



Prosperous society

Sanlam is in the business of building legacies. As a Group we are dedicated to the never-ending pursuit of meticulously crafting people's futures. It's a tireless approach that's rooted in our founding purpose of helping everyone to live their best lives possible. We do good business, for the good of the countries we operate in and the people who live there.

Why a prosperous society is important

We focus on the following material issues

Business strategy



Material issues

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Our business is about planning for tomorrow. This means helping our customers to build a more secure, prosperous future for themselves, their families and communities. It's a role that is rooted in our founding purpose: to help all South Africans lead their best lives possible.

Sanlam recognises that it has a responsibility to create and preserve wealth for its clients. At the same time, we understand our responsibility to ensure that previously disadvantaged South Africans and their communities are given the skills and support to participate equally in the national economy. As Wealthsmiths™, we are in the business of building legacies. Accordingly, we have a profound desire to make a real and positive difference when it comes to creating lasting value for all.

Not only are our products and services designed to benefit individuals, but they also help to lighten the burden on the state. Social benefits (employment and security) in South Africa cost taxpayers R57 billion annually (2014 National Budget Review). In addition, corporate South Africa contributed R8,1 billion (2014: R8,2 billion) to social development initiatives (Dialogue 2015 *CSI Handbook*).

Through its products and services, Sanlam aims to redistribute wealth more equitably over time. The business itself is also transforming and making progress in the transformation of its distribution channels.

Finally, we recognise our obligation to involve all citizens in creating and preserving wealth through financial literacy and education programmes. Here, the Sanlam Foundation plays a critical role in building a prosperous society.

Commentary on performance

R145 399 million
wealth distributed

The Sanlam Annual Benchmark survey revealed that people are not saving enough for their future. For this reason Sanlam fully supports the government's efforts at industry reform and consolidation, which include improved cost efficiencies and the value proposition of savings products

Sanlam maintained its level 2 rating against the FSC. We improved our score to 89,69 in 2015 compared to a score of 89,14 from 2014.

R9,4 million spent on financial literacy – **14 155** learners, **51** schools, **19 806** students, **10** universities and **18 451** community members benefited from Sanlam Foundation during 2015

Prosperous society material issues

Key performance indicators

	2012	2013	2014	2015
Wealth accumulated (R million)*	117 516	145 467	140 204	145 399
Wealth distributed (R million)	117 516	145 467	140 204	145 399
– Policyholders	96 987	119 652	112 106	111 269
– Employees and directors	6 123	7 027	7 889	8 456
– Shareholders	3 491	5 284	5 090	6 494
– Suppliers	3 608	4 735	5 637	6 378
– Government	4 003	3 856	3 934	4 295
– Communities	67	98	84	71
– Retained for future growth	3 239	4 815	5 464	8 436
CSI spend (R million)	34	64	67	74
CSI spend as % of NPAT	0,84	1,18	1,20	0,93
BBBEE scorecard	80,92	87,54	89,14	89,69

* Wealth accumulated refers to investment return and financial services income; remuneration commission paid to agency and brokers.



Takalani Sesame Muppets at schools promoting literacy, numeracy and basic life skills.

MI Impact of products and services

People are saving less for their retirement

“According to the 2015 Sanlam Benchmark Survey, only a quarter of South African retirees are expected to have the financial resources to maintain their standard of living once they retire.”

The long-term insurance and investment industry's role is to create wealth and enable a prosperous society for South Africa's citizens. Retirement scheme members should be financially self-sufficient, secure against uncontrolled events, able to retire with dignity at an acceptable standard of living, and able to progressively improve the economic position of their families through generations.

The challenge of under-insurance is of concern since it could result in life events leaving people destitute and reliant on the state. The socio-economic impact and the role of insurance are often underestimated.

The general picture of the savings industry in South Africa continues to deteriorate. People are not saving enough for their future, resulting in an increased burden on the state as they grow older. There are many reasons for this, including the increased cost of living and rising levels of indebtedness.

Aggregate assets of retirement funds in South Africa grew from R171 million at the end of 1994 to R3,2 billion at the end of 2013. In parallel, active members increased from 7,8 million at the end of 1994 to 10,4 million* at the end of 2013.

**This is the active membership figure in the Registrar of Pension Funds annual report published in March 2015.*

A study conducted by the Association for Savings and Investment South Africa (ASISA) in 2014 shows that the difference between insurance need and insurance cover, referred to as the 'insurance gap', has increased from R18,4 trillion in 2010 to R24,0 trillion in 2013 (R9,3 trillion in respect of death and R14,7 trillion in respect of disability cover). This represents an increase of between 9% and 10% per annum, exceeding annual inflation by at least 3%.

In response to these challenges, the government is taking active steps to reform South Africa's retirement industry. The ultimate aim of these reforms is to reduce pressure on the national fiscus by ensuring that citizens make sufficient provision for their retirement rather than relying on social grants once they stop working.

Among other reforms, the government is making it more attractive for members to make contributions to retirement savings and to preserve their retirement funds, improving the disclosure of reporting to members, simplifying retirement savings products, applying stricter controls to the retirement and savings industry, and improving transparency of intermediary remuneration. In addition, the reforms are designed to make industry players more responsive and more connected to the people they serve.

In other emerging markets in Africa, provision for retirement is at an even lower level than in South Africa and represents a strong investment case for Sanlam Emerging Markets (SEM) to provide much-needed retirement funding services to these markets.

Sanlam's response

The result of reform in the retirement fund industry has been a sharp decrease in the number of retirement funds in South Africa from 13 500 in 2005 to around 3 500 today. As this process of consolidation continues, the number of retirement funds is expected to fall even further. Sanlam fully supports the government's efforts to reform the industry and welcomes the consequences of consolidation which include improved cost efficiencies and the value proposition of savings products.

Prosperous society material issues continued

Sanlam's strategy remains unchanged. It continues to do everything in its power to build trust with its clients in line with the principles of Treating Customers Fairly (TCF). This strategy comprises three main components:

- ① Identify what clients need in relation to what they can afford
- ② Ensure clients understand what savings/insurance product they are committing to
- ③ Follow through on our commitment to create wealth for our clients in accordance with what they have purchased.

Sanlam is also playing an instrumental role in shaping the reform agenda. For example, we continue to place a strong emphasis on

encouraging employers to take a more proactive role in safeguarding their employees' future wellbeing by cultivating a stronger savings culture in the workplace. With this in mind, we have produced a software tool that tells employees how much they should be saving towards retirement from the day they start in a new job.

We have also anticipated the government's imperative to reduce fees by developing our own fee model for umbrella funds that is both consistent and transparent. In addition, we support initiatives that will make it more difficult for people to cash in their pension funds when they change jobs.



Leading the savings debate through education

We believe that education is fundamental to improving South Africa's savings culture

In recent years, the launch of our annual Benchmark Survey has become an increasingly important event on the retirement industry's calendar.

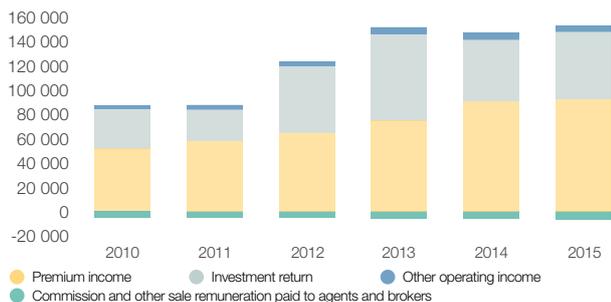
Through the Benchmark Survey, we take on a leadership role in the retirement fund research space by encouraging industry stakeholders to improve their business practices. All information is made freely available to the public, and provides key insights for various stakeholders, including retirement fund providers and the government.

A future worth saving...

In 2015, we presented the survey at a series of roadshows in Johannesburg, Cape Town and Durban under the theme '*A future worth saving...*' Among other issues, the study explored the all-pervasive issue of debt and the impact that it has on the financial and emotional wellbeing of employees. It also looked at how indebtedness causes people to prematurely withdraw from their employer-sponsored funds. One of the survey's key findings was that employees are not fully aware of the impact their financial decisions will have on their future.

For the full report on the Benchmark Survey, visit www.sanlambenchmark.co.za.

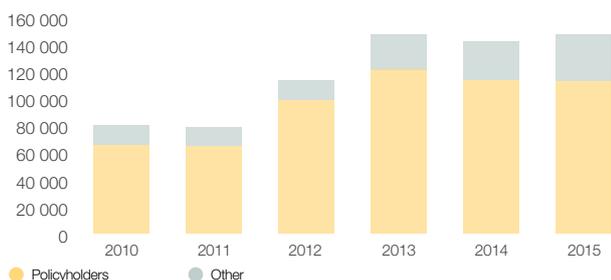
Wealth accumulated (R'million)



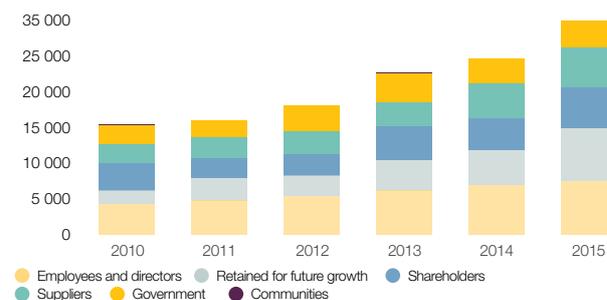
Of the wealth we accumulate annually, approximately 80% is distributed to policyholders. In 2015, we distributed R111,3 billion (2014: R112,1 billion) to our policyholders by way of insurance claims and reserves for future payouts to clients when their investments mature.

The graphic below illustrates how we have added value to our other stakeholders:

Wealth distributed (R'million)



Wealth distributed (R'million)

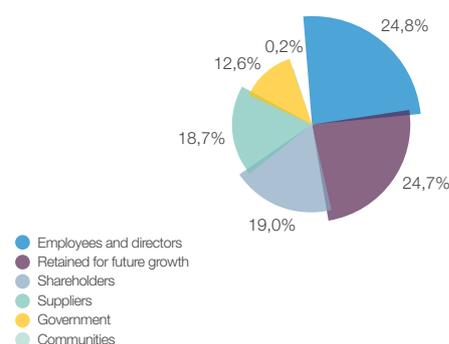


Most of the wealth we accumulate every year comprises the premiums paid by our policyholders and the money earned from the investments we manage. In 2015, our annual accumulated wealth increased by 4%.

Investment returns totalled R55,2 billion, or 38% of the total wealth we accumulated in 2015.

Premium payments stood at R90,0 billion, or 63% of the total wealth we accumulated in 2015.

Wealth distributed 2015



 For further information refer to the Sanlam 2015 Group Annual Report.

Prosperous society material issues continued

MI Transformation and empowerment

Why this is important

For Sanlam, transformation and empowerment are social and business imperatives. Given our position in society, we recognise that we have a crucial part to play in transforming South Africa's economic landscape to include all South Africans, while giving everyone the chance to participate meaningfully in the mainstream economy. Transformation is one of the five key strategic pillars underpinning our business strategy and will continue to shape our approach to sustainable development.

The aspects of transformation and empowerment that impact our business are defined by the dti's Codes of Good Practice (CoGP) and take into account the specific challenges facing the financial services industry.

Sanlam's verified FSC scorecard

	Weighting	2013	2014	2015
Ownership	14 + 3	15,90	15,97	15,76
Management control	8 + 1	7,07	7,07	7,10
Employment equity	15 + 3	7,07	7,71	8,15
Skills development	10	9,13	9,16	9,21
Preferential procurement	16	14,04	14,16	15,06
Enterprise development	5	5,00	5,00	4,27
Socio-economic development	3	2,74	3,00	3,00
Empowerment financing	15	15,00	15,00	15,00
Access to financial services*	14	11,59	12,05	12,14
Total	100	87,54	89,14	89,69
Contributor level		2	2	2

* Consumer education is included as part of access to financial services (as sub-element) in terms of the FSC.

Through the Association for Savings and Investment South Africa (ASISA), Sanlam has played an active role in negotiating a revised Financial Sector Code (FSC) scorecard with the government. The revised scorecard was introduced in February 2016.

Ownership

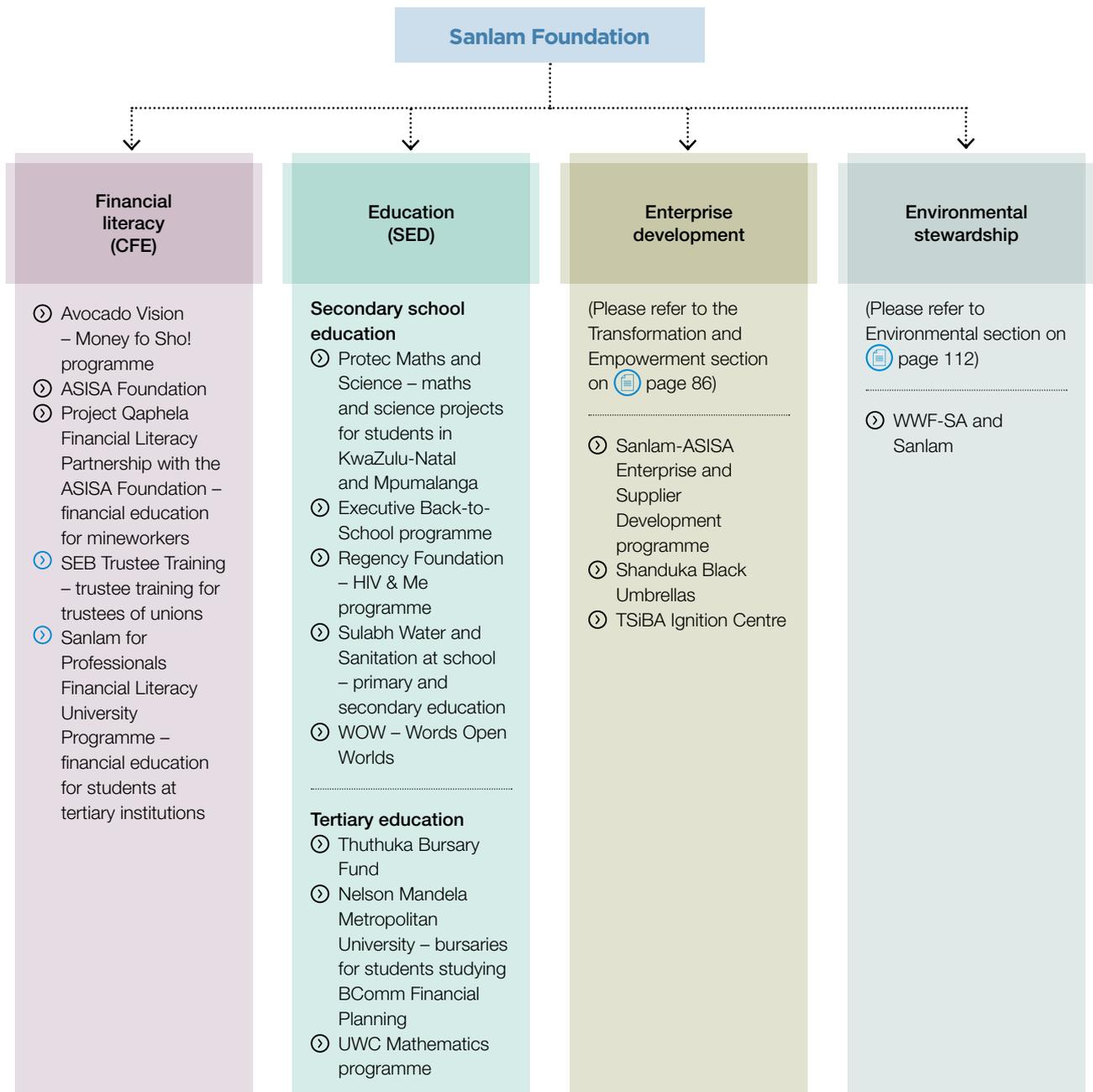
We have made steady progress against our transformation objectives over the last seven years, improving from level 4 to level 2 over this period. Our total black ownership percentage, as per the FSC rules, was 30,40% as at 31 December 2015 (2014: 31,33%).

The Sanlam Foundation

Sanlam's care for the communities in which it operates has evolved from mostly donations to a comprehensive corporate social investment (CSI) strategy.

The Sanlam Foundation strategy is aligned with our core business strategy and provides focused contributions to areas of significant impact.

The focus areas of the Foundation rest on three pillars: consumer financial education, socio-economic development and enterprise development.



Prosperous society material issues continued

Principles guiding the Sanlam Foundation

Partnership and collaboration

We partner with leading non-profit organisations to implement all our corporate social and environmental initiatives, and encourage Sanlam employees to participate. We work with government departments, ensuring alignment with national priorities.

Core business alignment

We focus on education, in line with Sanlam's core capabilities of financial management and planning. This allows us to leverage our expertise, minimise our risk of failure and deliver maximum benefit to both society and the long-term sustainability of our business.

Values-and-brand fit

We test all our programmes and partnerships for their fit with our values and our brand, ensuring that each project is a true reflection of our corporate identity and will promote brand loyalty.

Holistic systemic approach

We invest in multiple components linked to our projects to improve their overall efficacy and impact.

Long-term investment

We rigorously select all our programmes and monitor, evaluate and assess their impacts. We hold our service providers to account through regular reporting on agreed deliverables and outcomes.

Preferential and responsible procurement

We recognise that transforming our supply chain by changing the way we procure goods and services represents an important contribution towards creating a more equitable and sustainable society. In particular, increasing the amount we spend with small, medium and micro-enterprises (SMMEs) – especially black-owned and black women-owned enterprises – remains high on our priority list.

Considering our procurement budgets only increase by CPI or less we need to find more innovative and inclusive ways to bring new suppliers into our supply chain.

Responsibility for sourcing and contracting suppliers lies with Group Sourcing, while buying is decentralised. This approach delivers significant cost savings to the Group. In 2014, our procurement teams launched a series of initiatives in collaboration with the business that achieved total savings of R192 million. Our savings target for 2015 was R228 million.

We link procurement-related opportunities for our suppliers to our BBBEE scorecard's enterprise development (ED) component. However, ED beneficiaries do not automatically qualify for procurement-related contracts. Those who do qualify are awarded contracts based on how well they meet the selection criteria.

We continue to face challenges when it comes to ensuring the viability of these suppliers, with room for improved performance. Linked to our FSC score on preferential procurement, we spent 37,32% of our total procurement budget on small and micro-enterprises in 2015, versus 32,3% in 2014. We also recognise that black women-owned businesses need additional support.

During the reporting period, we continued to devote significant resources and attention to managing our relationships with suppliers. For example, we are signatories to the Prompt Payment Code under which our standard payment terms are 30 days, but can be as favourable as seven or 14 days for black-owned and black women-owned SMMEs.

Enterprise development

According to the Association for Savings and Investment South Africa (ASISA), enterprise and supplier development (ESD) is the single most powerful tool for creating jobs and addressing poverty. With the economic output of small and medium-sized enterprises (SMEs) in South Africa estimated at 52% of gross domestic product (GDP), the SME sector currently provides employment for 60% of our nation's labour force. This means SMEs are an indispensable industrial and economic driver and are essential to reducing unemployment in South Africa.

With these factors in mind, Sanlam's supplier development strategy seeks to enhance efforts to create and maintain a network of competent suppliers while driving transformation throughout our supply chain.

In 2015, Sanlam invested R9,2 million in enterprise development.

Our overall enterprise development performance in 2015:

- ① 577 total jobs supported through 107 enterprise development partnerships
- ① 5 583 hours of mentorship and business development support invested in enterprises
- ① Average increase in turnover of 143% was achieved across the portfolio
- ① Procurement spend of R12,2 million was directed to accelerator businesses.

In line with the recent changes to the FSC scorecard, our aim is to treat enterprise development and preferential procurement as two sides of the same coin. Over the last year, we have taken specific steps to align these parts of our business more closely. Among other measures, this involves identifying potential suppliers that are capable of adding real value to our business while filling a gap in our current supplier list. We then support them with the high-quality, targeted support they need to fulfil their potential as sustainable, profitable businesses.

In 2015, 37,32% of our procurement spend went to SMMEs, and we took active steps to increase the percentage of black-owned businesses and black women-owned businesses in areas including – but not confined to – marketing, IT, plumbing, building and motor body repairs. We continue to implement our enterprise and supplier development strategy with three partners: ASISA, Shanduka Black Umbrellas and TSIBA Ignition Centre.

Association for Savings and Investment South Africa (ASISA)

In 2015, the ASISA Enterprise Development (ED) Fund continued to establish enterprise and supplier development capabilities in partnership with ASISA member companies. The first project, initiated in partnership with Sanlam, proved hugely successful in 2014.

Over the past two years of running the programme, a total of 112 SMEs received 5 828 hours of business development support valued at R6,4 million. This helped to produce an average increase in revenue growth of 19% and create 75 new jobs.

As Sanlam's implementation partner, the fund is able to source high-impact SMEs through Sanlam's procurement network and provide financial and business development skills to SMEs to create meaningful success stories to the benefit of our industry and economy.

Our overall enterprise development initiatives for 2015 were:

Enterprise development: sector leadership

The Sanlam/ASISA ED programme
Sanlam still leads the way in the industry with its highly successful enterprise development programme introduced in 2013. The programme is aimed at supporting strategic growth and development of SMEs linked to Sanlam's supply chain and distribution networks.

The programme achieved notable results for some of the enterprises during 2015:

- ① **Waste Want** (waste management) R3 million SME growth investments deployed from the ASISA ED Fund (2014). Implemented scales and weighing processes and streamlined operations. Won a City of Cape Town tender worth over R3 million.
- ① **Liquid Thought** engaged with PwC through the ASISA network for performance management and an incentive scheme. The business found the programme extremely beneficial.
- ① **Office Box** successfully registered as a supplier for Sanlam Business Assist. In addition, the enterprise received additional funding from Seartech. Office Box has also started on a drive to hire more staff.
- ① **Reynolds Autocare** researched the 'going green' model – the company wants to be the first panel beater to go green.
- ① **Judante Building Solutions** are officially 33% black owned. In addition there is a potential R3 million investment by the ASISA ED Fund.
- ① **Legaci Dry Cleaning** submitted a proposal to Sanlam Alice Lane. The enterprise is currently looking for funding for expansion.
- ① **Moving Ads** experienced a difficult period for the business with cash flow seriously impacted. Time was spent on getting new business in and building were potential relationships.
- ① **D and P Auto** increased revenue and profitability, with targeted sales. Customer tracking and protocol were implemented.
- ① **Stanhope Auto** investigated new business opportunities with Metro file.
- ① **Fireworkx** renewed its contract with Sanlam and held in-depth strategy sessions.

Prosperous society material issues continued

Our investment in sector leadership to shape the enterprise development agenda in South Africa's savings and investment sector benefits our industry peers, who also face tough challenges when it comes to diversifying their supply chains. During the year, for example, Santam – the Group's short-term insurance division – made a one-off investment contribution of R10 million to the ASISA ED Fund. This contribution entitled the Group to a seat on ASISA's influential ED investment committee, which plays an instrumental role in setting the sector's approach to enterprise development, supplier development and business development support.

We are working hard to address two particularly significant challenges in the enterprise development space: giving emerging suppliers improved access to markets and giving them improved access to capital. Our partnership with ASISA has been helpful in addressing both issues, especially improving access to capital.

Our procurement board also acts as an important forum when it comes to raising awareness across our businesses around the importance of building productive two-way business relationships with viable black-owned SMMEs. Encouraging our decision-makers to build productive alliances with emerging black-owned enterprises is essential towards helping these businesses unlock new opportunities.

Shanduka Black Umbrellas

Shanduka Black Umbrellas (SBU) works with smaller 100% black-owned and black women-owned businesses and supports them towards becoming supply chain ready. Sanlam's association with this organisation dates back to December 2013, when the two partners signed an ESD agreement with two principal aims:

- ① To identify 20 100% black-owned enterprises with a turnover of less than R5 million per year to offer support and development through the SBU incubation programme
- ② To identify five additional black women-owned enterprises with a turnover of less than R5 million and proven track records, that are supply chain ready, for possible opportunities within the Sanlam supply chain.

While 20 enterprises did qualify, during the period of the agreement, several businesses no longer met the SBU requirements and left the programme. Profiles of additional qualifying businesses were submitted to Sanlam and, once approved, they were included in the programme.

The businesses currently participating in the Sanlam SBU programme are:

Supplier development

Cape Town	Bravo Promotions CC
Cape Town	Exquisite Stationery
Cape Town	Oaktree Marketing Solutions CC

Enterprise development

Cape Town	Broad-Based Solutions (Pty) Limited
Cape Town	Cherry Blossom Communications
Cape Town	Kamva Capital (Pty) Limited
Cape Town	Just Amber Media
Cape Town	Measurecsi
Cape Town	Red Silk Tree Media
Johannesburg	Africentric Research
Johannesburg	Careers For A Powerful You (Pty) Limited
Johannesburg	Ceracure
Johannesburg	Molete & Khumalo Accountants
Pretoria	Advanced Solar

Graduated businesses (2015)

Incubator	Business name	Date graduated
Cape Town	Yes Youth Employment Services	September 2015
Pretoria	Digital Ether	September 2015
Johannesburg	Phakamo Holdings	May 2015
Johannesburg	Heita Ngamla Holidays and Leisure	June 2015

Sanlam's sourcing and procurement departments continue to work with SBU to develop an understanding of the procurement opportunities available within the Sanlam supply chain, so that the remaining three businesses can be recruited into the supplier development programme.

TSiBA Ignition Centre

This organisation works with larger black-owned enterprises that have significant scale and experience and are close to being supply chain ready. The centre offers practical opportunities to maximise ESD activities. Not only do the benefits apply to supplier development, but they also help to grow a high-quality and efficient supply chain that will improve the operations and profitability of the SMMEs taking part in the programme, as well as the businesses supporting them.

TSiBA has designed a 10-month enterprise development programme that focuses on strengthening business acumen as well as operational and financial management, and marketing skills within black-owned SMMEs.

This joint partnership with Sanlam focuses on growing enterprises through collaboration between small and big businesses. The aim is to assist SMMEs with skills and technology transfer, supplier development, and creating marketing opportunities.

Together, TSiBA and the Sanlam Foundation have started recruiting for the 2015 – 2016 enterprise development programme. The new participants will enjoy the full benefits of this programme, while the 2014 – 2015 participants will receive mentoring.



The focus of our Foundation strategy is to improve the lives of South Africans through education.

Prosperous society material issues continued

Enterprise development: emerging markets

As our footprint continues to expand beyond South Africa, our focus on developing local suppliers in our emerging markets is set to intensify. To date, our approach has been to identify viable local partners in our new territories and then work in partnership with them to implement our strategy. Although it is still early days, we are already utilising local marketing suppliers and implementing our updated branding guidelines in various countries outside South Africa.



Project BlueStar

Sanlam's BlueStar project provided management training to 88 financial planners across seven regions to empower them with practical business knowledge and toolkits in order to develop their businesses. 448 hours of training were provided (value = R384 000).

70% of the advisers and associates converted to BlueStar during the programme, the rest committing for 2016.

Transformation

BBBEE: 60% of all the advisers and associates completed the training, with 32% of these converting to BlueStar.

Female: 34% of all female advisers and associates completed the training with only 27% of these women converting to BlueStar.

MI Financial literacy and education

Financial literacy and education are essential to the sustainable economic development of our country. Through the Sanlam Foundation and our business units, we contribute significantly towards raising South Africa's notoriously low levels of financial literacy. Our work in this area is designed to improve financial decision making among consumers by exposing them to consumer financial education (CFE).

According to ASISA, raising financial literacy levels is becoming more difficult as financial markets become increasingly complex, the choice of financial products expands and the volume of information directed at consumers grows. As a result, consumers are finding it more difficult to match different financial products to their personal circumstances and manage their finances properly. The situation is complicated by associated factors such as predatory lending, high levels of consumer debt, low savings rates and limited knowledge about recourse mechanisms.

Our commitment to improving financial literacy levels to mitigate these challenges aligns directly with the Treating Customers Fairly (TCF) regulations and with National Treasury policy. During the year under review, we spent R9,4 million on consumer financial education initiatives, reaching a total of 17 502 South Africans across the country.

> Consumer financial education projects

Money fo Sho! financial education programme

Launched as a pilot in June 2014 through a partnership between Sanlam and Avocado Vision, the Money fo Sho! project is designed to equip communities across South Africa with the financial skills and knowledge they need to make better financial decisions.

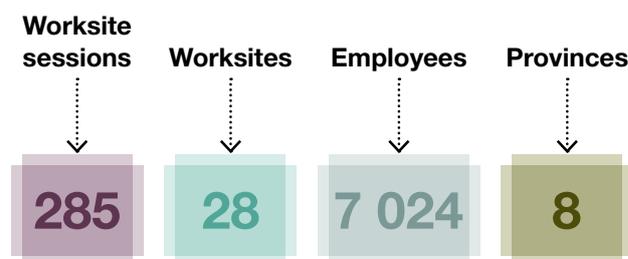
The current Money fo Sho! project trained 8 527 community members in seven provinces by the end of June 2015. The programme targeted the following provinces: Gauteng, the North West, Limpopo, Mpumalanga, KwaZulu-Natal, the Eastern Cape and the Western Cape.

One of the key recommendations arising from the successful outcome of the first phase of Money for Sho! was that the initiative should expand to cover worksites. As well as equipping the participants with financial knowledge and skills, implementing this recommendation has given Sanlam Sky Solutions an opportunity to build contacts and business opportunities in the worksites involved. The programme reached 7 024 worksite learners within 285 sessions.

Community consumer financial education statistics

Province	Number of participants
Eastern Cape	770
Gauteng	2 774
KwaZulu-Natal	1 211
Limpopo	2 411
Mpumalanga	666
North West	299
Western Cape	396
Total	8 527

Worksite consumer financial education statistics



Project Qaphela financial literacy partnership

The key objective of this initiative is to present mineworkers with a range of solutions that enable them to manage their finances better, while also helping them understand employee benefit policies and salary statements. Specific challenges addressed included levels of indebtedness, micro-lending and garnishee orders. Training involved interactive workshops and industrial theatre to create a story-based approach.

Prosperous society material issues continued

In 2015, we trained 800 mineworkers in areas selected by the National Union of Mineworkers (NUM) during the current pilot phase, with the emphasis on engaging shop stewards.

Sanlam Employee Benefits (SEB) trustee training

In 2013, SEB embarked on a trustee education and training initiative that set out to empower trustees with a better understanding of their duties and to sharpen their financial skills.

A training programme with around 20 delegates from across three trade union federations was then launched. In 2015, the programme hosted 29 delegates representing 16 trade unions and trusts.

Sanlam for Professionals and Graduates – financial literacy university programme

By the end of July 2015, the Sanlam for Professionals and Graduates programme reached 1 122 students across eight tertiary institutions.

The objective of this series of interactions was to equip graduates with financial knowledge to guide their financial decisions once they graduate and earn their first salaries. This programme also includes Thuthuka bursary students at South African universities.

An independent assessment of the programme indicated a significant increase in knowledge and greater confidence in choosing financial products, combined with a stronger appreciation of how important it is to have financial goals and stick to a budget.

Education programmes

Sulabh International Programme

In 2015 the Sanlam Foundation added the Sulabh International Programme as part of its educational programmes. The initiative allows Sanlam to build a relationship with schools, and improve sanitation facilities and promoting hygiene practices at schools in South Africa. In 2015, R3 million was spent on this programme in six schools in Gauteng.

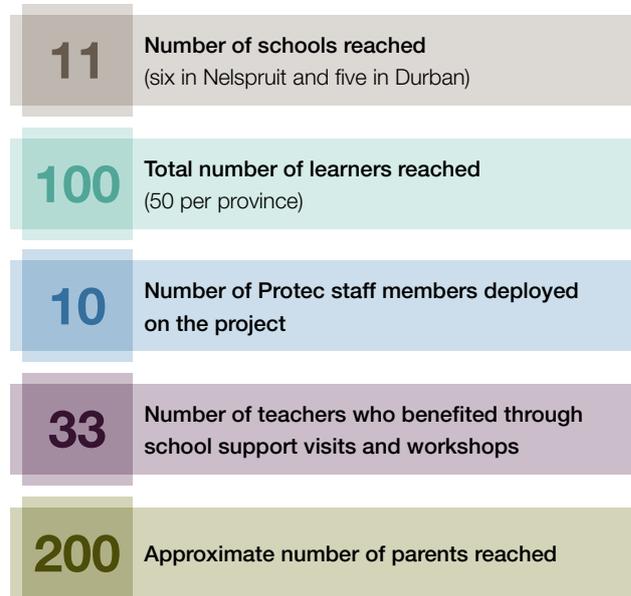
Sanlam Learner Brilliance Programme

Research has indicated that South African maths and science learners perform poorly when compared to learners in other middle-income countries. A low percentage of learners qualifying for university entrance impacts negatively on South Africa's future skills pool.

It is against this backdrop that the Sanlam Foundation chose to prioritise maths and science education as a key focus area and sought a partnership with Protec in order to utilise a tested, innovative solution that would positively impact on maths and science education levels.

The project was successfully piloted in the North West and Limpopo regions over a three-year period (2012 – 2014). The programme was extended for a further three years to replicate the project in other provinces. For the period 2015 to 2017 we are working with Protec in KwaZulu-Natal and Mpumalanga.

To date the project has achieved the following results:



SI Vacation Work Development Programme

The SI Vacation Work Development Programme provided 46 students with exposure to the Sanlam Group, supporting brand building among current graduates, who in the years ahead will be potential employees and/or clients.

This brings to 258 the total number of students who have benefited from the programme since 2006.

Vacation programme (Year)	Students
2006	6
2007	6
2008	13
2009	12
2010	29
2011	20
2012	42
2013	42
2014	42
2015	46
Total	258

The programme's success has been attributed to a concerted effort to collaborate with colleagues from across the Sanlam Group, pooling various resources to offer students the best possible experience.

The students, representing 10 tertiary institutions from around South Africa, were provided with an overview of the financial services industry, insights into potential future careers within the industry, information on what they require in terms of attributes, skills and attitude to take up these roles, as well as personal, professional and leadership development.

In 2015 the programme impacted 46 final-year undergraduates, as well as Honours and Masters students from 10 universities.

The goals of the 2015 programme were achieved by selecting the best candidates from a pool of 1 150 applicants from at least 22 tertiary institutions around the country.

BComm financial planning bursary

In 2010, Sanlam introduced the Black Advisers Bursary, aimed at students registered for the new postgraduate diploma which seeks to increase the number of black certified financial planners in the country.

In 2015 Sanlam and the Sanlam Foundation awarded 10 bursaries of R31 000 each for students to attend courses in financial and entrepreneurial skills at Nelson Mandela Metropolitan University (NMMU). The Sanlam bursary programme has maintained a 66% retention rate of all recipients.

Thuthuka Bursary Fund

The Thuthuka Bursary Fund identifies academically strong learners who aspire to become chartered accountants. Students who perform exceptionally well in maths and science, and have excellent marks in other core subjects, may apply. The Sanlam Foundation contributed R836 064 towards the fund in 2015, amounting to 16 bursaries. In addition, there are 11 Thuthuka graduate trainees currently working within the Sanlam Group.

The first four of our trainees qualified at the end of 2015.

Prosperous society material issues *continued*

This is what some of the Thuthuka bursary recipients had to say about the opportunity the bursary represents:



"I grew up in Jozini in Northern KwaZulu-Natal. Thuthuka came into my life when I didn't have any options. To be a CA isn't just about working in accounting. You can do anything you want to – I want to be a CEO one day, running my own business."

Simamile Makhunga (23)

Second year



"I was born and bred in Port Elizabeth in the Eastern Cape. With Thuthuka I have been able to attend the best university in Africa and obtain both my undergraduate and postgraduate qualifications. Thank you also for the mentoring support."

Sinethemba Ntezo (25)

Third year



"I went to school in Oudtshoorn and was strong in maths. When I heard there was a shortage of accountants I decided to take on the challenge and become one. Thuthuka ensured that I didn't put any financial pressure on my parents, who still have to save for the tuition of my younger brother and sister one day."

Grantham Josephs (23)

Second year

Sanlam Foundation Business Challenge

Since 2012, the Sanlam Foundation has funded a business challenge at NMMU. The competition is based on an internationally recognised business simulation programme, encouraging participants to be innovative in exercising entrepreneurial skills.

The competition is open to students of any discipline and has become increasingly popular. A total of 155 students completed the challenge in 2015.

HIV&Me

In partnership with the Regency Foundation Network (RFN) and the provincial Department of Education (DoE), we extended the HIV&Me programme to eight schools in Limpopo during 2015.

These eight schools participate in a comprehensive two-year programme that aims to entrench HIV/Aids knowledge and awareness at beneficiary schools. In 2015, the programme reached 1 882 grade 9 learners through 19 trained educators.

The Foundation has invested close to R2 million over three years in the programme and intends to expand it into other provinces.

Sponsorships

Sanlam invests significantly in sponsoring a diverse range of good causes that align with our core values, resonate with our clients and deliver social value. We place a strong emphasis on

measuring each sponsorship against a predetermined set of requirements to determine return on objectives as well as investment. In 2015, our sponsorship programme included, among others, the following causes:

Sanlam Cancer Challenge

Organised in partnership with the Cancer Association of South Africa, this annual countrywide amateur golf tournament attracted 37 000 participants and the support of 450 golf clubs. Together, they raised R3 567 843 for cancer research, prevention programmes and patient care.

Sanlam Cape Town Marathon

As a partnership between ASEM Running, the City of Cape Town and Western Province (WP) Athletics, the Sanlam Cape Town Marathon is Africa's only IAAF Silver Label city marathon and the continent's only carbon-neutral marathon. In 2015, it attracted over 15 800 participants who joined forces with over 50 charities to raise more than R700 000.

Takalani Sesame

This international award-winning children's edutainment programme runs six days a week on SABC1 and SABC2 as well as nine vernacular radio stations countrywide. In total, it attracts more than 2,5 million children aged between four and eight years, their parents and teachers. The programme has achieved a documented improvement in early childhood development, with a focus on numeracy, literacy and life skills.

Kay Motsepe Schools Cup

Programme	Description	Reach	Developmental return 2015
Kay Motsepe Schools Cup (co-sponsored with the Motsepe Foundation)	The Kay Motsepe Schools Cup sponsored by the Motsepe Foundation and Sanlam is an annual national tournament hosting over 3 000 schools from all nine provinces competing at regional, provincial and national levels. The primary objective of the tournament is to revive the culture of school football among students and the youth.	<ul style="list-style-type: none"> ① 3 413 schools from nine provinces, exposing 85 325 learners and their parents to the project. ① Over 4 000 high school learners and the community of Soweto attended the finals of this tournament at the Nike Centre. ① Readers of print and social media covering the tournament. 	<ul style="list-style-type: none"> ① The winning sum of R3,4 million is invested into legacy projects at the respective schools, not only benefiting the school but their communities at large. ① 30 top players have been scouted by various PSL academies for permanent club employment. ① Winning schools have become known for excellence and see an increase in enrolment every year.

Prosperous society material issues continued

Environmental stewardship

Having been in partnership with the World Wide Fund for Nature South Africa (WWF-SA) since 2007, Sanlam is committed to improving South Africa's water security. The Group has already invested almost R30 million into this partnership, with an additional R20 million investment committed over the next three years.

The World Economic Forum recently ranked the water supply crisis as the number one global risk. WWF-SA's aim between 2015 and 2017 is to upscale our impact in four key areas of freshwater:



See case study on page 110.

Staff engagement and involvement

The Sanlam Foundation team has partnered with Sanlam's Group Human Resources to determine pilot staff involvement programmes.

Refer to People chapter (attraction and retention of key talent page 37).

The Foundation has identified three programmes to be piloted:

Project	Involvement
Sanlam Learner Brilliance Programme 2015 – 2017	Mentorship of the 100 learners taking part in the Sanlam Learner Brilliance Programme
TSiBA Education	Opportunities exist for staff to lecture, tutor and mentor TSiBA students – relies heavily on volunteers
Teach Children to Save (TCTS)	Opportunities exist for staff to sign up to volunteer to educate children at schools on the importance of saving and managing money

The Foundation has compiled a baseline structure of what it hopes to achieve with each project.



Mandela Day 2015

CSI Market Day

The Sanlam Foundation recognises that there are few platforms that exist for the purpose of facilitating access, raising awareness, enhancing reach and linking people and organisations within businesses.

The Foundation thus held its first CSI Market Day, in celebration of Mandela Day 2015.

The aim of the day was to introduce various NGOs and causes to staff, and in the true spirit of Madiba, encourage staff to sign up to volunteer for Mandela Day.

The Market Day served as a platform for staff to interact with some of the Sanlam CSI partner organisations.

The organisations collectively received over R5 000 in donations from staff during the day.

In addition TSiBA Education, The Community Chest and the SPCA secured a large number of volunteers for their various programmes.

