

PEOPLE
DEVELOPMENT

top[®]
EMPLOYER

SOUTH
AFRICA
2017

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

People development contents

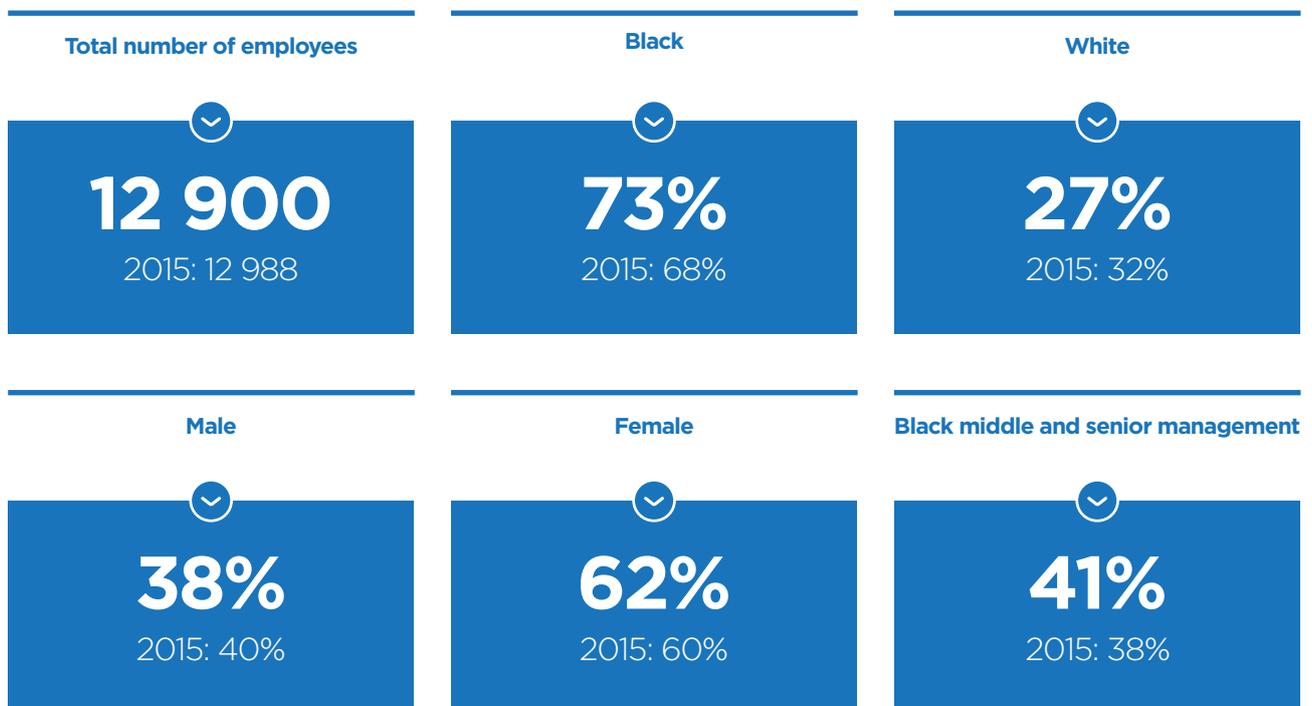
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This supplementary report and discussion per material enabler provides stakeholders with insight into how Sanlam managed its people development for the financial year from 1 January to 31 December 2016.

People development

Sanlam operates within a complex, global environment that requires a strategic approach and skillful response and management. Therefore, the Group must find, engage and motivate the best people to ensure optimal delivery of each strategic pillar. Sanlam must also transform to reflect the demographics of its client base and the broader societies in which it operates.

Key performance indicators



A detailed breakdown of Sanlam's employees by gender, race and occupational level can be found on page 14.

➤ Managing Sanlam's contribution to people development

Ensuring that Sanlam's human capital supports the Group's long-term strategy is critical in safeguarding its competitive advantage, which is reliant on maintaining client relationships and strengthening intellectual capital. This is linked to Sanlam's ability to attract, develop, retain and motivate talented employees.

The Group recognises that engaged employees tend to be happier and more productive and deliver better on Sanlam's promises to its clients. To this end, Sanlam strives to provide its employees with a working environment that is fair and inclusive, and where hard work is recognised and valued. The Group invests in career planning and development with a particular focus on providing opportunities across Sanlam's different businesses and within the Group's global network of partner companies.

➤ Sanlam's human resources strategy

Sanlam's human resources (HR) function is located at Group and cluster levels. Group HR provides over-arching strategic direction and implements Group-wide initiatives that facilitate collaboration and alignment between clusters.

The key focus areas of Sanlam's HR strategy include:

- ⊙ Optimising the position of Sanlam as an employer of choice
- ⊙ Optimising talent management to ensure sustainable business performance
- ⊙ Facilitating the development of a high-performance service culture to shape a values-based, winning business
- ⊙ Driving transformation to aid the creation of an equitable work environment that values diversity and respects human dignity
- ⊙ Optimising functional and operational best practice to ensure HR best practice occurs across Sanlam

To ensure that Group HR's function supports the key focus areas of Sanlam's HR strategy, desired outcomes were identified for each. These outcomes are measured against the delivery of a number of targeted, high-level outputs. The Group HR strategy was implemented in 2014, and has now been revised for the period 2017–2019.

The various cluster HR Functions manage HR strategies and operations in a decentralised manner. The clusters are accountable for identifying and addressing their specific commercial and strategic needs from a human capital perspective, while supporting Group HR priorities.

In 2016, the following milestones were achieved per focus area:

<p>Optimising the position of Sanlam as an employer of choice</p>	<p>Strong focus was placed on establishing a differentiated employee value proposition, both internally as well as externally across talent segments. Sanlam Personal Finance and the Group Office achieved Top Employer status. Organisations that gain Top Employer certification are acknowledged to have demonstrated the highest standards of employee offerings in a forward-thinking human resources environment that leads the way in the development of its people.</p>
<p>Optimising talent management to ensure sustainable business performance</p>	<p>The framework for a Group-wide talent forum was established. This forum will be put into practice in 2017 and will ensure that career growth opportunities are accessible across the clusters, with a particular focus on nurturing key talent.</p> <p>In 2016, a future leaders development programme was piloted that is aimed at developing the leadership capability of high-potential graduates and young professionals. The intention of this programme is to feed Sanlam's leadership bench.</p>
<p>Facilitating the development of a high-performance service culture to shape a winning, values-based business</p>	<p>A Group-wide culture and employee engagement survey was undertaken. While this survey confirmed that the level of engagement among Sanlam employees is high, certain opportunities for improvement were identified.</p> <hr/> <p> Read more about the culture and employee engagement survey on page 19.</p>
<p>Driving transformation to aid the creation of an equitable work environment that values diversity and respects human dignity</p>	<p>Over the past three years, the Group has made a concerted effort to increase the percentage of black, in particular black African, employees in senior and middle management positions. Key efforts include a revised Human Capital Transformation Strategy, which is underpinned by the Group's key strategic pillars and Sanlam's 2016–2018 Employment Equity (EE) Plan. This plan was developed following a barrier analysis undertaken in 2015 that provided insight into Sanlam employees' EE concerns.</p> <hr/> <p> Read more about Sanlam's 2016–2018 EE Plan from page 12.</p>
<p>Optimising functional and operational best practice to ensure HR best practice occurs across Sanlam</p>	<p>A full review of the HR shared services business model was undertaken to drive client centricity.</p>

Attraction, recruitment and retention of key talent

Finding the right people and keeping them engaged and motivated in a supportive working environment is vital to achieving our key business priorities. This is driven by a culture of excellence and opportunity.

Sanlam's Group HR strategy positions talent management as one of its focus areas. Sanlam developed a talent management strategy in 2015 that takes into account global and local talent management trends, and guides the Group in how to attract,

recruit, develop and retain its people to strengthen Sanlam's pool of intellectual capital. The Group's talent management strategy is crucial in building an internal pipeline of future leaders, and is reviewed annually.

Core activities of Sanlam's talent management strategy

Workforce planning

Present and future talent requirements are aligned with the business strategy.

Largely managed and driven at cluster level.

Succession planning

Succession decisions are based on the evolving needs of Sanlam, and take into account the appropriate alignment of talent capabilities with strategic priorities.

Largely managed and driven at cluster level.

Source, attract and recruit

Three key recruitment platforms are used: online recruitment through Sanlam's career website, LinkedIn for strategic sourcing, and face-to-face and online graduate recruitment channels.

Relies on significant collaboration between the Group and the various clusters.

Onboard, engage and retain

Successful onboarding practices ensure high levels of engagement, value-add and retention of new employees.

Largely managed and driven at cluster level, with support from the Group.

Develop

Leadership development specifically aims to ensure bench strength for strategic leadership positions, while functional training ensures technical competence.

Relies on significant collaboration between the Group and cluster.

Manage performance

Performance management is leveraged to ensure high levels of individual and organisational performance. The process clarifies present and future expectations of key contributors. Objectives encompass business goals and values and behaviour requirements.

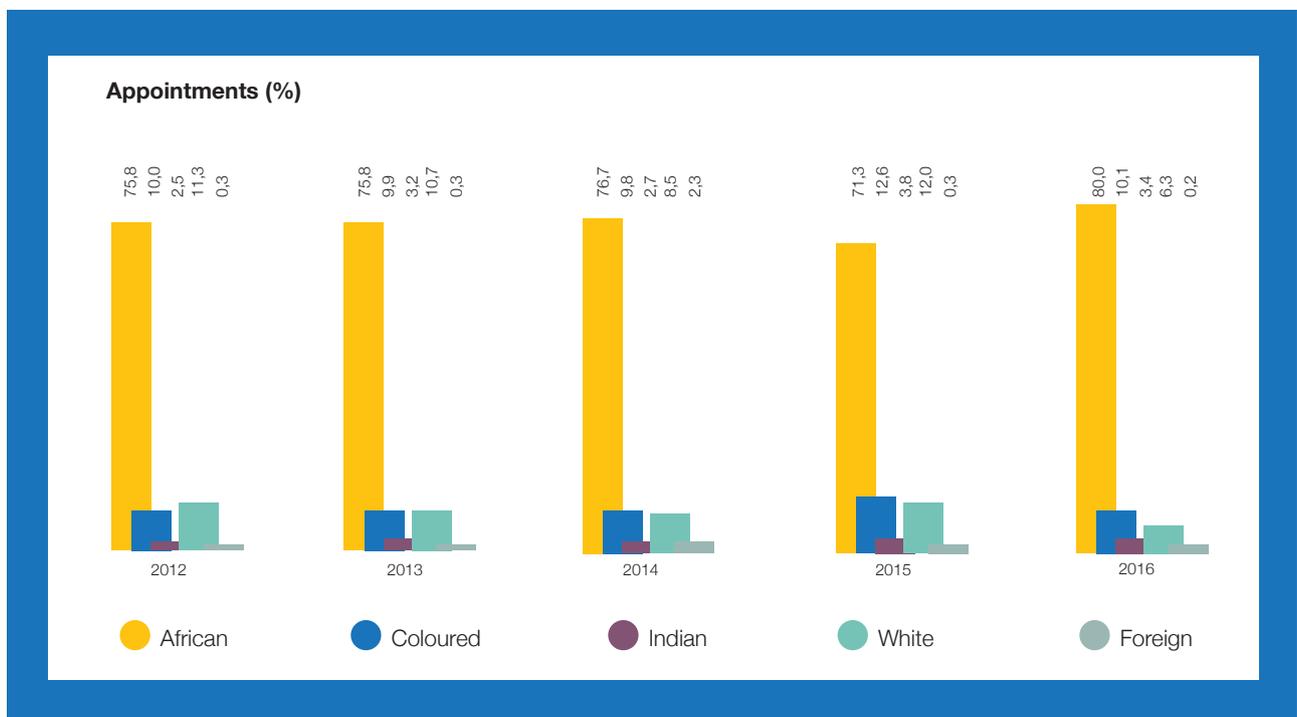
Largely managed and driven at cluster level.

Reward and recognise

Relevant, sustainable and competitive pay and benefits packages are in place that attract, retain and motivate key talent.

Largely managed and driven at cluster level.

Employee attraction and recruitment



The recruitment figures above reinforce Sanlam's commitment to creating an equitable working environment. For example, the Group's recruitment trends for 2015 and 2016 are closely aligned to Statistics South Africa's (Stats SA) profile of the country's economically active population (EAP): African (77,4%); Coloured (10,0%); Indian (2,7%); and White (9,9%).

Attraction, recruitment and retention of key talent continued

Number of followers on Sanlam's LinkedIn home and careers page

35 000

2015: 25 000

The Group's LinkedIn sourcing strategy attracts and sources critical, scarce and senior talent segments. The platform is also used to position Sanlam's EVP. The number of followers on Sanlam's LinkedIn home and careers pages has increased from 10 000 in 2014 to over 35 000.

Number of graduates placed across the Group

42

2015: 28

The Group's graduate recruitment programme places graduates in key roles at cluster level. Sanlam recruits for a wide range of disciplines, including actuarial, accounting and investments.



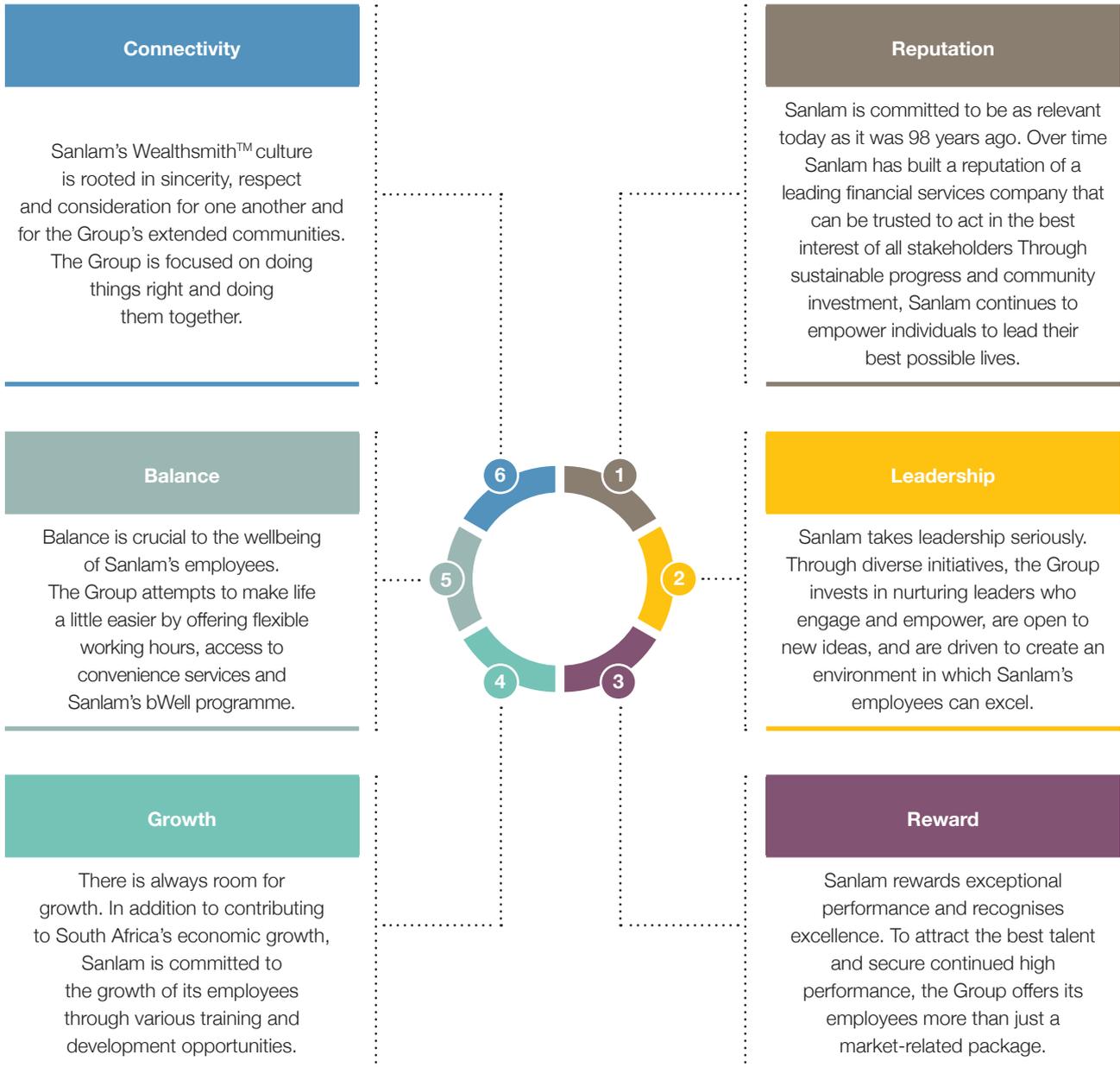
Read more about Sanlam's graduate recruitment programmes from page 11 of this report.

Sanlam's EVP initiatives are aimed at critical and scarce talent segments. To reach these talent segments, Sanlam features in numerous publications and shares internally generated,

brand-building stories to position the Group's EVP. Sanlam has also established partnerships with professional networks and associations. These partnerships are facilitated by Sanlam's senior leaders and management, and create opportunities for engagement on an individual level.

Employee retention

Sanlam pursues a differentiated Employee Value Proposition (EVP) to retain valued skills. The Group identified the following areas as key to attracting and retaining employees, while enhancing their performance and development through recognition, respect and rewards.

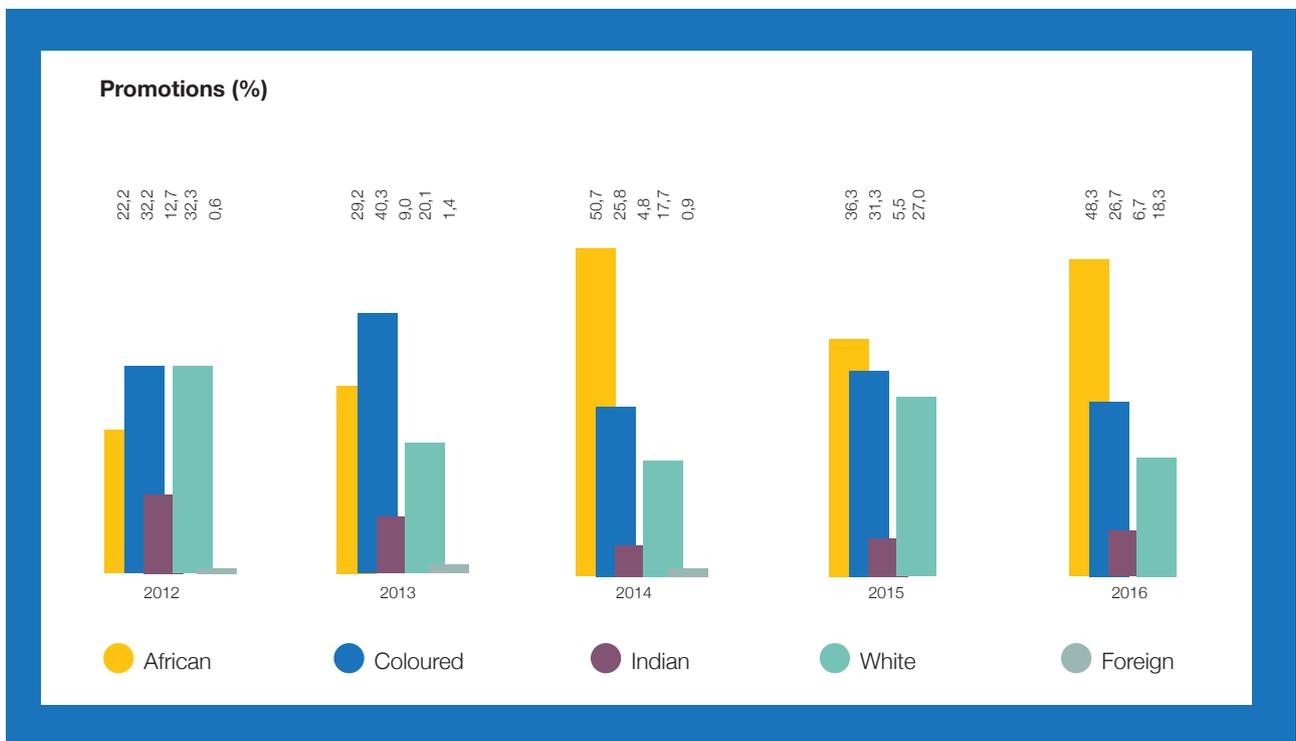


Attraction, recruitment and retention of key talent continued

The Group provides competitive remuneration, bonus and benefits packages, aligned to global benchmarks. Employees identified as key contributors, or with the potential to become a key contributor, are offered additional benefits that include:

- ⊙ Access to the long-term incentive share scheme
- ⊙ A suite of structured, functional and/or technical Group-wide exposure opportunities that depend on individual development needs and areas of interest
- ⊙ International exposure through cross-border and cross-cluster opportunities
- ⊙ Networking opportunities with senior and executive leadership

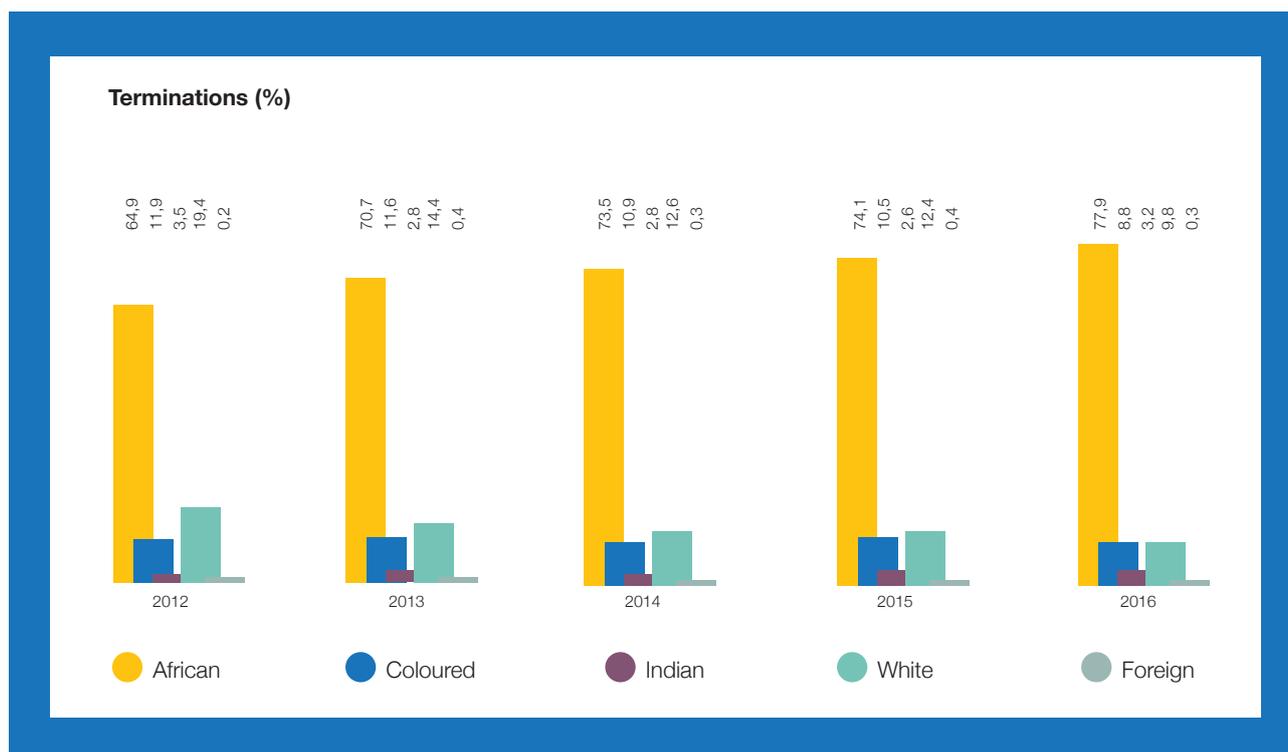
The Group is committed to ensuring opportunities for internal career advancement between various occupational levels. However, talent is sourced externally where necessary and appropriate. This includes opportunities to bring in fresh ideas and experiences to ensure critical and responsive thinking among Sanlam's employees. A total of 240 promotions were recorded in 2016, 81,7% of which were among black employees predominantly at junior management level.



Employee turnover

The Group continues to experience high turnover among certain employee segments, in particular the sales advisors in Sanlam

Sky. Lack of earnings due to 100% commission model results in advisors who are new to the industry exiting early.



	2013	2014	2015	2016
Average number of employees	11 789	12 484	12 950	12 899
Office employee turnover (%)	10,93	11,68	12,38	13,90
Adviser turnover (field) (%)	42,05	41,43	45,50	46,76
Overall turnover (%)	23,75	24,43	26,59	27,13

Succession planning

The Group Chief Executive, in consultation with Group HR and each cluster's executive committee, oversees succession planning for key executive and senior roles. This process assists the Group in driving talent mobility and transformation at the highest occupational levels.

Each business cluster conducts an annual review of primary leadership and technical positions within their businesses. Succession decisions are centred on key contributors. Young professionals are identified to feed the succession pipeline. Through regular assessments and targeted training initiatives, the required competencies to lead the business into the future are identified and developed.

Training and skills development

Sanlam's people are its most important resource and a key differentiator.

Sanlam is a people and service-oriented business. Therefore, the Group invests extensively in equipping its employees with the skills needed to grow the business. This is reflected in the growth pillar of Sanlam's EVP, which highlights the Group's commitment to providing a stimulating work environment alongside development opportunities. Employees are encouraged to discuss their development needs with their line managers, who assist in finding suitable training solutions.

Sanlam invested R206,7 million (2015: R194,9 million) on training and development initiatives in 2016. This figure includes all associated management expenses. During the year, 89,1% (2015: 87,7%) of all employees received training. Of these employees, 66,7% (2015: 65,8%) were black

Skills development spend

R207 million
2015: R195 million

and 60% (2015: 61%) were female employees. The Group achieved a FSC score of 9,35 out of a maximum of 10 for skills development.

	Black male	Black female	White male	White female	Foreign	Total
Grand total (R)	50 859 041	86 965 187	26 899 034	41 447 683	509 072	206 680 016
Spent by race (%)	24,61	42,08	13,01	20,05	0,25	100,00
Average cost per person (R)	17 107	18 555	16 801	18 900	14 141	17 988
Profile of staff trained						
Top management	2	1	5	0	0	8
Senior management	87	44	210	60	1	402
Middle management	436	330	497	512	17	1 792
Junior management	1 527	2 330	869	1 484	12	6 222
Semi-skilled	916	1 952	20	137	6	3 031
Unskilled	5	30	0	0	0	35
Grand total of employees trained in 2016	2 973	4 687	1 601	2 193	36	11 490

➤ Leadership development

Sanlam's graduate and leadership programmes reinforce the Group's commitment to talent management and skills development. These programmes also focus on accelerated development, which is aligned to Sanlam's transformation objectives. Sanlam's key Group programmes include:

- ① Executive Leadership Programme
- ① Senior Management Development Programme
- ① Business Management Development Programme
- ① Future Leaders Development Programme
- ① Graduate Development Programme
- ① Training Outside Public Practice (TOPP) Programme (which supports Sanlam's Chartered Accountant (CA) Training Programme)
- ① SEM Leadership Development Programme

➤ Broadening the industry's skills pool

Sanlam's business model is reliant on the availability of appropriately qualified employees in the Group, the wider industry and in partner businesses. A number of skills development programmes assist in providing these skills, including the following:

- ① Sanlam's Graduate Programme contributes to improving education and creating employment opportunities in South Africa. Furthermore, the programme provides the Group with a source of appropriately qualified graduates. More than 40 graduates were placed in formal Sanlam graduate programmes in 2016. These include: Sanlam Graduate Leadership Programme, Investment Academy, CA (TOPP) and Actuarial Training Programmes.
- ① Sanlam's CA Training Programme was established in 2012 and is accredited by the South African Institute of Chartered Accountants (SAICA). Due to the nature of its operations, Sanlam relies on and is a large employer of CAs. This programme provides the Group with a steady source of newly qualified CAs who have practical experience working in the Group. A total of nine trainees have since completed their articles and eight were offered permanent placements across the Group. Five new trainees were recruited for 2017. In addition to the above, Sanlam supports the Thuthuka Bursary Scheme that feeds the CA Training Programme.
- ① More than 60 graduates were placed in Sanlam's Graduate Internship Programme. This programme provides functional as well as theoretical work-related experience to better equip interns for permanent employment both inside and outside of the Group.
- ① The Sanlam Personal Finance (SPF) Financial Planning Academy ensures that tied agents are able to service clients professionally and effectively. The academy is accredited by the Insurance Sector Training Authority (INSETA) in South Africa for the NQF levels 4 and 5 programmes in wealth management. The curriculum supports the Group's tied agents and supports staff to become Certified Professional Planners,

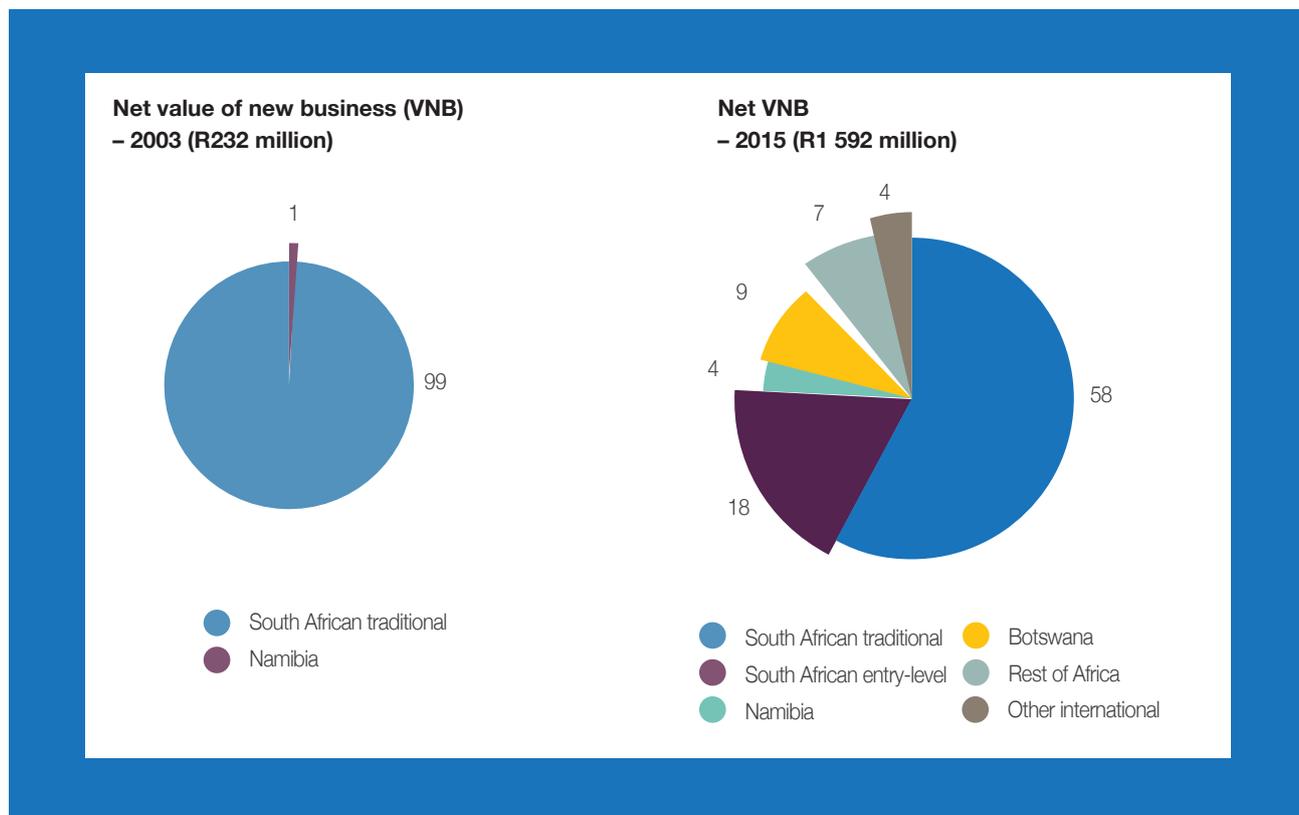
and endorses the Sanlam Financial Advisers (SFA) strategy of professionalism and ongoing upskilling.

- ① Sanlam Sky trains its financial Advisors and intermediaries to ensure that the business builds a network that can offer appropriate financial advice and products to entry-level clients. This increases access to financial services for traditionally under-served segments of communities.
- ① Sanlam offers a Vacation Programme with the core outcome of providing a professional work-readiness platform for the financial services industry. More than 40 final year students are placed on this programme annually, some of whom are appointed into graduate roles across the above listed programmes.
- ① At Group level, a suite of programmes is offered that focuses on developing management and leadership capabilities. These programmes include, among others, those listed below:
 - ① Executive Leadership Programme: in 2016, 32 senior managers completed this programme. This programme is delivered in partnership with the Gordon Institute of Business Science (GIBS) and was developed to ensure employees possess the required depth of understanding of leadership skills in order to meet the future demands of the Group at executive level.
 - ① Senior Management Development Programme: in 2016, 56 middle and senior managers completed this programme, which broadens strategic, long-term thinking and builds leadership competencies in order to address management challenges. This programme is presented in partnership with the University of Stellenbosch Business School Executive Development (USB-Ed).
 - ① Business Management Programme: in 2016, 58 managers completed this programme, which is coordinated by USB-Ed. The programme equips managers with the necessary competencies and confidence to implement Sanlam's strategic objectives.
 - ① Future Leaders Development Programme: 18 young high-potential graduate professionals participated in this pilot programme delivered in partnership with Connemara.
- ① Sanlam Investments re-launched its Leading Edge Development Programme, which is run in partnership with GIBS. Nine senior managers enrolled in this programme in 2016. This programme accelerates participants' readiness to be promoted to influential business leadership positions within a year or two.
- ① Another example of Sanlam's commitment to the development of its people is the Internal Audit Development Programme launched in 2016. The aim of this programme is to enhance the auditing skills of participants and improve the level of professional service offered by the Group.
- ① Within its distribution network, the Group also invests in a range of training initiatives. These initiatives include sales training, skills development, legal and technical training, management and leadership development, entrepreneurial and business management, technical product support, as well as business processes training.
- ① 36 delegates were dedicated to the senior management programme from rest of Africa operations in partnership with Stellenbosch University.

Transformation and employment equity

To be successful and to enable us to offer relevant products and services, we need to understand and reflect the various markets we wish to operate in to enable us to offer relevant products and services. As our markets diversify, so should our business.

With a footprint across Africa, India, Malaysia and selected niche developed markets, Sanlam has transformed significantly since 2005. The extent to which the Group has diversified its client and business base is demonstrated below:



Read more about the Sanlam Emerging Markets cluster from page 111 of Sanlam's Integrated Report.

Diverse businesses are more successful

- ① Gender-diverse companies are 15% more likely to outperform non-gender-diverse companies
- ① Ethnically diverse companies are 35% more likely to outperform non-ethnically diverse companies

Source: McKinsey analysis, *Why Diversity Matters*, January 2015

Sanlam's transformation is focused on creating equal opportunities for all to remedy past discrimination, fight residual discrimination and promote diversity and inclusion across the societies in which the Group operates. It is with this in mind that the Group is driving its vision of becoming a leading, pan-African financial services player.

Embracing and accelerating transformation within the Group remains a priority and one of Sanlam's key strategic pillars. Diversity supports creativity and innovation, which are

fundamental to ensuring that the Group remains competitive and successful in a complex industry. Therefore, it is critical that the Group identify areas of its transformation and EE performance that require special attention.

One such area is the need to increase the percentage of black middle and senior management in the Group. To this end, the attraction and retention of black talent is important. Progress against this is tracked and monitored at Group and cluster level on a quarterly basis.

Transformation and employment equity continued

Due to this focused approach, the percentage of black middle management increased to 43% from 40% in 2015. The percentage of black, senior management increased to 35% from 30% in 2015. Overall, the number of black professionals in Sanlam Group has continued to increase at a steady pace – from 203 employees in 2014, to 270 in 2016. This is an increase of 33%.

The following table reflects Sanlam's employee composition as at 31 December 2016 (permanent employees and fixed term contractors):

Occupational Level	Male				Female				Foreign		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	2	0	0	5	0	0	1	1	0	0	9
Senior management	36	29	31	204	18	16	9	58	1	0	402
Middle management	152	164	92	475	112	133	77	492	11	1	1 709
Junior management	708	520	157	753	910	1 004	220	1 363	9	5	5 649
Semi-skilled	1 395	150	11	23	2 974	370	32	124	12	6	5 097
Unskilled	5	0	0	0	20	9	0	0	0	0	34
Total South Africa-based employees	2 298	863	291	1 460	4 034	1 532	339	2 038	33	12	12 900

The turnover rate for black professionals has increased to 9% from 6% in 2015. The main reason cited for exit was access to better career opportunities outside the Group. Sanlam has stepped up its efforts to curtail this through the Group's differentiated EVP. Further objectives to assist the Group in attracting and retaining black professionals have been set out in Sanlam's 2016 – 2018 EE Plan, developed in 2015.

These include the provision of targeted development opportunities, accelerated promotions (where possible), and careful scrutiny of all reward elements. These factors impact retention. The Group is focused on building relationships with talented individuals in order to attract top talent to the Group. Sanlam also works closely with executive search partners, who assist the Group with talent identification and sourcing.

 [Read more about Sanlam's EVP from page 7.](#)

The Group's EE Plan reflects the consolidated, accelerated diversity and EE plans of each cluster, with a number of high level objectives set across the three-year period. Interim progress against these core objectives is measured quarterly, with a detailed analysis done annually. This enables the Group to track demographics at management levels, as well as the unique challenges of each cluster, to drive targeted and relevant EE initiatives that support transformation and diversity.

The following table reflects the objectives of Sanlam's EE Plan, with a discussion of performance against the 2016 objectives:

Objectives 2016	Performance against objectives 2016
1 January to 31 December 2016	
<ul style="list-style-type: none"> ⊙ Each cluster to execute the strategic initiatives identified in their respective EE Plans ⊙ Identify and address key challenges around the retention of high-performing black employees ⊙ Renewed focus on an inclusive culture, with a specific focus on persons with disabilities ⊙ Development, graduate and bursary opportunities to be expanded, with specific focus on black persons ⊙ Review Group policies, including Language, EE, Anti-discriminatory and Sexual Harassment ⊙ Review and reposition the Group Transformation Strategy 	<ul style="list-style-type: none"> ⊙ Each cluster undertook approaches focused towards achieving the various objectives identified in their respective EE Plans. Due to structural changes, certain clusters were required to realign the objectives with their business unit. ⊙ The clusters made significant strides in attracting and retaining high-performing black employees. This is reflected in Sanlam's 2016 employee composition. ⊙ A Company culture and employee engagement survey was conducted in 2016. Based on the results of this survey, specific initiatives will be implemented in 2017. ⊙ Substantial progress was made in attracting and developing graduates and professionals. ⊙ All Group policies were reviewed during the year. The Group developed a revised Language Policy that supports Sanlam's related EE and Anti-discrimination policies. The Language Policy was well-received and was then implemented across the Group. ⊙ The Group Transformation Strategy was reviewed and implemented.
Objectives 2017	
1 January to 31 December 2017	
<ul style="list-style-type: none"> ⊙ Each cluster to execute the strategic initiatives identified in their respective EE Plans ⊙ Identify and address key challenges around the retention of high-performing black employees ⊙ Targeted initiatives with a specific focus on increasing Sanlam's black female complement ⊙ Implement development initiatives at the middle and senior management levels, with development and retention as the primary focus 	
Objectives 2018	
1 January to 31 December 2018	
<ul style="list-style-type: none"> ⊙ Each cluster to execute the strategic initiatives identified in their respective EE Plans ⊙ Identify and address key challenges around the retention of high-performing black employees ⊙ Review of the current EE Plan and preparation for the drafting of the Group's new EE Plan 	

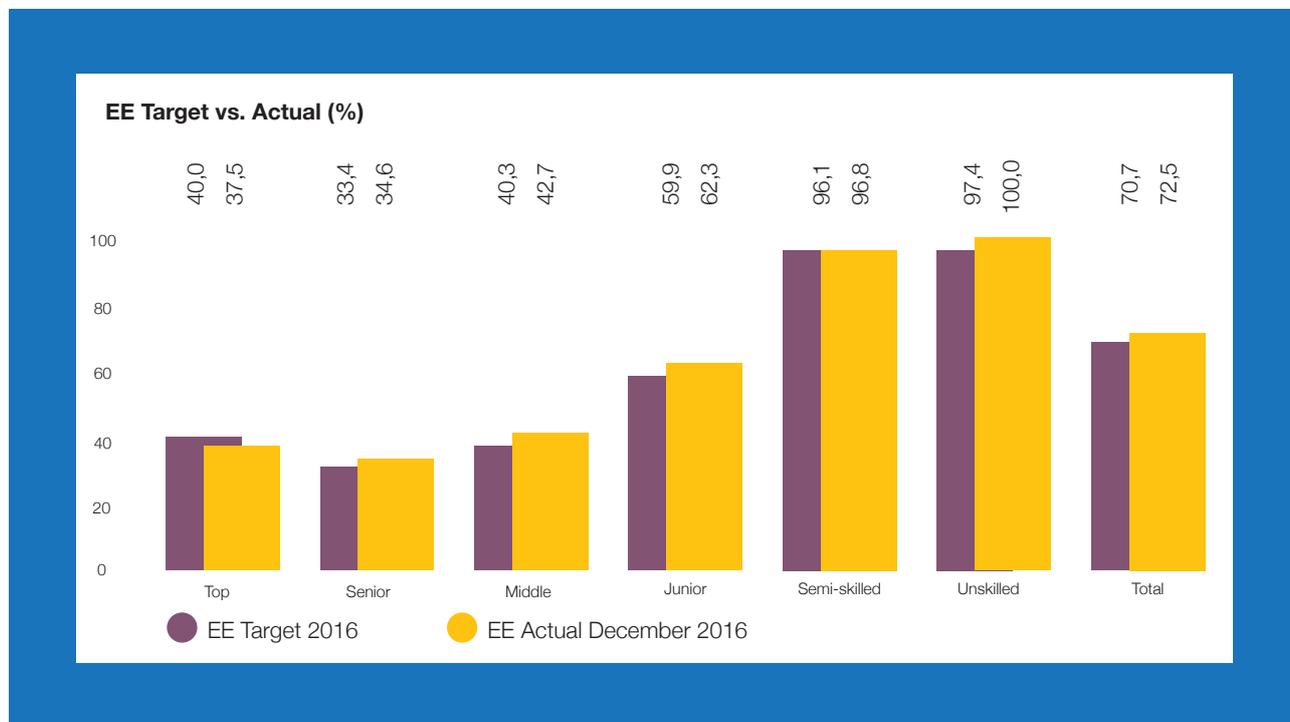
The Group's EE achievement was 8,83 out of a maximum of 15 points, and the management control achievement was 7,41 out of a maximum of 8 points. These scores can largely be attributed to the focused approach of businesses to exceed the targets set in the EE plan.



Read more about the Group's FSC score in the Prosperous society report, available online.

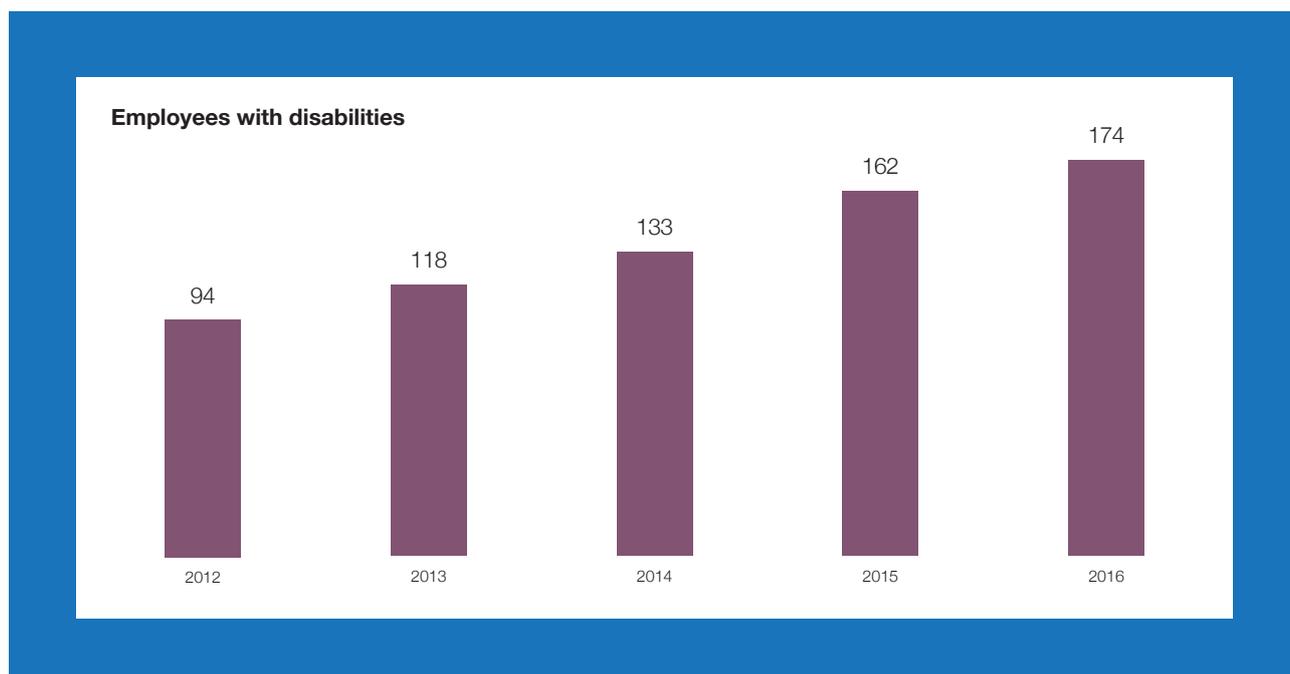
Transformation and employment equity continued

The following reflects the Group's EE targets versus actuals for 2016. The Group met its EE targets due to Sanlam's businesses having focused and target driven initiatives.



Sanlam is committed to providing equal opportunities for unemployed people with disabilities and offering learnerships specifically aimed at individuals with disabilities. Once learners successfully complete their learnership, they are placed in an internship that allows them to further their development. In 2016, 48 learners successfully completed the learnership,

which consists of structured learning combined with practical and workplace experience. Those who were not permanently employed were placed on an internship. The majority of persons with disabilities employed by the Group either occupy semi-skilled positions, or form part of junior management.



➤ Fair remuneration

As part of the Group's commitment to achieving equity and transformation in the workplace, the Sanlam Group is committed to pursuing fair and equitable remuneration. The Group recognises that appropriate remuneration is inextricably linked to the development and retention of top-level talent and intellectual capital within Sanlam. To meet the strategic objectives of a high-performance organisation, the Group's remuneration philosophy is positioned to reward exceptional performance and to maintain that performance over time.

The Group is also conscious of the need to track pay differentials between the highest and lowest paid Sanlam employee.

➤ Non-discrimination

Sanlam recognises that to build an inclusive and representative workforce, ensuring non-discrimination is critical. The Group complies with all relevant legislation that governs non-discrimination in the workplace. For example, this includes the Employment Equity Act, 55 of 1998, and the Constitution of South Africa.

In 2016, the Group developed a revised Language Policy that supports Sanlam's related EE and Anti-discrimination policies. The policy respects the multiplicity of languages spoken across the Group, both in South Africa and beyond, and it establishes English as the common business language. The Policy is designed to support strategy execution, give life to Sanlam's Company values and Code of Ethics, and foster an inclusive work environment. This is important as Sanlam expands its global and pan-African footprint and operates in an increasingly diverse business environment. Having a common corporate language will further facilitate a shared brand identity. The Language Policy is driven by management, who ensure adherence. If employees fail to adhere to this policy, they are provided with appropriate support and sensitisation but will be disciplined in line with the disciplinary codes of the businesses they form part of should the problem persist. Instances of non-compliance will be tracked from 2017.

Organisational culture and employee commitment

Sanlam is a company built on a respect for what people are worth and an appreciation for what they can become. This is why we give each and every person who works at Sanlam the opportunity to make the most of who they are, and to be recognised, respected and rewarded for what they're worth. We inspire people to realise their worth. This is our commitment to employees. And this is what makes us Wealthsmiths™.

Sanlam recognises that organisational culture can significantly impact employee productivity and performance, job satisfaction as well as employee commitment. The Group's culture is based on its purpose, brand and values, and embedded through the Wealthsmiths™ Commitment. This commitment encapsulates the six pillars of Sanlam's EVP. As the Group has a federated business model, employee interaction and engagement tend to be decentralised. However, all clusters work to embed Sanlam's organisational culture by emphasising the six pillars of the Group's EVP with a particular focus on connectivity through networking, teamwork and volunteering.

Sanlam also has Group-wide communication channels, including:

- Ⓞ The internal magazine, *Inside Sanlam*, which is distributed every two months;
- Ⓞ The weekly *Inside Sanlam* electronic newsletter;
- Ⓞ The Group intranet;
- Ⓞ The Employment Equity Consultative Forum's (EECF) newsletters and executive updates; and
- Ⓞ The Sanlam Women's Network Initiative, which brings together female employees from across the Group to discuss topics of mutual interest. The Young Professionals Network has a similar agenda for young professionals of below 35 years of age. Quarterly events are planned in Cape Town and Johannesburg.



Read more about Sanlam's purpose and values in the Sound governance report, available online.



Read more about the Group's EVP on page 7 of this report.



Sanlam's 2016 culture and engagement survey

In 2016, a Group-wide culture and engagement survey was completed by 66,5% of Sanlam's employees (excluding advisers). The Group utilised the Gallup Q12 statements, which provided a solid framework against which Sanlam could assess and measure its employee engagement approach. Statements included, for example, 'I know what is expected of me at work', 'the mission/purpose of my business unit makes me feel like my work is important', and 'this past year I have had opportunities at work to learn and grow'. Overall, the Group achieved an engagement index of 73%, which reflects high levels of motivation that can support Sanlam's growth and performance.

> = 85	Actively engaged – exceptionally high levels of motivation and passion, which will help move the Company forward
65 – < 85	Engaged – high levels of motivation and care, which will drive growth and high performance
51 – < 65	Ambivalent – adequate levels of motivation, which will contribute to maintenance of current operations
< 50	Disengaged – some indicators of unhappiness and dissatisfaction, which are impacting poorly on motivation

To assess Sanlam's company culture, employees were asked to identify words that they feel fundamentally embody the Group's workplace environment. These core words identified by employees were 'client centric', 'accountable', 'challenging', 'integrity', 'traditional' and 'respectful'.

Organisational culture and employee commitment continued

Employee volunteerism

Sanlam's EVP prioritises internal and external employee interaction and collaboration. Externally, employee volunteerism and community involvement form an essential component of Sanlam's corporate culture. This involves providing employees with opportunities to 'do good' through various platforms.

International Mandela Day

International Mandela Day is held annually in honour of the late President Nelson Mandela. International Mandela Day is celebrated on 18 July – President Nelson Mandela's birthday – and serves as a global call to action for "people to recognise their individual power to make an imprint and help change the world around them for the better" (The Nelson Mandela Foundation).

The Group recognises the day as an opportunity to celebrate the legacy of President Nelson Mandela. Therefore, Sanlam encourages employees to spend 67 minutes in contribution toward a cause that helps create a world worth living in and enables people to live their best possible lives. This honours the 67 years that President Nelson Mandela spent serving others in South Africa and across the globe.

In response to this challenge, Sanlam employees made meaningful contributions to various institutions and individuals, some of which include:

- ① Two CT shelters, The Haven Night Shelter and MES Social Relief Programme, benefited from more than 150 meals prepared by Wealthsmiths™.
- ① A significant number of blankets, crocheted by Sanlam employees were donated to women displaced by the closing of their night shelter. Employees also raised funds to provide the shelter with both food and toiletries.
- ① The Sanlam Women's Network Initiative donated more than R10 000 worth of books to the Tygerberg Hospital Pediatric Ward, as part of the 'Reach out and Read' initiative. These books are used by volunteers who read to children admitted to the hospital. Volunteers also use the books to teach parents of admitted children how to read to their children.
- ① In response to the pressing need for young girls to have access to sustainable sanitary solutions, The Sanlam Women's Network Initiative also supported SUBZ – an organisation that produces and distributes a washable and reusable sanitary towel. More than R13 000 was donated by Sanlam employees toward this initiative. The sustainable sanitary packs have a lifespan of more than five years and were donated to girls at Vissershok and Fisantekraal Primary Schools.
- ① Group Sustainability and Business Change partnered with Clothes to Cash Exchange (C2CX) to mobilise staff, resulting in a total of 130 bags weighing 931kg being collected from Head Office in Cape Town. C2CX buys second-hand clothing, selling it on to informal traders at a very small margin. They in turn sell the clothes in their communities. In this way C2CX also empowers people to create sustainable business opportunities. All proceeds raised through this initiative went towards the Sanlam Foundation to support schools with which the company has partnered.



Tertiary School in Business Administration (TSiBA) Volunteer Programme

TSiBA is a private, not for profit business school that provides emerging leaders an opportunity to study high-quality, accredited academic courses focused on developing entrepreneurship and leadership.

TSiBA created a mentorship programme that provides professionals across various fields the opportunity to mentor students for one year. Through the Sanlam Foundation, 16 Wealthsmiths™ have pledged to mentor 25 TSiBA students.

The Sanlam Foundation also partnered with Europcar, one of South Africa's leading, global car rental companies, to sponsor TSiBA. Employees were encouraged to choose Europcar, with R25 from each rental donated to TSiBA. This initiative aims to raise R50 000, which amounts to a full-year scholarship at TSiBA. At 31 December 2016, R10 725 had been raised.



Read more about the Sanlam Foundation and its various projects (including TSiBA) in the Prosperous society report, available online.



Promoting employee wellness

Sanlam recognises that a healthy work-life balance is crucial to maintaining the health and well-being of its employees. Therefore, the Group provides its employees with various platforms to improve their physical and emotional health.

Sanlam's bWell programme is a multi-faceted, blended-media, strategy-driven initiative that seeks to leverage the win-win principle (what is good for people is also good for business) that employee wellness represents. Be Well raises the overall awareness of health and well-being among employees and targets key wellness issues to facilitate behavioural change. Key priorities for the Be Well programme in 2017 include:

- ① Optimising engagement levels;
- ② Evolving screening and wellness services to improve behavioural change;
- ③ Delivering focused modules on financial fitness and mindfulness; and
- ④ Launching Be Well Executive.

For 2017, Sanlam has identified the following sustainability focus areas for the development of its people:

- ⊙ The Group will introduce a new HR talent management system – SuccessFactors by SAP. This talent system will enable Sanlam to introduce best practice HR processes across the Group, as well as improve alignment and enhance talent mobility.
- ⊙ Leadership development will remain a key focus area. Sanlam is investigating the possibility of introducing an Alumni Programme for delegates who have passed through the Group's core Executive Leadership Programme.
- ⊙ Group HR, in collaboration with the clusters, will explore initiatives to empower senior and high-potential female employees.
- ⊙ Sanlam is investigating the development of a formalised, cross-cluster mentoring programme. The Group further aims to introduce a rotation programme for defined talent segments. Together, these programmes will assist Group HR to deliver on its strategic intent to drive talent mobility.
- ⊙ From a wellness perspective, initiatives will be aimed at building resilience and ensuring that Sanlam's employees are able to cope during times of increasing uncertainty.



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