

New Version: Adopted by the Social Ethics & Sustainability Committee:
December 2014

Initial version: Adopted by the SES Committee, December 2011

Our commitment to creating a world worth living in and enabling people to live their best possible lives means conducting our business with due regard to our environmental impact and influencing meaningful and sustained change in behaviour. Sanlam acknowledges that sustainable business requires a sustainable environment. As a leading South African financial services group, we understand that incorporating responsible environmental principles into our business operations is not only the right thing to do, but is essential to ensure the very survival of our business, our communities, our clients and our extended stakeholders into the future. It is our policy to progressively improve our environmental standards and reduce our environmental impact as we grow our business. The Sanlam Board of Directors and Executives endorse this policy. Responsibility for overseeing the implementation of and the adherence to the policy resides with Sanlam Group Sustainability. In this regard we will regularly set and monitor our targets and report progress to the Group Social Ethics & Sustainability Committee. In this context, our key environmental commitments include:

1. Sanlam acknowledges its own impact on the environment through its operations and commits to **all areas of its business engaging in a journey of proactive environmental stewardship**. In accordance, Sanlam recognises and upholds the best practice principles and ambitions of the Sanlam Group Business Strategy, specifically our vision to be a leader in wealth creation for our clients. Here, we acknowledge our responsibility to ensure that Sanlam, its solutions, support structures and business practices are sustainable and able to deliver value for generations to come. We further support the King III Code on Corporate Governance, the Johannesburg Securities Exchange's Social Responsible Index, the Carbon Disclosure Project, the United Nations Millennium Development Goals, as well as the United Nations Principles of Responsible Investing (UN PRI) and the Global Compact to which Sanlam is a signatory.
2. In implementing this environmental policy, Sanlam commits to **addressing its direct impact and to continuously improving its environmental monitoring procedures in alignment with generally accepted reporting standards**. In so doing, Sanlam also commits to pre-determined reduction targets in energy consumption, water consumption and waste generation. These targets apply to all Sanlam business units and will be supported with education and awareness among staff, and through support for internal initiatives aimed at good environmental practice.
3. Sanlam will extend its influence across its supply chain by **encouraging its supplier network to adopt best environmental practice and to positively recognise those suppliers that do**. (Please refer to our updated Procurement Policy)
4. Similarly, Sanlam commits to **considering environmental benefits during the development of new products**.
5. Sanlam will further extend its environmental commitment by **creating awareness amongst its clients', employees, business partners and other stakeholders on environmental management procedures**; in environmental due diligence procedures in potential investments; and supporting environmental sustainability in all parties with which it engages.
6. Through its investment management activities and as a signatory to the United Nations Principles for Responsible Investing (UN PRI), Sanlam **will favourably consider companies that demonstrate sound environmental practice**.
7. To strengthen its activities and to ensure transparency in its actions, Sanlam will **engage with relevant stakeholders including communities, regulators, NGOs and the general financial services sector through proactive communication and partnership**. As an actively committed



corporate citizen, Sanlam will also **continue to support sound conservation efforts**, when deemed applicable, such as the WWF-Sanlam Living Water Programme and other projects aimed at preserving critical ecosystems and protected areas.

8. We will **adopt an approach to minimise** our environmental footprint and where this is not possible, we will recycle or re-use and or pursue the route of **offsetting**.

Through this policy we commit to endeavour to:

- ⊗ comply with and exceed all relevant regulatory requirements.
- ⊗ continually improve and monitor environmental performance.
- ⊗ continually improve and reduce environmental impacts.
- ⊗ incorporate environmental factors into business decisions.
- ⊗ increase employee awareness through training.
- ⊗ review this policy and any related business issues at our monthly management meetings.

Sanlam Group Sustainability will perform the business translation of the policy standards and principles, while implementation will rest with the business and functional areas within our organisation. Guiding principles have been developed for waste as well as energy, water and paper management:



ADDENDUM A

Sanlam Group Waste Management

The Sanlam Group (Sanlam) recognises that the generation of waste, and sending of waste to landfill, is harmful to the environment. South Africa's waste landfill sites are limited in number and the country is in danger of exceeding capacity of existing sites. In addition, waste to landfill is a significant contributor to greenhouse gas emissions. Sanlam will adopt an environmental leadership position by minimising waste generation and increasing reuse and recycling of waste materials.

Vision:

- ⦿ To minimise waste generation and instil an ethos of reduce, reuse and recycle waste throughout Sanlam
- ⦿ Instil an ethos of measured and managed waste (re: furniture, hazardous etc.)
- ⦿ To comply with appropriate national, regional and local waste management legislation in all Sanlam operations.
- ⦿ To meet Sanlam Group waste management targets, as they might be at any point in time

Objectives:

- ⦿ Identify individuals and/or departments responsible for actively helping to meet the aims of the Waste Management Policy
- ⦿ Identify all areas of waste generation in Sanlam offices
- ⦿ Ensure that all waste is measured, before leaving the campus, and activity records are kept in all instances
- ⦿ Implement waste management practices to ensure targets are met in buildings defined in scope, either through the employment of third party contractors, or through internal management
- ⦿ Develop preferential procurement for goods and services that minimise waste generation and maximise reuse and recycling
- ⦿ Proactively ensure staff awareness of the policy and their responsibilities towards its implementation
- ⦿ Ensure that all waste management practices comply with relevant legislation

All subsidiaries (businesses that are 100% owned by Sanlam Life Limited) will have to comply with this policy. It is reviewed annually by the Sanlam Social and Ethics Committee, and was last reviewed on December 2014.



ADDENDUM B

Sanlam Group Energy, Water & Paper Management

Energy and Water

- ⌚ We will seek to reduce the amount of energy used as much as possible.
- ⌚ Lights and electrical equipment will be switched off when not in use.
- ⌚ Heating will be adjusted with energy consumption in mind.
- ⌚ The energy consumption and efficiency of new products will be taken into account when purchasing.

Paper

- ⌚ We will minimise the use of paper in the office, as it applies to our daily internal operations as well as the extent to which we push paper out to customers
- ⌚ We will reduce packaging material brought into our buildings as much as possible and will collaborate with our service providers to manage these volumes down.
- ⌚ We will seek to buy recycled and recyclable paper products.
- ⌚ We will reuse and recycle all paper where possible.

Travel

- ⌚ We will reduce the need to travel, restricting to necessity trips only.
- ⌚ We will promote the use of travel alternatives such as e-mail or video/phone conferencing.
- ⌚ We will make additional efforts to accommodate the needs of those using public transport or bicycles.
- ⌚ We will favour 'green' vehicles and maintain them rigorously to ensure ongoing efficiency.

Maintenance and Cleaning

- ⌚ Cleaning materials used will be as environmentally friendly as possible and we will negotiate this with our suppliers.
- ⌚ Materials used in office refurbishment will be as environmentally friendly as possible.



- ④ We will only use licensed and appropriate organisations to dispose of waste. Sanlam leadership is responsible for ensuring that the environmental policy is implemented with specific ownership by the Sustainability Office, Facilities Management and the GESG. However, all employees have a responsibility to ensure that the aims and objectives of the policy are met.

Culture

- ④ We will involve staff in the implementation of this policy, for greater commitment and improved performance.
- ④ We will update this policy regularly in consultation with staff and other stakeholders where necessary.
- ④ We will provide staff with relevant environmental training and create general awareness using available communication channels.
- ④ We will work with suppliers, contractors and sub-contractors to improve their environmental performance.
- ④ We will use local labour and materials where available to reduce CO₂ and help the community.
- ④ We will endeavour to positively impact the behaviour of our employees and other stakeholders to enable a more sustainable environment.