

Independent Verification Statement

To the Directors and Management of Sanlam Limited

Sanlam Limited (“Sanlam”) engaged Verify CO₂ to perform an independent third-party verification of the Group’s greenhouse gas (GHG) emissions inventory for the period 01 January to 31 December 2021, as compiled by external consultants Promethium Carbon.

Sanlam 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 and is one of the 50 largest internationally active insurance groups with a direct and indirect presence in 44 countries, including the most extensive insurance footprint in 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 Objectives and Performance Criteria

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

1. Confirm that the 2021 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 Sanlam’s GHG emissions disclosures to the public as well as to the CDP (2022 *Climate Change* and *Water Security* submissions).

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*).

Verification Scope

Consistent with Sanlam’s 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, West End D
- **Santam¹:** Head Office/Admin, Auckland Park, Alice Lane², Glacier³

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

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

- Completeness of the reporting boundaries selected.
- Appropriateness of the GHG quantification methodologies and emission factors applied.
- Completeness and integrity of the historical activity data used.
- Accuracy and consistency of the GHG emissions and GHG intensity calculations.
- GHG reporting to assess compliance with the requirements of the *GHG Protocol Corporate Standard*.

¹ Sanlam is the majority shareholder of Santam (61.9%) and Santam offices are managed by Sanlam Facilities.

² Sanlam and Santam lease the whole of the Alice Lane 2 building, occupying 66.52% and 33.48% respectively.

³ Sanlam and Santam lease only part of this building which is operationally controlled by the landlord.

Level of Assurance and Materiality

- The verification activities provided a **limited level** of assurance on the final GHG assertion.
- Where relevant, a materiality threshold of 5% per emission source was applied.

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 2021 GHG assertion regarding:

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

Specific Exclusions from Reporting Boundary

- **Reporting Boundary:** In line with historical reporting, the boundary was limited to operations in South Africa and included the above-mentioned 9 large regional offices. Based on number of FTE employees, these offices accounted for approximately 77% of the Group's operations in South Africa.⁴
- **Scopes 1 & 2:** No relevant GHG emissions sources were excluded from the FY2021 GHG inventory.
- **Scope 3:** 2021 incentive travel was excluded on the basis of insignificance due to Covid-19 travel restrictions.

GHG Assertion

After implementation of the necessary corrective action, Sanlam's 2021 GHG emissions assertion, consolidated using the **operational control** approach, was stated as:

2021: GHG Emissions	SANLAM LTD (tCO ₂ e)
Scope 1	1 684
Scope 2 (location- & market-based) ⁵	35 460
Total Scopes 1 & 2 (location-based)	37 144
Scope 3 ⁶	14 442
Total Scopes 1, 2 & 3 (location-based)	51 586
Outside of Scopes – HCFC R-22 ⁷	544.5

2021: Percentage of GHG emissions verified					
Scope 1:	100%	Scope 2:	100%	Scope 3:	100%

2021: Additional Verified Information for CDP 2022		
Year-on-year change in emissions	Scope 1; Scope 2; Scopes 1 & 2; Scope 3	
Year-on-year emissions intensity figures	2019/2020	2020/2021
Total Energy Consumption: ⁸	39 757 MWh	143 125 GJ
- Consumption of fuels	6 314.5 MWh	22 732 GJ
- Purchased/acquired electricity ⁹	33 442.5 MWh	120 393 GJ
Municipal Water Consumption:	88 003 kl	

⁴ The Group also operates numerous smaller offices around South Africa, but due to data availability and the significant reporting burden relative to their GHG contribution, these sites were once again excluded from the reporting boundary. Sanlam will extend the GHG reporting/target boundary to include all facilities/operations in South Africa as soon as possible.

⁵ Sanlam did not claim to have purchased any contractual instruments during 2021.

⁶ Scope 3: Cat.1 Purchased Water - 121.4 tCO₂e (included from 2021) & Paper – 90 tCO₂e; Cat.3 Fuel-& Energy Related Activities – 5133 tCO₂e; Cat.4 Upstream Courier Transport – 155.5 tCO₂e; Cat.5 Waste 151.6 tCO₂e; Cat.6 Business Travel 2391 tCO₂e; Cat.7. Employee Commuting (including 2474 tCO₂e Home Office emissions) – 6399 tCO₂e.

⁷ Fugitive emissions for refrigerant gases not listed under the Kyoto Protocol (included in Sanlam's GHG intensity targets).

⁸ No renewable/low carbon energy was purchased or generated on site during 2021.

⁹ An additional 43MWh energy was acquired from landlord-controlled generators used at Glacier Place.

Inherent Limitations

There is an inherent limitation in providing verification of GHG data, which is subject to greater inaccuracy than financial data given the nature of 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-conformities identified during the verification process were duly 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 2021 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 2021 GHG emissions, with the following qualification(s):
 - **Boundary:** Although consistent with Sanlam's base year and historical GHG reporting, reported GHG emissions represented approximately 74% of the Group's directly controlled global operations and 77% of those in South Africa (based on Office employees). For completeness, it is recommended that the boundary should be extended to include closer to 100% of Sanlam's direct global footprint.
 - **Employee Headcount:** Updated information for 2021 was not available. Therefore, except for one office closure, the same headcount per site was used as for 2020. Consequently, the accuracy of reported FTE employee indicators and intensity ratios was uncertain.
 - **Scope 1:** Gas leaks from air-conditioning equipment may be under-reported. However, this may be irrelevant as many sites still use R-22 refrigerant which, in accordance with the GHG Protocol, falls outside of the scopes.
 - **Scope 2:** Emissions may be over-reported as some capacity at the Sanlam Head Office data centre was leased by 3rd parties (Scope 3).
 - **Scope 3:** GHG emissions associated with office waste, employee commute and home office emissions were estimated based on broad assumptions.



Signed: Kerry Evans

Lead GHG Verifier

Verify CO₂

Date: 25.02.2022