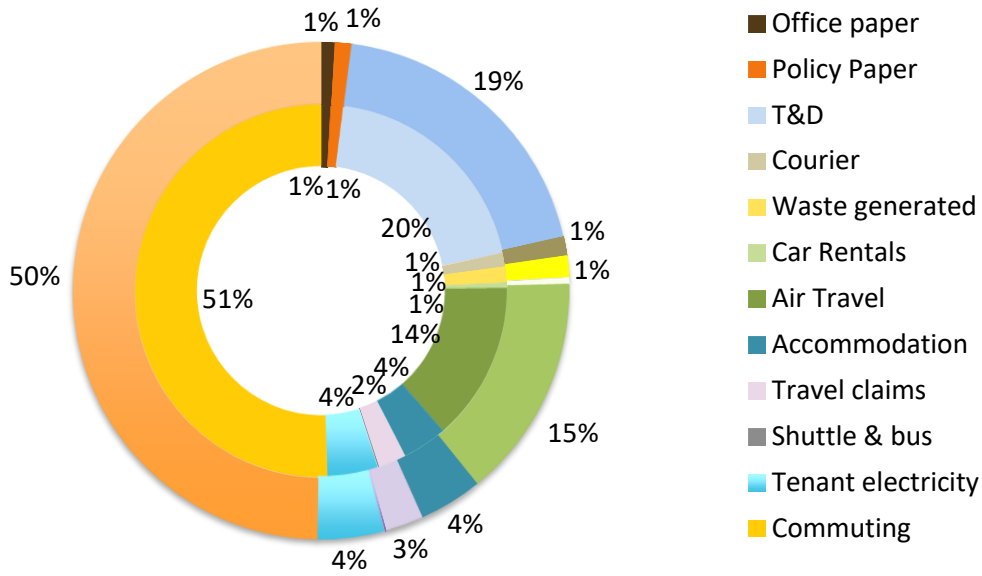
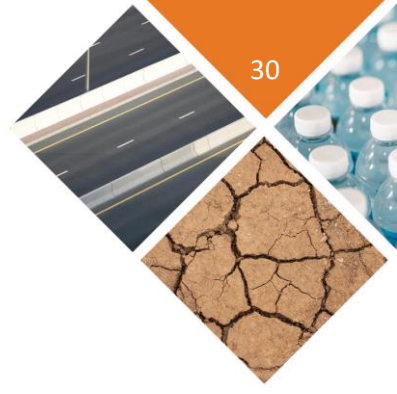
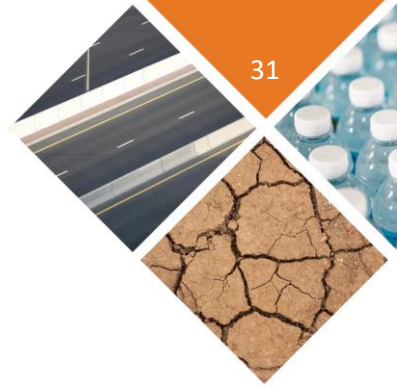


Figure 6: Sanlam Group's Scope 3 emissions in tonnes of CO₂e in FY2020 at 100% (outside) and percentage share (inside)



10. COMPARISON OF EMISSIONS AND INTENSITY

Inclusive of this CFR, Carbon Calculated has worked with Sanlam Group for thirteen years. The aim has been to collect the most detailed and accurate data possible and to further extend the operational and organisational boundary. Table 10 provides a comparison of Sanlam Group's carbon footprint over the last seven years of reporting (FY2014–FY2020)³⁸. As a result of the COVID-19 pandemic, FY2020GHG emissions decreased notably. For further details on the impact of COVID-19, refer to Section E.

Table 10: COMPARISON OF SANLAM GROUP'S EMISSIONS OVER 7 YEARS (FY2014–FY2020) AT PERCENTAGE SHARE

Activity	FY2014 Baseline	FY2015	FY2016	FY2017	FY2018	FY2019*	FY2020
Total Scope 1	138	164	488	259	163	2 391	1 640
Total Scope 2 – purchased electricity	46 117	43 826	44 240	42 113	38 023	41 352	33 150
Total Scope 1 & 2	46 255	43 990	44 728	42 372	38 186	43 743	34 790
Total Scope 3	20 742	23 934	26 681	23 926	37 784 ³⁹	41 086*	16 599
Total Scope 1, 2 & 3	67 079	67 924	71 408	66 298	75 969	84 829*	51 389
Outside of Scopes	82	35	138	82	127	N/R	N/R
Grand Total	67 079	67 959	71 546	66 380	76 096	84 829*	51 389

N/R = Not reported * Restated due to change in metrics and therefore % share

10.1. EMISSIONS INTENSITY

It is useful to compare year-on-year emissions in terms of emission intensities, e.g., total emissions per FTE, m², production and EBITDA/revenue/turnover. For the purposes of benchmarking with other companies in the relevant sector, intensity figures based on Scope 1 and Scope 2 emissions are generally used. This is because these scopes are compulsory for reporting, while Scope 3 categories are reported at the discretion of the reporting company. Table 11 provides metrics and intensity values for Sanlam Group over seven years.

³⁸ Carbon data for earlier years can be viewed in previous carbon footprint reports.

³⁹ Accommodation and flights were restated in FY2019 for FY2018 decreasing emissions from 38 767 to 37 784 tCO₂e.



Table 11: COMPARISON OF SANLAM GROUP'S EMISSIONS AND INTENSITY OVER 7 YEARS (FY2014–FY2020) AT PERCENTAGE SHARE

Intensity indicators	FY2014 Baseline	FY2015	FY2016	FY2017	FY2018	FY2019 ⁴⁰	FY2020
Full-time employees	9 929	10 284	11 117	10 899	14 896 ⁴¹	15 256*	14 950
FTEs covered by report	7 823	8 102	8 368	7 967	8 543	10 797*	11 454
Square metreage (m ²)	161 389	N/R	167 833	170 268	170 246	175 533*	172 488
Scope 1 & 2	46 255	43 990	44 728	42 372	38 186	43 743	34 790
Scope 1 & 2 CO ₂ e/FTE	5.913	5.430	5.345	5.318	4.470	4.051	3.037
Scope 1 & 2 tCO ₂ e/m ²	0.287	N/R	0.267	0.249	0.224	0.249	0.202
Scope 1, 2 and 3	66 997	67 924	71 408	66 298	75 969	84 829*	51 389
Scope 1, 2 & 3 tCO ₂ e/FTE	8.564	8.384	8.533	8.322	8.893	7.857*	4.487
Scope 1, 2 & 3 tCO ₂ e/m ²	0.415	N/R	0.425	0.389	0.446	0.483*	0.298
Total emissions incl. OOS	67 079	67 959	71 546	66 380	76 096	84 829*	51 389
Total tCO ₂ e/FTE	8.575	8.388	8.550	8.332	8.907	7.857*	4.487
Total tCO ₂ e/m ²	0.416	N/R	0.426	0.390	0.447	0.483*	0.298
kWh of purchased electricity	44 773 463	43 391 724	44 239 507	42 971 916	40 023 670	39 762 404	32 500 377
kWh/FTE	5 723	5 356	5 287	5 394	4 685	3 683*	2 837
kWh/m ²	277	N/R	264	252	235	227*	188

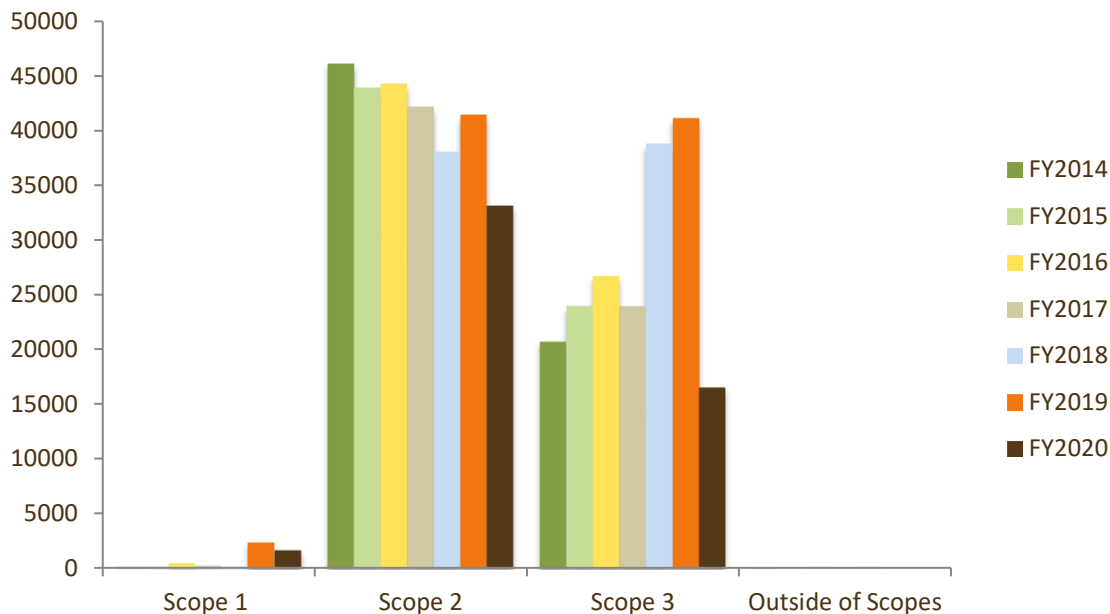


Figure 7: Sanlam Group's comparative emissions between years (FY2014-FY2020) by Scope at percentage share

⁴⁰ FTEs in FY2019 have been restated from 9 010 to 10 797, total employees from 15 401 to 15 256 (excluding international employees) and area from 167 427 to 175 533m².

⁴¹ The information regarding the number of full-time employees is sourced from HR, which excludes international employees and field workers.

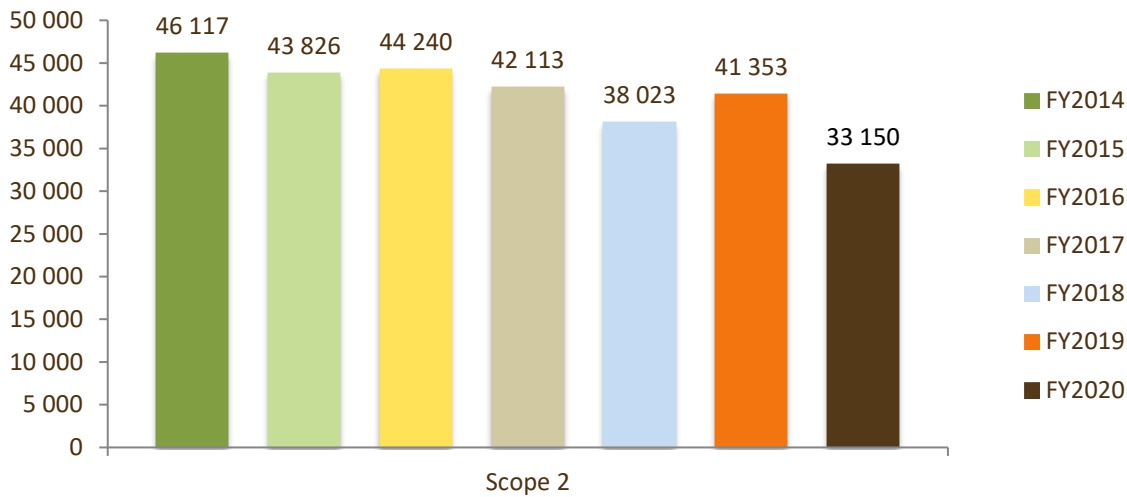


Figure 8: Sanlam Group's Scope 2 emissions by year (FY2014-FY2020) in tonnes of CO₂e at percentage share

11. SANLAM GROUP INTEGRATED INFORMATION

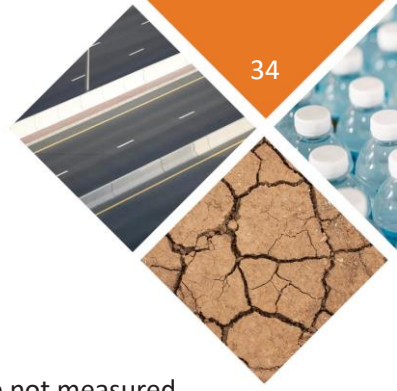
11.1. ENERGY AND WATER EFFICIENCY MEASURES INSTALLED OR PLANNED DURING THE REPORTING YEAR

Due to COVID-19, few energy or water efficiency measures have been undertaken during the reporting year apart from:

- ◆ Installation Powerstar smart meters at a few more sites.
- ◆ One Chiller in the Main Building was replaced with an energy efficient unit that no longer uses R22. The Energy reduction reduced from 450kW to 150kW for the same output Cooling Capacity and in winter a further saving of 500 kW is achieved due to the lack of resistive heating in the air handling units.
- ◆ Belville Data Centre is planning an entirely new HVAC system which will be more energy efficient. This should yield a 200kW reduction in energy once fully operational.

11.2. INFORMATION ON OFFSETS AND RENEWABLE ENERGY

Sanlam Group has not offset GHG emissions through the purchasing of a carbon offsetting mechanism.



Sanlam Head office has small solar panels on the roof that are insignificant and therefore not measured. It is strictly for the purpose of disaster recovery.

11.3. VERIFICATION OF GHG INVENTORY

Sanlam has obtained limited assurance from Verify CO₂ on the data and emissions for Scope 1, 2 and Scope 3. Refer to Appendix E for the verification statement.

Emissions under the operational control of Sanlam Group is based on percentage GLA occupied in Sanlam Head Office and Group data to represent only full-time employees that fall within the reporting boundary. As these directly impact the total carbon reported, these metrics were also verified during the reporting year. The international employees were excluded from the calculations as they were outside the reporting boundary. Historically they were included in the calculations for total employees. There were 159 international employees excluded during FY2020.

11.4. REPORTING IMPROVEMENTS

Sanlam Group has improved its reporting from FY2019 to FY2020 by implementing the following measures:

- ◆ Funeral car data included litres, which are more accurate than kilometres in terms of reporting.
- ◆ All data was provided as a full year rather than a split by quarter. This reduced the risk of human error when combining sheets with different formats.
- ◆ Event Dynamics flights included cabin class travelled, resulting in more accurate reporting of emissions for air travel.
- ◆ Courier travel type (i.e., packages transported by air or truck) was included in the data to enable a split by mode of transport rather than assumed by the distance travelled.
- ◆ Area and employee data was verified externally, which resulted in restating of area for FY2019 and improved accuracy of intensity metrics in FY2020.

11.5. REPORTING RECOMMENDATIONS

It is recommended that the following actions are taken to improve the relevance, completeness, consistency, transparency and accuracy (i.e., the five principles of the GHG Protocol) of Sanlam Group's emissions:

- ◆ Increase the reporting boundary to report on more than just the eleven buildings currently included, starting with South Africa and then including global operations.
- ◆ Any fire extinguisher replacements data can be collected to form part of the fugitive emissions of Sanlam Group for all buildings.
- ◆ Data capture processes for the consumption of air-conditioning and refrigerant gases should be improved to enhance the accuracy and completeness of this data.
- ◆ Petrol and diesel data in mobile and stationary fuel need to be cross-checked to ensure diesel from stationary generators is not captured within the mobile fuel data.
- ◆ Kilowatt hours for tenants in Sanlam Head Office is estimated based on GLA. It is recommended that actual data is reported and not a percentage of occupation for more accurate reporting.
- ◆ The manufacturer of consumed policy paper should be reported. Due to this information being unavailable, a 50:50 split between Mondi Rotatrim and Sappi Typek was assumed.
- ◆ The policy paper data includes envelopes and other stationery. If codes are tracked per category, the correct size and paper type can be identified in order to calculate emissions more accurately.
- ◆ A commuting survey should be completed in FY2021 as a survey has not been completed since FY2018. Commuting emissions had to be estimated based on estimated occupancy.
- ◆ Waste to landfill at Sanlynn was estimated assuming 30% of FY2019 data. It is recommended waste data is captured for Sanlynn.
- ◆ All food waste should be weighed and tracked. Treatment of waste also needs to be specified, i.e. whether it is composted, sent to landfill or to fly or pig farms.
- ◆ Cooking oil at SIM should be reported separately to other food waste.
- ◆ Courier data is calculated by using emission factors relative to the courier type. It is recommended that, in future, the mode of transport is requested per package from couriers as this was not always possible or accurate (e.g. a package travelling <100km would not have been flown).
- ◆ Ensure all data is captured as numbers. EZ Shuttle captured data as text in some instances, which had to be changed manually, thereby increasing the risk of potential errors.



- ◆ Emissions for Kwathlano were estimated based on costs and zones, which were assumed. It is recommended that actual zones or distances travelled are recorded and reported in future.
- ◆ Currently, all data that has been provided for Santam is at the Santam Group level. However, this includes more consumption than the buildings included in the reporting boundary. Consideration should be given to increasing the reporting boundary or including the portion of data that corresponds to the boundary as is done with Sanlam.
- ◆ It is recommended that targets are set and annual comparisons made for Scope 1 and 2 separately to Scope 3, as Scope 3 emission categories and data are likely to change over the upcoming years. It is also important to indicate whether emissions which fall under 'Outside of Scopes' are included or excluded from comparison data and targets.
- ◆ Water data is captured as municipal water only. Consideration should be given to including borehole, rainwater and any other sources.
- ◆ Water data is currently captured separately to align with historical reporting. Consideration should be given to including carbon emissions from pumping municipal water within Scope 3.
- ◆ Well-to-tank emissions for Scope 1 fuels can be captured under Scope 3 emissions, as fuel-and-energy related activities in future.
- ◆ Purchased Goods and Services, Capital goods, downstream leased assets, franchises and investments need to be evaluated and analysed in detail as additional Scope 3 categories within the corporate value chain.
- ◆ If data is unavailable, this needs to be clearly indicated either with a zero "0" (no consumption), "N/A" if not applicable or "N/D" if not available. Cells should not be left blank.

11.6. SANLAM GROUP TARGETS

Sanlam and Santam have committed to reducing their office buildings' Scope 1 and Scope 2 emissions intensity by 10% per employee by the 2020 financial year end, relative to FY2014 levels.

Sanlam have committed to recording and tracking at least 80% of their Scope 3 emissions as well as setting other environment sustainability targets linked to electricity, water, travel, waste and investments. Targets are set to FY2020 and will be realigned in the next reporting year.

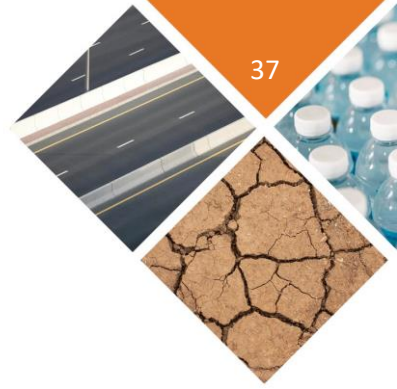


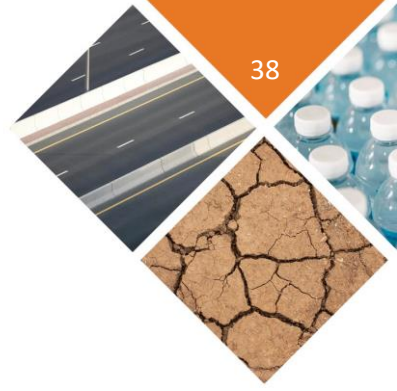
Table 12: THE SANLAM GROUP'S FY2020 TARGETS AT PERCENTAGE SHARE

Activity	FY2018	FY2019 (restated*)	FY2020	2020 Target
Scope 1 - direct GHG emissions (tCO ₂ e)	163	2 391	1 640	124 ⁴²
Scope 2 - indirect GHG emissions (tCO ₂ e)	38 022	41 353	33 150	41 505
Total carbon footprint (tCO ₂ e) excluding non-Kyoto	75 969	84 829*	51 389	60 371
Total carbon footprint per FTE (tCO ₂ e/FTE)	8.89	7.857*	4.487	7.71
Total carbon footprint per m ² (tCO ₂ e/m ²)	0.45	0.483*	0.298	0.36
Total electricity usage (million kWh)	40.00	39.76	32.50	40.20
Air travel (km/FTE)	7 105	5 357	1 083	4 199
Car rental (km/FTE)	177	153	41	147
Hotel accommodation (bed nights/FTE)	4.99	3.78	0.23	2.88

Table 13: THE SANLAM GROUP'S ENVIRONMENTAL TARGETS

Scope	Resource	% reduction from base year	Metric	Proposed target
1&2	Energy	10%	t/FTE t/m ²	Reduce per FTE/m ² by the end of FY2020, based on FY2014 levels
3	Office paper	10%	t/FTE	Reduce per FTE by the end of FY2020, based on FY2014 levels
3	Waste to landfill	10%	t/FTE	Reduce per FTE by the end of FY2020, based on FY2014 levels
3	Waste to landfill	100%	Tonnes	Sanlam Head Office to become zero waste-to-landfill – carried over to FY2020
3	Recycling	-	t/FTE	Half of waste generated per FTE to be recycled by the end of FY2020, based on FY2014 levels
3	Travel	10%	t/FTE	Reduce kilometres travelled by 10% per FTE by the end of FY2020, based on FY2014 levels
3	Water	-	-	Water balance through WWF-SA water balance projects
3	Investments	-	-	In discussion

⁴²The scope 1 target was set when the Santam fleet was incorrectly reported under Scope 3, and the Sanlam Funeral fleet was omitted. If this fuel is excluded, FY2020 Scope 1 emissions would have been: 213 tCO₂e. The reason for exceeding the target can be attributed to increased loadshedding incidents.



Sanlam Group have set targets specifically for energy, water, waste, travel and paper with a base year of FY2014. From Table 12 above, it appears that most targets have been met in FY2020, but these were under abnormal circumstances relating to the lockdown caused by the COVID-19 pandemic. This resulted in little to no travel being undertaken during the reporting year due to travel restrictions. Sanlam was on a trajectory to reduce emissions and relative business travel kilometres but it is unclear whether the projections over the last three years would have met the targets. However, looking into the future, given the current working environment with employees and clients working remotely, it is likely that there will be an overall decrease in travel in future as companies have become accustomed to working remotely using online meeting platforms rather than travelling to meetings and events.

The Scope 1 emissions have increased relative to the FY2014 baseline mostly due to Santam being added to the reporting boundary in FY2016 and mobile fuels in FY2019. Both Santam's ABSA fleet (prior to FY2019, these were captured as Scope 3) and Sanlam's Funeral fleet cars (included for the first time in FY2019, and the last time in FY2020 as Funeral Parlour was closed) were incorporated into Scope 1. There has also been loadshedding during FY2019 and FY2020, subsequently increased consumption of diesel in generators and therefore Scope 1 emissions.

The energy target was to reduce energy by 10% per m² and per FTE. Between the base year and FY2020, there was an increase in area of 7% and an increase in FTEs of 46%. These increases can in part be attributed to verification of metrics and data sources as well as the addition of Santam to the reporting boundary. It therefore makes it difficult to ascertain whether Sanlam's intensity targets were met. However, despite an increase in area and FTEs, Sanlam has reduced their purchased electricity by over 11% in FY2019 and 27% in FY2020 compared to the baseline year. Given that most of the energy is from purchased electricity, it is possible that Sanlam would have met their energy targets by FY2020.

Looking forward, Sanlam needs to consider setting Science based targets to align with best practice. Investment into generating and procuring renewable energy will be essential to meet these targets. Further, a scoping exercise will be required to expand the boundary to all operations and Scope 3 activities as well as an analysis of the carbon implications linked to Sanlam's investment portfolio.

SECTION E

12. CURRENT AND FUTURE TRENDS IN THE CARBON SECTOR

12.1. COVID -19

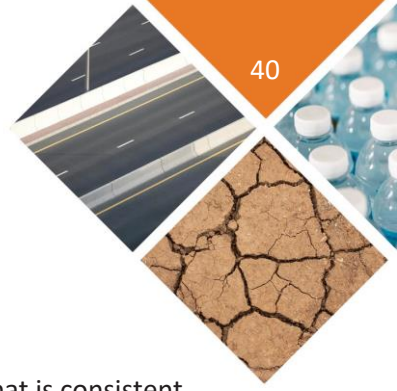
The COVID-19 pandemic has significantly affected how we function as a society and has not only influenced the way we travel, perform routine activities and our family dynamics but also how we conduct business. Contemporary innovations have, for the most part, helped us to mitigate and overcome early obstacles brought on by this pandemic. Businesses are considering and implementing remote-working policies and options, and many are now able to function at a pre-pandemic level. Given the option, after the pandemic subsides, many employees may choose to continue to work remotely, which will result in a significant change in the way companies operate. For reporting purposes, this would likely result in a decrease in direct Scope 1 and 2 emissions, and an increase (not necessarily equal) in indirect Scope 3 emissions. This poses a distinct obstacle in terms of environmental reporting, given that the reporting of Scope 3 emissions are at the discretion of the reporting company. It is also important to note that it cannot be assumed that a reduction in Scope 1 and 2 emissions is causally linked to a decline in commuting and other associated activities.

These obstacles emphasise the greater importance of more comprehensive Scope 3 reporting, to account for businesses' full impact, including the reduction in employee commuting emissions, but also emissions generated by homeworkers for business purposes. To this end, employee commuting data should receive renewed focus and the introduction of homeworker emissions should be considered under category 2 (Fuel- and energy-related activities) of the Scope 3 inventory. The methodology used by Carbon Calculated to calculate Homeworker emissions evaluates three key emissions categories, namely, "home office" electricity, heating and cooling.

12.2. NET ZERO 2050 AND SCIENCE BASED TARGETS

The scientific community has clearly stated the need to reach net-zero global CO₂ emissions to limit global warming to 1.5°C, in order to reduce the destructive impacts of climate change. Reaching net zero emissions globally by 2050 would keep us within this crucial limit⁴³.

⁴³ <https://sciencebasedtargets.org/resources/legacy/2020/09/foundations-for-net-zero-full-paper.pdf>



Science-based net-zero targets ensure that companies reduce their emissions at a rate that is consistent with the level of decarbonisation required to limit warming to 1.5°C or well-below 2°C. Building on science-based GHG emission reduction targets serves to ensure that companies also take responsibility for emissions that have yet to be reduced, or that are, at the current moment, not feasible to be eliminated.

Joining the Race to Net Zero as inspired by The Paris Agreement, and setting a Science-Based net zero target, signals commitment to evolve towards a business model that is compatible with a net-zero economy and informs short- and longer-term strategies and investments.

12.3. BUSINESS CASE FOR RENEWABLE ENERGY

The preconceived idea that renewable energy projects are high cost, high risk and slow return has long since lost credibility. Technology in renewable energy has advanced rapidly and increased numbers of projects have been implemented and plants constructed, encouraging a more appealing outlook of renewable energy. Although it may not yet be cheaper to procure than standard coal-powered electricity, promoting the production and use of renewable electricity is likely to continue to increase the demand and supply, thereby further reducing the costs to governments, investors and consumers. Renewables are a crucial component of South Africa's current energy mix.

Although not directly comparable, the cost of renewables vs. coal-fired power could be equated based on:

◆ The relative cost of the construction of plants

Based on analysis carried out by Futuregrowth Asset Management⁴⁴, renewables in South Africa are a diversified energy mix, geographically dispersed and operate more efficiently than the large, State-owned Eskom plants. The realised cost of both Medupi and Kusile, Eskom's new coal-fired plants, has inflated to more than double the initial projection, whereas the construction of Independent Power Producer (IPP) plants cost about 30% less than the current most competitively priced coal power station; and have been built on time; within budget limits; and, clear of corruption.

⁴⁴ Setting the Record Straight: the cost of renewable energy versus coal-fired energy. Author: Paul Semple. Published on www.futuregrowth.co.za/newsroom, February 2020.

◆ **Repair and maintenance costs**

Frequent disruptions and breakdowns at Eskom facilities are expensive and inefficient, and as a result of this reduced capacity, active IPPs have generated more power than Medupi and Kusile combined.

◆ **Environmental impact**

Environmental impact costs are also externalised from Eskom's per unit cost of power generated. Eskom's six-step Climate Change strategy⁴⁵, in association with COP17/CMP7⁴⁶, states that one of the main justifications for the construction of the Medupi and Kusile plants was the negative environmental impacts of existing coal-fired plants historically. Specifically, Eskom aimed to combat the country's water scarcity and pollution challenges by utilising innovative cool-drying technology at these new plants. Although intentions were good, this only served to further inflate the cost of construction.

◆ **Per unit cost of power generated**

According to the Washington Post, Goldman Sachs Group Inc. describes Eskom as South Africa's biggest financial risk⁴⁷. Significant increases in the cost of coal supply, coupled with the inflated cost of construction has made Kusile and Medupi the most expensive coal-powered plants globally. On the other hand, the IPPs profit solely from unpolluted, decarbonised energy with tariffs being connected to inflation. There has been a decrease of more than 65% on the weighted average tariff across all technologies since 2012, dropping from R2.02 per kilowatt hour in Bid Window 1 to R0.70 in Bid Window 4 by 2019. Furthermore, investments made under the Renewable Energy Independent Power Producer Procurement (REIPPP) programme have been in excess of R200 billion and have directly stimulated the growth of GDP.

In conclusion, with each new IPP plant commissioned, the price of renewables is likely to continue its decline. By 2030 the tariffs for wind and solar technologies could drop to as low as R0.46 and R0.56 respectively per kilowatt hour⁴⁸. Above all else, the abundance of available sources for renewable energy in Africa offers an opportunity for the South African government to be a global leader and provides a clear advantage in the race to decarbonise our energy sector.

⁴⁵ Climate Change Series: The Eskom News Journey: COP17-CMP7. 2011. Climate Change and Sustainability.

https://www.eskom.co.za/OurCompany/SustainableDevelopment/ClimateChangeCOP17/Pages/Climate_Change_COP_17.aspx

⁴⁶ Seventeenth session of the Conference of the Parties (COP 17) and the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 7).

⁴⁷ Goldman Sees Eskom as Biggest Risk to South African Economy. Authors: Renee Bonorchis; Paul Burkhardt. Published on Bloomberg.com, Markets, September 2017.

⁴⁸ Utility-scale renewable energy, 2020 Market Intelligence Report. Lead author: Mandisa Mkhize. Published by Green Cape, 2020.

12.4. WASTE AND RECYCLING LEGISLATION CHANGES

Several new laws were published by the Minister of Environment, Forestry and Fisheries on 5 November 2020, in terms of the National Environmental Management: Waste Act, 2008⁴⁹. The goals are to extend the responsibility of a producer to the post-consumer stage of a product's life cycle and to encourage and enable the implementation of the circular economy initiatives. However, there are far-reaching financial and practical implications for all that are impacted, including affecting both producers' and users' carbon emissions relating to waste and recycling.

These new Extended Producer Responsibility (EPR) Regulations and Schemes apply extensively to companies involved in producing and importing electrical, electronic and lighting equipment; biodegradable, compostable and single-use plastic; and packaging and paper. Obligations include:

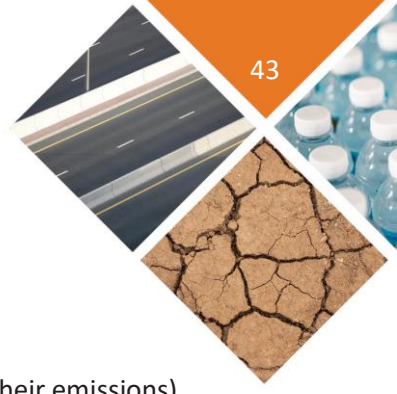
- ◆ Strict registration of all producers and importers of products as mentioned in the laws
- ◆ Establishing and implementing an EPR scheme for each product, or category of products – this can be done individually, jointly or through an EPR organisation
- ◆ Payment of EPR fees to the established scheme, which will go towards the procurement of contractors to sort, collect, recover and recycle the relevant post-consumer waste.

12.5. HYDROGEN AS CLEAN ENERGY

Hydrogen (H₂) is nature's simplest, lightest, and most common element. The production of hydrogen is simply the separation of H₂ from more complex molecules. Currently, there are two main approaches: (i) blue hydrogen, made from natural gas in the process of steam methane reformation, with resulting emissions curtailed through carbon capture and storage; and (ii) green hydrogen, which uses electricity to split hydrogen and oxygen in water molecules (a process called electrolysis).

Hydrogen is an alternative fuel to diesel and natural gas, but it requires other energy sources and resources (e.g., natural gas, electricity and water) for its production. This results in increased costs and decreased efficiency compared to natural gas or coal-fired electricity. However, Hydrogen is coming into the fuel mix internationally (particularly where renewables are prevalent), and in an increasingly

⁴⁹ Government Notice no. 43481, June 2020, https://mcusercontent.com/3119aaa3c86457fb58c013133/files/15c9c00e-6293-48df-af7b-1e565dd2864d/EPR_responsibilities.pdf.



decarbonising world (where fossil fuels are likely to be increasingly banned or taxed for their emissions), it has the potential to be a key energy source for reaching the “last mile” of decarbonisation.

12.6. TCFD AND SCENARIO ANALYSIS

Companies are beginning to better understand climate risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world. The Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures⁵⁰ (TCFD) to improve and increase reporting of climate-related financial information.

Scenario analysis is a tool used to model how a business might perform under different future states (i.e. resilience/robustness). Climate-related scenarios allow an organisation to predict the physical and transition risks and opportunities of climate change, and how business may be impacted over time. The TCFD recommends that organisations use, at a minimum, a 2°C scenario and other scenarios, such as those related to Nationally Determined Contributions⁵¹ (NDCs) and business-as-usual (greater than 2°C).

12.7. CARBON TAX

South Africa’s carbon tax has been implemented and came into effect on 01 June 2019. This is the first phase of the carbon tax, operating up until 2022. It is expected that the tax thresholds will be lowered, and the tax rate increased during Phase II to push towards Net Zero 2050. Planning, budgeting and carbon reduction strategies should be considered going forward to account for direct and indirect implications on tax.

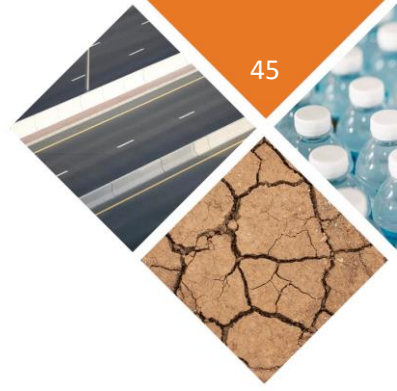
12.8. AREAS TO IMPROVE FUTURE MEASUREMENT, REPORTING AND STRATEGY

- ◆ General target-setting guidance towards Net Zero 2050, including Science Based Target setting
- ◆ Reporting according to the TCFD recommendations
- ◆ Facilitating workshops around scenario analysis, an essential tool for meeting the TCFD recommendations
- ◆ Carbon Footprint Interpretation Report

⁵⁰ <https://www.fsb-tcfid.org/>

⁵¹ <https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs/nationally-determined-contributions-ndcs>

- ◆ Benchmarking with sector peers
- ◆ Detailed Scope 3 gap analysis and materiality check
- ◆ Engagement with the supply chain to reduce emissions
- ◆ Feedback sessions and presentations to executive and senior management
- ◆ Employee Climate Change Perception Analysis
- ◆ Reassessment of the carbon footprint baseline
- ◆ Lunchtime talks to explain carbon to all levels of employees
- ◆ Offsetting
- ◆ Energy conversion calculations



CONTACT INFORMATION

Robyn Ferrar

Carbon Calculated, Carbon Footprint Analyst

robyn@carboncalculated.co.za

Telephone: 021 712 4390 Cell: 082 735 7796

Nici Palmer

Carbon Calculated, Founding Member

nici@carboncalculated.co.za

Telephone: 021 712 4390 Cell: 082 549 7930

Nonkululeko Shabalala

Sanlam, Sustainability Coordinator

nonkululeko.shabalala@sanlam.co.za

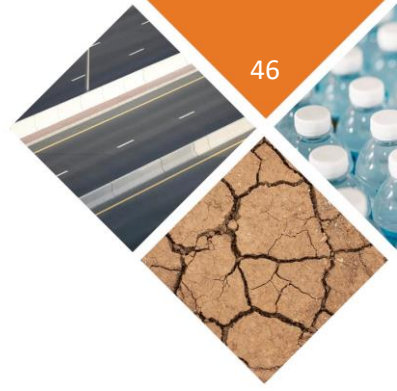
Telephone: 021 947 1056 Cell: 072 447 9470

Samantha Young

Sustainability Officer

Samantha.Young@sanlam.co.za

Telephone: 011 778 6193 Cell: 072 181 4784



REFERENCE LIST

Energy Research Centre, 2015. Technical background information to support the development of the mitigation component of South Africa's intended nationally determined contribution, including support required for mitigation. Energy Research Centre, University of Cape Town, Cape Town, South Africa.

Eskom, 2020. Eskom Integrated Report 2020. Johannesburg, Eskom. Available from: http://www.eskom.co.za/IR2019/Documents/Eskom_2020_integrated_report.pdf.

Friedrich, E., Pillay, S., and Buckley, C.A., 2007. 'The use of LCA in the water industry and the case for an environmental performance indicator', *Water SA*, Vol.33 (4): 443–452.

Friedrich, E., and Trois, C., 2013. GHG emission factors developed for the collection, transport and landfilling of municipal waste in South Africa municipalities. *Waste Management*, 33 (11): 1013–1026.

Future Growth Asset Management, 2020: Setting the Record Straight: the cost of renewable energy versus coal-fired energy. Available from: https://www.futuregrowth.co.za/media/3109/setting-the-record-straight_the-cost-of-renewable-versus-coal-fired-energy_022020.pdf.

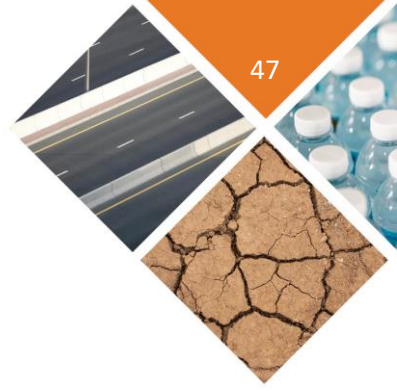
Intergovernmental Panel on Climate Change, 1996. *The Science of Climate Change, Contribution of Working Group 1 to the Second Assessment Report 1995*, (Eds. J.T. Houghton et al.). Cambridge University Press.

Mondi, August 2020. Mondi Office Paper Environmental Parameters – Merebank Mill. Private communication.

Sappi, May 2020. Sappi Paper Profile – Stanger Mill. Private communication.

Science Based Targets initiative, 2019, Discussion Paper: Towards A Science-Based Approach To Climate Neutrality In The Corporate Sector. Available from: <https://sciencebasedtargets.org/wp-content/uploads/2019/10/Towards-a-science-based-approach-to-climate-neutrality-in-the-corporate-sector-Draft-for-comments.pdf>.

South Africa's National Greenhouse Gas Emissions Reporting Regulations, April 2017. Available from: https://www.environment.gov.za/sites/default/files/legislations/nemaqa39of2004_nationalgreenho usegasemissionreporting_gn40762.pdf.



UK Department for Environment, Food and Rural Affairs (Defra), 2020. Greenhouse gas reporting: Conversion factors 2020, London. Available from: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>. (Accessed June 2020).

UNEP, World Meteorological Organisation, July 09, 2008. Climate Change and Tourism Report, World Resources Institute, June 2006. CO2 Emissions from Business Travel. Version 2.0. Washington DC, WRI. Available from: www.ghgprotocol.org.

World Resources Institute, 2007. Measuring to Manage: A Guide to Designing GHG Accounting and Reporting Programs. Available from: pdf.wri.org/measuring-to-manage.pdf.

World Resources Institute, 2015. The Greenhouse Gas Protocol: Scope 2 Guidance – An Amendment to the GHG Corporate Standard. Available from: http://www.ghgprotocol.org/scope_2_guidance (Accessed January 2018).

World Resources Institute and World Business Council for Sustainable Development, 2004. The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Available from: <http://www.ghgprotocol.org/sites/default/files/ghgp/standards/ghg-protocol-revised.pdf>.

World Resources Institute and World Business Council for Sustainable Development, 2013. Technical Guidance for Calculating Scope 3 emissions (Version 1.0). Available from: http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3_Calculation_Guidance_0.pdf.

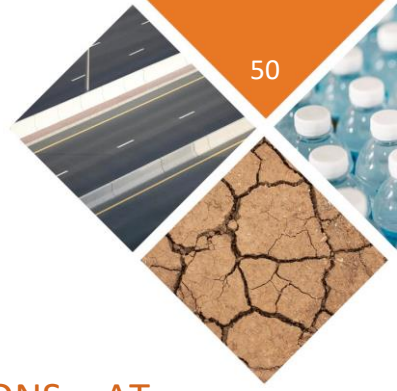
APPENDIX A: GHG PROTOCOL'S SCOPE 3 CATEGORIES

Table 13 outlines the GHG Protocol's Scope 3 categories in further detail. Reporting on these categories applies to only those activities carried out by the reporting company during the reporting year.

Table 13: EMISSIONS-GENERATING ACTIVITIES OF THE SCOPE 3 CATEGORIES

Category	Scope 3 category	Description
1	Purchased goods and services	Emissions from the production of goods (consumables) and services, purchased or acquired by the reporting company.
2	Capital goods	Emissions from the production of capital goods (assets) purchased or acquired by the reporting company.
3	Fuel- and energy-related activities	Emissions from the indirect consumption of fuels and energy not already accounted for in Scope 1 or Scope 2, specifically fuel or energy consumed by third parties as a result of the operations of the reporting company. Examples include emissions released during the transmission and distribution of electricity from utility to consumer.
4	Upstream transportation and distribution	Emissions from the transportation and distribution of products or services commissioned and paid for by the reporting company in vehicles not owned or controlled by the reporting company. This includes logistics, courier services and shipping.
5	Waste generated in operations	Emissions from the disposal and treatment by a third party of waste generated by the reporting company's operations and employees.
6	Business travel	Emissions from the transportation of employees for business-related activities in vehicles or aircraft not owned or operated by the reporting company. Also included is travel accommodation incurred during employee travel.
7	Employee commuting	Emissions from the commuting between residence and place of work by employees for business-related activities in vehicles not owned or operated by the reporting company.
8	Upstream leased assets	Emissions from the operation of assets leased by the reporting company and not accounted for in Scope 1 and Scope 2. This category is applicable only to companies that operate leased assets.
9	Downstream transportation and distribution	Emissions from the transportation and distribution of products or services sold by the reporting company but where the transportation is commissioned and paid for by the end-user and operated in vehicles not owned or controlled by the reporting company. This includes logistics, retail deliveries and courier services.
10	Processing of sold products	Emissions from the processing of products sold by the reporting company but used in the manufacture of downstream products, pertaining to the Scope 1 and Scope 2 emissions of downstream companies (e.g., manufacturers).
11	Use of sold products	Emissions from the end-use of goods and services sold by the reporting company, pertaining to fuels, feedstocks and products that directly consume energy (fuels or electricity) during use and for the expected lifetime.
12	End-of-life treatment of sold products	Emissions from the end-of-life waste disposal and treatment of products sold by the reporting company.

13	Downstream leased assets	Emissions from the operation of assets owned by the reporting company and leased to other entities, not included in Scope 1 and Scope 2.
14	Franchises	Emissions from the operations of franchises not accounted for in Scope 1 and Scope 2 of the reporting company. This category is only applicable to franchisors accounting for the Scope 1 and Scope 2 emissions of franchisees.
15	Investments	Emissions from the operation of investments (including equity, debt investments and project finance) not accounted for in Scope 1 or Scope 2. This category is applicable to investors (i.e., investing for profit) and companies that provide financial services.



APPENDIX B: OVERVIEW OF SANLAM'S FY2020 GHG EMISSIONS – AT PERCENT SHARE

OVERVIEW OF SANLAM'S FY2020 GHG EMISSIONS – CORPORATE VALUE CHAIN

REPORTING PERIOD: Sanlam Group's financial year (01 January 2020 – 31 December 2020)

CARBON FOOTPRINT CALCULATION CONDUCTED ON: ⁵²Sanlam Head Office (at 96.88%), Sanlam Sky (Houghton), Sanlam Investments, Sanlynn (Pretoria), Sanlam Glacier, Sanlam Alice Lane

METHODOLOGY: GHG Protocol – Corporate Accounting and Reporting Standard

GHG CONSOLIDATION APPROACH: Operational Control Approach

Company Metrics

Total Sanlam employees	9 099
Total full-time Sanlam employees	8 374
Total square metreage of floor area	129 684

Scope 1 Direct Emissions	Metric tonnes of CO ₂ e
Stationary fuel emissions	153.15
Fugitive emissions	0.00
Mobile fuel emissions	223.58
TOTAL SCOPE 1 EMISSIONS	376.63

Scope 2 Indirect Emissions

Purchased electricity – location-based	27 213.00
Purchased electricity – market-based	27 213.00

TOTAL SCOPE 2 EMISSIONS **27 213.00**

TOTAL SCOPE 1 & 2 EMISSIONS **27 589.73**

Intensity Metrics

Scope 1 & 2 emissions per full-time employee (tCO ₂ e/FTE)	3.295
Scope 1 & 2 emissions per square metre of building (tCO ₂ e/m ²)	0.213

⁵² Emissions are calculated as 96.88% of Sanlam Head Office occupation and 92.03% of total employees for Sanlam.

SCOPE 3 INDIRECT EMISSIONS: Sanlam (percent share)

1. Purchased goods and services	Office paper	120.10	
	Policy paper	142.79	262.89
3. Fuel- and energy-related activities	Electricity T&D losses		2 694.09
4. Upstream transportation and distribution	Courier		168.53
5. Waste generated in operations	Waste to landfill	177.97	
	Recycling	2.31	
	Food waste	0.21	180.48
6. Business travel	Rental cars	61.84	
	Commercial flights	1 890.17	
	Accommodation	479.97	
	Shuttle & chauffeur	5.02	
	Bus	3.17	
	Travel claims	235.37	2 675.53
7. Employee commuting			5 957.53
13. Downstream leased assets	Tenant electricity		732.89
TOTAL SCOPE 3 EMISSIONS			12 671.94
TOTAL SCOPE 1, 2 and 3			40 261.67
Outside of Scopes:			
Non-Kyoto Protocol GHG emissions			0.00
Intensity Metrics			
Scope 1, 2 & 3 emissions per full-time employee (tCO ₂ e/FTE)			3.613
Scope 1, 2 & 3 emissions per square metre of building (tCO ₂ e/m ²)			0.260



Table 14: COMPARISON OF SANLAM'S EMISSIONS OVER 6 YEARS (FY2014–FY2019) AT PERCENTAGE SHARE, EXCLUDING SANTAM ACTIVITY

Activity	FY2014 (base year)	FY2015 ⁵³	FY2016 ⁵⁴	FY2017 ⁵⁵	FY2018 ⁵⁶	FY2019 ⁵⁷ (restated)	FY2020 ⁵⁸
Stationary fuel	67	122	31	45	58	153	153
Fugitive emissions	40	4	3	96	27	6	0
Mobile fuel	8	9	6	8	5	292	224
Total Scope 1	115	135	40	149	90	451	377
Total Scope 2 – purchased electricity	39 584	36 999	36 561	35 176	31 053	33 664	27 213
Total Scope 1 & 2	39 699	37 134	36 601	35 325	31 143	34 115	27 589
Office Paper consumption	276	342	266	252	156	230	120
Policy Paper consumption	151	388	324	308	300	337	143
Losses from T&D	N/R	3 561	3 554	3 093	2 816	3 265	2 694
Upstream distribution – courier	298	337	477	437	615	886*	168
Waste to landfill	145	454	437	600	695	355	178
Waste to recycling	5	5	5	7	5	6	2
Food waste composted	N/R	0.16	0.22	N/R	0.37	0	0.21
Business travel – rental cars	168	158	150	176	158	207*	62
Business travel – flights	5 103	4 550	6 426 ⁵⁹	6 240	6 605	8 652*	1 890
Business travel – Accom.	326	323	311	295	1 402 ⁶⁰	1 194*	480
3 RD -party fleet – bus & shuttle	64	72	66	63	54	50*	8
Travel claims	N/R	N/R	N/R	N/R	638 ⁶¹	755*	235
Employee commuting	6 775	6 672	6 918	6 068	11 467 ⁶²	15 046*	5 958
Downstream leased assets	N/R	N/R	N/R	N/R	807 ⁶³	810	733
Total Scope 3	13 311	16 862	18 934	17 539	25 719	31 800*	12 671
Total Scope 1, 2 and 3	53 010	53 996	55 535	52 864	56 862	65 915*	40 262
Outside of Scopes	82	35	15	82	127	N/R	N/R
Grand total	53 092	54 031	55 550	52 946	56 989	65 915*	40 262

⁵³ Emissions in FY2015 are representative of 75% of Sanlam employees. Data for Head Office is 94.14%.

⁵⁴ Emissions in FY2016 are representative of 72% of Sanlam employees. Data for Head Office is at 94.14%.

⁵⁵ Emissions in FY2017 are representative of 76% of Sanlam employees. Data for Head Office is at 97%.

⁵⁶ Emissions in FY2018 are representative of 76% of Sanlam employees. Data for Head Office is at 96.79%.

⁵⁷ Emissions in FY2019 are representative of 89.52% (restated from 69.02%) of Sanlam employees. Data for Head Office is at 97%.

⁵⁸ Emissions in FY2020 are representative of 92.03% of Sanlam employees. Data for Head Office is at 96.88%.

⁵⁹ The increase in emissions from flights can be linked to the inclusion of Full Events Dynamic data, adding 2 013 128 km (356 tCO₂e). There is also a very large increase in long-haul business class travel during the reporting year compared to previous years.

⁶⁰ The increase in emissions from accommodation is linked to a country-specific emission factor compared to a global average used historically. In addition, there was a large increase in overnight accommodation as the full impact of the nights away from events was included in FY2018.

⁶¹ Travel claims have been reported for the first time in FY2018, using an emission factor for unknown vehicle and fuel.

⁶² The increase in emissions from commuting compared to FY2017 is as a result of a new commuting survey in FY2018. Emissions for Sanlam was estimated as 1.84 tCO₂e/employee, compared to 1.18 tCO₂e/employee in previous years.

⁶³ Sanlam tenants occupy 2 911m² of a total of 90 768m² at Head Office (3%) – excluding the post office, gym and car wash. Of the total 26 486 105 kWh consumed at Head Office, the tenants' portion at 3% was 849 284 kWh (807 tCO₂e). This has been reported for the first time in FY2018.

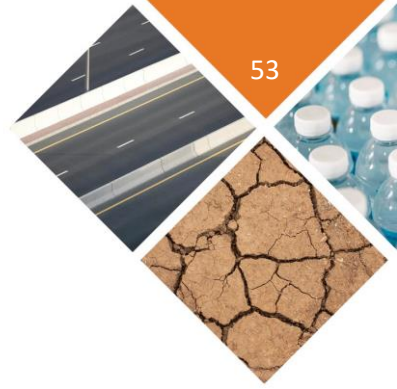


Table 15: COMPARISON OF SANLAM'S METRICS OVER 6 YEARS (FY2014–FY2020) AT PERCENTAGE SHARE EXCLUDING SANTAM

Metrics	FY2014 (base year)	FY2015 ⁶⁴	FY2016 ⁶⁵	FY2017 ⁶⁶	FY2018 ⁶⁷	FY2019 ⁶⁸ (restated)	FY2020
Full-time employees (FTEs)	7 252	7 510	8 177	7 959	8 980 ⁶⁹	9 207*	9 099
FTEs covered by report	5 468	5 661	5 870	6 068	6 225	8 242*	8 374
Square metreage (m ²)	123 160 ⁷⁰	122 599	126 987	129 422 ⁷¹	129 400	129 949*	129 684

Table 16: COMPARISON OF SANLAM'S INTENSITY METRICS OVER 6 YEARS (FY2014–FY2019) EXCLUDING SANTAM AT PERCENTAGE SHARE

Intensity Indicators	FY2014 (base year)	FY2015	FY2016	FY2017	FY2018 ⁷²	FY2019 (Restated)	FY2020 ⁷³
Scope 1 & 2 emissions	39 699	37 134	36 601	35 325	31 143	34 115	27 599
Scope 1, 2 and 3 emissions	53 010	53 996	55 535	52 864	56 862	65 915*	40 262
Grand total	53 092	54 031	55 550	52 946	56 989	65 915*	40 262
Scope 1 & 2 tCO ₂ e/FTE	7.260	6.560	6.235	5.822	5.003	4.139	3.295
Scope 1 & 2 tCO ₂ e/m ²	0.322	0.303	0.288	0.273	0.241	0.263	0.213
Scope 1, 2 & 3 tCO ₂ e/FTE	9.695	9.538	9.461	8.712	9.134	7.997*	4.808
Scope 1, 2 & 3 tCO ₂ e/m ²	0.430	0.440	0.437	0.408	0.439	0.507*	0.310
Total tCO ₂ e/FTE (incl non-Kyoto)	9.710	9.544	9.463	8.725	9.155	7.997*	4.808
Total tCO ₂ e/m ² (incl non-Kyoto)	0.431	0.441	0.437	0.409	0.440	0.507*	0.310
% of total tCO ₂ e from electricity	75	68	66	66	54	51	68
Kilowatt hours consumed	38 430 895	36 632 541	36 560 789	35 893 567	32 687 003	32 369 070	26 679 412
Electricity intensity: kWh/FTE	7 028	6 471	6 228	5 915	5 251	2 894	3 186

⁶⁴ Emissions in 2015 are representative of 75% of Sanlam employees. Data for Head Office is 94.14%.

⁶⁵ Emissions in 2016 are representative of 72% of Sanlam employees. Data for Head Office is at 94.14%.

⁶⁶ Emissions in 2017 are representative of 76% of Sanlam employees. Data for Head Office is at 97%.

⁶⁷ Emissions in 2018 are representative of 69% of Sanlam employees. Data for Head Office is at 96.79%.

⁶⁸ Emissions in 2019 are representative of 89.52% (restated from 69%) of Sanlam employees. Data for Head Office is at 97%.

⁶⁹ The total Sanlam FTEs is based on a percentage of 76.24%, from FY2017 as the actual value for FY2018 was not available at the time of reporting.

⁷⁰ As at 31 December 2014. Prior to 01 December 2014, total square meterage equalled 124 570m².

⁷¹ The change in area is linked to the portion of tenant area decreasing in FY2017 compared to FY2016. It was restated in FY2018.

⁷² Emissions in FY2018 are representative of 69% of Sanlam employees. Data for Head Office is at 96.79%.

⁷³ Emissions in FY2020 are representative of 92.03 % of Sanlam employees. Data for Head Office is at 96.88%

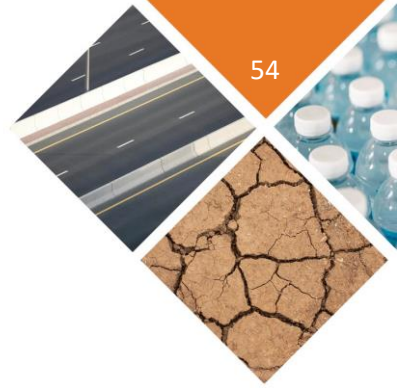


Table 17: SANLAM FY2019 CONSUMPTION PER BUILDING
(brackets indicate consumption at percentage share)

Category	Unit	Sanlam Head Office ⁷⁴	Sanlam Sky	Sanlam Investments	Alice Lane	Glacier	Sanlynn	TOTAL
Area	m ²	92 657 (89 357)*	8 689*	9 840	10 738	5 456*	5 349	132 729* (129 949)*
FTEs	People	5 987*	600	384	422	560	289	8 242*
Diesel (stationary)	Litres	39 359 (38 178)	5 782	2 381	1 590	2 360	2 310	53 782 (52 601)
LPG	Kg	295 (286)	-	2 112	1 445	-	-	3 853 (3 843)
A/C R134	Kg	-	-	3	-	-	-	3
CO ₂	Kg	1 395 (1 353)	-	-	-	-	-	1 395
Diesel (mobile)	Litres	-	-	995	-	-	-	⁷⁵ 9 841
Petrol (mobile)	Litres	397 (385)	-	731	-	-	-	⁷⁶ 114 935 (114 538)
Electricity and T&D	kWh	25 947 092 (25 168 680)	1 361 390	2 115 674	2 268 205	708 981	746 140	33 147 483 (32 369 070)
Waste to landfill	Tonnes	102 (99)	29	40	53	11	44	278 (274)
Waste to recycling	Tonnes	89 (87)	21	-	2.21	12	-	124 (121)
Paper shredding	Tonnes	92 (90)	31	3.70	0.03	4.59	23	154 (151)
Food waste	Tonnes	57 (55)	-	-77	-	9.34	-	66 (65)
R22 (Freon)	Kg	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Water	Kilolitres	70 231 (68 124)	21 863	4 405	24 868	4 028	1 595	126 988 (124 881)
Total Scope 1	tCO ₂ e	109 (106)	16	21	9	6	6	454 ⁷⁸ (451)
Total Scope 2	tCO ₂ e	26 985 (26 175)	1 416	2 200	2 359	737	776	34 927 (33 664)

* Restated

⁷⁴ Consumption at Head Office is at 100% with consumption at 97% occupied in brackets. Consumption data in the body of the report is at 100% unless stated otherwise.

⁷⁵ Diesel in fleets includes 8 846 litres from Group fleet.

⁷⁶ Petrol in fleet total includes 113 806 litres of petrol

⁷⁷ Food waste excludes 32 kg of cooking oil.

⁷⁸ Total includes 287 tCO₂e from fleet group data.

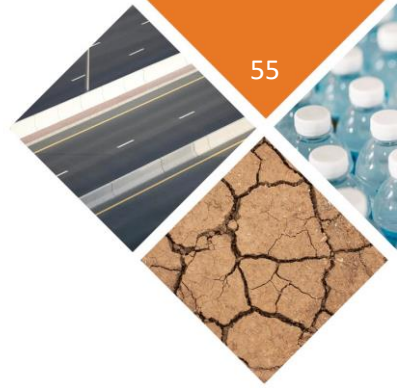


Table 18: SANLAM FY2020 CONSUMPTION PER BUILDING

Category	Unit	Sanlam Head Office ⁷⁹	Sanlam Sky	Sanlam Investments	Alice Lane	Glacier	Sanlynn (Group)	TOTAL
Area	m ²	89 768 (86 969)	8 689	9 840	10 738	5 456	5 193	129 684 (126 885)
FTEs	People	6 070	692	405	417	525	265	8 374
Diesel (stationary)	Litres	45 695 (44 270)	1 985	5 075	1 300	2 575	375	57 005 (55 580)
LPG	Kg	786 (761)	-	192	324	-	-	1 302 (1 278)
Diesel (mobile)	Litres	-	-	935	-	-	4 524	⁸⁰ 5 459
Petrol (mobile)	Litres	744 (720)	-	683	-	-	88 850	90 277 ⁸¹ (90 253)
Electricity and T&D	kWh	22 326 190	771 716	742 422	1 741 297	514 054	583 733	26 679 412 (26 679 412)
Waste to landfill	Tonnes	57 (56)	15	7	42	5	13	140 (138)
Waste to recycling	Tonnes	38 (37)	9	-	1.40	6	-	53 (51)
Paper shredding	Tonnes	25 (24)	22	2	-	2	7	58 (57)
Food waste	Tonnes	21 (21)	-	0.22	-	4	-	25 (24)
R22 (Freon)	Kg	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Water	Kilolitres	53 030 (51 377)	3 157	3 200	23 301	2 146	887	85 722 (84 068)
Total Scope 1	tCO ₂ e	127 (123)	5	18	4.45	6.92	1.01 (218)	381 ⁸² (377)
Total Scope 2	tCO ₂ e	22 773 (22 772)	787	757	1 776	524	595	27 213 (27 213)

⁷⁹ Consumption at Head Office is at 100% with consumption at 97% occupied in brackets. Consumption data in the body of the report is at 100% unless stated otherwise.

⁸⁰ Diesel in fleets includes 8 846 litres from Group fleet.

⁸¹ Petrol in fleet total includes 113 806 litres of petrol

⁸² Total includes 287 tCO₂e from fleet group data.

APPENDIX C: SANTAM FY2020 CARBON FOOTPRINT

OVERVIEW OF SANTAM'S FY2020 GHG EMISSIONS – CORPORATE VALUE CHAIN

REPORTING PERIOD: Sanlam Group's financial year (01 January 2020 – 31 December 2020)

CARBON FOOTPRINT CALCULATION CONDUCTED ON: Santam Head Office, Santam Auckland Park, Santam Garsfontein, Santam Alice Lane (Sandton) and Santam Glacier

METHODOLOGY: GHG Protocol – Corporate Accounting and Reporting Standard

GHG CONSOLIDATION APPROACH: Operational Control Approach⁸³

Company Metrics

Total Santam employees	5 851
Total full-time Santam employees	3 080
Total square metreage of floor area	42 804

Scope 1 Direct Emissions	Metric tonnes of CO ₂ e
Stationary fuel emissions	26.19
Fugitive emissions	22.76
Mobile fuel emissions	1 214.42
TOTAL SCOPE 1 EMISSIONS	1 263.36

Scope 2 Indirect Emissions	Metric tonnes of CO ₂ e
Purchased electricity – location-based	5 937.38
Purchased electricity – market-based	5 937.38
TOTAL SCOPE 2 EMISSIONS	5 937.38

TOTAL SCOPE 1 & 2 EMISSIONS	7 200.75
--	-----------------

Intensity Metrics

Scope 1 & 2 emissions per full-time employee (tCO ₂ e/FTE)	2.338
Scope 1 & 2 emissions per square metre of building (tCO ₂ e/m ²)	0.168

⁸³ Currently all Santam data reported at Group level is included at 100% to align with historical reporting. However, this is a greater portion than that covered by the Report boundary and differs from Sanlam's methodology.

SCOPE 3 INDIRECT EMISSIONS: Santam

1. Purchased goods and services	Office paper	21.18	
	Policy paper	43.64	64.82
3. Fuel- and energy-related activities	Electricity T&D losses		587.80
4. Upstream transportation and distribution	Courier		29.42
5. Waste generated in operations	Waste to landfill	50.91	
	Recycling and compost	0.45	
	Food waste	0.02	51.38
6. Business travel	Rental cars	14.20	
	Commercial flights	404.55	
	Accommodation	169.96	
	EZ Shuttle	8.99	
	Travel claims	168.73	766.42
7. Employee commuting			2 426.82
TOTAL SCOPE 3 EMISSIONS			3 926.66
TOTAL SCOPE 1, 2 and 3			11 127.41
Outside of Scopes:			
Non-Kyoto Protocol GHG emissions			0.00
Intensity Metrics			
Scope 1, 2 & 3 emissions per full-time employee (tCO ₂ e/FTE)			2.338
Scope 1, 2 & 3 emissions per square metre of building (tCO ₂ e/m ²)			0.168



Table 19: COMPARISON OF SANTAM'S METRICS OVER 6 YEARS (FY2014–FY2020) EXCLUDING SANLAM

Metrics	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
FTEs covered by report	2 355	2 441	2 498	1 899	2 318 ⁸⁴	2 555	3 080
Total Santam FTEs ⁸⁵	N/R	N/R	5 194	5 867	5 916	6 049	5 851
Square metreage (m ²)	38 229	N/R	40 846	40 846	40 846	42 695	42 804
Buildings covered	AP, HO, GF, IL	AP, HO, GF, AL	AP, HO, GF, AL, GL	AP, HO, GF, AL, GL	AP, HO, GF, AL, GL	AP, HO, GF, AL, GL	AP, HO, GF, AL, GL

Table 20: COMPARISON OF SANTAM'S INTENSITY METRICS OVER 6 YEARS (FY2014–FY2020) EXCLUDING SANLAM

Intensity indicators	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1 & 2 emissions	6 555.84	6 855.86	8 126.66	7 047.23	7 042.52	9 628.83	7 200.75
Scope 1, 2 and 3 emissions	13 986.64	13 928.22	15 873.22	13 434.05	19 107.03 ⁸⁶	18 914.90	11 127.41
Grand total	13 986.64	13 928.22	15 996.3	13 434.05	19 107.03	18 914.90	11 127.41
Scope 1 & 2 tCO ₂ e/FTE	2.784	2.809	3.253	3.711	3.038	3.769	2.338
Scope 1 & 2 tCO ₂ e/m ²	0.171	N/R	0.199	0.173	0.172	0.226	0.168
Scope 1, 2 & 3 tCO ₂ e/FTE	5.939	5.706	6.354	7.074	8.243	7.403	3.613
Scope 1, 2 & 3 tCO ₂ e/m ²	0.366	N/R	0.389	0.329	0.468	0.443	0.260
Total tCO ₂ e/FTE (incl non-Kyoto)	5.939	5.706	6.404	7.074	8.243	7.403	3.613
Total tCO ₂ e/m ² (incl non-Kyoto)	0.366	N/R	0.392	0.329	0.468	0.443	0.260
Intensity: % of total tCO ₂ e from electricity	47	49	48	52	36	41	53
Kilowatt hours consumed	6 342 568	6 759 183	7 678 718	7 078 349	7 336 667	7 393 334	5 820 965
Electricity intensity: kWh/FTE	2 693	2 769	3 074	3 727	3 165	2 894	1 890

⁸⁴ The increase in full-time employees between FY2017 and FY2018 could be linked to Auckland Park where the increase is linked to call centre staff that may have been excluded previously.

⁸⁵ The total FTEs includes full-time contractors (>3 months) but excludes International businesses (SEM and SI).

⁸⁶ Emissions in FY2018 were restated as flights were overstated and accommodation understated.

Table 21: COMPARISON OF SANTAM'S EMISSIONS OVER 6 YEARS (FY2014–FY2020) EXCLUDING SANLAM

ACTIVITY	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Stationary fuel	11.82	22.26	5.41	9.90	15.33	31.22	26.19
Fugitive emissions	-	5.22	440.46	98.95	55.71	73.06	22.76
Mobile fuel	11.18	1.61	2.07	1.61 ⁸⁷	1.65	1 835.49	1 214.42
TOTAL SCOPE 1	23.00	29.09	447.94	110.45	72.69	1 939.77	1 263.36
TOTAL SCOPE 2 – Purchased electricity	6 532.84	6 826.77	7 678.72	6 936.78	6 969.83	7 689.07	5 937.38
TOTAL SCOPE 1 & 2	6 555.84	6 855.86	8 126.66	7 047.23	7 042.52	9 628.83	7 200.75
Office paper consumption	337.55	298.96	85.09	76.10	65.09	54.24	21.18
Policy paper consumption			163.00	139.05	118.20	84.42	43.64
Electricity T&D losses	N/R	N/R	746.52	609.87	632.13	745.84	587.30
Upstream distribution – courier	76.34	58.52	111.60	128.51	120.37	113.49	29.42
Upstream distribution – ABSA Vehicle fleet	N/R	N/R	N/R	N/R	1 739.48 ⁸⁸	N/A	N/A
Waste to landfill	18.81	7.81	150.87	126.66	156.76	146.90	50.91
Waste to recycling				2.55	2.06	1.76	0.47
Business travel – rental cars	935.61	988.05	59.96	62.15	58.06	58.15	14.20
Business travel – flights			2 489.59 ⁸⁹	2 170.71	3 507.23 ⁹⁰	2 177.80	404.55
Business travel – accommodation			123.92	158.19	292.81 ⁹¹	370.14	169.96
Third-party fleet - shuttle	2 079.06	2 021.2	31.83 ⁹²	36.28	45.62	35.67	8.99
Travel claims	N/R	N/R	N/R	N/R	328.13 ⁹³	311.97	168.73
Employee commuting	3 983.43	3 697.82	3 784.17	2 876.76	4 733.07 ⁹⁴	5 165.68	2 426.82
TOTAL SCOPE 3	7 430.80	7 072.36	7 746.56	6 386.82	12 064.52	9 266.06	3 926.66
Total Scope 1, 2 and 3	13 986.64	13 928.22	15 873.22	13 434.05	19 107.03	18 914.90	11 127.41
Outside of Scopes	N/R	N/R	123.08	0.00	0.00	N/R	N/R
Grand total	13 986.64	13 928.22	15 996.3	13 434.05	19 107.03	18 914.90	11 127.41

N/R = Not reported

⁸⁷ Diesel used as a mobile fuel was reduced in FY2017 compared to 2016 as the diesel bakkie was replaced by a petrol vehicle.

⁸⁸ ABSA fleet vehicles have been recorded as Scope 3 for the first time. It was not clear at the time of reporting whether the emissions have been captured within the reporting boundary historically and if so, whether this was as Scope 1 or Scope 3.

⁸⁹ The increase in emissions from flights could not be explained due to the lack of historical data.

⁹⁰ Emissions from flights was restated to exclude the MIS file, which contained duplicate travel data. It was restated from 4 735.71 to 3 507.23 tCO₂e.

⁹¹ The increase in reported emissions from accommodation is linked to a country-specific emission factor compared to a global average used historically, which is lower. Accommodation for 2018 was restated in 2019 from 293 to 328 tCO₂e.

⁹² Data for FY2016 third-party vehicles was unavailable apart from EZ Shuttles.

⁹³ Travel claims have been reported for the first time in FY2018, using an emission factor for unknown vehicle and fuel.

⁹⁴ The increase in emissions from commuting compared to F2017 is as a result of a new commuting survey in 2018. Emissions for Santam was estimated as 2.04 tCO₂e/employee, compared to 1.51 tCO₂e/employee in previous years.

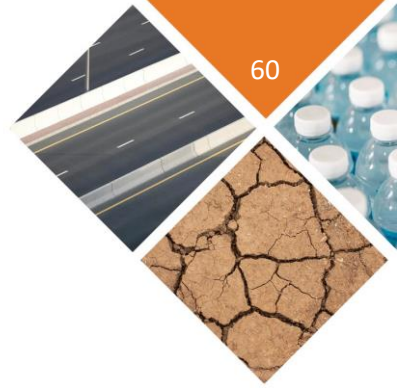


Table 22: SANTAM 2019 CONSUMPTION PER BUILDING

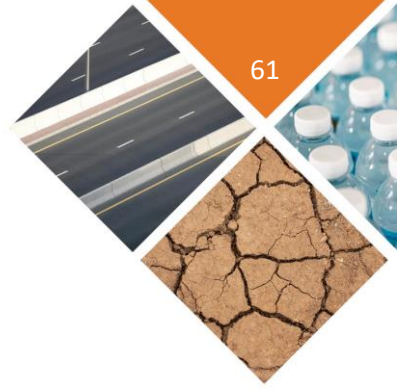
Category	Unit	Santam Head Office	Auckland Park	Garsfontein	Alice Lane	Glacier	TOTAL
Area	m ²	16 977	13 445	4 524	5 404	2 345	42 695
FTEs	People	886	1 035	268	218	148	2 555
Diesel (stationary)	Litres	6 900	3 874	0	800	0	11 574
LPG	Kg	1 008	0	0	728	0	1 736
A/C R410a	Kg	0	35	0	0	0	35
Diesel (mobile)	Litres	-	-	-	-	-	995
Petrol (mobile)	Litres	-	-	-	-	-	1 129
Electricity	kWh	2 577 003	2 652 478	724 354	1 141 500	2997 999	7 393 334
Waste to landfill	Tonnes	23 148	13 927	47 376	26 422	2 834	113 708
Waste to recycling	Tonnes	24 555	16 230	13 230	1 112	3 035	58 162
Paper shredding	Tonnes	17 897	3 951	0	13	2 293	24 154
Food Waste	Tonnes	19 487	8 055	0	0	2 408	29 950
Water	Kilolitres	7 980	25 388	2 158	12 515	1 689	49 730
Total Scope 1	tCO ₂ e	21.50	94.85	0	4.29	0	121
Total Scope 2	tCO ₂ e	2 680	2 759	753	1 187	310	7 689

Table 23: SANTAM 2020 CONSUMPTION PER BUILDING

Category	Unit	Santam Head Office	Auckland Park	Garsfontein	Alice Lane	Glacier & group	TOTAL
Area	m ²	17 208	13 378	4 524	5 404	2 290	42 804
FTEs	People	1 190	1 200	276	218	196	3 080
Diesel (stationary)	Litres	6 928	1 465	-	435	-	8 828
LPG	Kg	672	-	-	164	-	836
A/C R410a	Kg	-	11	-	-	-	11
Diesel (mobile)	Litres	78 574	-	-	-	995	79 568 ⁹⁵
Petrol (mobile)	Litres	431 406	-	-	-	859	432 264 ⁹⁶
Electricity	kWh	1 689 769	2 431 544	607 178	876 408	216 066	5 820 965
Waste to landfill	Tonnes	10	3	4	21	1	39
Waste to recycling	Tonnes	8	4	0.64	0.70	1	14
Paper shredding	Tonnes	3	4	-	-	0.41	7
Food Waste	Tonnes	8	2	-	-	0.96	11
Water	Kilolitres	3 884	9 190	1 256	11 767	902	26 999
Total Scope 1	tCO ₂ e	1 230	27	-	1.65	-	1 263
Total Scope 2	tCO ₂ e	1 724	2 480	619	894	220	5 937

⁹⁵ Diesel in fleets includes 994.80 litres from Group fleet.

⁹⁶ Petrol in fleets includes 858.70 litres from Group fleet.



APPENDIX D: COMMUTING

Table 24: SANLAM HISTORICAL COMMUTER CALCULATIONS

Comparative summary of commuting survey	FY2012	FY2015	FY2018
Total employees	5 468	5 661	6 225
Average emissions per employee	1.239	1.17858	1.84210
Carbon from commuting by total employees covered by the report	6 775	6 672	11 467
Percentage of total full-time employees surveyed	23%	4%	6%

Table 25: SANTAM HISTORICAL COMMUTER CALCULATIONS

Comparative summary of commuting survey	FY2010-FY2015	FY2018
Total employees	2 441	2 318
Average emissions per employee	1.51487	2.04188
Carbon from commuting by total employees covered by the report	3 698	4 733
Percentage of total full-time employees surveyed	N/R	13%

Emissions from commuting in FY2020 were estimated based on the emissions per survey completed in FY2018. Given the limited occupancy in buildings due to COVID-19, it was estimated the buildings were occupied by the percentages as outlined in Table 26.

Table 26: ASSUMED PERCENTAGE OCCUPATION AT SANLAM FACILITIES IN FY2020

Month	Percent occupied	Month	Percent occupied
January	100%	July	20%
February	100%	August	20%
March	100%	September	20%
April	5%	October	20%
May	10%	November	30%
June	20%	December	20%

APPENDIX E: INDEPENDENT VERIFICATION STATEMENT



Independent Verification Statement

To the Directors and Management of Sanlam Limited Group

Verify CO₂ was engaged to conduct an independent third-party verification of the greenhouse gas (GHG) emissions inventory and disclosures reported by Sanlam Limited Group (“Sanlam”) for the reporting period ended 31 December 2020.

Sanlam Group is a diversified financial services group headquartered in South Africa. Core operations include life and long-term insurance, personal finance and asset management. Through its subsidiary, Santam, Sanlam also operates in the short-term insurance sector.

During 2020 Santam had a direct and indirect presence in 44 countries (including both developed and emerging markets). The Group has an extensive Pan-African footprint and, through numerous subsidiaries, operates in 33 countries across Africa.

The GHG verification was carried out in accordance with the International Standard **ISO 14064-3 (2006)**: ‘Specification with guidance for the validation and verification of greenhouse gas assertions.’

Intended users of this information are all Sanlam stakeholders, including internal and external interested parties and the CDP. This Verification Statement applies to the related information included within the scope of work described below.

Verification Scope

Consistent with previous GHG reporting, the organisational boundary was defined based on **operational control** for Sanlam’s business activities in South Africa only.

In accordance with the Group’s *Sustainability Management Framework*, the reporting boundary included the following 9 buildings which accounted for approximately 76% of the Group’s direct subsidiaries:

- **Sanlam:** Head Office, Houghton/Sky, Sanlam Investment Management, Sanlynn, Alice Lane, Glacier
- **Santam:** Head Office, Auckland Park, Garsfontein, Alice Lane, Glacier

The operational boundary included all scope 1 and scope 2 GHG emissions associated with these facilities only, as well as 7 of the 11 scope 3 emissions sources which are relevant to Sanlam’s business activities.

In conformance with **ISO 14064-3 (2006)**, the verification process included an assessment of:

- The completeness of the reporting boundaries selected.
- The appropriateness of the GHG quantification methodologies (including estimation methodologies), emission factors applied.
- The completeness and integrity of the activity data used.
- The accuracy and consistency of the GHG emissions and intensity ratio calculations.
- GHG reporting to assess compliance with the requirements of the *GHG Protocol Corporate Standard*.

100% of Sanlam's reported scope 1 and scope 2 GHG emissions, and 80% of reported scope 3 GHG emissions were verified.

Level of Assurance and Materiality

- The level of assurance agreed was that of **limited assurance**, hence no site visits were conducted.
- A materiality threshold of 5% per emissions source was applied.

Verification Objectives and Performance Criteria

The objectives of the verification were, by review of objective evidence, to:

1. Confirm that the 2020 GHG assertion met with the specified criteria, and as such is accurate, complete, consistent, transparent and free from material error or omission.
2. Improve the credibility of the GHG emissions disclosure in Sanlam's 2020 *Integrated Annual Report*, as well as in the Group's CDP 2021 submission.

The criteria against which the verification was undertaken were the principles and requirements of the WRI/WBCSD *GHG Protocol Corporate Accounting Standard*, 2nd Edition, 2004 (*GHG Protocol Corporate Standard*).

Roles and Responsibilities

Sanlam was responsible for the preparation and presentation of the GHG data to Verify CO₂.

Verify CO₂ was tasked to form an independent opinion on Sanlam's 2020 GHG assertion regarding:

1. Conformance with the principles and reporting requirements of the *GHG Protocol Corporate Standard*.
2. Completeness and accuracy of the GHG emissions quantification.

Specific Exclusions from Reporting Boundary

Facilities: Aligned with historical GHG reporting, the reporting boundary included the above-mentioned 9 large regional offices in South Africa, which account for approximately 76% of the Group's direct global footprint based on FTE employees. The Group also operates numerous smaller offices around South Africa but due to data availability and the significant reporting burdens, these sites were once again excluded from the reporting boundary. Sanlam's international operations were also omitted for consistency with the GHG target boundary⁹⁶

GHG Assertion

After implementation of the necessary corrective action, Sanlam's 2020 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

2020: GHG Emissions	SANLAM LTD. GROUP Tonnes CO ₂ e
Scope 1	1 640
Scope 2 (location- & market-based)	33 150
Total Scopes 1 & 2 (location-based)	34 790
Scope 3	16 600
Total Scopes 1, 2 & 3 (location-based)	51 390
Scope 3: Category 1 - Water	106
Outside of Scopes – HCFC R-22	N/R

N/R = Not reported in 2020

Additional Data Points Verified:

Additional Data Points Verified for CDP 2021	Sanlam Ltd. Group
Total electricity purchased (MWh)	32 500
Total electricity generated on-site (MWh) (renewable)	N/R*
Total electricity consumed (MWh)	32 500
Water Consumption (kl)	112 721

*Negligible

Inherent Limitations

There is an inherent limitation in providing verification of GHG data, as non-financial data is subject to greater inaccuracy than financial data, given both the nature and methods used to determine, calculate, sample and estimate such data.

The assurance engagement did not include an examination of the derivation of GWPs, default emission factors, conversion factors, or other derived third-party information. Verify CO₂ did not conduct any work outside of the agreed scope, and our opinion is therefore restricted to the agreed subject matter.

Final Verifier Opinion and Qualifications

All material errors and non-conformances identified during the verification process were corrected.

On the basis of the **limited assurance** procedures followed in accordance with **ISO 14064-3**, using the requirements of the *GHG Protocol Corporate Standard* as criteria, there is no evidence that Sanlam's 2020 GHG assertion:

1. Has not been quantified and reported in conformance with the principles and requirements of the *GHG Protocol Corporate Standard*; and
2. Is not materially correct and a fair, complete and accurate representation of Sanlam's 2020 GHG emissions for the selected reporting boundary, with the following qualification(s):

Page iv

- **Boundary:** Although the reporting boundary was consistent with Sanlam's base year and historical GHG reporting, reported GHG emissions represented approximately 76% of the Group's directly controlled operations. For completeness, it is recommended that the boundary should be extended to include closer to 100% of Sanlam's global footprint.
- **Scope 1:** Reporting on fugitive emissions from air-conditioning equipment was incomplete due to data availability. However, many sites still use R-22 refrigerant which, in accordance with the Kyoto Protocol, falls outside of the scopes.
- **Scope 3:** GHG emissions from employee commuting may be inaccurate as they were estimated using the results of an outdated survey and adjusted to account for remote working based on broad assumptions.



Signed: Kerry Evans
Lead GHG Verifier
Verify CO₂
Date: 24.02.2021

VERIFY CO₂ | SUSTAINABILITY ASSURANCE
Kerry@VerifyCO2.com | Sole Proprietor: Kerry Evans