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23

Human rights impact assessment framework



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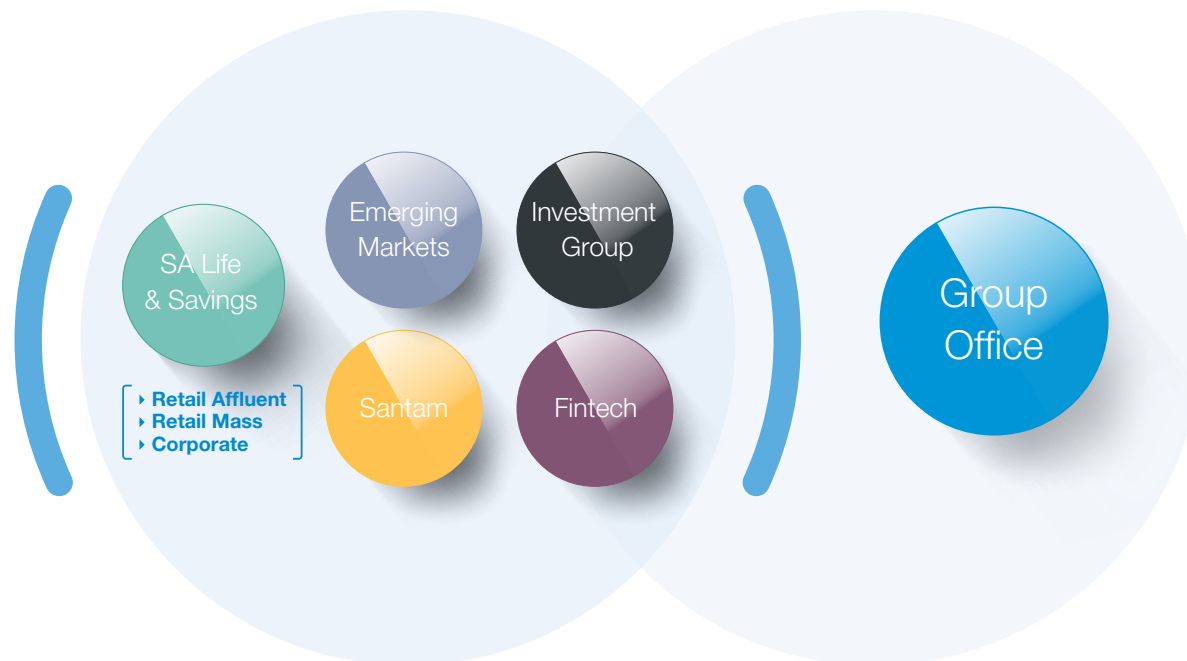
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Purpose

At Sanlam, we are committed to upholding human rights principles and responsible business practices in all of our activities and operations. This assessment framework guides us on identifying, assessing and addressing potential human rights risks and impacts associated with our business activities, supply chain and broader operations. This framework gives effect to the Human Rights Position Statement.

Scope

The Human Rights Impact Assessment (HRIA) framework, including its commitments and processes, is applicable to and represents all businesses and subsidiaries under Sanlam’s majority ownership, as detailed below:



This framework applies to all Sanlam employees, intermediaries, suppliers, contractors and stakeholders. It aligns with international human rights standards, including the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and relevant International Labour Organization (ILO) conventions.

Definitions

Human rights risks:

Potential **adverse impacts on human rights** arising from our business activities and relationships.

Human rights impacts:

Actual or **potential positive or negative effects** on human rights resulting from our actions or omissions.

Safeguarding women's rights in the workplace ensures an equitable and inclusive work environment

While women are protected under the Human Rights Declaration we have a particular focus on ensuring enhanced protection of women in the HRIA process through the following:

- ▶ **Gender equality and non-discrimination:** Ensuring that our employment policies and practices promote gender equality and prohibit discrimination against women. We recognise that women's rights are human rights and we work to eliminate discrimination based on sex and gender.
- ▶ **Empowerment:** Promoting women's economic, social and political empowerment. This includes providing access to education, vocational training and economic opportunities to increase women's agency and decision-making power.
- ▶ **Education and awareness:** Raising awareness about women's rights, gender equality and the negative impacts of gender-based violence and discrimination. Education campaigns can help challenge harmful stereotypes and norms.
- ▶ **Safe spaces and support services:** Establishing safe spaces, hotlines and counselling services for women who are survivors of violence. These resources provide crucial support and assistance to women seeking help.
- ▶ **Address structural inequalities:** Tackling broader structural issues, such as unequal power dynamics, economic disparities and lack of access to resources, contributing to women's vulnerability.

Roles and responsibilities

Group level Human Rights Officer:

(Note this is a delegated responsibility, not a position)

The Human Rights Officer will be responsible for **overseeing the implementation of the HRIA process**. This will involve the co-ordination of HRIAs and risk identification.

Cluster CEO:

Cluster CEOs are responsible for identifying **potential human rights risks** within their respective clusters and **assisting in collecting relevant data for impact assessments**.

Principles

Sanlam acknowledges that we have a responsibility to respect human rights and avoid any complicity in human rights abuses. We are committed to promoting human dignity, fair treatment and inclusivity in our business. Our HRIA process aims to identify and mitigate risks, promote transparency and contribute to our business's overall sustainability and ethical integrity.

Transparency and engagement

We engage with stakeholders, including local communities, workers, NGOs, and experts, to comprehensively understand potential human rights impacts associated with our activities. This engagement fosters transparency, trust and collaboration in our assessment process.

Risk assessment

We identify and prioritise potential human rights risks by comprehensively assessing our

operations, supply chain and products. Our risk assessment considers both direct and indirect impacts, considering the cultural, social, economic and environmental contexts in which we operate.

Due diligence

We conduct thorough due diligence to assess the potential human rights impacts identified in our risk assessment, evaluate our existing policies, practices and management systems and identify gaps and areas for improvement.

Mitigation and prevention

We develop and implement appropriate mitigation measures to prevent, address, or minimise adverse human rights impacts. These measures may include modifying policies, procedures, or practices and collaborating with partners to ensure consistent respect for human rights.

Monitoring and reporting

We establish monitoring mechanisms to track the effectiveness of our mitigation measures

and assess their outcomes. Regular reporting on our HRIA findings and progress demonstrates our commitment to accountability and continuous improvement.

Integration with decision-making

HRIA findings are integrated into our decision-making processes, ensuring that potential human rights impacts are considered when making strategic and operational choices.

Non-retaliation

We are committed to ensuring that individuals who raise human rights concerns in good faith are protected from retaliation. Any form of retaliation against those who report or participate in investigating human rights concerns is strictly prohibited.

Continuous improvement

We will continuously review and improve this HRIA framework, integrating emerging best practices and standards to uphold our commitment to human rights.



The Guide to HRIAM

The Guide to Human Rights Impact Assessment and Management⁽¹⁾ provides guidance on how to assess and manage the human rights risks and impacts of business activities through an iterative, dynamic and interconnected process divided into seven stages. By moving through each stage in sequence, the company will:

- ▶ Consolidate its knowledge and understanding of its human rights risks and impacts
- ▶ Use the newly acquired information to inform subsequent decisions and actions



⁽¹⁾ Guide to Human Rights Impact Assessment and Management (HRIAM)

Monitoring and reporting

Sanlam will regularly monitor the effectiveness of our human rights framework and report on our progress both internally and externally. We will use key performance indicators (KPIs) to measure our performance, identify areas for improvement and maintain transparency with stakeholders. This section should be read with Annexure A: Typical HRIA questions integrated into our screening and decision-making.

Aspect: investment and procurement practices

HRIA 1: Percentage and total number of material investment agreements that include human rights clauses or have undergone human rights screening.

HRIA 2: Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

HRIA 3: Total hours of employee training on policies and procedures concerning human rights relevant to operations, including the percentage of employees trained.

Aspect: non-discrimination

HRIA 4: Total number of incidents of discrimination and actions taken.

Aspect: freedom of association and collective bargaining

HRIA 5: Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.

Aspect: child labour

HRIA 6: Operations identified as having significant risk for incidents of child labour and measures taken to contribute to eliminating child labour.

Aspect: forced and compulsory labour

HRIA 7: Operations identified as having significant risk for incidents of forced or compulsory labour and measures taken to contribute to the elimination of forced or compulsory labour.

Aspect: security practices

HRIA 8: Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights relevant to operations.

Aspect: indigenous rights

HRIA 9: Total number of violations involving indigenous people's rights and actions taken.

Framework dissemination

This framework will be communicated to all Sanlam employees, suppliers and contractors. It will also be publicly available through our website and other appropriate channels.

Annexure A: Typical HRIA questions integrated into screening and decision-making

General context and stakeholder engagement:

- 1 What are the key human rights concerns and relevant legal frameworks within the geographic regions where your company operates?
- 2 Which stakeholders are directly or indirectly affected by your operations, products or services?
- 3 How do you engage with stakeholders to understand their perspectives on your company's potential human rights impacts?

Risk identification:

- 1 What are the potential adverse human rights impacts associated with your operations, products and services, both internally and within your supply chain?
- 2 How might your activities contribute to civil, political, economic, social or cultural rights violations?
- 3 Are there specific groups, communities, or demographics that might be disproportionately affected by your business actions?

Due diligence:

- 1 What policies, procedures and management systems does your company have to assess and address potential human rights impacts?
- 2 How does your company integrate human rights considerations into decision-making processes?
- 3 Have you identified gaps in your company's existing practices that could lead to human rights violations?

Mitigation and prevention:

- 1 What measures has your company implemented to prevent or mitigate potential human rights impacts?
- 2 How does your company ensure that these measures are effectively implemented and monitored?
- 3 What mechanisms are in place in your company to handle and respond to human rights complaints or grievances?

Supply chain:

- 1 How does your company assess the human rights risks within the supply chain?
- 2 What measures does your company have to ensure that suppliers and partners also respect human rights?
- 3 Has your company identified any areas where the supply chain might contribute to human rights violations?

Workers' rights:

- 1 How does your company promote and protect the labour rights of your employees and contractors?
- 2 Are there any concerns about working conditions, fair wages, health and safety or freedom of association in your company?
- 3 How does your company ensure the workforce is free from discrimination and harassment?

Community impact:

- 1 How do your company's operations affect the local communities where they operate?
- 2 Are there potential land use, displacement or environmental impacts that could infringe on community rights?
- 3 How does your company engage with communities to understand and address their concerns?

Data privacy and security:

- 1 How does your company handle personal data and ensure the privacy rights of individuals, both internally and externally?
- 2 Does your company have mechanisms to prevent data breaches or misuse that could violate privacy rights?

Indigenous peoples' rights:

- 1 Are there any indigenous communities in or around your company's operational areas?
- 2 How do your company's activities affect their land rights, culture and way of life?
- 3 How does your company engage with indigenous communities to respect their rights and seek their consent?

Monitoring and reporting:

- 1 How does your company measure the effectiveness of measures to mitigate human rights impacts?
- 2 What mechanisms does your company have in place to report on progress and challenges regarding human rights?
- 3 Is your company transparent about human rights performance with stakeholders?