



Empowering our people

Confidence Rule 52:

**YOU ARE ONLY AS
SUCCESSFUL AS
THE TEAM YOU HAVE
SUPPORTING YOU.**



● **Jeanett Modise**
Group HR director

Contributing to the following SDGs



IF WE CONTINUE TO WORK THE SAME WAY AND DON'T BRING EFFICIENCIES AND OPTIMISATION, THEN THE FOCUS IS JUST ON DELIVERY. THIS MEANS ENGAGEMENT AND HUMAN CONNECTION WILL SUFFER.

Message from our HR director

When people at work can understand why they are doing something, they are more confident about their contribution, irrespective of their role.

This year was about creating one winning Sanlam in an environment where the global pandemic has amplified complexity and accelerated the transition to new ways of work. In response, we initiated a Great Reset for Sanlam. Through deliberate alignment between purpose, vision, strategy and values, we are creating a new

employment deal with our people. We are setting them up for success so they can live with confidence and Sanlam can continue to be more sustainable and resilient in the long term.

Our human capital strategy continues to be centered around people being at the heart of our organisation.

Sanlam human capital focus areas

- 1 Talent and succession with emphasis on future-fit capabilities
- 2 Shaping a culture that embraces diversity, equity and inclusion to suit our business context
- 3 People and leadership development
- 4 Organisational effectiveness and employee experience

The strategy has four focus areas that help us to build the cultural elements across the Group while contributing to our business strategy and value creation. In order to set ourselves up for success, we are reviewing our human capital operating model. We intend to define a new people governance structure that clarifies the right level of accountability, eliminates duplication and guides and informs our investment in technology to be even more efficient and able to leverage synergies. Digital processing and data on their own will not bring the level of success we aspire to; we need technology to connect even better on a human level, for exceptional employee experience.

In our process to define a new people governance structure, we specified the capabilities that we require now and in the future. We clarified the accountabilities and decision-making at Group and at cluster level. This is a phased approach focused on optimising our human capital capability and services.

Parallel to this, we are running a cross-functional “new ways of work” project to facilitate our transition to hybrid working. Office spaces and work arrangements are designed to balance the need for employee wellbeing, work preferences, connectivity and productivity. This needs to align with the bigger picture of attracting talent, progressing careers and empowering people to lead in new ways.

For example, we want our leaders to show more empathy and be more approachable. Therefore, programmes like the SA Retail Mass leadership development programme with the University of Pretoria’s Gordon Institute of Business Science (GIBS) address capabilities such as digital dexterity and wellbeing. This will build an environment of trust and accountability – trusting each other without seeing each other.

We have also amplified our physical, financial and emotional wellbeing programmes to help facilitate lifestyle changes and we will continue to do so as the wellbeing of our people is a high priority for them to thrive. Investing in employee wellbeing can lead to increased resilience, better employee engagement, reduced sickness absence and higher performance and productivity. Ultimately, we want our employees to be confident to take control of their wellbeing and move from being exhausted to building resilience for themselves and those around them.

In 2020 and 2021, for example, we gave employees throughout the Group an

additional five days of leave to recognise their exceptional hard work and demonstrate that we care about their wellbeing.

To foster healthy human connections and link these to our purpose, we encourage employee volunteering in collaboration with the Sanlam Foundation.

Our vaccination programme is part of building resilience for our employees and their communities. We intend to minimise the impact of the pandemic and create safe spaces for our employees and clients. We have a mandatory vaccination policy, but our approach is to encourage vaccination and to engage with employees on a case-by-case basis with clear principles.

Beyond South Africa, we continue to support the human resource teams in different countries. For most of our initiatives, we pilot these in South Africa and then take the learnings into our operations in other countries. This includes investing in a human resource platform that can integrate with our data and other platforms, our new ways of work and benefits.

Our priorities for 2022 will focus heavily on talent management and strategic workforce planning to ensure that we have the required capability for the future. We will embed the new ways of work and sustain our culture of diversity, equity and inclusion through various initiatives. We know that a culture is shaped over the longer term, and we will continue to be deliberate in creating a high-performance and agile workforce underpinned by our purpose and values.

We are introducing new business scorecards to support a revised remuneration policy. Strategic measures comprise up to 50% of business bonus assessments and include, for example, client satisfaction, growth and diversification, strategic partnerships and culture measures.

We are confident that we are setting the Group up for future success by creating one winning Sanlam.



We put key Group initiatives in place, complemented by specific cluster-focused initiatives to cater for unique differences. We aligned all under the “Winning as One” motto by applying four principles:

- 1 Start with leadership commitment and maximise their impact as role models.
- 2 Employee involvement is a key ingredient as we aim to fully understand their experience, needs and priorities.
- 3 Aligning our day-to-day practices makes all the difference in shaping the desired culture.
- 4 We need to be purposeful about evolving and embracing the desired culture and living our values.

A high-performance, agile, **diverse and inclusive culture**

Sanlam’s culture journey, “Winning as One” signals our commitment to collaboration and leveraging synergies in executing against the Group strategy. The culture journey started in 2020, with the review of the strategy, changes to the top management leadership team and the reorganisation of the business. This was the opportune time to assess our values and practices against our desired culture.

Our culture journey brings leadership to life, involving employees in crafting solutions, being intentional about what we do and how we do things. The Barret culture survey and its outcomes allowed for dialogue on how to move in a synchronised way across the Group.

CULTURE-BUILDING INITIATIVES

<p>Culture starts with leadership</p>	<p>Our leaders need to understand how they are showing up and the impact they have on the culture. The Group Executives and their direct reports participated in a leadership development assessment based on the Barrett leadership model. Leaders were rated by colleagues and peers and received an assessment of their own leadership style.</p>
<p>A new set of core values</p>	<p>To drive the One Sanlam culture, we did a values analysis and alignment exercise. The different value sets within the clusters and the Group were reviewed through a consultative process for possible overlaps, synergies, areas of disconnect as well as opportunities for alignment to the desired culture. Ultimately the aim was to agree on key values based on the Group's purpose, strategy and desired culture while keeping the Barrett model in mind. Find the new core values, as agreed with Group Exco on page 75.</p>
<p>A culture of agility</p>	<p>We launched a strategic agility leadership programme for the top three management tiers, consisting of self-directed digital content and eight monthly masterclasses. Positive feedback confirmed impact through thinking shifts, practical applications and improvements.</p> <p>Six strategic initiatives were identified as part of the programme. These were aligned to strategic outcomes and considered the results of the culture survey. Teams had to define the real problem and deliver a proposed solution. The six workstreams were supported with ongoing coaching and all proposals were presented to the Culture steerco and executive sponsors. Final proposals were approved for implementation in 2022.</p>
<p>Employee experiences unpacked</p>	<p>40 diverse employee focus groups assisted in understanding, validating and identifying employees' experience, needs and satisfaction levels. We also asked them for input on solutions to improve the culture and enhance the hybrid work environment.</p> <p>Overall feedback confirmed the need to continue improving recognition, focus on employee development, leadership visibility and support the wellbeing of our workforce. Based on this, we can enhance our employee value proposition.</p>
<p>New Ways of Work project</p>	<p>We want to ensure that our people are ready to reset and thrive while balancing their wellbeing, productivity and transition to a hybrid way of working. This includes higher levels of flexibility, line manager enablement, employee wellbeing, people practices, technology/connectivity, workspace planning and culture impact.</p> <p>To align employees' preferences with operational requirements, we completed an analysis and mapping of each role in terms of the type of work, connectivity requirements and productivity, to plan for a phased return to the office. Cluster leadership teams are actively managing the specific return-to-office plans while providing input to space planning.</p> <p>The number of employees that will work on-site varies across the Group given the variation in our business and the types of roles allocated to work on site.</p>

In 2022 and beyond we need to move from implementation to sustain the journey. This means embedding practical applications and continuing to measure our progress.

GOVERNING NEW WAYS OF WORK

We are committed to enabling our employees to live with confidence using a holistic and integrated wellness offering accessible through modern digital mediums, as well as face to face.

To contract with employees on arrangements for new ways of work, the following was approved this year.

Sanlam's new occupational health and safety policy statement

It is important to Sanlam that safe working conditions be maintained in its offices countrywide for its employees, contractors and clients. Sanlam is committed to promoting positive mental, physical and social wellbeing within the organisation. The statement sets out Sanlam's intent and approach while recognising that it will only achieve its health and safety objectives through consultation and cooperation by all stakeholders.

Remote work policy

The new ways of work arrangements extend the workplace to employees' homes. It is therefore critical to confirm the Group's and employees' responsibilities regarding occupational health and safety legislation.

The remote work policy applies to all employees including advisers and tied agents. It sets out that employees have to ensure that their home-work environment adheres to the health and safety guidelines and recommendations. Management is responsible to ensure that employees working from home receive critical and relevant information about health and safety. It further sets out responsibilities in terms of equipment and technology provided by Sanlam, as well as information on the requirements for remote office risk assessments.

Group hybrid work framework

The framework defines hybrid work principles, guidelines and practices for employees, acknowledging that in certain instances the nature of some roles requires that work is executed within the bounds of dedicated Sanlam offices. The hybrid way of work is therefore implemented in line with business continuity and operational requirements. Hybrid work principles encourage empathetic leadership, work flexibility, equitable opportunities, collaboration and aim to enable an outcome-based performance culture.

We expect our employees to honour and deliver their work objectives exceptionally and within the timelines agreed with their line managers, recognising that some roles might require employees to work different hours and at different locations.

Line manager responsibilities include, for example, being available and accessible, scheduling regular check-ins and ensuring efficient and continuous delivery of client service and other business outputs.

MEASURING OUR CULTURE PROGRESS

We use the Barrett Values Centre framework and methodology to understand and measure the Sanlam culture. The first Group-wide assessment was conducted in September 2020, followed by a second survey in September 2021. 69% of employees participated (2020: 71%).

Sanlam's culture score improved from 58 in 2020 to 61 in 2021 - a score that is significantly higher than the industry average of 50. We also observed more behaviour/values matches in the personal and current culture behaviours in 2021 compared to 2020. The Group entropy score improved slightly from 15% in 2020 to 14% in 2021 moving in the right direction. It indicates that some attention is still required to reduce employee energy consumed in doing unproductive or unnecessary work.

Salient results:

- Continuous improvement emerged as a new culture match indicating openness to change.
- The most significant improvement was in employee recognition which increased by 3%, indicating that employees acknowledge there is a culture of recognition, and they would like that to continue.
- Long hours increased by 5% and indicated an area of concern.
- Top and senior management results improved, and cost reduction eased as a concern.

DIVERSITY, EQUITY AND INCLUSION

Sanlam is committed to the creation of an equitable work culture where the diversity of all employees is valued, and the dignity of individuals is respected.

Diversity, equity and inclusion are imperative as Sanlam builds a modern workforce that can work at its best. To deliver on our purpose, we have to be deliberate about creating a workforce that reflects the diversity of the communities in which we operate. Although Sanlam's workforce comprises multiple generations, the majority of the workforce is younger than 35.

A culture that embraces diversity and inclusion plays a huge role in creating confidence as it allows employees to work in a safe place where they can produce their best work.

As there is increased and diverse competition for talent in the digital economy, embracing diverse backgrounds and a generational mix in skills, is a recruitment advantage.

To drive a diversity agenda, we held engagement sessions with employees on key issues, including privilege, unconscious bias, microaggressions, persons with disabilities, and more.

This year, 92% of all appointments in South Africa were from designated groups. Overall, we are showing good progress towards addressing underrepresentation gaps. Progress in management levels and transformation categories continued, although some gaps remain in overall black employees at senior management and African black at both senior and junior management levels.

56 senior black leaders were appointed since January 2021 and 19 (13 women and 6 men) were funded from the Project Tx programme.

Dedication to driving transformation across the Group lifted the Group's Financial Sector Code (FSC) overall employment equity (EE) score from 7,34 to 7,86 against the 2021 target of 7,66.

At 62%, female employees continue to be the majority against the financial sector's average of 60%. Despite this, male employees occupy the highest percentage of management roles. This trend is also observed with the appointment of young professionals. Focus on diversity of the management levels remains a priority and dialogues on possible unconscious bias at recruitment will be addressed as part of the new diversity framework rollout.

The Group continued to increase numbers of people with disabilities (PWD), who constitute 1,8% of our workforce and exceed the financial sector average of 1,5% and the total South African workforce average of 1,3%.

Board level diversity

Sanlam's Board sets the direction and approves the process to attain an appropriate balance of knowledge, skills, experience, diversity and independence among members. The Nominations committee follows a formal transparent process to review the balance, effectiveness and diversity of the Board and its committees.

The Board (supported by the Nominations committee) annually reviews the Group's policy and targets regarding the promotion of diversity at Board level. At the end of the financial year, the Board comprised 19 members of which 53% were black and 37% were female. Our target is to have 59% black and 35% female members.

New appointments to the Board this year contributed to racial diversity, including skills and experience:

- Ebenezer (Ebby) Essoka was appointed as an independent non-executive director effective 18 June 2021. He brings experience in economic development and financial services in Africa.
- Ndivhuwo Manyonga was appointed as an independent non-executive director effective 6 December 2021. She is the first black African female actuary to qualify in South Africa and has a wealth of experience in the financial services industry across a broad range of disciplines.
- Willem van Biljon was appointed as an independent non-executive director effective 13 August 2021. He brings entrepreneurial experience in technology businesses across financial services and fintech.

Read more about Board diversity, and individual director profiles, in the governance report available on the Sanlam website.

A new diversity framework

A new diversity, equity and inclusion framework was approved this year. It supports our intention to attract, develop and retain employees from different backgrounds by creating an environment that promotes a culture of inclusion where individuals, regardless of their differences, are engaged, able to perform, can access equal opportunities and thrive.

The framework has three pillars:

<p>In our workforce, we want to close gaps in the representation of black (especially African) and female employees at senior leadership levels.</p>	<p>We are gradually making progress in addressing the underrepresentation of black and female talent at senior management levels by developing and advancing black employees from junior management.</p> <p>Development programmes are creating diverse leadership pipelines, e.g. mentoring, leadership development programmes, career development and succession.</p> <p>We are targeting recruitment outside traditional financial services pools and are creating opportunities to appoint black (especially African) and female employees in meaningful and engaging roles at senior management levels.</p> <p>These initiatives are assisting in diversifying succession pools.</p>
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<p>We want to create an inclusive workplace where our diverse employees feel valued and that they belong.</p>	<p>As part of the framework implementation, we audited policies and practices to ensure they meet the needs of diverse and hybrid workplaces. This includes addressing unconscious or latent bias, for example in hiring, development and rewards. Our intent was also to include reasonable accommodation for people with disabilities.</p> <p>We created employee resource groups to advance transformation through issues of interest to them and Sanlam. These are employee-driven networking groups where those with shared characteristics come together, engage, share and learn from each other. Examples include the Women's Forum, the Disability Forum and the Young Professionals Network.</p> <p>We will also continue to conduct annual remuneration equity reviews to prevent any inequalities base on arbitrary grounds like race or gender.</p>
<p>We want to be a responsible corporate citizen in all the jurisdictions in which we operate.</p>	<p>We want to reflect our clients' demographics in our employee profile across multiple geographies. This includes cooperating with authorities by complying with applicable laws and policies of the jurisdictions in which we operate, for example, transformation legislation.</p> <p>As a responsible corporate citizen, we also want to do business ethically and in a socially conscious way to protect both the societies and environments in which we operate.</p>

The GHRRRC and SES committees receive a quarterly report on diversity, equity and inclusion, tracking progress against transformation commitments. Diversity, equity and inclusion are also included in the Group's strategic risk register, focusing primarily on the diversity of the workforce, the leadership bench strength and diversity of the talent and succession pools.

In South Africa, the Sanlam Group EE Consultative forum together with the Business EE forums monitor progress against Sanlam's EE plan and provide insight and guidance where necessary.



Sanlam partnered with the University of the Western Cape (UWC) and the global organisation Women in Tech (WIT) to launch the "this is me" programme in March 2021. 25 UWC third-year students were partnered with 10 Sanlam employees in the first such programme to be launched in the South African chapter of WIT. The pilot was a resounding success with partners working well together and evident individual growth over the period. There is an opportunity to extend the offer and the reach of the programme while addressing virtual and data issues. The programme focused on building confidence, presentation skills, workplace and job readiness.

Transformation in action

The following initiatives support existing plans that drive transformation:

- By **tracking the appointments and promotions ratio**, we ensure targeted appointment of the relevant designated groups in order of priority at management levels, with the emphasis on addressing the under-representation of African black talent.
- We **implemented an approval process to minimise exceptions**. Cluster Chief Executives and HR Executives are accountable for the diversity of their Executive committees and the Exco direct reports. Appointments at senior and middle management levels, which are not African, have to be approved by Cluster Chief Executives and HR Executives based on motivation.
- We are **building partnerships with entities that focus on disabilities** for improved sourcing of suitable candidates and continue with the learnership programme for PWDs.
- We are **improving awareness and understanding of various forms of disability** to encourage disclosure and provide the required reasonable accommodation.
- We continue to **focus on diversifying talent and potential successors** in the review and planning process. By identifying enterprise and emerging talent at junior and middle management levels, we can establish development plans and fast-track progress towards middle and senior levels.
- **Gender diversity-focused interventions are aimed at inclusion** and increasing the number of women in leadership, especially at senior management level.

- **Development initiatives are intensified** to build diverse talent pools across various management levels. These include graduate and internship programmes to address critical capabilities in actuarial, finance and digital.
- We are investing in **targeted leadership development** through global business schools to build critical capabilities with diverse delegates.

For 2022 there will be a specific drive to recruit, appoint and vest African advisers for the South African middle and affluent market, based on an attractive remuneration model.

We also want to improve the understanding of the remuneration and benefits philosophy as it relates to diversity, equity and inclusion. In addition, we plan to review Sanlam’s communication channels and platforms to optimise the communication of diversity matters, including the EE plan.

South Africa employee diversity profile

Gender - Female

33%	Top management (2020: 19%)
35%	Senior management (2020: 33%)
48%	Middle management (2020: 49%)
61%	Junior management (2020: 61%)
71%	Semi-skilled (2020: 69%)
68%	Unskilled (2020: 69%)
62%	Combined (2020: 61%)

Gender - Male

67%	Top management (2020: 81%)
65%	Senior management (2020: 67%)
52%	Middle management (2020: 51%)
39%	Junior management (2020: 39%)
29%	Semi-skilled (2020: 31%)
32%	Unskilled (2020: 31%)
38%	Combined (2020: 39%)

Race - Black

49%	Top management (2020: 38%)
43%	Senior management (2020: 39%)
54%	Middle management (2020: 53%)
73%	Junior management (2020: 70%)
95%	Semi-skilled (2020: 95%)
96%	Unskilled (2020: 98%)
77%	Combined (2020: 75%)

Race - White

51%	Top management (2020: 62%)
57%	Senior management (2020: 61%)
46%	Middle management (2020: 47%)
27%	Junior management (2020: 30%)
5%	Semi-skilled (2020: 5%)
4%	Unskilled (2020: 2%)
23%	Combined (2020: 25%)

During 2020, cluster executive teams were categorised as part of top management. Additional changes to the top management structure are effective in 2021. Employee numbers include the SEM Chief Executive and Vice-Chair of Sanlam Pan-Africa.

Employment levels and categories are defined in the Employment Equity Regulations of the Employment Equity Act 55 of 1998.

People and leadership development

We believe that the greatest competitive advantage of the future will be people. Investment in our people is therefore an investment in a key strategic business enabler that fundamentally drives the achievement of our purpose.

Our commitment to continuously invest in relevant and future-oriented skillsets for our employees ensures that they can live with confidence. It enables them to adapt and innovate to create organisational success.

A new Group learning and development strategy was approved by Exco in July 2021 to guide the integration and delivery of development initiatives in line with the strategy and new ways of work.

The Sanlam leadership competency framework was also reviewed to ensure that leaders can successfully execute organisational strategy in the context of the evolving macro and business contexts. Capabilities have been broadened to include three new competencies that are critical for business success.

Core competencies	Digital leadership	Agile leadership	Human-centred leadership
Complementary competencies	<ul style="list-style-type: none"> Cultivates innovation Client focus 	<ul style="list-style-type: none"> Being resilient 	<ul style="list-style-type: none"> Collaborates Drive results



A digital learning platform was launched in September 2021 with a campaign titled “Future Fit Me”, supported by a world-leading e-learning content solution for Sanlam in South Africa and SEM Namibia. This will be extended to the rest of the SEM businesses in Africa as Phase 2 of the project. Marking a key milestone in the human resource digital transformation

journey, the implementation was pivotal for supporting three strategic priorities:

- Creating a continuous learning environment
- Creating a learning culture
- Building core and critical skills

LEARNING AND DEVELOPMENT FRAMEWORK OBJECTIVES

- Create a learning culture for exceptional talent, characterised by super learning in the flow of work, supported by super jobs and super teams
- Create a continuous learning environment (supported by the learning technology strategy)
- Build capability for performance and growth (supported by the critical capability development strategy)
- Build a capability building ecosystem (supported by the content and curriculum strategy)
- Build leadership capability (supported by the leadership development strategy)
- Build an adaptive learning organisation (supported by the learning, transformation strategy)

LEADERSHIP FOR A DIGITAL FUTURE WORLD



We rolled out a Group leadership enablement initiative, aimed at empowering leaders to successfully lead and engage high-performing teams in a hybrid work environment.

Approximately 2 000 managers participated, rating the content and educators on average at 8,2 out of 10.

The Catalyst and Ignite senior and middle management programmes, which focus on building transitional leadership capability as leaders transition to more senior levels of leadership, were completed in December 2021. The introduction of transformational leadership programmes has been explored and proposed to assist in transforming the business to support the organisational strategy. These will replace the Executive Leadership Programme (run in partnership with GIBS) and extend the opportunity for a transformational leadership experience to a wider audience.

A mentorship programme was launched with 32 mentors trained and assigned to graduates across the clusters. In addition, leaders who require mentoring have been identified through the talent review process.

GROUP LEADERSHIP DEVELOPMENT SUMMARY

Sanlam Group leadership programmes

- Catalyst Programme (senior management)
- Ignite Programme (middle management)
- Winning As One – Building Strategic Agility (primarily top and senior management)

Cluster leadership programmes

SA Retail Affluent:

- Line Manager Leadership Development Programme (new managers)
- Advanced Leadership Certificate in Design Thinking

SA Retail Mass:

- Leadership Acceleration Programme II (junior manager)
- Leadership Acceleration Programme III (middle manager)
- Leadership Acceleration Programme IV (senior manager)

SEM:

- Senior Leadership Programme
- Emerging Leadership Programme (new manager)

SIG:

- Leadership In Action (line manager)

Santam:

- Frontline Leader Programme (new manager)

Individual

Personal development plans



Delivering on design thinking

Over the past three years, the Advanced Leadership Certificate in Design Thinking programme has taken 87 of Sanlam's senior leaders on an inspirational leadership journey to seek African solutions for the Sanlam context. The programme is a three-way collaboration between Sanlam, the University of Cape Town (UCT) Graduate School of Business and the Hasso Plattner School of Design Thinking at UCT. It has delivered a change in organisational culture and resulted in traditional hierarchies being broken down, project costs cut and teams functioning more collaboratively and innovatively.

“DESIGN THINKING HAS ASSISTED SANLAM IN THE JOURNEY TO REINVENT ITSELF ACCORDING TO CURRENT PRACTICES TO BECOME MORE AGILE AND RESILIENT IN A FAST-PACED AND COMPETITIVE INDUSTRY. THE PROGRAMME HAS FURTHER ENCOURAGED EMPLOYEES NOT TO WORK WITH PRECONCEIVED IDEAS, BUT TO EXPLORE SOLUTIONS RELEVANT TO THEIR ENVIRONMENT AND THE LOCAL CONTEXT OF OUR CLIENTS.” – JEANETT MODISE, SANLAM GROUP HUMAN RESOURCES DIRECTOR

Examples of Sanlam implementing design thinking include a complete relaunch of our brand online. Digital engagement tools developed for clients and intermediaries included:

- **Goal manager:** a tool to help Sanlam clients understand their savings requirements and savings goals and track their progress, similar to a fitness tracker. This tool is an important example of how we are empowering clients to become more involved in their financial planning by providing them with direct, digital access to their financial information.
- **Standardised advice tool:** a digital tool to make the advice process, which was previously hosted on a technical and complicated system, easier online.
- **iManage platform:** a product aimed at the mass market segment, which enables individuals to use a digital tool to contact and consult intermediaries. It makes processes much easier for clients, for instance, when they are looking at buying a funeral policy. This demonstrates an understanding that certain decisions are stressful for clients, especially around traumatic events like deaths and funeral planning. Client empathy is a pillar of design thinking and very much in evidence in the design of new tools like these.



KEY LEARNING AND DEVELOPMENT INDICATORS

54	senior managers attended the Group senior management development programme (160 from 2019 – 2021)
57	managers and specialists attended the Group middle management programme (179 from 2019 – 2021)
60	senior executives completed the executive leadership programme (2019 – 2021)
58	first time managers attended one of three SA Retail Affluent line manager leadership development programmes (152 attended from 2019 – 2021)
24	junior managers attended the SA Retail Mass leadership acceleration programme II
22	middle managers attended the SA Retail Mass leadership acceleration programme III
14	senior managers attended the SA Retail Mass leadership acceleration programme IV
38	line managers attended the SIG leadership in action programme (49 attended since the programme commenced in 2020)
30	senior leaders attended the SEM ROA leadership programmes (58 between 2019 and 2021)
11	graduates attended the SIG graduate development programme
22	new graduates joined the Sanlam Data and Digital Academy
25	managers and specialists completed the advanced leadership certificate in design thinking (87 between 2019 and 2021)
16	trainees were on the Sanlam TOPP programme for CAs to gain three years of practical experience (six in year one, five in year two and five in year three)
21	actuarial students were sponsored in 2021 (43 between 2019 and 2021)

The Learning and Development strategy serves as our compass and journey map for driving key priorities over the next few years. Key focus areas include:

1

Drive and support a learning culture

3

Continue enabling leaders and employees to successfully navigate the hybrid landscape

2

Augment the leadership development landscape with transformational programmes

4

Focus on the content and curriculum strategy as the way forward

Human capital transformation

We are transforming our Human Capital function to set ourselves up for success, improve effectiveness and efficiency across the Group while delivering a superior employee experience in the context of a new world of work.

We initiated a project to review and redesign our future human capital operating model. Called the Human Capital Future Shift, it entails a re-organisation of key human capital services, capabilities, ways of working, processes and our governance framework.

There are four constructs included in the new model:

- **Leadership**, guiding the ecosystem to ensure consistent value creation by setting Group-wide human capital priorities, vision, initiatives and governance to deliver the business strategy.
- **Business human capital**, where we need to collaborate with line leaders and employees to architect and deploy workforce solutions that support a people-centred business philosophy and results.
- **Communities of Expertise** to connect teams to initiate and develop high-impact workforce solutions.
- **Operations** which has to enable contact, enquiry, technology, analytics and specialised services in support of the human capital ecosystem.

The future shift will enable the human capital function to be a more collaborative, consistent function across the Group with higher levels of alignment in employment practices. Although we remain service-orientated, we intend to be more strategic, efficient, data-driven and digitally enabled.

We made progress in defining future capabilities, assessing current team capabilities, documenting process maps as well as the governance framework and model. We plan to complete the project in 2022.

HUMAN CAPITAL DIGITISATION

We empower employees to confidently take charge of all aspects of their career, finances and wellbeing by providing simplified digital solutions. The insights we gain from data help us ensure we have the right skills, talent and succession in place.



We focus on self-help and easy-to-access development tools, including digital performance reviews, development opportunities and digital mentorship. The digital experience covers each of the lifecycle stages that are important to the employee and enables employees to work from anywhere and anytime. Our employee app, which was launched on 26 November 2021, brings seamless engagement and minimal hassle through a single sign-on and access to a range of solutions, including wellness, learning, recognition and rewards.

Digitisation initiatives are currently implemented in South Africa and Namibia. Analysis to include the other Africa and international entities will kick off in 2022.

Digital adoption, data integrity, validation, analysis and effective change management are necessary aspects of successful implementation. Costs and data security are the main risks.

All talent modules have been implemented for MyWorkSpace and the learning management module was launched. Improvements to the performance and goals module made these more intuitive and seamless to support continuous performance management from 2022. The employee global benefits solution is delivering real-time insights and access to reports on employee reimbursements.

A pilot for the shared services efficiency initiatives was launched. To create a positive employee experience, we designed an intuitive self-help platform for logging service requests which is much more advanced than the current "email" solution. It further offers more progress transparency and has an option to evaluate service delivery. We also replaced paper-based onboarding forms with digital smart templates. Data from these forms are uploaded directly into the payroll and fund administration system.

The Voice of the Employee pilot survey was done with results indicating that our line managers pre-dominantly seem to be well prepared to manage in the remote environment. In the next, more widespread survey, certain lifecycles of the human resource value chain will be measured, including career site, recruitment application, recruitment experience, and on and offboarding experience.

We use data visualisation tools to generate reports, dashboards and analytics for the Quarterly Business Reviews, regulatory submissions, learning insights, and all other areas of the employee value chain, reducing the time spent on manual preparation. The source data for these reports is now automated and scheduled to be available when required.

The implementation of the FieldGlass solution for independent contractors commenced, moving closer to total workforce management and reporting.

We continue working to create a consistent employee experience, tailor-made to the different target populations. We plan to expand our focus into Africa and other international entities and investigate moving payroll to the cloud. We need to standardise leave policies across the Group after which we plan to implement a time and attendance module, as well as operational and strategic workforce planning. We also plan to deliver more features in the employee app to enhance functionality and provide value-added services.



KEY HUMAN CAPITAL INDICATORS

Employees Globally

154 675 Total

Sanlam South Africa (employees)

12 687 Sanlam Life and Savings
969 Sanlam Investment Group **+31**
 Sanlam Investments international
315 Group Office
133 SEM South Africa
5 907 Santam **+24** Vum
20 066 Total

Sanlam International Investments (employees)

422 Sanlam UK Group
418 SGIS
46 SPW Africa
866 Total

Sanlam Emerging Markets African Regions (employees)

126 Casablanca
219 Sub-central region
1 393 Sub-Northern region
4 690 Sub-Western region
3 026 Sub-Southern region
 (includes SEM Namibia **327**)
3 388 Sub-Eastern region
12 842 Total

Sanlam Emerging Markets (employees)

2 883 Malaysia
117 648 India
232 Lebanon
120 763 Total

Santam Emerging Markets Namibia (employees)

118 Total

KEY HUMAN CAPITAL INDICATORS

95%	of permanent South African employees are generation X, Y and Z (2020: 95%)
57%	of permanent South African employees are of permanent South African employees are millennials/Generation Y (2020: 50%)
5	years average tenure for black employees in South Africa (2020: 5)
15	years average tenure for white employees in South Africa (2020: 14)
7	years combined average tenure for permanent employees in South Africa (2020: 7)
62%	(12 227) of permanent employees are female (2020: 61% and 11 873)
1,8%	(348) of permanent employees in South Africa are PWDs (2020: 1,6% and 314)
1,3%	(261) of permanent employees that are PWDs in South Africa are black (2020: 1,2% and 232)
39	years is the overall average age of permanent employees in South Africa (2020: 39 years)
37	years is the overall average age for permanent black employees in South Africa (2020: 37 years)
47	years is the overall average age for permanent white employees in South Africa (2020: 48 years)
1,73%	absenteeism rate (2020: 1,06%)
8	injury on duty claims (2020: 19)
0	permanent disabilities (2020: 0)

Notes:

- Permanent employees as employed full-time for more than three months as per the definition of the South African department of labour.
- Overall Group headcount: there has been a 4.8% increase in global employees.
- Appointments in South Africa saw a notable decline. 75% of external appointments were African black.
- There has been an 107% increase in promotions in South Africa, reflecting the ratios we aspire to. 49% promotions were African black. Abundant black talent at junior management is targeted for development and prepared for promotion opportunities to bolster the succession pool for senior management roles.
- People with disabilities employed in South Africa saw a negligible increase. Learnerships especially targeting PWDs are used as a recruitment vehicle and yield good results. Plans have been formulated to retain them post the completion of the learnerships. Our diversity, equity and inclusion strategy should also raise disability awareness and improve disclosure.

Future-fit talent, succession, retention and wellbeing

We attract the best people in the market, empower them to learn, lead and live our shared purpose.

The quality of our talent, wellbeing and leadership bench strength determine the Group’s future success in delivering on our strategic objectives. To create an inclusive and differentiated pool of talent, we focus on attracting the best people while developing internal talent to address evolving skills requirements and succession pipelines.

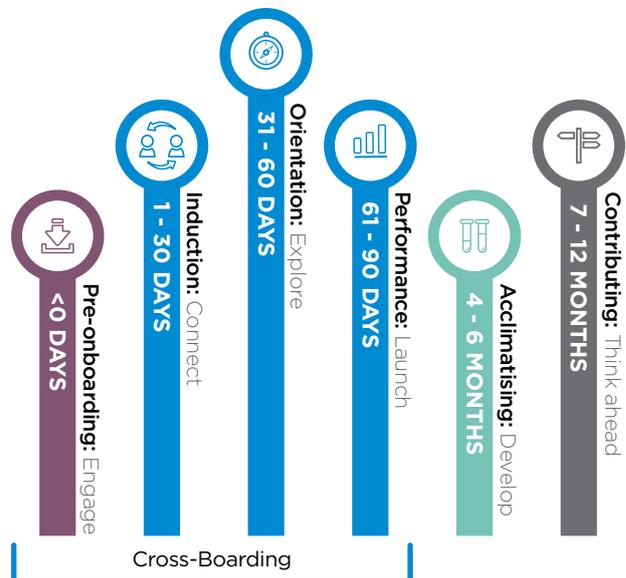
As a certified Top Employer, Sanlam’s EVP has to keep pace with what people value when it comes to culture, connectivity, flexibility, growth and reward, with the focus on our workforce experience. We recently concluded employee experience focus group discussions with randomly selected employees across the Group to obtain insights on how we can enhance our EVP, develop differentiated solutions and improve their experiences in the moments that matter. We believe that an enhanced employee experience will position us more strongly in the market to attract top talent.

LEADERSHIP TALENT AND SUCCESSION

This year we completed our annual extensive talent review for executive and senior leadership to determine succession for critical roles, identify enterprise and emerging talent and development needs.

We want to create solid bench strength and targeted development initiatives are in place to ensure we have access to future skills and competencies. Talent development initiatives include management and executive leadership programmes, mentoring, coaching, and exposure to strategic projects. Our overall succession coverage is healthy, and more is being done to strengthen successor diversity.

We are enhancing our talent acquisition practice through a new onboarding framework. We designed this as a journey from pre-start to the end of year one, to ensure a consistent experience across the Group and throughout the employee lifecycle. This is critical in a hybrid work environment to enable effective integration and retention of new employees so that they can add value faster.



Sanlam takes a pipeline management approach to create greater diversity in the available succession pool. We updated our succession plan this year, which features approximately 7% of ready-now successors. We are working towards a global average benchmark of 10 to 15%.

Development plans for the potential successors indicate a strong need for mentorship and coaching. As a result, some identified successors will be matched with suitable Board members as mentors. Parallel to the formal mentorship approach, an open mentorship initiative was initiated. Leaders are encouraged to volunteer as mentors for Sanlam to build a learning and coaching culture.

Talent reviews are an essential component of succession management and the outcome informs leadership development and talent mobility focus areas while reducing Sanlam's talent risks. More than 70% of identified successors are actively developed through multiple channels.

The GHRRC reviews succession plans for the Group Chief Executive and executive management and ensures that our plans provide for succession in both emergency situations and over the long term.



The MyWorkSpace platform enables line managers to be actively involved in their people's career growth and development. We used the platform to review our current talent acquisition framework and continue to use it to facilitate recruitment, recruitment marketing and onboarding

KEY TALENT RETENTION AND SUCCESSION INDICATORS*

4 497	new external appointments (2020: 3 286)
92%	of new external appointments were black (2020: 89%)
60%	of new external appointments were female (2020: 58%)
897	internal promotions (2020: 433)
79%	of internal promotions were black (2020: 84%)
55%	of internal promotions were female (2020: 57%)
22,2%	employee turnover rate** (2020: 19,4%)
75,3%	employee retention rate (2020: 85,8%)

* South Africa only

** The employee turnover rate is calculated by dividing the number of terminations by the average headcount for the same period. The calculation is done for permanent employees (as defined by the Department of Employment and Labour), including office employees and advisers.

TALENT REWARD AND REMUNERATION

We design rewards and remuneration to support long-term value creation and to empower our employees to live with confidence.

Our total reward offering consists of guaranteed remuneration, benefits, cash performance bonus and long-term incentives. Guaranteed remuneration is benchmarked for market competitiveness.

All bonuses are based on business scorecards, which align 100% with the scorecards of cluster Chief Executives, the Group Chief Executive and the Board-approved Sanlam business strategy. Bonus pools are self-funded and formed based on financial and strategic metrics to ensure sustainability. Deferral of cash bonuses apply where relevant for the role. For senior employees, remuneration design is long-term focused, with incentives vesting up to five years. Malus and clawback provisions apply and senior management pledge to hold a percentage of their guaranteed pay in Sanlam shares without selling them.

Employees also have access to financial coaching (one-on-one) to ensure that they use their resources wisely and steer away from wasteful expenditure. Benefit workshops (for retirement and medical) are conducted throughout the year as well as workshops on “knowing my payslip”.

Our remuneration policy seeks to:

- attract, motivate, reward and retain key talent
- promote Sanlam’s strategic objectives, within its risk appetite
- promote positive outcomes across the capitals which the Group uses or affects
- promote an ethical culture and behaviours which are consistent with our values and which encourage responsible corporate citizenship

This year we focused on:

- Driving outcomes in terms of diversity, inclusion and transformation through remuneration-linked performance indicators. These relate, for example, to B-BBEE, Equal Pay for Work of Equal value, fair remuneration practices in terms of governance standards in South Africa and fair remuneration policies in other countries.
- Conducting detailed analysis on cluster level to ensure compliance with Equal Pay for Work of Equal Value legislation. Income differentials are addressed annually for all employees.
- Implementing bonus deferral into Sanlam shares for Group executive roles for a period of three years to support good remuneration governance and to increase retention.
- Designing future long-term incentive conditions which are simple, align to the Sanlam business strategy, create value for stakeholders and motivate participants.

- Further investing in the Applause digital recognition solution, a cloud-based rewards tool that allows employees across Sanlam and Santam to recognise each other with e-points, redeemable for retail, shopping, data and Satrix vouchers. R10 476 517 worth of e-points were encashed for digital vouchers, and more than 98 176 recognition messages were sent across the Group.
- Avoiding mass retrenchments.

Read more about our remuneration approach, policy and implementation in the Remuneration Report available on the Sanlam website.

For 2022 we are expanding the MyWorkSpace remuneration capability to enable employees and managers to have a total reward view as well as market benchmarks readily available. We are also continuing to ensure that long-term incentive hurdles support the business strategy, are market competitive, create value and that the structure is simplified as far as possible.

WELLNESS SUSTAINS TALENT

While we aim to excel as a business, we know that balance is crucial to the wellbeing of our employees. We are fair and flexible in our expectations and offer a range of ways to manage the balance of work and life for our employees. Our focus on wellness is testimony to this commitment.

Sanlam’s integrated, digitally-enabled employee wellness solution provides mental, physical, lifestyle and financial wellness offerings to employees across Sanlam and Santam. Offered in partnership with Afrocentric, it is modern, easy to use and seamlessly integrates with our Employee Assistance Programme (EAP). It includes a wellness website, weekly e-mailers, annual health screenings, financial education, psycho-social counselling, legal guidance, bespoke employee training sessions (e.g. living with purpose, resilience training and dealing with grief in a practical manner) and more.

10,9% of all employees engaged with EAP services, while on average 5% received financial coaching on budgeting, benefits, and debt management. Visits to our six corporate clinics exceeded 18 000 for the year. Lifestyle programmes, including aspects such as movement, nutrition, and positive thinking, attracted just under 800 participants. We are confident that our wellness offering is positioned to support employees in their work-life integration as well as with their hybrid working lifestyles.

All offerings include Sanlam and Santam in Namibia. In July 2021, Namibia has been provided with a toll-free number for EAP support as well as a newly launched wellness website.

By providing all employees with access to health risk assessments and solutions for them to understand their health and lifestyle risks, and then providing them with all the tools to actively improve on these, we ensure they can live with confidence.

KEY WELLNESS INDICATORS*

Top three wellness issues for 2021:

- 1
Stress
- 2
Bereavement
- 3
Anxiety

8,54%

of all employees use monthly clinical counselling by counsellors and psychologists

5%

of all employees received active financial coaching every month in 2021

202

employees participated in a Live with Purpose programme which focuses on mental resilience

24 403

primary health and virtual clinic visits were made by employees

281

employees completed the Ignite lifestyle intervention (nutrition, exercise and weight loss)

790

employees completed extensive wellness screenings at pharmacies and clinics

* South Africa only

To note:

Due to COVID-19 and the fact that the majority of employees were required to work from home, wellness participation rates were lower for on-site wellness days and drives this year. However, with the new ways of work, and a phased approach to returning to work in 2022, participation rates are likely to increase. The hybrid wellness offering, which includes digital consultations with nurses and health specialists, in addition to in-person services, will also gain traction as employees embrace new ways of working.

COVID-19 AND VACCINATION SUPPORT

We are committed to providing safe workplaces to all our employees so that there is minimal risk of contracting the virus. A vaccinated workforce will be able to maintain personal interactions with clients without exposing them or themselves to serious health and safety risks. The intent is also to improve employee morale through the Group's institutional culture of teamwork.

Sanlam has two workplace vaccination sites that have received the requisite accreditation and certification and strictly adhere to the stipulated health and safety protocols. These sites are open at the Sanlam Belville and Sanlam Houghton offices for the convenience of our employees and family. Our vaccination sites are well used.

A mandatory Group vaccination policy was approved, effective 1 January 2022, and applies to all South Africa-

based employees, financial advisers and financial adviser practices operating from Sanlam offices. We aim to ensure workplace health and safety in line with the South African Occupational Health and Safety Act.

Where employees do not accept COVID-19 vaccines when they are made available, the rights and reasons of the employee will be balanced against the health and safety considerations of other employees and third parties and the Group's operational needs.

Exceptions will be handled on a case-by-case basis. In addition to the policy, a detailed communication and engagement plan is underway to encourage vaccination. The holistic employee app allows us to track vaccination status in real time. 11 824 (85%) of our office employees, were fully vaccinated (validated via vaccination certificates) at the time of reporting. We envisage full compliance in this regard in 2022.

HEALTH AND SAFETY IN ALL WORKSPACES

We believe it is important that employees, contractors and clients enjoy safe environments at Sanlam offices. This forms part of our commitment to promote positive mental, physical and social wellbeing. We promote the same commitment in a hybrid work environment. Read more about our new policies to protect employee health and safety at home on page 46.

We trust our managers at Sanlam and its related companies to do everything reasonably possible to ensure safe workplaces and offices. Management informs and keeps employees and contractors abreast of potential dangers that exist or may arise in offices and workplaces. We provide regular information, training and supervision in terms of health and safety. Any unhygienic or unsafe situations are proactively mitigated by anticipating, recognising, assessing and controlling factors that could result in unnecessary incidents or disruption of work. We achieve this by consulting and co-operating with all the relevant stakeholders.

In South Africa, Sanlam has a comprehensive process in place to ensure compliance to:

- The Occupational Health and Safety Act and Regulations, 85 of 1993 (OHS)

- Compensation for Occupational Injuries and Disease Act, 130 of 1993 (COID Act)

Our process in terms of local offices managed by Sanlam corporate facilities entails two categories of buildings:

- Large offices with 100 or more employees: 24 buildings with weekly/monthly/quarterly inspections
- Small to medium offices with 100 or fewer employees: 188 buildings with self-assessments

Sanlam's independent adviser and inspector conduct on-site visual building inspections for larger offices. Self-assessments are conducted quarterly via our electronic system-based platform.

We recorded eight injuries on duty (2020: 19) in South Africa this year, all minor. In SEM, no minor injuries were recorded. Sanlam experienced zero work-related fatalities. A total of 56 employees passed away due to COVID-19, of which 46 were South Africans.

In compliance with the Companies Act Regulation 43, the SES committee monitors Sanlam's activities concerning health and public safety every quarter and reports to the Board on any material concerns. SEM relies on local management and in-country boards to ensure implementation and compliance with in-country health and safety requirements.



Protecting and nurturing human rights

All Sanlam employees have the right to work with confidence in an environment that is free from any form of unfair discrimination based on religion, gender, race, age, sexual orientation, disabilities or nationality. As a responsible corporate citizen, we accept our responsibility to help tackle structural and systemic discrimination, and strive to create workplaces that respect the inherent dignity and worth of every individual.

OVERSIGHT AND RESPONSIBILITY FOR HUMAN RIGHTS

Our approach to Group human rights is overseen by the Group Chief Executive with the support of the SES committee. The committee has the responsibility to oversee issues related to human rights compliance for the group. The committee brings any relevant matters within the scope of its mandate, including transgressions, to the attention of Sanlam's Board. The Group is committed to acting on any human rights issues.

No human rights incidents were reported during 2021. For 2022 we plan work on due diligence processes, assessments and remediation actions related to human rights.

OUR HUMAN RIGHTS STATEMENT

Respecting and promoting human rights aligns with our purpose. Our commitment encompasses our different activities as an employer, sourcing business partner, financial service provider and investor.

We recognise the identity of each of the businesses in the Group, the unique circumstances concerning the jurisdictions in which they operate and the diverse nature of the stakeholders of each of these businesses.

Our commitment to upholding our values and ethical behaviour to respect human rights in business operations is embedded in our Code of Ethical Conduct. Read more on page 75.

Sanlam believes that business can only flourish in societies where human rights are protected and respected. We adhere to the International Bill of Human Rights and are committed to respecting all internationally recognised human rights, as they are relevant to our operations.

We understand that not every country where we have business interests adheres to the International Bill of Rights in all respects. In these countries, we shall, insofar as we are able to, participate constructively in industry and other forums, which seek to increase alignment to the International Bill of Human Rights and do so while respecting the rule of law. Sanlam is a signatory to the UN Principles of Responsible Investment (PRI), both as asset owner and as asset manager. We also comply with national laws while respecting these international rights principles. We take great care to ensure that we do not cause or contribute to adverse human rights impacts directly and indirectly.

Our full human rights statement is available on our website.

Sanlam respects the rights of all employees, including the right to form or join trade unions. The Group engages with five trade unions in South Africa although union membership remains relatively low at 1 101 active members (7.7% of permanent employees in South Africa). Only Santam has a recognition agreement with one trade union, SASBO, the finance union, representing 981 employees in the defined bargaining unit. No man-days were lost due to collective action against the Group during 2021.