



SANLAM LIMITED
(“Sanlam” / “the Company”)

SOCIAL, ETHICS AND SUSTAINABILITY
COMMITTEE CHARTER
(“the Charter”)

TABLE OF CONTENTS

1. INTRODUCTION
2. MANDATE
3. PURPOSE OF THIS CHARTER
4. ROLE OF THE COMMITTEE
5. RESPONSIBILITIES OF THE COMMITTEE
6. RELATIONSHIP WITH THE SANLAM GROUP COMPANIES
7. RELATIONSHIP WITH OTHER COMMITTEES
8. DELEGATION
9. AUTHORITY
10. COMPOSITION OF THE COMMITTEE
11. MEETINGS
12. PROCEEDINGS
13. FEES
14. PERFORMANCE, EVALUATION AND TRAINING
15. REVIEW OF THE CHARTER

1. INTRODUCTION

- 1.1 The Social, Ethics & Sustainability Committee (“the Committee” or “the SES Committee”) is a Committee of the Board of Directors (“the Board”) of Sanlam Limited (“Sanlam”, “the Group” or “the Company”).
- 1.2 The Committee is constituted as a statutory committee and performs its statutory duties in terms section 72(4) of the Companies Act, 71 of 2008 (the “Companies Act” or “the Act”) as amended from time to time read with Regulation 43 of the Companies Act, the Johannesburg Stock Exchange (JSE) Listings Requirements, the King IV Report on Corporate Governance, 2016 (“King IV”) (to the extent that its recommended practices have been adopted by the Company), as well as the Governance and Operational Standards relevant to Insurance Groups (“GOG”). This Charter sets out the duties assigned to the Committee by the Board over and above its statutory duties.
- 1.3 The duties and responsibilities of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board.
- 1.4 The deliberations of the Committee do not reduce their individual and collective responsibilities as members of the Board with regards to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
This Charter is subject to the provisions of the Companies Act, Sanlam’s Memorandum of Incorporation (“Mol”), the JSE Listings Requirements, the Insurance Act 2017, the Prudential Governance and Operational Standards for Insurance Groups and any other applicable law or regulatory provision.

2. MANDATE

- 2.1 The Committee derives its authority from and acts in accordance with the statutory duties contained in section 72(4) of the Companies Act and regulation 43 of the Regulations, as well from the delegated authority of the Board as contemplated in this Charter.

- 2.2 The Committee has no ultimate decision-making authority. It provides oversight and makes recommendations to the Board in respect of matters within the scope of the Committee's functions as set out hereunder, for the Board's consideration and, if the Board considers appropriate, ultimate approval.
- 2.3 The Committee's mandate extends to the Company and all its subsidiaries. It includes having an oversight and monitoring role over the activities of all subsidiaries including those subsidiaries that are obliged by the Companies Act to have a Social and Ethics Committee. For this reason, save where the context indicates otherwise, any reference in this Charter to the Company shall be deemed to include a reference to each such subsidiary.
- 2.4 The Committee does not assume the functions of Management, which remain the responsibility of the executive Directors, Officers, and other members of senior management.

3. PURPOSE OF THIS CHARTER

- 3.1 The purpose of this Charter is to, *inter alia*, document the Committee's role and responsibilities delegated to it by the Board in addition to the duties assigned to it under any applicable law and/or regulation, the duty of oversight of, and reporting on organisational ethics, responsible corporate citizenship, sustainable development, stakeholder management and key stakeholder relationships as well as how these should be approached and conducted in Sanlam.
- 3.2 The Charter seeks to outline:
 - 3.2.1 The Committee's mandate;
 - 3.2.2 The Committee's role and responsibilities;
 - 3.2.3 The Committee's relationship with other Board Committees;
 - 3.2.4 The requirements for its composition;
 - 3.2.5 The process and criteria for appointment of any Committee members and/or prescribed officers;
 - 3.2.6 Meeting procedures;
 - 3.2.7 The Committee's delegation of authority to management to promote the Board to exercise independent judgement;
 - 3.2.8 The assessment of the effective functioning of the Committee, and
 - 3.2.9 The Committee's role in assisting the Board in ensuring the balance of power to effectively discharge its duties.

4. ROLE OF THE COMMITTEE – STATUTORY DUTIES

- 4.1 The Committee shall provide an independent role with accountability to the Board and the shareholders of Sanlam in accordance with the Companies Act, the JSE Listings Requirements, the Insurance Act 2017, the Prudential Governance and Operational Standards for Insurance Groups insofar as it concerns performance of the statutory functions of the Committee.
- 4.2 The Committee shall perform its statutory functions and reporting, in particular, to ensure that it fulfils the following functions:
 - 4.2.1 To monitor Sanlam's activities, having regard to any relevant legislation, other applicable legal requirements, or prevailing codes of best practice, with regard to matters relating to:
 - 4.2.1.1 Social and economic development, including the Company's standing in terms of the goals and purposes of:
 - 4.2.1.1.1 the 10 principles set out in the United Nations Global Compact Principles;

- 4.2.1.1.2 The 6 principles set out in the United Nations Principles for Responsible Investment (“PRI”) relating to Environmental, Social and Governance issues (refer to Annexure 1 for further details). This will include inter alia how Sanlam contributes to the Sustainability Development Goals (“SDGs”);
- 4.2.1.1.3 The Second Code for Responsible Investing in South Africa (“CRISA”) relating to how institutional investors should execute investment analysis and investment activities and exercise rights so as to promote sound governance (refer to Annexure 2);
- 4.2.1.1.4 The OECD recommendations regarding corruption;
- 4.2.1.1.5 The Employment Equity Act;
- 4.2.1.1.6 The Broad-Based Black Economic Empowerment (“B-BBEE”) Act;
- 4.2.1.1.7 International Financial Reporting Standards S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures (refer to Annexure 3).
- 4.2.1.2 Good corporate citizenship, including the Company's:
 - 4.2.1.2.1 Promotion of equality, prevention of unfair discrimination and the reduction of corruption;
 - 4.2.1.2.2 Contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed;
 - 4.2.1.2.3 Record of sponsorship, donations and charitable giving;
- 4.2.1.3 The environment, health and public safety, including the impact of the Company's activities and of its products or services;
- 4.2.1.4 Consumer relationships, including the Company's advertising, public relations, and compliance with consumer protection laws;
- 4.2.1.5 Labour and employment, including:
 - 4.2.1.5.1 The Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - 4.2.1.5.2 The Company's employment relationships, and its contribution toward the educational development of its employees;
- 4.2.2 To draw matters within its mandate to the attention of the Board as occasion requires;
- 4.2.3 To report, through one of its members, to the shareholders at the Company's annual general meeting (“AGM”) on the matters within its mandate;
- 4.2.4 The Committee shall perform the oversight of and reporting on those functions delegated to it by the Board in terms of the relevant King IV Principles and the King IV recommended practices as adopted by the Sanlam Group, as outlined herein below:

- 4.2.4.1 The Sanlam Board's ethical leadership of the Sanlam Group, and the Sanlam Group's management of organisational ethics throughout the Sanlam Group entities and its various business clusters;
 - 4.2.4.2 How the Sanlam Group conducted itself to ensure that it is and is seen as a responsible corporate citizen;
 - 4.2.4.3 Sustainable development and strategic stakeholder engagement with the Sanlam Group's various stakeholders;
 - 4.2.5 Any other responsibility that the Board may deem necessary to delegate to the Committee from time to time.
- 4.3
- 4.4 Oversee the quality of the Sustainability reporting and disclosures thereto, as well as the internal control environment in the Sanlam Group. These aspects are all considered as "tight" in terms of the Group Governance Policy and the Committee will therefore from time to time provide guidance or set Group policies through the Sanlam Board in respect of, *inter alia*:
- 4.4.1 Ethical leadership concerning the Sanlam Group's governance conduct and executive conduct and ethics management for the Sanlam Group as a whole, including as reflected in the Sanlam Code of Ethical Conduct; and
 - 4.4.2 Governance oversight of the Sanlam Group's material issues, risk management and performance regarding environmental and social issues, sustainable development, responsible corporate citizenship, and strategic stakeholder relations/stakeholder engagement for the Sanlam Group.

5. RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible to perform all the functions necessary to fulfil its role as stated herein above, including but not limited to the following responsibilities:

5.1 Ethical and Effective Leadership:

- 5.1.1 The Committee needs to monitor that the Board leads ethically and effectively in order to cultivate the culture of integrity, competence, responsibility, fairness, transparency, and accountability throughout the Sanlam Group;
- 5.1.2 Oversee that the ethical characteristics are embodied by Board members in order to offer ethical and effective leadership, aimed at achieving strategic objectives and positive outcomes over time in the best interest of Sanlam;
- 5.1.3 Ensure that the members of the Board remain accountable to the stakeholders of Sanlam while they occupy the position of a director in Sanlam; and
- 5.1.4 Ensure alignment of the Committee's activities and responsibilities in relation to ethical leadership, with the applicable requirements outlined in the GOG and in particular the Prudential Standard GOI 2.1 ("Governance of Insurers").

5.2 Ethical Governance:

- 5.2.1 The Committee must review and recommend to the Board for approval Sanlam's Code of Ethical Conduct, which sets and governs how ethics

- should be approached, managed, and be addressed by Sanlam.
- 5.2.2 Considers with management (whilst taking cognisance of feedback from external providers as and when required), any contraventions of the Sanlam Code of Ethical Conduct and management's response and action taken in light of such events.
 - 5.2.3 The Committee shall exercise ongoing oversight on how ethics are being managed and simultaneously ensure that ethical standards are applied in the processes of recruitment, evaluation of performance and reward of employees as well as the sourcing of suppliers.
 - 5.2.4 Consider and review the adequacy of mechanisms to prevent and detect breaches of ethical standards.
 - 5.2.5 The monitoring of adherence to Sanlam's ethical standards by employees and other stakeholders through, among others, periodic independent assessments.
 - 5.2.6 Consider and recommend for approval, the Sanlam Group's sustainability related reportable issues for inclusion in the Group's Integrated Annual Report.

5.3 Responsible Citizenship:

- 5.3.1 The Committee will oversee that Sanlam's values, strategy and conduct are congruent with being a responsible corporate citizen.
- 5.3.2 Oversee and ensure that Sanlam's responsible corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), applicable laws, leading standards, and adherence to its own codes of conduct and policies.
- 5.3.3 Oversee and monitor, on an ongoing basis, how the consequences of the Sanlam's activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring would include, but not be limited to the following areas:
 - 5.3.3.1 Workplace (including employment equity, fair remuneration as well as the safety, health, dignity, and development of employees);
 - 5.3.3.2 Economy (including economic transformation, prevention, detection and response to fraud and corruption as well as responsible and transparent tax policy);
 - 5.3.3.3 Society (including public health and safety; consumer protection; community development and the protection of human rights); and
 - 5.3.3.4 Environment (including responsibilities in respect of managing issues surrounding management of climate change risks and stewardship of natural resources as well as management of environmental risks such as pollution and waste disposal).
- 5.3.4 Oversee Sanlam's standing in terms of the material goals and purposes of all the institutions that Sanlam is a signatory of.
- 5.3.5 Consider and review the reporting on transformation as per the Department of Trade, Industry and Competition's Codes of Good Practice, B-BBEE verification and/or the Financial Sector Charter.
- 5.3.6 Review the effectiveness of the Group's social and transformation strategy regarding the submission of its Employment Equity and Skills Development plans to the relevant regulatory authorities and monitoring

- that it is on track to meet, if not exceed, the required targets.
- 5.3.7 Advise and provide guidance on sustainability trends and issues relevant to the Sanlam Group including ways and means to improve the effectiveness of its sustainability, social and ethics policies and practices as well as setting targets and time frames in relation thereto.
 - 5.3.8 Monitor the Sanlam Group's participation with the requirements set for inclusion in the FTSE/JSE Responsible Investment Index, the Carbon Disclosure Project ("CDP"), Responsible Investment Index participation and various recognised surveys and indexes as well as making appropriate recommendations if and when required.
 - 5.3.9 Encourage subsidiaries and associates to align its sustainability policies, guidelines and practices with the Sanlam Group.
 - 5.3.10 Delegate to the Group Sustainability Committee to drive and monitor sustainability initiatives in the different business clusters.
 - 5.3.11 Consider and review substantive national and international regulatory and technical developments in all fields relevant to Sanlam's material issues that pertain to strategic risks that exist in relation to ethics, corporate citizenship, environmental, social and stakeholder relations.
 - 5.3.12 Facilitate participation, co-operation and consultation on sustainability matters with governments, national and international organisations, national authorities, industry bodies, other companies and/or policymaking entities.
 - 5.3.13 Monitor and make recommendations as to the optimal utilisation of resources to optimise the Group's long-term sustainability.
 - 5.3.14 Facilitate and monitor ongoing collaboration between the Risk, and Market Development and Sustainability functionalities.
 - 5.3.15 The Chair of the Committee (or in his/her absence, an alternative member of the Committee who has been classified as an independent non-executive director) shall attend Sanlam's AGM to respond to questions concerning Environmental, Social and Governance related issues within the Sanlam Group and on developments and/or implementation thereof.

5.4 Stakeholder Relationships:

- 5.4.1 The Committee is responsible for discharging its role and responsibilities by adopting a stakeholder-inclusive approach, which ensures that it balances the needs, interests, and expectations of material stakeholders in the best interest of Sanlam.
- 5.4.2 Exercise ongoing oversight of stakeholder relationship management and approved policy that give effect to the Group's direction on stakeholder relationships and, in particular, oversee that stakeholder relationship management results in the following:
 - 5.4.2.1 Methodologies for identifying individual and grouped stakeholders will be managed within Sanlam;
 - 5.4.2.2 The determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs, and outcomes of Sanlam;
 - 5.4.2.3 The management of stakeholder risk as an integral part of Sanlam's enterprise risk management;
 - 5.4.2.4 The establishment of formal mechanisms for engagement and

communication with stakeholders, including the use of dispute resolution mechanisms and associated processes; and

5.4.2.5 To measure the quality of material stakeholder relationships including appropriate responses to the outcomes.

5.5 Responsible Investment:

5.5.1 The Committee should ensure that responsible investment is practised by Sanlam to promote good governance and the creation of value by the companies in which Sanlam invests.

5.5.2 It should also ensure that the Sanlam Board approves the policy that articulates Sanlam's direction on responsible investment which should provide for the adoption of a recognised responsible investment code, principles, and practices.

5.5.3 Should the Group's investment decisions and investment activities be outsourced, the Committee needs to ensure that the Board oversees that the outsourcing is regulated and governed by a formal mandate which reflects and gives effect to the Company's Responsible Investment Policy.

5.5.4 The Committee should ensure there are ESG considerations taken into account in investment decision making and broader investment processes.

5.6 Ensure Disclosure of Information in relation to the following:

5.6.1 The Committee's overall role and associated responsibilities and functions;

5.6.2 Its composition, including each member's qualifications and experience;

5.6.3 A statement on whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with this Charter for the reporting period;

5.6.4 Any external advisors or invitees who regularly attend its meetings;

5.6.5 Key areas of focus during the reporting period;

5.6.6 Measures taken to monitor organisational ethics, corporate citizenship, the effectiveness of stakeholder management and how the outcomes were addressed; and

5.6.7 The number of meetings held during the year.

6. RELATIONSHIP WITH THE SANLAM GROUP COMPANIES

6.1 The Sanlam Board has developed and accepted a Group Governance Policy which proposes certain principles to be applied throughout the Sanlam Group in respect of subsidiary and associate companies, partnerships, joint ventures as well as business divisions across statutory entities. This also includes the broader stringent governance aspects such as branding, people management, riskmanagement, culture and ethics.

6.2 Sanlam's interest in Group companies is managed primarily through its representatives on the Boards of directors of these companies, shareholder agreements, memoranda of incorporation, adherence to Group policies where such policies exist and Group/Cluster control functions that oversee the implementation of governance aspects at a business level.

6.3 The Board of Sanlam should ensure that the Group Governance Policy recognises that each subsidiary within the Sanlam Group is a separate legal entity to whom its directors owe fiduciary duties.

6.4 The Board of directors of each company within the Sanlam Group, has a fiduciary

duty towards that specific company which includes managing and overseeing the functioning of the subsidiary business in a manner that will ensure an effective control environment and accurate financial reporting.

- 6.5 It is the responsibility of these directors to ensure that the different companies within the Group, practise proper governance and adhere to the Group's policies, structures, standards, and procedures. The Cluster Governance Structures and/or Cluster Executives are required to inform and report to the Committee any material deviations (as generally defined in the Group Risk Policy) from Group policies and standards or the existence of any significant internal control breakdowns within these businesses. They may report directly or institute appropriate mechanisms such as the tabling of an executive summary that highlights the salient aspects, formal written reports or by personal attendance at the meeting;.
- 6.6 In accordance with the Sanlam Board's oversight responsibility, the Committee shall with the assistance of management, provide assurance regarding the process on the subsidiaries' strategy towards organisational ethics, responsible corporate citizenship and sustainable development and stakeholder relationships.

6. RELATIONSHIP WITH OTHER COMMITTEES

- 6.1. The Committee will provide input to other Board Committees on such matters that are relevant to those Committees to enable it to perform its responsibilities, in circumstances where aspects of those same matters fall within the scope of responsibility of other Board Committees;
- 6.2. The Committee will ensure an appropriate information flow between itself and other Board Committees such as the Risk and Compliance Committee, the Sanlam Customer Interest Committee, and the Audit, Actuarial and Finance Committee, to enable the Committee access to financial and/or other information required to execute its responsibilities; and
- 6.3. The Committee will, as and when required, give consideration to the recommendations made by business from time to time if and when relevant to the Committee's mandate, role, and responsibilities.

7. DELEGATION

- 7.1. Any delegation by the Board of any of its responsibilities to the Committee will not by or of itself constitute a discharge of the Board's accountability; and
- 7.2. The Board remains accountable to apply its collective mind to the information, opinions, recommendations, reports, and statements presented by the Committee.

8. AUTHORITY

- 8.1. The Committee takes primary responsibility for and has the ultimate decision-making authority regarding its statutory duties.
- 8.2. If and when differences of opinion should arise between the Board and the Committee where the Committee's statutory functions are concerned, the Committee's decision will prevail. However, as the Committee also serves as a Committee of the Board for duties assigned to it by the Board over and above its statutory duties, the Board retains ultimate decision-making ability on these non-statutory matters.
- 8.3. In discharging its responsibility, the Committee hereby delegates the

implementation and execution of effective compliance management to management and will from time to time prepare a list of its specific duties and areas of focus.

- 8.4. The Committee, in carrying out its tasks under this Charter, may after consultation with the Chair of the Board, and in cooperation with the Company Secretary, obtain such independent professional advice (internal or external) as it considers necessary to carry out its duties.
- 8.5. The Committee is authorised to investigate any activity within its Charter and to seek any information it requires from any employee in the Sanlam Group. All employees are expected to co-operate with any reasonable request made by the Committee in relation to its mandate.
- 8.6. The Committee, in the fulfilment of its duties, is authorised to call upon the Chairs of the other Board Committees, any of the executive directors, company officers and/or the Company Secretary or assurance providers including any employee/s within the Sanlam Group to assist it with information, at the Company's cost, subject to following the relevant Board approved process.
- 8.7 The Committee will have the power to delegate its authority and duties to sub-committees, *ad hoc* committees, or individual members of the Committee as it deems appropriate, provided it is not precluded by legal or regulatory requirements from doing so.

9. COMPOSITION OF THE COMMITTEE

- 9.1 The Committee will consist of a minimum of 3 (three) suitably qualified and experienced members of the Board.
- 9.2 At least 2 (two) Committee members must be independent non-executive directors.
- 9.3 The majority of the Committee members should be non-executive directors who have not been involved in the day-to-day management of the Group's business and must also not have been involved during the previous 3 (three) financial years.
- 9.4 The Board shall appoint the Chair of the Committee from the independent non-executive directors serving on Board and determine the period for which s/he will hold office.
- 9.5 The Committee members will be appointed by the Board, with the assistance of the Nominations Committee, who shall have the power to remove any members from the Committee and to fill any vacancies created by such removal.
- 9.6 The Chair of the Committee shall not be the Chair of the Board, but the Chair of the Board may be a member of the Committee.
- 9.7 Suitably qualified persons may be co-opted onto the Committee when necessary to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular matter, but shall have no rights of voting.
- 9.8 The Company Secretary of Sanlam will act as the Secretary to the Committee.

10. MEETINGS

- 10.1 Meetings of the Committee will be held as often as the Committee deems appropriate. However, the Committee will preferably meet 4 (four) times per annum, but not less than 2 (twice) per year. Meetings will be organised so that attendance is maximised.
- 10.2 The Chair of the Committee or any member of the Committee may call a meeting at any other time.

- 10.3 The notice of each Committee meeting, confirming the venue, the medium, time and date, and enclosing an agenda of the items to be discussed, will other than under exceptional circumstances be forwarded to each Committee member not less than 7 (seven) working days prior to the date of the meeting.
- 10.4 The quorum for the Committee to transact business will be more than 1 (one) half of the Committee members.
- 10.5 The Committee will conduct its meetings in accordance with an annual Board approved plan to ensure that it fulfils all of its responsibilities.
- 10.6 Individuals in attendance at Committee meetings by invitation, may participate in the discussions but do not form part of the quorum for Committee meetings and may not vote.

11. PROCEEDINGS

- 11.1 Unless varied by this Charter, meetings and proceedings of the Committee will be governed and regulated by Sanlam's Mol.
- 11.2 The Committee Secretary will take minutes of Committee meetings.
- 11.3 The minutes of all Committee meetings, after preliminary approval thereof by the Chair, will be circulated to all the members of the Committee, and may also, if the Chair so decides, be circulated to other members of the Board.
- 11.4 A round robin resolution in writing adopted by the majority of the Committee members will be valid and effective as if it had been passed at a duly called and constituted meeting – i.e., provided that each Committee member received notice of the matter to be decided. Such resolution will be presented at the next meeting for ratification and record purposes.
- 11.5 Any director may, provided that there is no actual and/or a perceived conflict of interest and with the agreement of the Chair, obtain copies of the Committee's minutes.
- 11.6 The Chair of the Committee will regularly provide summarised feedback to the Board on the Committee's activities and deliberations.
- 11.7 The Committee must report at least annually to the Sanlam Board on its function, responsibilities, and activities. This will include the evaluation of the effectiveness of the Committee and proposing amendments (if any) to its Charter.

12. FEES

- 12.1 The remuneration of the Committee members will annually be set for the next year by the shareholders of Sanlam at the AGM after considering recommendations in this regard from the Sanlam Board.
- 12.2 Having regard to the functions performed by the members of the Committee (in addition to their functions as directors) in relation to the activities of the Committee, and pursuant to the specific power conferred upon the Board by the Mol, the non-executive members of the Committee may, on the recommendation of the Sanlam Board, be paid special remuneration as permitted under Sanlam's approved Remuneration Policy. Such special remuneration will be in addition to the annual fees payable to directors.

13. PERFORMANCE, EVALUATION AND TRAINING

- 13.1 The Committee shall evaluate its performance each year, having regard to the principles and requirements of its Charter and the overall objective of the Committee's work. This is to ensure that its own performance, its Chair, and its individual members support the Committee to improve its performance and effectiveness.

- 13.2 The Chair of the Committee shall ensure that the results of the assessment of the Committee's effectiveness and any proposed changes to its Charter are reported to the Board.
- 13.3 The Committee shall ensure that its members undergo regular training in order to ensure that it effectively perform its responsibilities.

14. REVIEW OF THE CHARTER

- 14.1 This Charter was recommended to the Board by the Chair of the Committee and subsequently approved by the Sanlam Board.
- 14.2 The Charter will be due for a review annually hereafter.
- 14.3 A précised version of the Charter shall be published on Sanlam's website or such other platforms as is appropriate.

ANNEXURE 1

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) – THE 6 (SIX) PRINCIPLES

As institutional investors, Sanlam has a duty to act in the best long-term interests of its beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (“ESG”) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, and asset classes and through time).

The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social, and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General.

We recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society.

ANNEXURE 2

THE CODE FOR RESPONSIBLE INVESTING IN SOUTH AFRICA

The Second Code for Responsible Investing in South Africa, 2022 (“CRISA”) gives guidance on how institutional investors should execute investment analysis and investment activities and exercise rights so as to promote sound governance.

We recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- To incorporate the implementation of sound governance practices as they relate to stewardship and responsible investment; and
- To foster accountability for implementation and disclosure.

There are 5 (five) key principles:

1. **Integration of environmental, social and governance (ESG) factors:** Our investment arrangements and activities should reflect a systematic approach to integrating material ESG factors.
2. **Diligent stewardship:** Our investment arrangements should demonstrate the acceptance of ownership rights and responsibilities diligently enabling effective stewardship.
3. **Capacity building and collaboration:** Where appropriate, we will consider a collaborative approach to promote acceptance and implementation of the principles of CRISA 2 and other applicable codes and standards and target capacity building throughout the investment industry;
4. **Sound governance:** we will implement sound governance structures and processes (including at all levels of the organisation) to enable investment arrangements and activities that reflect and promote responsible investment and diligent stewardship, including proactively managing conflicts of interest;
5. **Transparency:** We will take steps to ensure disclosures are meaningful, timely and accessible to enable stakeholders to make informed assessments of progress towards the achievement of positive outcomes.

The effective date for reporting publicly on the application of CRISA 2 was 1 February 2023. Sanlam shall incorporate the above principles within its Reporting Suite.

ANNEXURE 3

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) S1 (GENERAL REQUIREMENTS FOR DISCLOSURE OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION) AND IFRS S2 (CLIMATE-RELATED DISCLOSURES)¹

IFRS Sustainability Disclosure Standards are designed to provide a global baseline of sustainability-related disclosures for the capital markets. The IFRS has published two sustainability standards namely, IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

IFRS S1 requires companies to communicate the sustainability risks and opportunities they face over the short, medium, and long term. The standards will ensure that companies provide investors with information relevant to decision-making. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. The IFRS 2 requirements are derived from the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

Accordingly, Sanlam will incorporate the requirements of these standards in its reporting and will embark on a framework during the 2024 financial year.

¹ The IFRS S2 standard will come into effect on 1 January 2024 for reporting subject to local jurisdictions' endorsement of the standards. However, the expectation is that the S1 and S2 standards will be adopted from 2025 onwards in South Africa.