Sanlam

Live with confidence

23



Shaping our future with confidence

Integrated Report 2023

Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

Accounting for shared value

Report navigation

How we report

This report has been designed for an enhanced digital experience and ease of use. The digital navigation capability in the report will assist you, the reader, to easily move between different sections or topics in this and other reports.

Interactive PDF

Home/ contents | Back | Forward | Previous

This page reference icon is applied throughout the report to improve usability and shows the integration between relevant elements of this report

Indicates where further information can be found online

Material matters

The following icons are used to illustrate the linkage to our material matters:

- MM1 Economic and geopolitical headwinds
- MM2 Implications of digitalisation
- MM3 Socio-economic upliftment
- MM4 Balancing social and environmental priorities
- MM5 Regulatory and governmental expectations
- MM6 Engaged people and collaborative culture
- MM7 Leveraging powerful partnerships

Core values

- Care
- Innovation
- Collaboration
- Integrity

Six capitals

The following icons are used to illustrate our capitals:

- FC Financial capital
- NC Natural capital
- MC Manufactured capital
- HC Human capital
- IC Intellectual capital
- SC Social and relationship capital

Strategic objectives

The following icons are used to illustrate the linkage to our strategic objectives:

- Clients
- Financial
- Economic
- People

Key stakeholders

- Shareholders and investor community
- Clients
- Employees
- Strategic partners
- Society
- Government and regulators
- Media
- Organised labour

Primary and secondary SDGs

1 NO POVERTY; 9 INNOVATION; 3 GOOD HEALTH; 10 REDUCED INEQUALITIES; 4 QUALITY EDUCATION; 11 SUSTAINABLE CITIES; 5 GENDER QUALITY; 12 RESPONSIBLE CONSUMPTION; 6 CLEAN WATER; 13 CLIMATE ACTION; 7 CLEAN ENERGY; 17 PARTNERSHIPS; 8 ECONOMIC GROWTH

Top strategic risks

The following icons are used to illustrate the linkage to our top business risks:

- R1 Economic outlook risk
- R2 Strategic execution risk
- R3 Cyber-risk
- R4 Outsourcing/third-party risk
- R5 Regulatory/compliance risk
- R6 Political and social instability risk
- R7 General infrastructure failure/water risk
- R8 Eskom energy supply risk
- R9 Digitisation risk
- R10 Human capital – talent/ capacity/diversity risk
- R11 ESG/climate risk

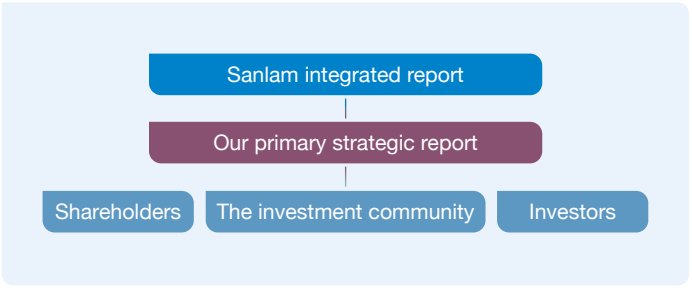
Board governance

- Audit committee
- Human resources and remuneration committee
- Customer interest committee
- Risk and compliance committee
- Social, ethics and sustainability committee
- Independent non-executive directors committee
- Nominations committee
- Non-executive directors committee
- Board

Accounting for shared value continued

Shaping our future with confidence

Our integrated report is our primary strategic report to our providers of financial capital.



It covers the risks, opportunities and outcomes associated with our business model, operating context and our stakeholder relationships, as we seek to honour our purpose, deliver our medium to long-term strategy, and deepen our sustainability impact in the developing economies, societies and countries we serve. It is therefore also of interest to our clients, governments and regulators, our strategic and social partners, and our people.

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Sanlam
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Accounting for shared value continued

Our suite of reports

Sustainability reporting boundary



Sustainability report
This report offers a detailed overview of our performance in key areas such as economic growth, social and employee welfare, climate change and environmental stewardship provide a holistic view of our sustainability efforts.

Impact reporting
The impacts that our management activities and operations have on our stakeholders, economies, societies, and the environment from an 'inside-out perspective'.

Impact

Integrated reporting boundary



Annual results
This booklet provides a review of our financial, strategic and operational review together with shareholder information.



Integrated report
This report describes our ability to create, preserve and avoid the erosion of value over the short, medium and long term in relation to our strategic aspirations.



Tax report
This report provides material information and insights about our tax contributions and commitment to tax transparency.



Annual results presentation
This presentation provides an overview and highlights of our performance for 2023.

Value reporting
The positive and negative impacts that environmental, social and governance (ESG-related) factors have on our financial position and prospects (enterprise value) from an 'outside-in' perspective.

Value

Statutory reporting boundary



Annual financial statements
Presents the group's audited consolidated annual financial statements (AFS), as well as the group's audited shareholders' fund information and the external auditor's report.





Corporate governance report and King IV report
This report comprehensively discloses our governance structures, processes, and policies in the context of recommended King IV™ principles and provides a synopsis of our application of the King IV™[1] principles.



Remuneration report
This report sets out our remuneration philosophy and policy, and how it was implemented in the year under review.



Notice of AGM
Provides meeting details of the group's annual general meeting (AGM) for our shareholders, and includes information pertinent to the resolutions that require their approval.

Governance reporting
Disclosures required by the legislative and regulatory frameworks to which the group is subject, relating to the structures, processes and controls needed to ensure the sound and prudent management of the group's business, according to the highest standards of business integrity, ethical values and good governance.

Governance

Regulators

Investor community | Shareholders | Strategic partners

Clients | Employees | Government | Society

[1] King Report on Corporate Governance for South Africa, 2016 (King IV™).

Accounting for shared value continued

About this integrated report

Shaping our future with confidence

Our report aims to present a concise, connected, consistent and credible assessment of the group's governance, strategy, performance, and prospects, in relation to our material matters. We report to our stakeholders on a double materiality basis, to provide a holistic picture of our ability to generate sustainable shared value for our stakeholders and for society. This also shows how we are generating and distributing value with a full appreciation of balanced social and environmental concern in how we do business, how we grow, and how we think about the future.

We are reporting against a backdrop of turbulent global conditions, with geopolitical tension hampering a fragile post-pandemic economy. The way we live, work and think is changing due to rapid digitalisation, and the advance of artificial intelligence (AI). Similarly, the catastrophic potential of climate change and biodiversity loss is forcing change into our economic, political, and social systems. Emerging markets are particularly vulnerable to these global dynamics and face complex socio-economic and sociopolitical challenges of their own.

Nonetheless, the leadership of Sanlam presents this report with a confident outlook.



In view of current conditions and our long-term expectations for our regions, we believe our diversified portfolio of businesses and competitive positions in South Africa, Pan-Africa and Asia give us unrivalled growth potential.

We have sustainable opportunity to grow and return consistently superior returns to our shareholders in the short, medium and long term.

Progress on our strategy, approved by the board in 2020, and despite the implications of a global pandemic, gives us confidence that we can shape a sustainable future for the group, our clients, people and partners, and our shareholders.

We take a long-term view; the board of Sanlam is confident that, in our wide sphere of influence across the economies and societies in which we operate, we can grow our already significant impact considerably.

Our strategic path will benefit all our stakeholders as we integrate and embed our recently completed transactions and partnerships, and extend our product offering, reach and scale.

This will enable us to **touch the lives of more clients**, **meet more of their needs**, and **invest more** in the financial confidence, security, and prosperity of the **communities and countries we serve**, and the **planet that sustains us**, **for generations to come**.

Accounting for shared value continued

About this integrated report continued

Integrated thinking and **double materiality**

In Sanlam's language, integrated thinking equates to doing business and investing responsibly for the long term, with the deliberate aim of impacting all our stakeholders' lives positively.

Increasingly, we seek to quantify this shared value impact relative to the expectations of our stakeholders, to ensure these relationships are given the requisite attention and that individual interests are harmonised through our strategic responses over time. This requires judicious trade-offs, the most material of which are explained in our report.

As inferred, we draw a close relationship between financial value and sustainability impact in our reporting.

Our purpose and values, operationalised through our governance approach, frameworks and policies, and embedded in our culture, instil integrated thinking at every level of the group.

The correlation between value and impact demonstrates the importance of enduring stakeholder trust to our ability to create shared value, given the obligations and opportunities emanating from our scale, footprint, and reach across economic and social strata.

Our business model, integrated system of governance and control, the objectives of our purpose-led strategy, reduced to what we measure, should indicate that integrated thinking is intrinsic at Sanlam. Our board has the appropriate skills mix, and significant overlap in membership of specialist committees, to collectively oversee the engagement, strategic initiatives and measures pertaining to the quality of our relationships with all our key stakeholder groups.

Headline metrics (and targets) that measure progress in delivering our strategy, which incorporates a comprehensive sustainability strategy, indicate our long-term stakeholder-centric approach. We measure the financial value we create mainly through RoGEV[1], a robust forward-looking metric that measures the long-term value we create for our shareholders. Given the direct relationship between shareholder and stakeholder value creation, RoGEV indirectly reflects how successfully we create value for all key stakeholders over the long term.

More difficult to express in financial value are the wider socio-economic and environmental impacts of our business, solutions and investments over the long term, which include financial inclusion and financial education, and our responsible investment approach ("invest for good"). To this end, we are committed to align to the global comprehensive reporting system, including the evolving sustainability standards, being developed by the IFRS Foundation, over time and as practicable.

A common feature of reporting standards is the principle of materiality. Our material matters represent the collective, integrated thinking of Sanlam's leadership team, considering the dynamics we believe will materially influence our ability to create, protect and enable shared value, while guarding against value erosion, in the short, medium and long term.

The process followed to determine our material matters is set out on page 6.

We are committed to systematically improving our reporting on material matters from a double-materiality perspective, detailing the economic, social, environmental and governance factors that affect Sanlam's enterprise value, and that influence our stakeholders' perception of the impact we have on them and the world around us. It is this perception that, in turn, affects the flow of capital stocks that our business model, and our purpose-led strategic aspirations depend.

Scope and boundary

Sanlam Limited is the holding company of the Sanlam group of companies (Sanlam, Sanlam group or the group), which operates through subsidiaries, associated companies and joint ventures. Sanlam Life Insurance Limited (Sanlam Life) is the largest operating subsidiary and holding company for all of Sanlam's operations in emerging markets. This report, for the period 1 January 2023 to 31 December 2023, covers the activities of Sanlam in Africa, Asia and selected other emerging and developed markets. All subsidiaries, joint ventures and associated companies recognised in the AFS are included, apart from investments in consolidated funds (collective investment schemes and similar investment funds). For some non-financial data, only South African operations are included, as indicated throughout.

The content of this report is comparable to 2022 in terms of the companies covered, measurement methods applied, and timeframes used for financial and non-financial data. This is with the exception of:

- The inclusion of the Sanlam and Allianz joint venture (SanlamAllianz), which came into effect from 4 September 2023 and is reported on in our accounts from 1 October 2023.
- The introduction of Sanlam Fintech in 2023. Sanlam Fintech is a strategically important business, it is the group's intention that Fintech will become a cluster of the group within the medium term.

We aim to ensure that our integrated report is meaningful and understandable to our intended readers, and to provide the insight and disclosure they need to assess Sanlam's ability to grow sustainable shared value in the short, medium and long term. As such, the integrated report contextualises, connects, and is complemented by our group sustainability report, and other focused reports for further assessment of our financial, tax, governance and remuneration disclosures.

Group sustainability report for 2023.

[1] Return on group equity value: as explained here.

Accounting for shared value continued

About this integrated report continued

Regulatory frameworks and reporting standards

Frameworks applied	The International Integrated Reporting <IR> Framework	The Companies Act, 71 of 2008 as amended (Companies Act)	The JSE Limited Listings Requirements	The King IV Report on Corporate Governance for South Africa 2016 (King IV)	The International Financial Reporting Standards (IFRS)	The United Nations Sustainable Development Goals (SDGs)	Global Reporting Initiative
	INTEGRATED REPORTING <IR>		JSE	KING IV	IFRS®	GOALS	GRI
This report	■	■	■	■	■	■	
Corporate governance report		■	■	■			
Sustainability report			■	■		■	■
Tax report					■		■
Remuneration report		■	■	■			
Annual financial statements		■	■	■	■		
Notice of annual general meeting		■	■	■			
Annual results					■		
Annual results presentation							

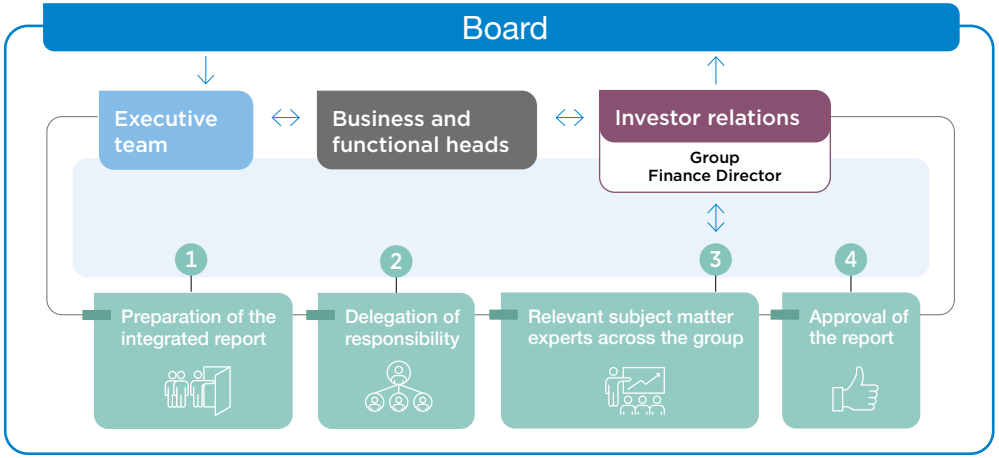
Guidance from the **IFRS Foundation** was used in relation to our sustainability report and extracts in this report relating to sustainability.

FTSE4Good

We track our ESG-related rankings according to independent rating agencies and continuously seek to improve our disclosure and performance. These include the FTSE/JSE Responsible Investment Index, FTSE4Good Index Series, Morgan Stanley Capital International (MSCI) and Sustainalytics among others.

Process disclosures

The board delegates responsibility for the preparation of the integrated report to executive management. The investor relations team, led by the Group Finance Director, engages with the board, group and cluster Chief Executives, business and functional heads, and relevant subject matter experts across the group, in preparing the integrated report.



Our material matters inform the preparation of the integrated report and are extensively referenced throughout it.

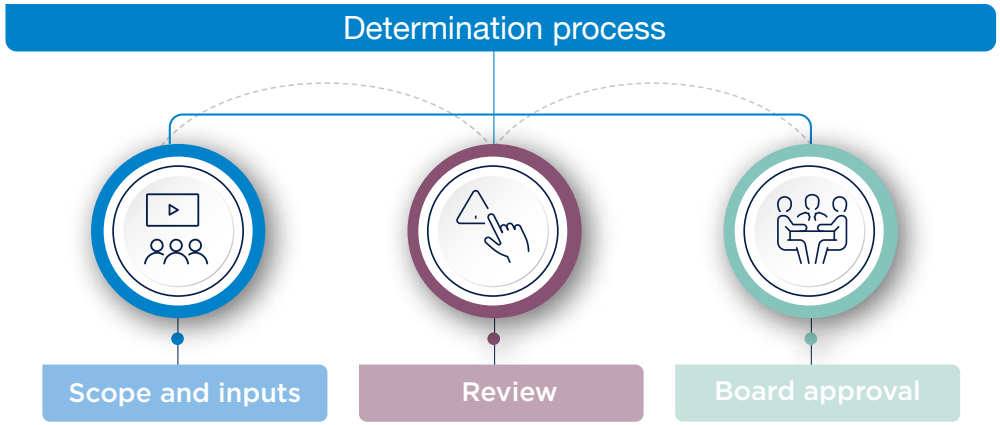
Our material matters represent the collective, integrated thinking of Sanlam's leadership team; for integrated reporting purposes, they are the factors that may substantively influence the decisions of our shareholders and prospective long-term emerging market investors, in their assessment of our ability to create shared value over the short, medium and long term.

Accounting for shared value continued

About this integrated report continued

The process of identifying our material matters is a group-wide activity that involves top leadership, key functions and subject matter specialists, and includes the advice and input of independent reporting experts.

The **relevant matters are identified and evaluated based on their ability to affect long-term shared value creation.**



Determining our material matters began with a workshop facilitated by an independent expert, attended by operational and functional executives and subject matter specialists from across the group. The process identified those factors that would be of the highest interest to the readers of our reports, considering the group's business model, strategy, operating context, and performance.

The outputs of the workshop – a spectrum of matters that could be of material interest to stakeholders – **were then tested and discussed in frank and focused interviews with senior leaders**. The interviews allowed us to distil the factors most relevant to our ability to fulfil our purpose and the aspirations and objectives of our strategy, in view of the trends in our external and internal operating environments.

The outputs from the process were synthesised, consolidated and mapped to the impacted capitals and associated risks and opportunities.

Group exco reviewed the proposed material matters, to ensure coverage of Sanlam's ability to create shared value over the short, medium and long term.

The material matters informed the preparation of the group's suite of reports for 2023, and are comprehensively referenced throughout the integrated and sustainability reports.

The board approved the group's suite of reports for the 2023 reporting cycle as part of the integrated report in March 2024.

Double-materiality

Our material matters are those factors expected to substantially influence the decisions of our shareholders and prospective long-term investors, particularly those seeking emerging markets exposure. These considerations are crucial in assessing our ability to create shared value for our shareholders, employees, communities and business partners within the bounds of environmental stewardship over the short, medium and long-term.



The group risk and actuarial function assesses strategic risks and opportunities, and reports these to the board, on a quarterly basis.

The group's register of risks and opportunities informs the related disclosure in the integrated report.

The integrated report was prepared using key management reports, presentations to investors, and board and group exco interviews, including all portfolios with a bearing on integrated thinking and shared value creation. Group exco and board members contribute to and review the content during the preparation process, including a final review before approval.

The board approves the material matters, the improvement plans for the suite of reports, and provides final approval of the report, based on the recommendation of the audit committee.

Combined assurance

Our combined assurance approach supports the integrity of our reporting. The board endorses the principle of combined assurance defined in King IV. To this end, the board opted to align assurance provision to the group's own risk and solvency assessment (ORSA) at group and cluster level. The audit committee, together with the risk and compliance committee, ensure that combined assurance principles are applied to provide a balanced and coordinated approach to all assurance activities.

Financial data are subject to independent assurance by KPMG Inc and PwC Inc in a joint external audit engagement.

These firms provide an audit opinion on the shareholders' information and consolidated AFS for the reporting period, which can be found here.

Accounting for shared value continued

About this integrated report continued

Board responsibility statement

The board is responsible for ensuring the integrity of the integrated report.

Based on the reviews of the relevant board committees, the board is of the opinion that this report provides a fair, balanced and appropriate account of the group's governance, strategy, risks, performance and prospects and addresses all material matters that impact or could impact the group's capacity to create sustainable shared value in the short, medium and longer term. Material disclosures up to the date of board approval of the integrated report are included.

The board believes that the integrated report accords with the International <IR> framework (2021) in all material respects.

The integrated report of the group for the year ended 31 December 2023 was approved by the board on 6 March 2024 and signed on its behalf by:

Elias Masilela
Chair

Paul Hanratty
Group Chief Executive Officer

Abigail Mukhuba
Group Finance Director

Statement on forward-looking information

In this report, we make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results not yet determinable, relating, among others, to new business volumes and investment returns (including exchange-rate fluctuations). These statements may also relate to our future prospects, developments and business strategies. These are forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "expect" and "project" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Sanlam does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any forward-looking information contained in this document has not been reviewed and reported on by Sanlam's external auditors.

Accounting for shared value continued

How we see **value**

Purpose-led shared value over generations…

Sanlam's purpose "to empower generations to be financially confident, secure, and prosperous" guides our strategies, operations, and culture. It drives us to think for the long term, creating solutions for our clients and opportunities for all our stakeholders today, that will unlock potential and create value across societies for generations. It directs our considerations as we invest in the capitals required to achieve the medium-term growth objectives and long-term shared value outcomes of our purpose-led strategy.



…delivered through our value proposition to key stakeholders…

Trust and reputation are the most important of our stores of capital, which secure and enable all other forms of capital that we need to thrive. Enduring financial stability, judicious capital allocation, prescient risk and capital management, and integrated thinking that balances the interests of all stakeholders justly over the long term, in turn, uphold the trust imbued in the Sanlam brand for over a century.

Our clients

Sanlam's clients trust us to provide solutions that grow their wealth and protect what matters most. Irrespective of income group, access to financial services, or financial goals, we design and deliver market-leading product and service options to meet the diverse needs and affordability parameters of our clients, and fulfil their demands for trusted advice and dependable service.

Our people and partners

We empower our diverse team, service providers and partners to maximise the value they create for our clients, each other and society. We are committed to being an attractive employer of a skilled and engaged workforce that reflects the demographics of our countries, and to offer career opportunities that enable socio-economic mobility.
Our intermediaries and distribution partners are extensions of ourselves and our brand. They allow us to reach further and understand communities more deeply, while remaining cost effective and efficient.

Our shareholders

As Africa's largest non-banking financial services group[1], we offer investors the opportunity to participate in our unrivalled long-term growth potential while supporting financial inclusion and economic expansion across the continent and in Asia. Our loyal customers, expert teams and world-class strategic partners combine with our strong capital base and operational cash flows, to offer a differentiated investment case that sees us deliver sustainable growth and superior returns.

[1] By market capitalisation, which stood at R160 billion at 31 December 2023.

Society over generations

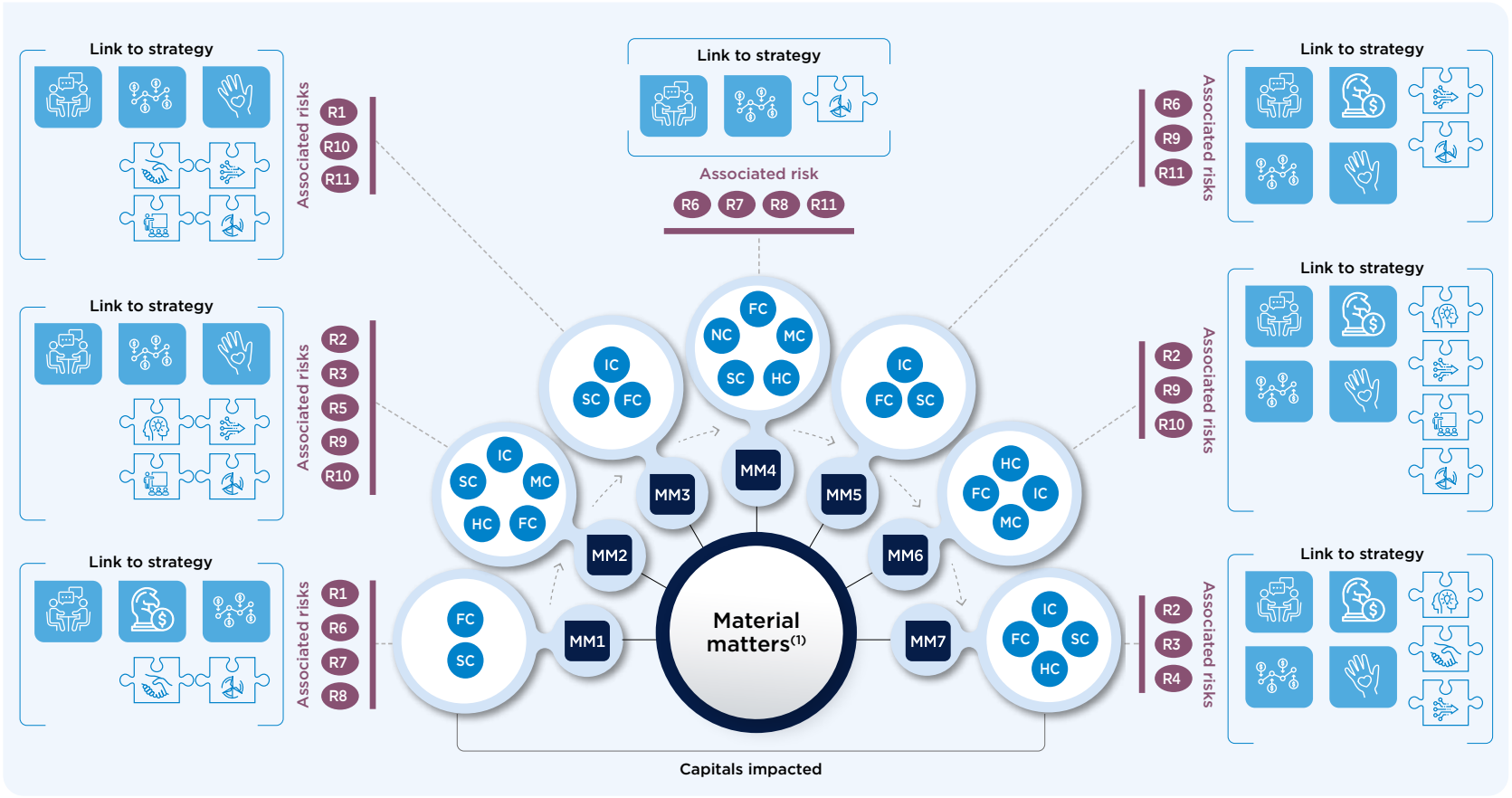
Societies gain socio-economic strength and sustainability when generations of people and businesses gain financial confidence, security, and prosperity. This begins with financial inclusion and financial literacy, and extends to savings and investments cycles that drive socio-economic development. This is the basis on which we provide solutions to protect individuals and society against the indignity and debilitation of poverty, and invest the money our clients entrust to us in industries and communities. This unlocks potential and creates multi-generational opportunities to thrive.

We seek to continuously create value for all our stakeholders. Our ability to do so rests on our dedication to comply with all applicable laws, regulations and standards, and to apply the highest ethical and governance standards, while sharing the benefits of our considerable financial resources by investing for good. We recognise that our size and strength grant us obligations and opportunities to influence how societies live, work, and think. We continue to integrate sustainability considerations into our strategy and operations, and to systematically improve our net positive impact in line with pressing global and regional development needs.

Accounting for shared value continued

How we see value continued

…affected by the material matters arising from our context and relationships…



Material matters[1]

- MM1 – Economic and geopolitical headwinds
- MM2 – Implications of digitalisation
- MM3 – Socio-economic upliftment
- MM4 – Balancing social and environmental priorities
- MM5 – Regulatory and governmental expectations
- MM6 – Engaged people and collaborative culture
- MM7 – Leveraging powerful partnerships

Associated risks

- R1 – Economic outlook risk
- R2 – Strategic execution risk
- R3 – Cyber-risk
- R4 – Outsourcing/third-party risk
- R5 – Regulatory/compliance risk
- R6 – Political and social instability risk
- R7 – General infrastructure failure/water risk
- R8 – Eskom energy supply risk
- R9 – Digitisation risk
- R10 – Human capital – talent/capacity/diversity risk
- R11 – ESG/climate risk

Capitals impacted

- FC Financial
- SC Social and relationship
- HC Human
- NC Natural
- IC Intellectual
- MC Manufactured

Strategic objectives

- Clients
- Financial
- Economic
- People

Strategic enablers

- Innovation
- Partnerships
- Sustainability
- Data and digital transformation
- Continuous development of our people and culture

[1] Material matters are not ranked in order of importance, given their interrelated impact on our ability to create, preserve and avoid the erosion of value for our stakeholders over time. These linkages are described in the strategic context to each material matter, here.

Accounting for shared value continued

How we see value continued

…which we manage carefully to secure our long-term growth potential…

Unrivalled long-term growth potential as the leading non-banking financial services group on the African continent

Unlocked through

DIVERSE PRODUCTS
Insurance | Savings and Investments | Corporate benefits | Asset and Wealth Management | Retail Credit | Financial Planning and Advice | Healthcare | Wills and estates

PARTNERSHIPS
Banks | Telcos | Financial Services | Non-financial Services | Retailers | Strategic co-investors in Africa

TECHNOLOGY
Modernising core business | Future-fit client ecosystems | Disruptive product innovation and digitalisation | Digital native businesses

SUSTAINABILITY
Shared value creation | Financial inclusion | ESG integration in asset management | Partnerships

Supported by

1. Brand appeal and customer loyalty
2. Strong capital base and operational cash generation
3. Best skills and expertise in the industry

Our purpose:

Empowering generations to be financially confident, secure and prosperous

- Providing superior financial advice to protect and grow wealth
- Promoting financial inclusion at scale
- Making our products accessible

Our values define our culture:

Care
Serving with empathy and consideration. Knowing that everything we do leaves a lasting impact and legacy.

Innovation
Always strive for continued improvement in order to create value for our stakeholders, our society and our world.

Collaboration
Unlocking our winning-as-one spirit by focusing on a better outcome for all, achieved through partnership and an open-minded approach to everything we do.

Integrity
Unwavering in our pursuit to do the right thing, resolute in our commitment to do what is good for all stakeholders.

Accounting for shared value continued

How we see value continued

…and our ability to create shared value over the long term.

Short- to medium-term strategic outcomes

To touch

50 million

lives across Africa
(client acquisition via digital channels)

To invest

R1 trillion

in socio-economic development across Africa

Inflation-adjusted dividend growth of

2% to 4%

over a rolling three-year period

To drive

Shareholder value creation, measured by RoGEV[1], **above cost of capital of**

i+4% with "i" being the South African nine-year risk-free rate

[1] For an explanation of this measure, see page 310 here.

Supporting our core SDG goals

It is essential that Sanlam is intentional and prioritises SDGs that provide the biggest opportunity for shared value creation.



Accounting for shared value continued

How we see value continued

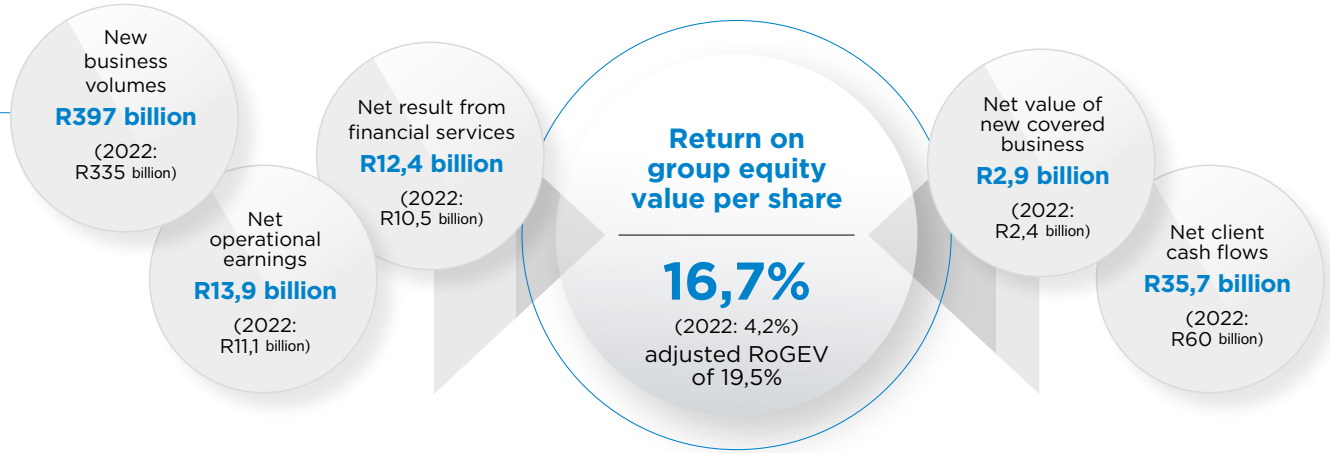
Snapshot: our purpose-led performance in 2023

Financial

- Delivered adjusted return on group equity value per share of **19,5%**, above our hurdle rate of **15,5%**, extending our track record for long-term shareholder value creation.
- Continued strong cash generation with cash earnings growing of **18%**.
- Declared a dividend of 400 cents per share, an increase of **11%**, (2022: 8%), meeting our target of inflation-adjusted dividend growth of **2% to 4%** per annum over a rolling three-year period.

Strategic

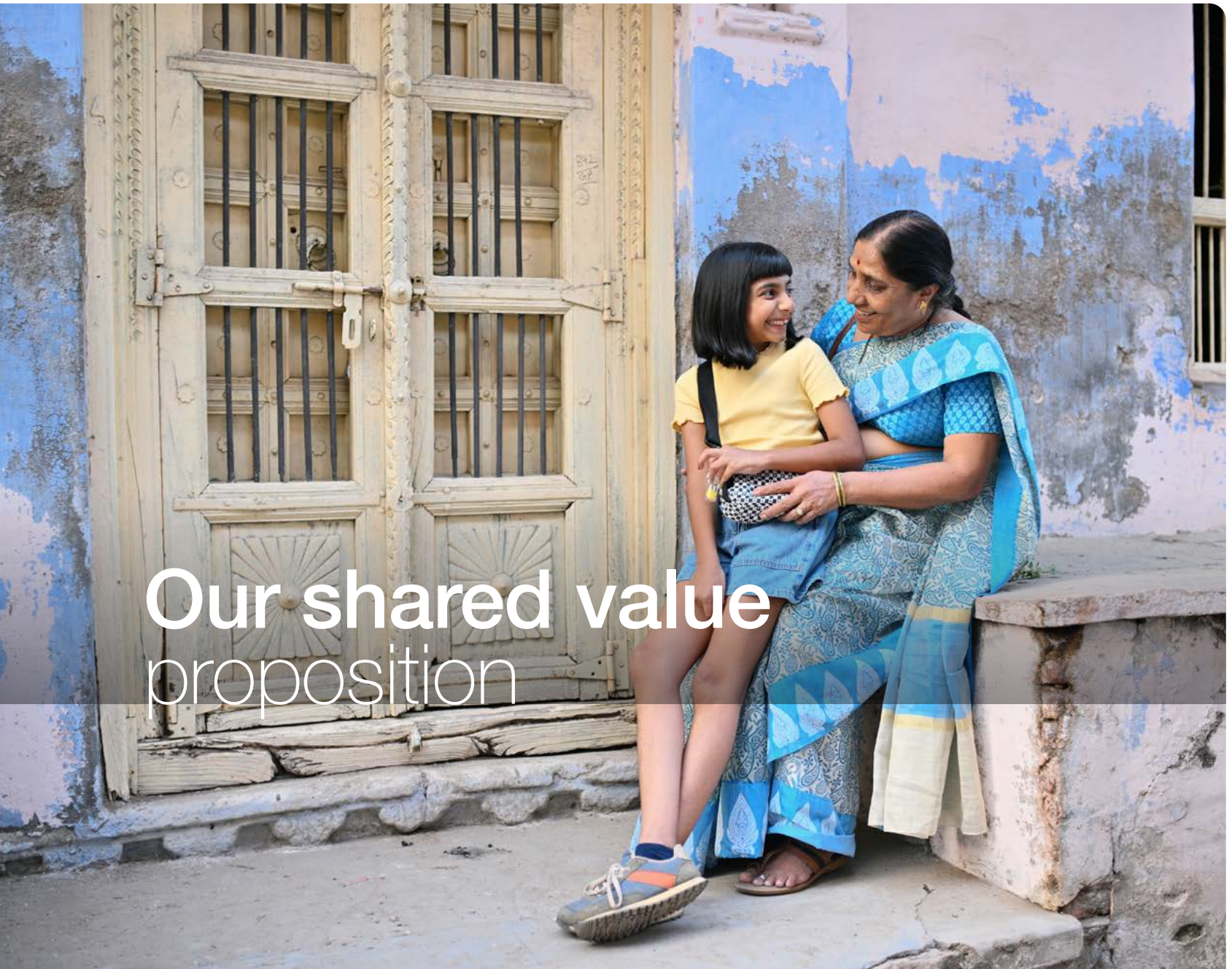
- **R6,6 billion** capital deployed to enhance our long-term growth profile.
- Made progress in becoming a true African champion through the merger of our African operations outside of South Africa (Pan-Africa) with those of Allianz SE, to create SanlamAllianz; and by strengthening our fortress position in South Africa through the conclusion of corporate transactions that add to our scale, improve our product offering and increase our distribution reach.
- Realised the benefits of a simplified corporate structure of our Indian operations, realising revenue and cost synergies; and enhanced operations, supporting strong growth in credit, life and general insurance.



Sustainability

- The Sanlam Foundation has invested **R746 million** in communities since 2011.
- Our joint venture with MTN aYo continues to drive financial inclusion in Africa, touching the lives of over **4,5 million** people.
- Sanlam has been actively involved in various impactful initiatives, including partnering with Climate Fund Managers to establish a **US$1 billion** green hydrogen fund, aiming to accelerate South Africa's decarbonisation efforts; as well as facilitating the Galapagos debt-for-climate conversion, the largest in history, by which **US$1,628 billion** in Ecuadorian government bonds were exchanged for a US$656 million impact loan.
- Direct and indirect taxes that were paid or became payable this year amounted to **R5,9 billion** across our countries of operation.
- Sanlam has been a signatory to the CDP for 16 years; earning a **B rating** (2022: B).
- Launched the ESG Barometer in March 2023 exemplifying our dedication to advancing ESG standards and transparency in sustainability reporting. This research enables investors and other stakeholders to better assess the quality of ESG integration by companies, which is becoming increasingly critical in their investment decisions.
- Sanlam is among the first cohort of companies to publicly commit to adopting the Task Force on Nature-related Financial Disclosures (TNFD) recommendations, targeting full reporting implementation by 2025.





Our shared value proposition

In this section

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17 Where we are
18 Why we are different
19 How we create value

Our shared value proposition continued

Who we are

Sanlam is the largest non-banking financial services group on the African continent, with a leading niche presence in Asia. We are market leaders in life insurance, general insurance, and investment management in our home market of South Africa and countries across Africa. With a history spanning over a century, we have a trusted brand, leading industry expertise, and high levels of client loyalty.

Sanlam's unique ecosystem of solutions positions us to grow in countries with low insurance penetration and robust long-term economic growth prospects. As we grow, we contribute to developing financial service industries in the countries in which we operate. Our innovative partnership approach brings scale and reach to our operations while supporting financial inclusion and shared value creation. We work hard to retain our clients' trust and our leading reputation by maintaining the highest ethical and governance standards and sharing the benefits of our considerable financial resources by investing for good.



31 countries

Pan-Africa and Asia
Top 3 market position in **17** African countries for life and **17** for general insurance

All product and market
segments

Certified
top employer

8 years consecutively in South Africa

69 million+

Lives touched in Africa and Asia

R160 billion

Group enterprise value at 31 December 2023

Present in 8 of the top 10

largest economies in Africa

R1,3 trillion

Assets under management

Largest insurer

on the continent

113 748

Employees worldwide

Our shared value proposition continued

Who we are continued

We provide a comprehensive range of financial services solutions that promote financial inclusion and enable wealth creation and protection.

Our products and platforms create an ecosystem that enables us to better serve our clients over their lifetimes.

We partner with unique and innovative businesses able to plug into our ecosystem to grow and share value between all our stakeholders and magnify the benefits to our societies.

1. Life insurance
Ensuring our clients' families are looked after through our broad life insurance product range, from simple funeral cover to more complex death and disability cover.

2. General insurance
Protecting our clients' assets through our general insurance products, covering valuable individual possessions to large corporate needs.

3. Asset and wealth management
Enabling long-term wealth creation and protection through our savings and investments as well as asset and wealth management products.

4. Corporate benefits
Our corporate products allow employers to offer a range of benefits to their employees, enabling a more attractive employee proposition.

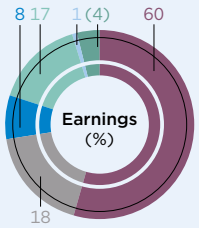
5. Retail credit
Retail credit offering assists clients in bridging any gaps in financial needs, which we couple with our unique credit advice offering in South Africa.

6. Healthcare
Healthcare offering ensures our clients are able to protect their most important asset, their health and ability to earn income.

7. Fintech
Our fintech businesses are increasing our ability to offer value-for-money products to a broader base of clients.

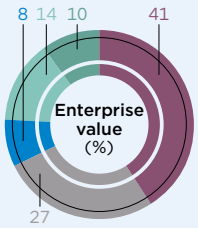
8. Loyalty and rewards
Our loyalty and rewards offerings give significant value to our clients and help improve client loyalty.

9. Financial planning and advice
We have a strong, core offering built around our well-established financial planning and advice capabilities.



Lines of business

- Life insurance
- General insurance
- Investment management
- Credit and structuring
- Health
- Other



Life insurance
- Retail mass
- Retail affluent
- Corporate
- SanlamAllianz
- Namibia
- Asia
- SanFin

General insurance
- SanlamAllianz
- Namibia
- Asia
- Santam (SNT)

Investment management
- SA investment management
- Wealth management
- International
- SanlamAllianz
- Namibia

Credit and structuring
- SanlamAllianz
- Namibia
- Asia
- SanFin

Health
- Corporate

Our shared value proposition continued

Who we are continued

Our services are provided through business clusters that deliver tailored, comprehensive, client-centric financial solutions to individuals and institutions.

	SLS Sanlam Life and Savings (SLS)	SEM Sanlam Emerging Markets (SEM)	SIG Sanlam Investment Group (SIG)	SNT Santam	SFT Sanlam Fintech	GO Group office
	Retail mass **Retail affluent** **Sanlam corporate**	**SanlamAllianz** **Namibia** **Asia**	**SA investment management** **Wealth management** **International** **SanFin**	**Santam** is a leading South African general insurer with an international presence in selected territories.	**Sanlam Fintech** drives financial services through non-intermediated digitalisation, innovation and financial inclusion utilising technology.	
Solutions	**SLS** provides financial planning and advice, insurance and investment, as well as healthcare products to retail and institutional clients in South Africa.	**SEM** provides a wide range of products covering life and general insurance, healthcare, reinsurance, asset management and retail credit products to commercial, corporate, institutional and retail clients, including the underserved and underbanked.	**SIG** offers a broad range of investment management, credit and risk management expertise to retail and institutional clients in Africa and the UK.	**Santam** offers a range of policies against property damage, motor accidents, loss of income, crop losses and catastrophe loss. Santam's primary function is to displace risk so that clients' insured losses are paid out of invested premiums.	**SFT** offers a range of digital products including life and general insurance, credit and investments and rewards offerings.	Supports the Group Chief Executive and clusters, mainly providing strategic direction and co-ordination, encouraging collaboration and identifying synergies, performance monitoring, reporting and assurance, allocating capital, and rendering centralised support services to businesses across the group.
Differentiator	The cluster relies on its advice, distribution capabilities, digital tools, and channels to provide comprehensive solutions through an ecosystem that also rewards loyalty and encourages long-term thinking. Focusing on client-centricity and holistic solutions, and through strategic partnerships and continuous innovation, **SLS** is able to increase its reach and scale to meet more of its clients' needs.	**SEM** leverages its local partnerships and shared-value model to build successful businesses and contribute to community upliftment and economic development in the countries where it operates. By operating in geographies that have poor access to financial service products, SEM promotes financial inclusion. The cluster is well positioned to capture growth in Africa and Asia through its extensive footprint, diverse distribution platform and product offering, SEM gives millions of people access to a growing range of relevant financial services solutions.	**SIG** supports Sanlam's purpose through its superior solutions, extensive product range and strong track record of investment performance. The cluster's impact-investing initiatives contribute to a better future for the societies where it operates. Sanlam Investments, one of South Africa's largest black-owned asset managers, is committed to transformation while supporting access to cost-effective financial solutions and a diversity of asset classes.	Largest short-term insurer in South Africa, with a diverse product offering.	Leveraging digital capabilities and platforms for greater client reach is achieved through cost-efficient models, furthering financial inclusion.	
Group contribution	**NRFFS**[1] R6,6 billion, 53% group contribution (2022: R5,9 billion) **GEV**[2] R57,7 billion, 38% group contribution (2022: R54,4 billion) **RoGEV**[3] 14,8% (2022: 11%)	**NRFFS**[1] R3,6 billion, 29% group contribution (2022: R2,6 billion) **GEV**[2] R47,2 billion, 31% group contribution (2022: R42,3 billion) **RoGEV**[3] 15,8% (2022: 3,5%)	**NRFFS**[1] R1,6 billion, 13% group contribution (2022: R1,2 billion) **GEV**[2] R13,5 billion, 9% group contribution (2022: R13,8 billion) **RoGEV**[3] positive 15,3% (2022: negative 6%)	**NRFFS**[1] R1,1 billion, 9% group contribution (2022: R1 billion) **GEV**[2] R19,4 billion, 13% group contribution (2022: R17,4 billion) **RoGEV**[3] 23,9% (2022: 3%)		

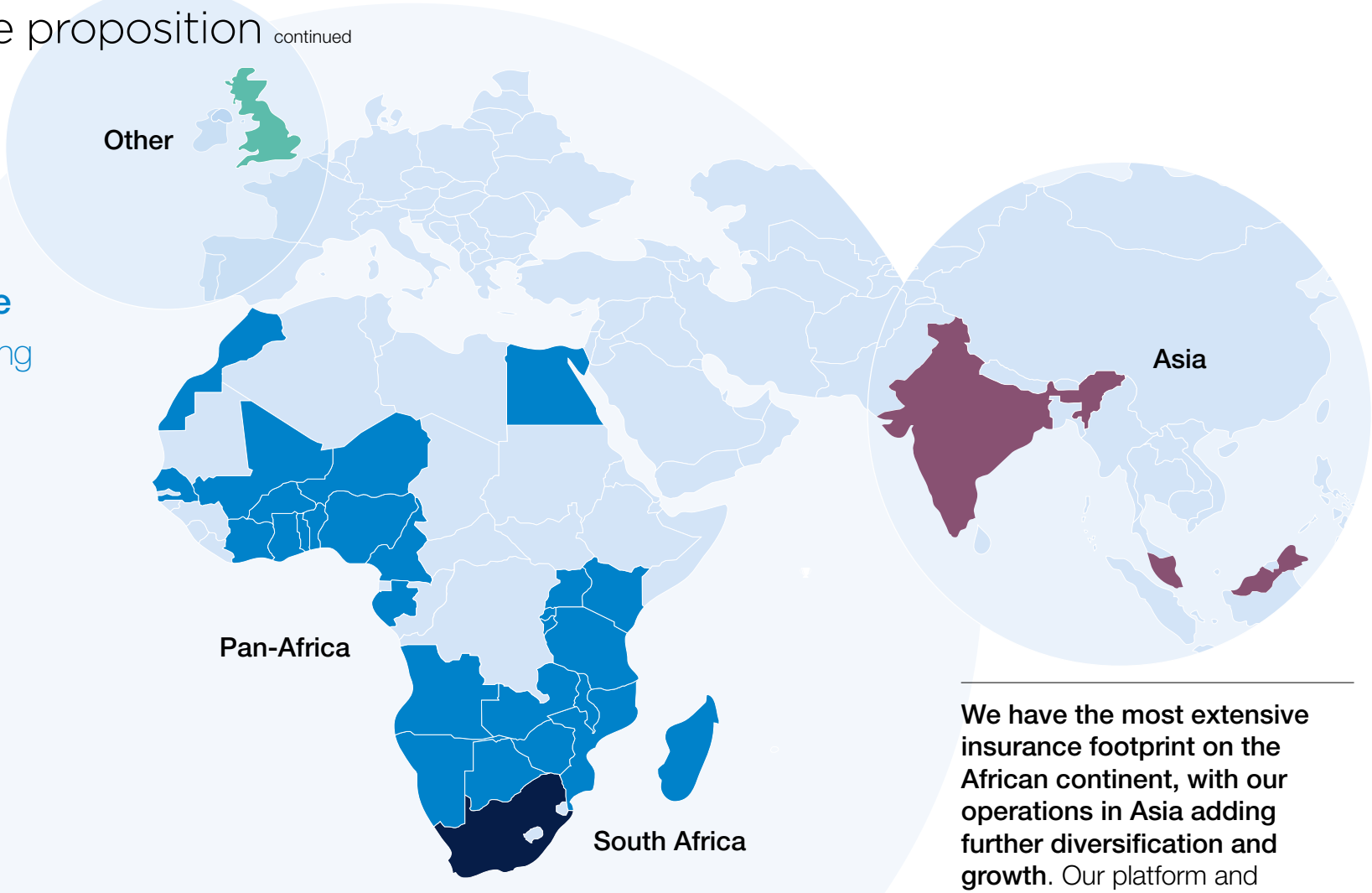
[1] Net result from financial services.
[2] Group equity value.
[3] Return on group equity value.

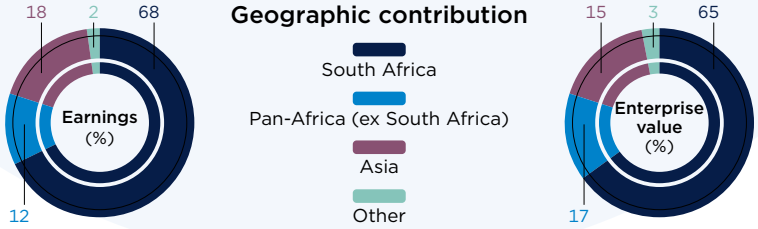
Our shared value proposition continued

Where we are

With a **direct presence in 31 countries** including **South Africa...**

Sanlam has top three positions in 17 general insurance markets and life insurance markets across our African operations.





We have the most extensive insurance footprint on the African continent, with our operations in Asia adding further diversification and growth. Our platform and partnership approach ensures ease of doing business across multiple jurisdictions, and caters to international insurance brokers and multinationals, as well as individual clients in-country.

Our shared value proposition continued

Why we are different

A compelling investment case

Diversification by product line and geography creates stability in earnings and value creation

At the **core of our value creation philosophy** is the client

Disciplined capital allocation, track record of resilient and margin accretive growth

Modern **omni-channel client engagement** to meet clients where they are

Partnership model increases reach at scale and reduces risk

Transforming digitally to modernise current business and build new digital businesses to reach new client segments and revenue sources

Our compelling **investment case**

Embedding sustainability into our strategy and the way we do business
channelling our core strengths to the benefit of all stakeholders

Structured to deliver sustainable long-term growth

New business growth rates to exceed nominal GDP growth

Capital efficient business model

Self-financing business growth translates to value

Improving margins and ROC from scale, superior client value propositions and efficiency

Long-term real RoGEV at attractive level

Africa macroeconomic and sector trends

- 1,5 billion people by 2028; 2,4% CAGR growth expected (2023 – 2028E); 19% of global population in 2028 → **Strong population growth**(2)
- Average +3,9% CAGR real growth expected (2023 – 2028E) → **Strong GDP outlook in the medium-to-long term**(2)
- Urban population to increase by c.104 million people, growing from 41% to 43% as a % of total population (2023 – 2028E) → **Rapid urbanisation**(2)
- Increased trade activity with the rest of the world; Improved ease of business over last decade → **Ease of doing business**(1)
- 1,6 billion mobile subscriptions with c.1,1 billion smartphones by 2028; Current internet users at 45% of population(1) → **Mobile and broadband users**(2)

(1) All of Africa.
(2) Excluding South Africa.

Source: Company information, Economist intelligence unit, World Bank, GSMA, IHS, Statista, Fitch Solutions, Data Hub, GSMA Intelligence

Our shared value proposition continued

Our business model

How we create value

Our inputs

We **create shared value** for our stakeholders by **consistently delivering quality products** that are appropriate, accessible, and affordable; and **advice that helps our clients live with confidence** – especially in difficult times.

Through our partnership and sustainable investment approach, we aim to develop financial services industries and create positive socio-economic returns, in balance with environmental imperatives. Our business model drives a virtuous cycle of upliftment which, in turn, enables a strong, sustainable business that is resilient to volatile conditions. Over the long term, this secures superior, sustainable returns for our shareholders.

Our capitals	FC Financial	IC Intellectual	SC Social and relationship	HC Human	MC Manufactured	NC Natural
	Needed to sustain and grow our business. Shareholder and policyholder funds, equity and debt capital markets and other providers of capital.	**Includes our intangible assets such as intellectual property, data, data management and protection, information, governance and innovations that enable us to retain trust and compete successfully.**	**Centres around the relationships we have as a business and a brand, our identity, understanding, norms, values, trust, co-operation and reciprocity.**	**The capacity, health, wellbeing and motivation of our employees to accomplish the goals of the business.**	**Tangible and fixed assets such as buildings, systems, equipment and tools.**	**Natural assets, including geology, soil, air, water and all living things.**
Qualitative inputs by capital	▸ Robust balance sheet able to withstand multiple stress events. ▸ Optimal capital allocation to balance growth and sustainability. ▸ Capital allocation based on scenario planning and stress testing. ▸ Prudent and sustainable investment approach. ▸ Investing in entrepreneurial and innovative businesses to "disrupt ourselves". ▸ Established partnerships that moderate our capital outlay.	▸ Trusted brand that stands for integrity in all our markets. ▸ Deep insurance and investment knowledge and technical skills. ▸ Strong, diverse board and experienced management team, with adequate succession depth. ▸ Mature, well-governed stakeholder management process. ▸ Development of high quality, relevant, affordable and accessible solutions appropriate for our markets. ▸ Partnership network enables knowledge sharing and cross-selling of products and services.	▸ Brand integrity through client-centric quality products and reliable and timely claims payments. ▸ Strategic focus on financial inclusion and financial education. ▸ Good relationships with tied and independent agents, and suppliers. ▸ Constructive relationships with regulators. ▸ Broad social initiatives managed and facilitated by the Sanlam group. ▸ MCIS Life formed a one-of-a-kind community partnership with the National Cancer Society of Malaysia (NCSM) to introduce a fully sponsored mobile health and cancer screening solution.	▸ Positive work environment that enables growth, development and employee wellness. ▸ Leadership drive to instil group purpose, values and culture journey. ▸ Numerous initiatives for employee engagement, including annual Barret culture scorecard and regular Pulse surveys to inform interventions. ▸ Focus on employee financial, physical and mental wellbeing. ▸ Culture of learning at every level. ▸ Focus on diversity and inclusion, supported by an Inclusivity Forum. ▸ Various initiatives for an inclusive and supportive workplace, including accommodating hybrid work.	▸ Digitally enabled products and distribution for access and affordability. ▸ Digitalisation strategy for efficiency and excellence. ▸ Rationalisation, consolidation, and upgrade of IT architecture.	▸ Allocation of capital to support socio-economic and environmental sustainability in line with just transition principles. ▸ Comprehensive sustainability strategy with clearly defined focus areas. ▸ Integrating ESG including climate risk into responsible investing. ▸ Continued World Wide Fund for Nature South Africa (WWF-SA) partnership. ▸ Supporting and working towards electric vehicle financing in India. ▸ Subscribed to the Malaysian National Electricity Company (TNB) Green Electricity Tariff (GET) programme to adapt to clean renewable energy in order to reduce the emission of greenhouse gases.
Quantitative and other inputs by capital	▸ Total equity of R96,9 billion (2022: R99,0 billion). ▸ Term finance debt of R14,9 billion (2022: R14,7 billion) with low leverage ratio. ▸ Discretionary capital deployed on corporate activity of R6,6 billion, with a closing balance of R2,7 billion (2022: R5,3 billion). ▸ R1,3 trillion assets under management.	▸ Contributed to the National Green Finance Taxonomy initiative in South Africa. ▸ Launched the ESG Barometer in South Africa. ▸ Sanlam Investments title sponsor of 2024 Africa's Green Economy Summit taking place in South Africa. ▸ Sanlam included in the Task Force for Climate-related Financial Disclosures (TCFD) best practice case study 2023 yearbook by the Financial Stability Board (FSB) in South Africa.	▸ Our products touch the lives of 69 million clients in Africa and Asia. ▸ Numerous agents distributing our products and providing financial advice in Africa and Asia respectively. ▸ R139 million CSI spend (2022: R130 million). ▸ R10 million in loan support spent on SANParks in South Africa.	▸ 113 748 employees (2022: 120 105). ▸ R17,2 billion paid in remuneration (2022: R16,3 billion). ▸ R321 million invested in employee training and skills development (2022: R329 million) in South Africa. ▸ Increased our group-wide average pay by 5,75% to keep pace with inflation. ▸ 5% – 10% of group executives incentives measured against ESG measures.	▸ Work ongoing to modernise and rationalise our investment administration platforms in South Africa. ▸ Mainframe modernisation and accelerated development of client self-service capabilities.	▸ R12 billion invested in sustainable infrastructure of which R578 million allocated to water infrastructure and R3,4 billion allocated to renewable energy development in South Africa and Egypt over the past decade. ▸ Planted 6 280 trees in Malaysia in the Legacy Forest habitat for wild flora and fauna.

Our shared value proposition continued

Our business model continued

Constraints by capital

Our constraints

Our capitals	Financial	Intellectual	Social and relationship	Human	Manufactured	Natural
Constraints by capital See: Our risks and opportunities	▸ Competing priorities for capital allocation. ▸ Impact of current socio-economic conditions on clients, affecting persistency. ▸ Regulated policy environment (including regulated capital levels in smaller markets). ▸ Claims impact in relation to operating environment (rise in weather-related claims in our general insurance operations).	▸ Investment and attention required to protect against cyberthreats, and stay abreast of cybercrime prevention. ▸ Pace of digital change and ability of our people, operations and products to keep up with shifting stakeholder expectations. ▸ Data privacy regulatory landscape is complex.	▸ Gaining the trust of unserved and underserved communities. ▸ Socio-economic weakness impacting on client affordability and employee financial health. ▸ Reputational risk associated with the Competition Commission's investigation of pricing practices relating to South African life insurance companies. ▸ Diverse product offering and omnichannel distribution ecosystem means many touchpoints with clients, making consistently high service levels difficult to achieve across all operations.	▸ Attracting and retaining top talent. ▸ Global competition for skills and scarcity of high-demand skills. ▸ Mental and financial wellness of employees. ▸ Change fatigue. ▸ Finding right balance of flexibility and effectiveness in hybrid workplace model.	▸ Managing the cost of physical points of presence, which underpin trust in some markets. ▸ Maintaining the right balance between client service and efficiencies, in the omnichannel model. ▸ Rising input costs driving up IT spend. ▸ Managing the disruption to operations of extensive IT architecture rationalisation and upgrade.	▸ Climate events increase claims and impact capital availability and returns. ▸ Defending balanced trade-offs between natural resources and social development. ▸ Climate integration in all aspects of financial planning and accounting, fund management and investment approach.
Link to material matters See: Our material matters	▸ Economic and geopolitical headwinds. ▸ Regulatory and governmental expectations. ▸ Leveraging powerful partnerships.	▸ Socio-economic upliftment. ▸ Implications of digitalisation. ▸ Leveraging powerful partnerships.	▸ Economic and geopolitical headwinds. ▸ Socio-economic upliftment. ▸ Regulatory and governmental expectations. ▸ Implications of digitalisation. ▸ Leveraging powerful partnerships. ▸ Engaged people and collaborative culture.	▸ Engaged people and collaborative culture. ▸ Economic and geopolitical headwinds. ▸ Socio-economic upliftment. ▸ Implications of digitalisation.	▸ Implications of digitalisation. ▸ Economic and geopolitical headwinds.	▸ Balancing social and environmental priorities.

Business activities and profit formula

Our activities

Business activities and profit formula
See: Who we are

We design and deliver insurance, risk, saving and investment, health and credit solutions through a range of business activities:

- Product development and management
- Business support
- Distribution and client support
- Risk and capital management:
- Insurance and investment solutions
- Asset management
- Policy administration and management
- Customer services, sales and distribution
- Marketing and brand-building
- IT management and data analytics
- Employee benefits
- Balance sheet management and optimisation
- Data-driven decision-making (data management and analytics)

Key revenues

- Insurance revenue (life, general, specialised and reinsurance)
- Income from financial products and services including advice and healthcare
- Fees from investment incomes
- Investment returns
- Credit and structuring fees

Revenue drivers

- (+) Diversity in products/geographies
- (+) Omnichannel client engagement
- (+) Scaled partnership model
- (+) Digital capabilities
- (+) Strong affluent market persistency
- (+) Disciplined capital allocation
- (−) Less integrated for cross-sale
- (−) Market concentration in specific demographic

Key costs

- Employee wages
- Technology
- Claims
- Client acquisitions
- Cost of financial capital
- Profit share allocations
- Reinsurance
- Marketing

Cost drivers

- (+) Disciplined cost management
- (+) Scale benefits
- (−) Higher distribution costs

Our shared value proposition continued

Our business model continued

Outputs

Our diverse product set supports **wealth creation** and helps our clients **live with confidence.** This product set includes:

Outputs

See: Who we are

Financial planning	Life insurance	General insurance for individual and business	Micro-insurance	Retirement products for individuals	Wealth management	Investment management	Corporate benefits	Healthcare	Credit solutions	Wills and estates

Outcomes by capital

Outcomes by capital

See: Delivering shared value

Financial	Intellectual	Social and relationship	Human	Manufactured	Natural
Track record of consistent strong returns for shareholders. R2 billion subordinated debt issued by Sanlam Life during the year. Recorded growth in our key earnings metric, refer to page 12 above for financial metric performance. Dividend declared of 400 cps (2022: 360 cps) for the 2023 financial year. Sanlam group solvency cover ratio of 170%, well within target ranges and proven ability to withstand significant shock events.	Strategic partners adoption of our approach to best governance practice. Winner of the Financial Intermediaries Association of South Africa (FIA) 2023 Intermediary Experience Award for life/risk solutions for two consecutive years. Diversifying skillsets through partnerships. More sustainable value creation for less capital outlay through partnerships. Sanlam Investments won the 2023 27Four Sustainable asset Manager award, Sanlam Investment Alternatives team named Africa's best Alternative investment team in 2023 at Capital Finance International Awards. Wealth bonus integration into more products and clusters, driving customer loyalty with over 2,5 million clients (2022: 498 000). Wealth bonus won "best long-term loyalty programme of the year" at 2023 South African Loyalty Awards.	Trust in the Sanlam brand with an increase in lives touched and client satisfaction score of 84% (2022: 85%) in South Africa. Launch of R3 billion mid-market fund and R2,6 billion SME debt funds investment in infrastructure and initiatives for a sustainable economy Increasing financial inclusion through accessible and affordable products and channels. Good relationships with regulators through in-country leadership, with R5,9 billion in direct and indirect taxes paid in 2023 (2022: R6,2 billion). P4RR initiative, strengthening institutional and participatory development capacity of local municipalities to proactively reduce fire and flood disaster impacts. Providing holistic access to quality essential healthcare services, including virtual solutions, to members of the Sanlam umbrella fund. Gross insurance benefits claims paid out: R96 billion (2022: R97 billion). Level 1 B-BBEE status in South Africa. Supplier procurement spend reached R14,9 billion and R4,4 billion for SMMEs (2022: R11,6 billion and R4,5 billion respectively). Launch of government-endorsed education programme in South Africa.	Culture score of 60 (2022: 61, industry average of 50), with improved turnover rate of 16% (2022: 24%) including permanent employees and advisers. Workplace policies to address and prevent discrimination. Hybrid working model in place. Key executive hires in Sanlam Fintech. Technology upskilling and focus on improving the employee value proposition. Awarded Top Employer in South Africa for eight consecutive years.	Digital products that are meaningful to clients' needs. Expansion of digital products and processes, including self-service options and automated client service processes. Advise partner platform for intermediaries in retail affluent, making use of digital tools for efficient advice delivery with clients. Through our insurtech joint venture with MTN aYo, we have touched over 4,5 million lives across Africa, providing cost efficient products to the underserved.	ClimateWise score of 76/100 (2022: 66/100), CDP Climate change score of B (industry average C). Responsible investing strategies and stewardship policies to support a just energy transition. Climate Fund Managers (CFM): launched SA-H2 US$1 billion green hydrogen fund to kickstart South Africa's decarbonisation efforts; facilitated US$1,6 billion largest debt-for-nature swap in history to fund the protection of the Galápagos Islands and launched the SDG Namibia One Fund, a €1 billion blended financing vehicle for green hydrogen investment in Namibia. Partnership with WWFSA, integrating nature-based solutions, driving investment in ecological infrastructure and biodiversity improving risk management and disclosure. 10% reduction in overall greenhouse gas (GHG) emissions against 2019 baseline by 2025.

Shared value impact

See: Our stakeholders

Financial	Intellectual	Social and relationship	Human	Manufactured	Natural
Shareholders Debt capital providers Providers of capital	Clients Shareholders Employees Society	Clients Regulators Society	Employees	Shareholders Employees Clients	Society

Link to SDG










Governing shared value

In this section

23 Chair's message

27 Governance summary

Governing shared value continued

Chair's message

> The trust of our stakeholders underwrites Sanlam's value and drives our ability to empower generations to be financially confident, secure, and prosperous – across our substantial footprint of emerging market economies. Earning and preserving their trust is our highest priority and the most important measure of our success.

Elias Masilela
Chair



Governing shared value continued

Chair's message continued

To deserve our stakeholders' trust requires absolute dependability in our daily operations.

It also demands ethics and governance that are beyond reproach across our markets. Underpinning all, our balance sheet needs to be solid. That balance sheet, which our clients and our societies rely on, is historically strong and continuously being strengthened. There can never be any doubt that Sanlam is strong enough to shield our clients against adversity. Whether it is a pandemic or increasingly frequent climate disasters, our clients must know we will honour our commitment to them. Their peace of mind, indeed the quality of their lives, depend on it.

In 2020, we reconsidered our medium-term strategy and set the target to establish a "fortress position" in South Africa by 2025. We have surpassed that ambition. In the last year, with turbulent world events and local socio-economic pressure, our emphasis has shifted.



Today, our prospects for sustainable growth and value stand on a three-pillar citadel: our operations in South Africa, Pan-Africa and Asia. We are capitalising on the balance sheet and resilience we have built over more than a century in South Africa, to consolidate and grow ventures across our diversified portfolio. These will multiply the value we create for our stakeholders and magnify our positive impact on society.

The world and our markets face extraordinary challenges.

These have untold negative consequences, across all spheres of our lives.

Irrespective of the prevailing challenges, we remain committed to surpassing our achievements and setting new standards of excellence. We acknowledge the socio-economic challenges not only in South Africa but throughout Africa, and recognise the urgency of creating more just and inclusive economies.

All of us in leadership roles, in society, must do our best to minimise the negative impact of the socio-economic challenges in our markets. Even better, prevent them, where we can. Our best response to this dynamic environment is to position our operations and invest our capitals in markets with solid medium- to long-term growth potential, and converting Sanlam's well-established developing market expertise into a global niche stronghold. As our integrated report shows, there is ample reason for confidence in Sanlam's future.

Sanlam is getting stronger

Sanlam creates and protects value by offering clients diverse yet complementary financial solutions – ensuring a wholesome approach. Our solutions enhance the lives and livelihoods of every stakeholder, irrespective of who, where or how wealthy they are.

To measure our success in creating and preserving that value at a technical level, we rely heavily on return on group equity value (RoGEV). It is like a country's GDP, which not only describes the economy's health but also indicates what impact economic circumstances will have on people's futures. Similarly, RoGEV assesses the current state of our businesses' health, but it also casts its eye forward to provide a measure of value enhancement. Our commitment to increasing the value of our enterprise in order to deepen the impact we can have on individual families and entire economies, demands the considered expansion of our business, as well as its robustness.

RoGEV also provides insight into our business emphasis and how our practices impact stakeholders, whether clients, shareholders or even competitors, for that matter. As we design products, we are mindful of their internal and external impact. We strive to produce responsible, sustainable, accessible and affordable products. There can be no compromise; all these elements must exist simultaneously.

However, other than providers of financial capital, few stakeholders are likely to analyse RoGEV when considering Sanlam's value. While we work to ensure that Sanlam lives up to all its promises, the nature of the value we create and how we measure it varies among stakeholder groups.

Governing shared value continued

Chair's message continued

Bold but dependable investment

Investors often see Sanlam as a conservative entity that prices its products to anticipate higher risk or uncertainty relative to its peers. The recent adoption of the International Financial Reporting Standard 17 (IFRS 17) highlighted the advantage of that approach. Our inherently cautious stance to doing business has stood the test of time; Sanlam's capital buffer ensured it did not experience the same volatility as other market players when conditions became historically challenging.

Our expansion into new geographical areas and product ranges has been bold, yet we have managed to contain risks.

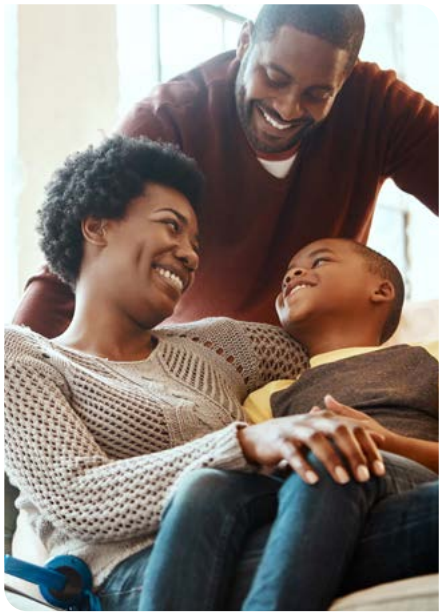
Our expansion offers investors the opportunity to participate in unlocking vast potential across countries with good prospects for medium- to long-term economic growth. They can place that opportunity in the hands of Sanlam as a proven developing market expert, alongside our local partners who know domestic customs and requirements first-hand, and other innovative service providers in our ecosystem.

Living up to **our promises to clients**

Since 2020, our priority has been to increase our number of products or solutions per client.

This approach has two benefits:

1. **It brings us closer to our clients**, which enhances retention rates – a critical factor in our industry.
2. **It boosts revenue** without incurring significant additional costs, thus improving margins.



In an economic downturn, clients' purchasing power weakens, causing them to reconsider their spending and financial priorities. At times like these, offering enough value to prevent reprioritisation is crucial – when clients decide to switch away from an insurance premium for a cost-of-living expense. Before Covid-19, there was a clear distinction between supply-led and demand-led commodities. Insurance is a supply-led commodity, meaning consumers are unlikely to seek out coverage on their own. Instead, it is up to the provider to convince the consumer to buy. The pandemic made people realise that insurance is anything but a grudge expense. It is as essential and lasting as an investment in education or health. As such, we have seen a spike in people asking for a reprieve on their premiums until they could put their finances in order. This shift from a supply-led towards a demand-led conception of insurance is a shift in the economic design of our societies and an opportunity for our industry.

In South Africa, Sanlam has positioned itself to offer comprehensive solutions, including savings, insurance, health and credit to its clients, irrespective of their socio-economic status. This wholesome approach provides financial confidence, security, and prosperity over generations, creating a much-desired virtuous cycle, in these difficult times. However, weakening macroeconomic environments and unfavourable sociopolitical conditions threaten this cycle. Not only that, it also makes it difficult for responsible corporate citizens like Sanlam to optimally deliver on their mandates and contribute to economic value.

The macro environment within which business operates, is essential for its success. Recently, we have found that the conditions have been worsening, with little prospects for a short-term turnaround. These conditions have been worsening over time and we need to find a way of arresting the trend.

There are two ways in which an economy can disintegrate – a slow decline or sudden collapse. Bad economic and political governance, political uncertainty, and corruption are the key root causes for both these scenarios. It is these cause variables that need to be targeted to reverse the trend. As a group of our size and reach, to be confident in the promises we make to our stakeholders, we must have faith in the macroeconomy and its management. But we are not standing by and passing judgement. We have rolled up our sleeves and are active in government-business partnerships to address the most significant blocks towards South Africa's socio-economic stability, and its credibility in the world of nations.

We need to ensure diversification and a healthy balance sheet to deal with current macroeconomic headwinds, as well as the rising prospect for more turbulence. The Covid pandemic taught us that those with overstretched balance sheets hurt the hardest. The reverse is true. To prepare for the next 100-year occurrence, we need to retain as strong a balance sheet as we have today and strengthen it even further. Careful and well considered capital management and a disciplined capital allocation to growth and innovation are watchwords for the group.

Diversification is critical in dealing with macroeconomic challenges and can be achieved in several ways, including product solutions, revenue models, geography and partnerships.

Our partnerships are diverse and unique for a financial institution and allow us to create more value for our stakeholders more sustainably, for less capital investment.

Indeed, our partnerships give us greater scale, reach and scope of impact.

Governing shared value continued

Chair's message continued

Value equals **positive impact**

In times of uncertainty, the stakeholders of Sanlam rely on our financial strength, stability and resilience. Our fortified balance sheet sends a clear message to our clients, employees and their families that Sanlam is strong enough to continue providing them with solutions that cater to their needs and reduce their constraints. We invest responsibly and judiciously in economic development opportunities that create a virtuous cycle of job and income growth, while minimising any adverse environmental impacts.

Our business model aims for social upliftment, financial inclusion and education. Financial literacy is crucial for trust and sound financial decision-making. Our products aim to be affordable and accessible, with intermediaries playing a pivotal role in raising financial literacy. Digital channels and strategic partnerships improve accessibility and affordability. We prioritise responsible citizenship, diversity and inclusion, and social development initiatives.

Clients are showing increased interest in ESG-focused investment options, but not at the expense of financial returns. Investors and rating agencies are highly focused on ESG commitments and performance due to the potentially catastrophic impacts of climate change, biodiversity loss and pollution. Vulnerable communities in our markets are likely to be disproportionately affected by such degradation, as they are unlikely to be able to insulate themselves – which the rich can, even though it can be only in the short term. As a direct consequence, we are integrating sustainability considerations in all our businesses and deliberately investing in sustainable infrastructure and renewable energy opportunities.

To become the more robust, more diversified, and agile company for the next 100 years, we need to acquire the right skills and form appropriate partnerships. This is a directive to management to identify implied prerequisites necessary to achieve our long-term strategic goals. These prerequisites include capital allocation, resource and skills distribution, management, pricing of products, quality and requisite sophistication.

All of these factors will contribute to realising our purpose-led strategy, and maximising our positive impact on the lives and livelihoods of our stakeholders.

Diversity at board level

Sanlam regards transformation, empowerment and diversity as imperative to meaningfully grow and sustain the business. The group strives to reflect the demographics of South Africa and those territories in which we operate. The board ensures that its composition is representative of the company's profile and promotes, among others, race, culture and gender diversity.

The board motivates and supports the different perspectives and points of view expressed by individual board members. This diversity of thought and experience allows for more profound and constructive debates, with the ultimate objective to benefit Sanlam's key stakeholders.

The board (supported by the nominations committee) annually reviews the group's policy on promoting diversity attributes at board level. The policy aligns with the requirements outlined in the JSE Listings Requirements and JSE Debt Listing requirements and sets out the approach to diversity on the boards of Sanlam and Sanlam Life. The nominations committee reviews and assesses the board's composition and recommends the appointment of new directors to shareholders, subject to obtaining PA approval. The committee also oversees the annual review process to evaluate the effectiveness of the board and its respective committees.

In identifying a suitable candidate, the nominations committee considers the benefits of all attributes of diversity, including race, gender, culture, age, field of knowledge, skills and experience, to enable the board to discharge its duties and responsibilities effectively.

Given the benefits associated with a diverse board, targets to increase the number of black board members (particularly black female directors) were set and are annually reviewed by the nominations committee and recommended to the board for approval. The target achieved during the 2023 financial year included 33% women representation on the board. Targets for the 2024 financial year include retaining the board's current diversity, knowledge and experience base.

Changes to the board in 2023

Mr Heinie Werth stepped down as executive director of Sanlam Limited and Sanlam Life Insurance Limited on 31 December 2023 following his appointment as CEO of SanlamAllianz, to focus on the management of the JV on behalf of Sanlam and Allianz.

The Sanlam board and I feel deep gratitude to Heinie Werth for his service and for 25 years at Sanlam, where he has had a distinguished career including serving as Group Finance Director and as CEO of Sanlam Emerging Markets. We wish Mr. Werth the best for his new role in driving SanlamAllianz on the continent.

"My heartfelt thanks go to my fellow board members for their commitment and guidance in 2023. To the group executive team, thank you for another year of solid growth and excellent delivery. To Sanlam employees and intermediaries, I appreciate your hard work in making good on our promises to our clients over another difficult year. Thank you to our clients for choosing and for staying with Sanlam. Finally, a warm embrace and a thank you to our strategic partners for their support in realising our ambitions for greater value and impact across our expanded sphere of influence.

Without all of you, there would be no Sanlam."



Elias Masilela
Chair

Governing shared value continued

Governance **summary**

Sanlam's approach to governance is influenced and directed by various aspects, including the trust of our clients, governance-related best practices, in-country governance and regulatory requirements, as well as company-specific requirements and the long-term sustainability of our businesses.

The group makes a concerted effort to ensure that it adheres to the applicable suite of governance standards set out in the following regulatory requirements:



Given the dynamic process of evolving and assessing the effectiveness of the group's governance approach and structures, we also consider the criteria used by the FTSE/JSE Responsible Investment Index Series and the Dow Jones Sustainability Index.

In addition to the board's fiduciary duties, these standards and criteria require the board to accept accountability and to take responsibility for governance, ethical leadership and how relationships and decision-making should be approached. The Prudential Standards and the Financial Sector Regulation Act further require that the controlling company of an insurance group must establish an effective governance framework that provides for the sound and prudent management of the insurance group's business, including providing for adequate protection of the interests of policyholders.

King IV™ application process

The board of directors of Sanlam (the board) is pleased to confirm that during the reporting period (1 January 2023 – 31 December 2023), implementing and promoting sound corporate governance practices continued to form an integral part of the Sanlam Way.

The group's ongoing commitment to continuous improvement and alignment to sound corporate governance business practices is evident in this King IV™ application report.

In line with the group's robust approach towards corporate governance, specific key deliverables and actions have been identified during the period under review. Significant progress had been made in the execution of these, which assisted the group to ensure compliance with the principles and recommended practices of King IV™.

The information in this report is supplemented by the integrated annual report, annual financial statements, sustainability report and remuneration report which form part of our reporting suite. All these reports are available on our website at www.sanlam.com. We have provided cross-reference in this report to guide stakeholders to the supplementary information in the reporting suite and on our website.

Governing shared value continued

Governance summary continued

Sanlam's business practices are predominantly governed by its group governance policy, which is approved by the board and reviewed annually.

This policy aims to establish certain principles and minimum standards, and provides the overarching framework for other Sanlam group policies to support relevant governance areas.

Sanlam's group governance policy, together with the business philosophy and code of ethical conduct, establishes the framework for governance of the group.

Because of its designation as an insurance group and as a licensed controlling company of the Sanlam Limited Insurance Group, the board of Sanlam Limited has a statutory obligation to adopt, implement and document an effective governance framework.

Through the group governance policy, the board acknowledges and clarifies its responsibility for governance across the business by defining the responsibility for how the relationships, decision-making powers, and exercise of authority in Sanlam should be approached and conducted as stipulated by all applicable regulatory requirements.



Any exceptions or deviations from the group governance policy require approval from the Group Chief Executive and are reported to the audit committee and the board.

This enables the board to consider any impact on the legal and licensed entities concerned. The business cluster's chief executive and responsible group functionary motivates and supports exceptions and deviations from the policy. The company secretarial functionaries at an operational level are required to monitor all deviations and exceptions to the policy after it has been assessed for qualitative and quantitative materiality, and considering the group and the relevant business cluster's enterprise risk management frameworks. The Company Secretary maintains a register that contains all permanent deviations and exceptions.

Sanlam's group governance policy recognises each company in the group as a separate and independent juristic entity to whom its directors owe fiduciary duties.

The adoption and implementation of group policies, structures and procedures thus remain a matter of consideration and approval by the boards of individual companies operating as separate legal entities. In this regard, due consideration is given to regulations that govern the Sanlam Limited Insurance Group, which require the controlling company to adopt and implement groupwide governance, risk management and internal control systems. Therefore, to ensure alignment and facilitate consistent implementation across the Sanlam group, an inclusive approach is followed to develop business philosophy, strategy, and policies and procedures.

Governing shared value continued

The governance of organisational ethics

Determines, reviews and oversees that Sanlam's vision and values are congruent with its business as a responsible corporate citizen.

Provides effective leadership on an ethical foundation and ensures it acts ethically, beyond mere compliance.

The board charter **recognises and defines its role regarding its ethical responsibilities,** including that it:

Assumes responsibility for Sanlam's performance by steering and setting the strategic direction for realising the group's core purpose and values.

Ensures Sanlam is, and is seen to be, a responsible corporate citizen by considering the financial aspects of the business as well as the impact business operations have on the group's stakeholders, natural resources, and the societies in which we operate.

Sanlam's core values support the group's commitment to advocating and promoting sound governance practices.

The group strengthens stakeholder trust by conducting business ethically and professionally. Therefore, ethical leadership is regarded as a priority and forms an integral part of the board's approach to sound corporate governance practices. It influences and validates 'the Sanlam Way' and how the group executes its corporate responsibilities, with the underlying objective to always act in the best interest of its key stakeholders.

At Sanlam, leadership is ultimately shaped by the Sanlam group business philosophy, code of ethical conduct, governance policy, and authorisations framework.

In addition, the SES committee is mandated by the board to monitor Sanlam's compliance with the relevant social, ethical and legal requirements and codes of best practice.

This committee reports any ethical breaches or material matters to the board and discloses their nature in its report at the AGM.

Sanlam has a group ethics committee which operates as a subcommittee of group exco and is chaired by the group Executive: Human Capital.

The group ethics committee includes representatives from the business clusters, as well as the group office and meets quarterly to discuss ethics-related aspects, trends, challenges, feedback from cluster representatives, and the outcome of climate surveys. An annual ethics report is submitted to the SES committee and verbal feedback is provided on the ethical climate in the group. Ethics-related transgressions may be included in the group and Sanlam life compliance reports.



Governing shared value continued

Sanlam's code of ethical conduct

The group's code of ethical conduct (the code) applies to directors of all group entities and employees. It is reviewed frequently to ensure the content remains relevant to all affected stakeholders, environments and markets Sanlam operates in.

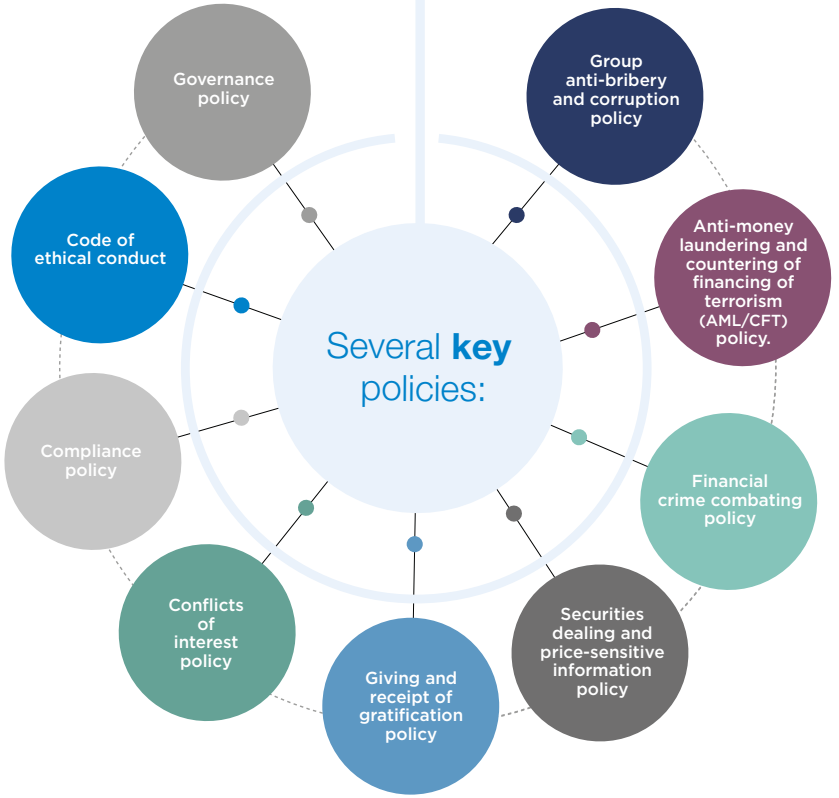
It guides organisational ethics across the business by ensuring our business practices and interactions with internal and external stakeholders and the broader society are aligned and consistent. This includes establishing the necessary platforms and means to respond to and address ethics-related risks.

The board is satisfied that adequate grievance and disciplinary procedures are in place to ensure the effective enforcement of the code and to address any unethical conduct or ethical breaches. The SES committee and risk and compliance committee receive feedback on the group's ethical climate at every quarterly meeting. In the period under review, no material non-compliance incidents to the code were reported.

Sanlam conducts biennial ethical risk assessments to evaluate and assess its ethical climate for over a decade. This process is co-ordinated by the group compliance officer in consultation with the Sanlam group ethics committee.

The next ethical risk assessment is scheduled to take place by Sanlam in 2024.

The board has approved **several key policies to support ethical behaviour** across the group.



Governing shared value continued

Our board

Our independent non-executive directors



Elias Masilela

Chair (59)

Appointed: October 2019

Tenure: 4 years

Expertise:
Accounting, financial markets/investments, general business, international, human resources, marketing, sustainability, empowerment

Committee/s:



Ebenezer (Ebby) Essoka

(68)

Appointed: June 2021

Tenure: 2 years

Expertise:
Financial markets/investment, general business, international, marketing, sustainability, empowerment

Committee/s:



Nicolaas Kruger

(56)

Appointed: May 2020

Tenure: 3 years

Expertise:
Accounting, financial markets/investments, actuarial, general business, international, risk management, sustainability, empowerment

Committee/s:



Ndivhuwo Manyonga

(42)

Appointed: December 2021

Tenure: 2 years

Expertise:
Accounting, financial markets/investments, actuarial, general business, international, human resources, risk management

Committee/s:



Thembisa Skweyiya

(50)

Appointed: October 2022

Tenure: 1 year

Expertise:
General business, international, legal, risk management, IT, sustainability, empowerment

Committee/s:



Andrew Birrell

(54)

Appointed: September 2019

Tenure: 4 years

Expertise:
Accounting, financial markets/investments, actuarial, general business, international, risk management

Committee/s:



Mathukana Mokoka

(49)

Appointed: March 2018

Tenure: 5 years

Expertise:
Accounting, financial markets/investments, general business, risk management, sustainability, empowerment

Committee/s:



Jacobus (Kobus) Möller

(64)

Appointed: January 2020

Tenure: 3 years

Expertise:
Accounting, financial markets/investments, general business, international, risk management, sustainability, empowerment

Committee/s:



Karabo Nondumo

(45)

Appointed: December 2015

Tenure: 8 years

Expertise:
Accounting, financial markets/investments, general business, international, human resources, risk management, sustainability, empowerment

Committee/s:



Shirley Zinn

(62)

Appointed: December 2018

Tenure: 5 years

Expertise:
Financial markets/investments, general business, human resources, sustainability, empowerment

Committee/s:



Willem van Biljon

(62)

Appointed: August 2021

Tenure: 2 years

Expertise:
Financial markets/investments, general business, marketing, risk management, IT, sustainability

Committee/s:

Committee members key:

- Audit committee
- Risk and compliance committee
- Human resources and remuneration committee
- Nominations committee
- Social, ethics and sustainability committee (SES)
- Customer interest committee
- Independent non-executive directors committee
- Non-executive directors committee
- C Committee chairman

* Tenure as at 31 December 2023.

Governing shared value continued

Our board continued

Our non-executive directors



Patrice Motsepe

(61)

Appointed: April 2004

Tenure: 19 years

Expertise
Financial markets/investments, general business, international, human resources, risk management, legal, sustainability, empowerment.

Committee/s:



Johan van Zyl

(67)

Appointed: January 2016

Tenure: 7 years

Expertise
Accounting, financial markets/investments, general business, international, human resources, marketing, risk management, sustainability, empowerment

Committee/s:



Sipho Nkosi

(69)

Appointed: March 2006

Tenure: 17 years

Expertise
Financial markets/investments, general business, international, human resources, marketing, risk management, sustainability, empowerment

Committee/s:



Anton Botha

(70)

Appointed: March 2006

Tenure: 17 years

Expertise
Accounting, financial markets/investments, general business, human resources, marketing, risk management, legal

Committee/s:

Our executive directors



Paul Hanratty

(62)

Appointed: April 2017

Tenure: 6 years

Expertise:
Financial markets, investment, international, general business, actuarial, risk management

Committee/s:
Does not serve as a member of a committee but may attend by invitation and may not vote on matters



Abigail Mukhuba

(44)

Appointed: October 2020

Tenure: 3 years

Expertise:
Accounting, financial markets/investments, general business, international, risk management, IT, sustainability, empowerment

Committee/s:



Heinie Werth

(60)

Appointed: September 2016

Tenure: 7 years

Resignation date:
31 December 2023

Expertise:
Accounting, financial markets/investments, general business, international, risk management, IT, sustainability

Committee/s:
Does not serve as a member of a committee but may attend by invitation and may not vote on matters

Committee members key:

- Audit committee
- Risk and compliance committee
- Human resources and remuneration committee
- Nominations committee
- Social, ethics and sustainability committee (SES)
- Customer interest committee
- Independent non-executive directors committee
- Non-executive directors committee
- C Committee chairman

* Tenure as at 31 December 2023.

Governing shared value continued

Board statistics

18 members
Number of board members

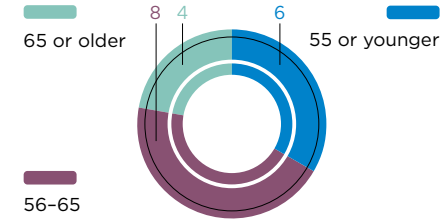
11 meetings
Board meetings in 2023

5
Scheduled meetings

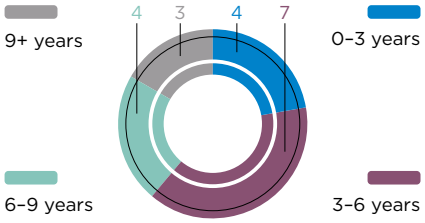
6
Ad hoc meetings

100%*
***In respect of 5 scheduled meetings**

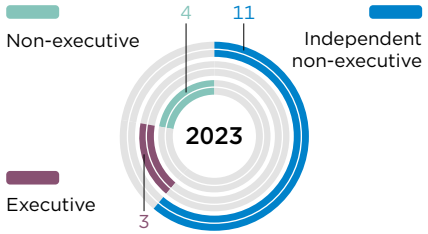
Age



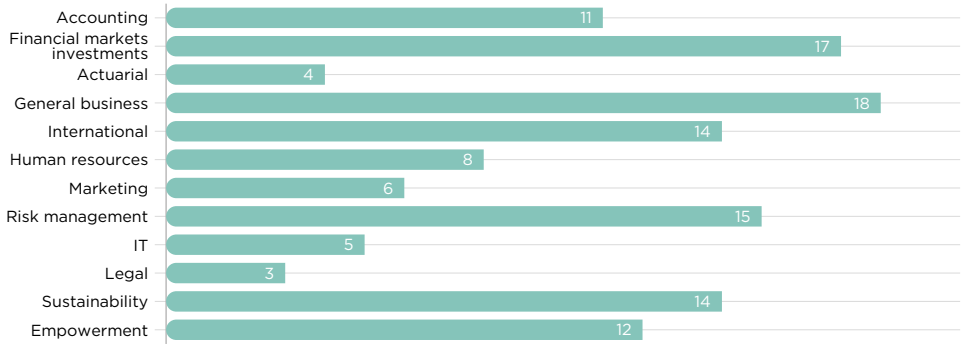
Tenure



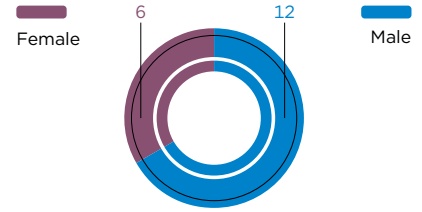
Board independence



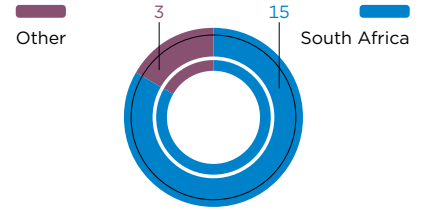
Expertise on our board



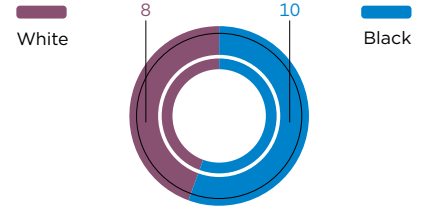
Gender diversity



Geographic diversity



Racial diversity



Governing shared value continued

How the board functions

The boards of Sanlam and Sanlam Life

Sanlam Life is a wholly owned subsidiary of Sanlam, which mainly conducts life insurance business. In practice, the boards of Sanlam Limited and Sanlam Life function as an integrated unit, as far as reasonably possible. Both boards share the same directors, Chairs, executive directors, and the Group Chief Executive sits on both boards.

Sanlam and Sanlam Life board meetings are combined and held concurrently, removing one layer of discussions in decision-making. This promotes the productivity and efficiency of the respective boards, reducing effort and duplication and optimising the flow of information.

The Sanlam board

The Sanlam board's agenda focuses mainly on the group strategy, capital management, accounting policies, financial results and the dividend policy, human resource development, compliance with the JSE Listings Requirements and corporate governance throughout the group.

The Sanlam board has the following committees:

- Audit, actuarial and finance
- Risk and compliance
- Human resources and remuneration
- Customer interest
- Independent non-executive directors
- Nominations
- Non-executive directors
- Social, ethics and sustainability.

The Sanlam Life board

The Sanlam Life board is responsible for overall oversight of Sanlam Life as an insurer, and general risk management, oversight of the entity and compliance with the JSE Debt Listings Requirement.

The Sanlam Life board has the following committees:

- Audit, actuarial and finance
- Risk and compliance
- Human resources and remuneration
- Customer interest.

The board is also responsible for **overseeing relationships with key stakeholders.**

The role of the board

The board exercises oversight and ultimate control over the group and its subsidiaries. It is responsible for setting and steering the strategic direction and culture of the group. The board approves the process to ensure an appropriate balance of knowledge, skills, experience, diversity and independence on the board. This ensures it can objectively and effectively discharge its governance role and responsibilities, and the necessary systems and processes are in place to enable the group to achieve its key deliverables sustainably.

The board guides management in formulating the group's business strategy, setting targets and developing plans while being cognisant of the group's financial performance and impact on stakeholders and the natural environment.

The board's delegation of its responsibilities to board committees does not constitute a derogation of its accountability. The board remains the custodian of governance and is committed to the highest standards of business integrity, ethical values and good governance. The board recognises Sanlam's responsibility to conduct its affairs ethically, transparently, accountably and fairly, in a socially responsible way. This ensures that Sanlam operates as a sustainable business that creates net positive value for stakeholders.

Board composition and committees

Sanlam's Memorandum of Incorporation (MOI) requires the board to comprise a minimum of six and a maximum of 20 directors. At the end of 2023, it had 18 directors. The board appoints committees and determines each committee's powers, authority, duties and functions, as per their respective charters.

Each charter, including the board's own terms of reference, is reviewed and approved at least annually. This ensures it remains relevant and aligned to the expected deliverables associated with the board's mandate and fiduciary duties. The board and committee charters embrace, among others, the principles of King IV™.

Changes to the board in 2023

Mr Heinie Werth stepped down as executive director of Sanlam Limited and Sanlam Life Insurance Limited on 31 December 2023.

Board and committee charters

The board delegates some of its functional responsibilities to its committees via clear mandates. The committees report to the board regularly, as a collective, on their respective charters and deliverables. Committee charters and work plans are reviewed annually. The charters are available on Sanlam's investor relations website.

The board discharges its responsibilities and control of Sanlam as outlined in the Sanlam board charter and MOI. The board charter guides the board; outlining the process for policies and practices related to board matters such as dealing in securities, declaration of conflicts of interest, and those matters delegated to management.

Governing shared value continued

Our board focus

Strategy

Responsibility:

The board is required to regularly review the business objectives and strategy (developed in conjunction with management) to ensure that the strategy will result in sustainable outcomes and remain relevant to and consistent with the long-term interests and sustainability of Sanlam as well as the interests of its stakeholders.

Governance-related milestones

Action:

During the reporting period, the board:
- Oversaw the finalisation of the SanlamAllianz and other corporate transactions.
- Oversaw Sanlam's internal restructure of its shareholding in Afrocentric.
- Approved the change in debt sponsor from Absa Bank to Rand Merchant Bank, a division of FirstRand Bank Limited.
- Approved the 2024 financial budget and business plan for 2025/2026.

The board held its board summit to review and approved the group's three-to-five-year strategy.

The board also attended in Morocco to further strengthen its partnerships and to enhance its engagements in the region.

The following were also notable achievements in respect of Sanlam's strategy for the year:

Accelerating growth outside of South Africa

SanlamAllianz: On the Pan-African front, Sanlam announced the conclusion of the transaction with Allianz to form an Africa-wide insurance joint venture, having received all the necessary regulatory approvals. Sanlam and Allianz have high expectations for the new SanlamAllianz business and believe that this business will grow strongly and profitably over time. The business is well positioned to benefit from Africa's economic growth, rising incomes and consequent increase in penetration rates as well as from the technical and financial support of both Sanlam and Allianz.

Becoming an African champion and building a fortress position in South Africa
- **Afrocentric**
  - In the first half of 2023, Sanlam completed acquiring 60% of Afrocentric, a leading health insurance provider. This transaction has filled in a product line in Sanlam's South African offering that is essential to the group's customer base.
- **Capital Legacy Acquisition**
  - Sanlam concluded a transaction with Capital Legacy, which will allow the group to provide innovative wills and estate services to South African clients, further extending the group's range of client solutions.
- **Buyout of remaining shares in Brightrock**
  - The group concluded the buyout of remaining shareholders in Brightrock, an innovative insurer in the affluent market in South Africa. Sanlam expects significant synergies to emerge over time within this business.
- **Absa and AlexForbes deal closure**
  - The Absa asset management and AlexForbes transactions completed in 2022 and 2023, have contributed positively to earnings and new business volume growth over the period. The Absa asset management integration has progressed well, with synergy benefits realised sooner than expected.

Strengthening our position where we operate outside of Africa
- **India operations**
  - In Asia, the Indian economy has recovered well from the Covid-19 pandemic and the group is positive about the medium- and long-run prospects of its Indian operations.

Sustainability

Responsibility:

The board applies sustainability as a business opportunity that guides strategy formulation.

Action:

During the reporting period, the board approved:
- Sanlam's climate change position statement.
- human rights impact assessment policy.
- sustainability integration and disclosure framework.
- investment and insurance position statement on fossil fuels.

By integrating sustainability into our strategic decision-making processes, we aim to minimise our environmental footprint, enhance stakeholder value, and contribute positively to the communities in which we operate.

The following were also notable achievements for Sanlam:

The board presented to the Prudential Authority on climate related risks.

Launched the Sanlam ESG Barometer
- Launched the ESG Barometer in March 2023 exemplifying Sanlam's dedication to advancing ESG standards and transparency in sustainability reporting.
- Research report that investigated Top 100 JSE-listed companies' performance on driving ESG additionality.
- Sanlam Investments title sponsor of 2024 Africa's Green Economy Summit. Sanlam has been included in the TCFD best practice case study 2023 yearbook by the Financial Stability Board (FSB).

Climate Fund Managers
- US$1 billion green hydrogen fund to kickstart South Africa's decarbonisation efforts.
- US$1,6 billion largest debt-for nature swap in history to fund the protection of the Galápagos Islands.

5 125 lives touched through financial educations workshops and seminars in South Africa.

WWF-SA and Sanlam
- Year two of the three-year transformative sustainability partnership agreement: piloting the integration of nature-related financial disclosures on our investment products.

SANParks and Sanlam SMME support programme
- Programme offers short-term interest-free loans to SMMEs from whom SANParks can procure goods and services.

Sanlam Investments won the 2023
- 27Four Sustainable Asset Manager Award.

Sanlam Investments Alternatives Investment team named
- Africa's best Alternative Fund Investment team in 2023 at Capital Finance International Awards.

Finalist at the 2023 Top Empowered Company
- Sustainable Business of the Year.

More on this can be found in the sustainability report.

Governing shared value continued

Our board focus continued

Information technology

Responsibility:

The board is required to oversee information management and information technology governance and exercising an oversight governance role over management performance in technology and Information systems used in Sanlam to run the business effectively.

Governance-related milestones

Action:

Overseeing information technology management is a critical responsibility of the board, ensuring that the organisation's IT infrastructure and strategies align with its overall objectives and contribute to its success. The board, with the assistance of the risk and compliance committee, regularly reviews IT reports relating to IT-related risks, including cybersecurity threats, data, and technology failures. They ensure that the organisation has robust IT governance frameworks and controls in place to mitigate these risks effectively. They are further supported by the Digital Transformation and Information Technology Forum.

The board resolved that Sanlam Fintech would be a new cluster overseeing the expansion of the group's existing fintech offering and ensuring that all our services are digitally led.

Stakeholders

Responsibility:

The board is required to exercise ongoing oversight of stakeholder relationship management.

Action:

In the reporting period, the board deliberated and approved the following:

- The 2022 integrated report, notice of annual general meeting to shareholders and other supplementary reports.
- The B-BBEE compliance report, noting the group's improved rating to level 1 contributor status.
- Approved the group's 2022 annual results and dividend, with due consideration to the group's solvency and liquidity position.
- Held the annual general meeting virtually, with all 13 ordinary resolutions and six special resolutions approved by the required majority of shareholders.
- Approved the group's 2023 interim results.
- Held several engagements with various regulators.
- Proactive engagements with stakeholders.

With the assistance of the SES committee, the board oversaw stakeholder management and, in particular, that it results in the following:

- The determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of Sanlam.
- The management of stakeholder management related risks as an integral part of Sanlam's enterprise risk management framework.
- The formal mechanisms for engagement and communication with stakeholders, including the use of alternative dispute resolution mechanisms and associated processes.
- The measurement of the quality of material stakeholder relationships and appropriate responses to the outcomes.
- Following appropriate methodologies for identifying individual stakeholders and stakeholder groupings.

Continuous development of our culture

Responsibility:

The board sets the group's values and assesses the ongoing adherence to the group's values and culture.

Action:

The board plays a pivotal role in setting the culture of our organisation, guiding the collective values, behaviours, and principles that define who we are and how we operate.

Top employer: In the reporting period, Sanlam achieved its ninth Top Employer status. This signifies that we are excelling in creating a positive work environment that attracts and retains top talent. It also indicates that the organisation values its employees, invests in their growth and well-being, and provides a supportive and rewarding workplace culture.

Barrett values: As part of the group's endeavours to understand the organisational culture as whole and for each of the businesses, it embarked on a culture survey adopting the Barrett values which will assist in furthering Sanlam's culture based on its core values, with the ultimate goal of creating positive impact and sustainable performance.

Governing shared value continued

Our board focus continued

Risk management, ethics and governance

Responsibility:

The board is responsible for establishing and maintaining an ethical and effective governance and risk management framework within Sanlam.

The board is also responsible to act as the focal point for, and custodian of corporate governance by managing its relationship with management, the shareholders, and other stakeholders of the company in line with sound corporate governance principles.

Governance-related milestones

Action:

In the reporting period, the board, with the assistance of the various committees oversaw the following:

- Commissioned an external review of the group governance policy and board authorities framework as part of the annual review process, to ensure it remains legally sound and fit for purpose.
- Reviewed and approved all board and committee charter roles and responsibilities and annual planners to ensure effective governance oversight.
- Approved the group's tax framework.
- Oversaw the implementation of IFRS17.
- Received and reviewed the annual ethics report.
- Completed the annual review of the enterprise risk management framework.
- Received assurance from the respective committees on performance of the heads of control functions.

Other ongoing board focus areas include:

- Reviewing performance against group strategy and approving the group's risk appetite statement.
- Maintaining oversight of strategic projects and key strategic partnerships to ensure sustainable outcomes for Sanlam and our key stakeholders.
- Reviewing and approving the Sanlam group's own risk and solvency assessment (ORSA) supervisory report. This includes assessing if capital targets contained in the ORSA report are adequate (given the size, business mix and complexity of the group's operations).
- Maintaining a heightened emphasis on stakeholder inclusivity and oversight of the group's stakeholder management policy.
- Reviewing and approving Sanlam's group governance policy, the authorisation framework and cluster governance structures.
- Ongoing monitoring of the impact of the Covid-19 pandemic and considering and reviewing the adequacy of pandemic reserves.
- Reviewing and improving the group's remuneration philosophy, including incentives to heighten the group's focus on client-centricity.
- Advancing the group's digitisation agenda and monitoring the implementation of its digital transformation roadmap.
- Ensuring adherence to the group information management and information technology (IIT) governance framework and charter, and Sanlam's IIT policy framework and underlying policies.
- Evaluating the independence of Sanlam's directors, following the criteria and recommended practices in King IV™ on a substance-over-form basis.
- Improving the disclosure of material aspects relating to Sanlam's performance and prospects in the group's reporting suite.

Governing shared value continued

Technology and information management

Information management and information technology (IIT) governance

At Sanlam, IIT is regarded as a strategic focus area. Sanlam acknowledges the pivotal role that IIT governance and digital transformation play in conducting business in a highly competitive environment. The group has a high level of maturity in IIT governance.

The board, supported by the risk and compliance committee, has ultimate responsibility and accountability for the management and governance of IIT. IIT governance and management are deemed essential for Sanlam to achieve its strategic objectives and are deeply entrenched in how the group conducts its business. This ensures that the group remains relevant, which includes creating a future-fit culture to enable the group to respond appropriately to stakeholders' expectations and demands.

The roles and responsibilities of the board and, where applicable, the relevant committees in respect of IIT governance, include the following governance structures:

- **The board** oversees implementing IIT governance practices across the group. It directs the strategic and operational application and use of technology and information to ensure benefits are realised in the clusters and businesses within an acceptable and articulated level of risk. Furthermore, the group's IIT governance framework and reporting system enable the board to reinforce and verify that value is derived through the appropriate use of IT and that IT change initiatives are aligned to the business strategy. The framework continues to holistically provide centralised oversight and guidelines in alignment with the broader group governance framework.
- **The risk and compliance committee** is responsible for IIT governance and oversees the management of Sanlam's top technology and information-related risks. This is assessed based on materiality and aligned with the group's risk appetite and risk management framework. The committee oversees the development and review of Sanlam's technology strategy and the group's digital transformation roadmap.
- **The Digital Transformation and IT Forum** is a sub-committee of the risk and compliance committee. It assists the risk and compliance committee in fulfilling its duties of strategic oversight on digital transformation and IT. The forum co-ordinates and provides oversight for digital transformation activities (strategy, governance, compliance and risk) in the Sanlam group by liaising with the group's technology council and directly engaging with the business clusters.
- **External and internal audits** frequently perform reviews and assessments as part of their IT management and governance audits.
- **The various cluster governance structures** are responsible for monitoring performance and reporting frequently to the technology council, which in turn reports to the Digital Transformation and IT Forum.
- **Management** assures the Digital Transformation and IT Forum, risk and compliance committee, and audit committee that effective IT governance practices are in place and material IT-related risks are mitigated appropriately.
- All significant **technology, governance, security and information-related audit findings** are reported to the **audit committee**, which ensures these are addressed accordingly. This process is aligned to the application of the group's approach to combined assurance. It is an integral part of what the audit committee considers to ensure the integrity of information disclosed and reported on from time to time.
- **The group's internal audit function** exercises oversight of the management of technology and information risks and effectiveness of identified controls. To this end, assurance is provided to the digital transformation and IT forum, and audit committee, which satisfies itself of the effectiveness of the group IIT governance system and applied controls.

Governing shared value continued

Assurance and effective control

The audit committee and the risk and compliance committee evaluate the performance and effectiveness of the various control functions annually. This is in addition to the annual self-assessments performed by each control function. The committee and the board have confirmed their satisfaction with the quality of management information they receive on key areas of risk and financial performance.

Remuneration and incentives linked to value creation

Sanlam's remuneration philosophy and policy support the group strategy by incentivising the behaviour required to meet and exceed predetermined strategic goals. Both short and long-term strategic objectives are measured and rewarded. This blended approach mitigates excessive risk-taking and balances longer-term strategic objectives with short-term operational performance.

The primary objectives of the policy are to:

- Attract, motivate, reward and retain key talent.
- Promote the group's strategic objectives, within its risk appetite.
- Promote positive outcomes across the inputs and resources which the group uses or affects.
- Promote an ethical culture and behaviour that are consistent with Sanlam's values and which encourage responsible corporate citizenship.





Creating and enabling shared value

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Creating and enabling shared value continued

Chief Executive Officer's **report**

Our purpose to empower generations to be financially confident, secure and prosperous is evident in everything we do and every decision we take. We strive for consistent excellence because our clients can only be financially confident if they trust Sanlam to always live up to our promises. Their trust is the source of our strength, and their confidence is the foundation on which we build and shape our future.

Paul Hanratty
CEO



Creating and enabling shared value continued

Chief Executive Officer's report continued

2023 was a year of strong delivery from Sanlam after a prolonged period of exceptional challenges, including the pandemic, political unrest and natural disasters.

Improved circumstances supported a marked upswing in our results for the year. However, this year's numbers are also attributable to the many years we nurtured long-term client relationships and maintained unbroken dependability. Gratefully, neither the pandemic nor increasingly frequent weather-related disasters shook our financial stability, and those that depend on us did not need to worry whether we could live up to our commitments. Our clients noticed our commitment then and are rewarding us now.

During 2023, the group recorded strong growth of 18% in our key earnings metrics, net result from financial services and cash net result from financial services, with dividend growth of 11,1%. Adjusted return on group equity value of 18,4% (19,5% per share), was above our hurdle rate of 15,5% for 2023.

Financial stability is our priority so our clients can have peace of mind, knowing their financial affairs are secure. We focus on quality over quantity to ensure we complete every task perfectly and always consider the long-term effects of our decisions. Our culture emphasises dependability to echo the trust our clients place in us. Their trust inspires them to invest, which in turn fuels the Sanlam systems that generate returns that exceed the cost of capital, grow over time, and instil shareholder confidence. This virtuous cycle allows us to thrive.



As Africa's largest non-banking financial services provider, the value we create flows to all stakeholders.

It benefits our clients, entire communities and national economies over multiple generations. We are deeply conscious of the responsibilities our size and potential impact places on us. Therefore, we remain disciplined as we allocate capital, drive sustainable growth and generate substantial investment returns. Only through the disciplined application of our capital resources and proven expertise can we grow our business and, at the same time, uplift people by consistently delivering value to clients, communities and countries.

Serving unmet needs in vast emerging markets

SanlamAllianz exemplifies the disciplined balancing of growth ambition and financial stability because it contains our risks while it unlocks vast opportunities. The transaction brings together Sanlam and Allianz's African operations outside of South Africa, for significant revenue, cost and capital synergies. It instantly brings us to the doorstep of millions of Africans and their unmet need for reliable financial services and advice.

Sanlam fulfils two critical needs for our clients. We help them manage their risks and grow their wealth by accumulating assets.

Both requirements must be addressed to ensure a thriving economy and enable individuals to attain their financial goals. However, in Africa, this is not commonly the case. Outside South Africa, market penetration rates for both general and life insurance are in the low single digits. Simultaneously, Africa's population is expected to reach 1,4 billion by 2026. These factors combine to create a vast and growing potential client base wanting diverse products and services tailored to their needs, within their reach and budget.

That potential client base is becoming more accessible and easier to serve. Increased trade with the rest of the world has supported significant improvements in the ease of doing business in Africa. And with 1,6 billion mobile phone subscriptions, Africa is ready for a modern omnichannel client engagement model. It is leapfrogging legacy technology, which creates the opportunity to build digital businesses that will allow us to reach new client segments and revenue sources while keeping costs under control.

Creating and enabling shared value continued

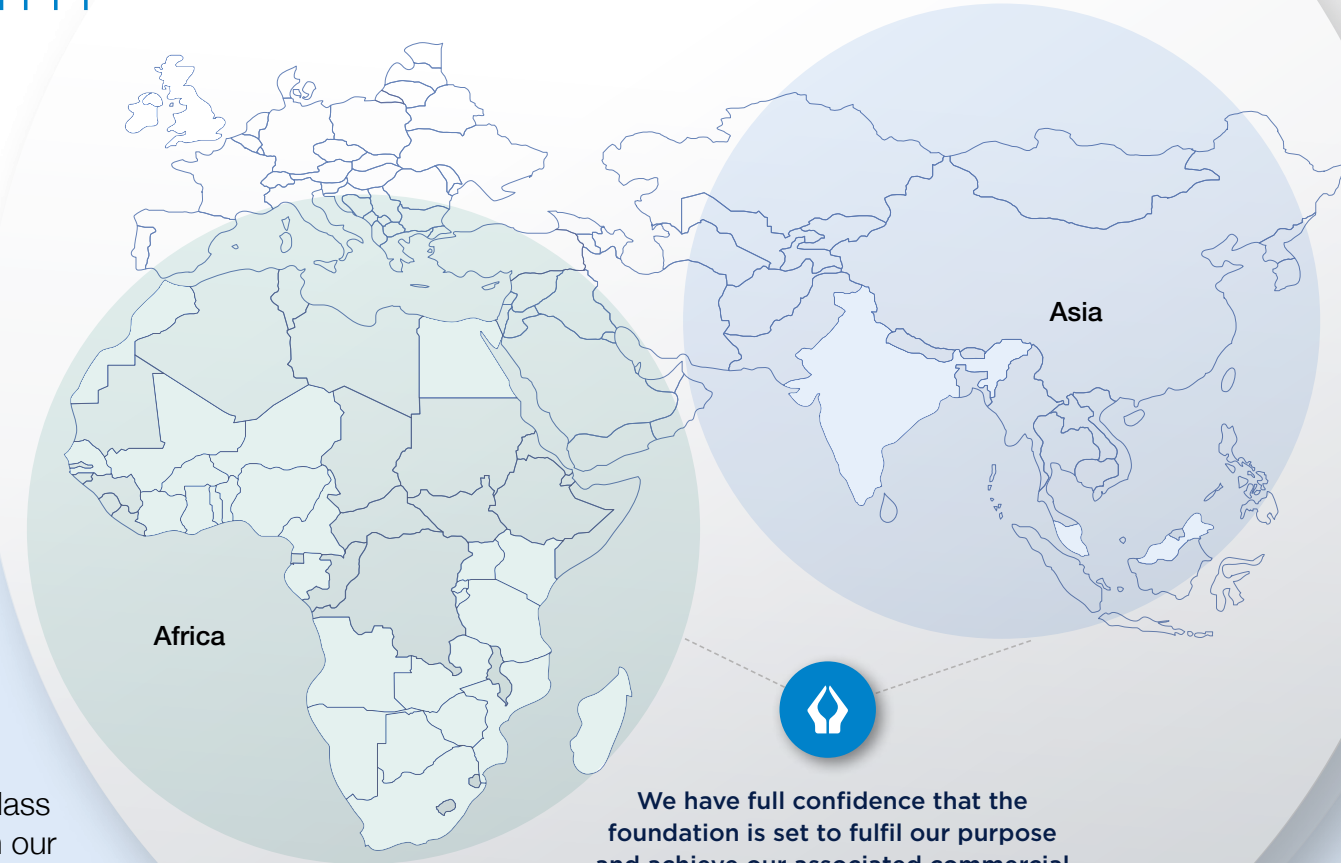
Chief Executive Officer's report continued

We see enormous potential in Africa in the long term

Our strategy to double down in Africa is in place, with SanlamAllianz on the ground and integrating. We believe this growth engine in Sanlam may well rival and possibly surpass the South African mothership over time.

Africa's medium to long-term GDP growth outlook is strong. We are optimistic that African countries will be among the top 20 economies globally in the next three decades.

All these factors indicate a reachable, vast and growing potential client base with enormous unmet need for financial services. By meeting an increasing share of those needs, SanlamAllianz will substantially contribute to unlocking the potential of Africa's people and economies.



Our presence in Asia also significantly contributes to our overall scale and is a more near-term growth engine for Sanlam. Although we are not a market leader in this region, we have successfully carved a niche by catering to a large population of lower-income earners in India, particularly in underserved parts of the country.

We are already impacting the lives of 24 million individuals in **Asia** and the potential to gain market share and attract currently unserved clients is virtually unrestricted.

Our presence in Africa and Asia allows our investors to participate in our exceptional long-term growth potential while promoting financial inclusion and economic expansion in these emerging markets.

Our dedicated clients, proficient teams and world-class strategic partners, along with our robust capital base and operational cash flows, are a convincing investment proposition.

We have full confidence that the foundation is set to fulfil our purpose and achieve our associated commercial objectives in these markets, and in so doing generate consistent superior returns for our shareholders.

Creating and enabling shared value continued

Chief Executive Officer's report continued

Building our future on **solid foundations**

Our expansion across Africa and other emerging markets is only possible because we have gained, and continue to gain, unmatched strength over more than a century in South Africa.

However, we have analysed several possible scenarios and concluded that our local businesses will face challenging conditions for several years. To thrive under these circumstances, we must be world-class and benchmark ourselves against global efficiency standards rather than South African peers.

To achieve that, we will focus on two main areas

Focus area 1

To **entrench Sanlam's leadership** in the **South African industry**.

This involves a **range of initiatives**, including:

- scaling up our operations
- exploring new growth segments through our partnerships and Sanlam Fintech
- focusing on cost efficiency, which will deliver sustainable, long-term modernisation and efficiency gains with a focus on value creation opportunities that transform customer and employee experience and artificial intelligence (AI) integration.

Focus area 2

Expanding our **asset management** and **wealth management offerings globally**.

Even though the transaction with Absa asset management saw Sanlam become the largest black-owned asset manager in South Africa, we need a truly global offering to meet the needs of our South African clients.

Easing exchange controls means they can now invest up to 45% of their wealth outside of South Africa.

We do not want to lose these customers to competitors elsewhere in the world, so we must offer competitive solutions to remain their first choice.

Despite the strong headwinds we faced over recent years, our balance sheet remains solid.

Our reputation for weathering short-term macroeconomic storms with our sights firmly set on the long term, is well-established in the minds of clients and investors alike. However, we face longer-term risks that will require agility, diversification, and dependable partnerships to overcome – all of which we have in place and continue to grow. Headline-earning transactions, like those with Brightrock, Capital Legacy, Absa asset management and Allianz, have brought rich opportunities under our control. Now we must use our proven operational expertise to unlock the value we acquired.

The value we intend to create is subject to certain risks. Key among these is the need to attract foreign capital. The savings rates of many emerging markets are insufficient to meet investment needs and promote economic growth. Emerging markets have underperformed for several years, which now detracts from economic growth, particularly in South Africa. The liberalisation of exchange controls has also led to South African savings leaving the country, creating a need to replace them. This will demand proactive marketing of South Africa as an investment destination. At Sanlam we have an unwavering belief in the strength of and a bright future for South Africa and are committed to promoting economic growth in South Africa while playing our part in helping to attract foreign capital.

To attract foreign investors, it is vital to have well-functioning capital markets. The JSE Limited is a highly-functioning, advanced and well-governed stock exchange. Simply put, South Africa's capital markets, supported by sound fiscal and monetary policy, are world class. Unfortunately, international investors' current concerns about the South African economic constraints are restricting the JSE's growth and detracting from its attractiveness. The immaturity of capital markets in Africa is also a significant concern and needs to be addressed in the long run. These macroeconomic risks are more profound than short-term challenges like currency fluctuations or weather patterns. Sanlam has absorbed those risks for over 100 years, and we will continue doing so in the future. We believe that with hard work and commitment, we will see greater demand for Africa's capital markets over time.

In relation to these structural risks, we understand we have a duty and an opportunity to provide our expertise and well-informed opinions on national debates that directly impact us, such as those concerning economic growth, regulatory policies and financial education. We participate actively in these discussions with a pragmatic, constructive and respectful mindset.

Creating and enabling shared value continued

Chief Executive Officer's report continued

Respect for clients and partners

Our respect for our clients, too, is unaffected by their location and socio-economic circumstances.

We recognise that when an individual or SME with limited financial resources invests small amounts, their dedication is no less than those people or companies who are financially well-off and making large deposits.

Both require a significant commitment from the client, and both investments can positively impact future generations' financial prospects.

We take pride in advancing and protecting the socio-economic status of all our clients, irrespective of whether they are working to create better circumstances for their children or preserving wealth generated over many years.

The respect that we show our clients, and indeed all people and cultures, extends to our approach to partnerships.

A successful business requires more than just copying a model that works in one place and imposing it on another. It is crucial to have local management who understand local markets and consumer behaviours. We can provide technical skills, but blending them with local knowledge is a prerequisite for success. Therefore, our businesses across Africa and Asia each have an independent board we trust to apply our expertise and financial strength to local opportunities with discipline and respect for local needs and customs.

Confidence in our people

We are equally proud of the socio-economic opportunities we create for our employees. The transformation of South Africa's workplaces remains critical and incomplete. Sanlam has invested significant resources in the Sanlam Transformation Gauge Report, which tracks the progress the country has made since the introduction of black economic empowerment legislation. It highlights areas where we have fallen short of our targets and provides insights into why that has happened.

Sanlam is a Level 1 B-BBEE contributor and we pride ourselves in complying with transformation regulations.

However, our approach is not only to focus on compliance; instead, we seek to drive meaningful transformation. To achieve this, we have established a transformation unit at the group level within market development and sustainability. This unit drives thought leadership on transformation and ensures we embed the need, importance, and inclusive nature of transformation into the group's DNA.

Sanlam is an organisation that values personal interactions with colleagues and clients.

We have developed a group hybrid working model by listening to feedback from our employees and management team, to deliver the best outcomes for the group, while ensuring the wellbeing of our people. We encourage more face-to-face interactions, while considering employee preferences for work-from-home flexibility.

Like many organisations, Sanlam faces challenges in retaining highly skilled employees who seek more global opportunities and demand greater flexibility. Employee retention has become one of our significant risks, especially in keeping critical employees involved in the acquisition and integration processes currently underway in the clusters. In recognition of the role talented people must play in unlocking Sanlam's future value, we deliberately, methodically, and continuously enhance our employee value proposition. Whether through practical measures like hybrid working or profound opportunities to learn and innovate in pursuit of a noble purpose, we have created a workplace that can, and does, attract world-class talent.

Our priorities have evolved in the past four years, and we have made collaboration one of our top values. We have also recruited excellent new talent across all levels, including talented individuals in fintech and other functions.

This demonstrates that our employee value proposition is strong, and Sanlam is seen as an attractive workplace. However, we share global concerns about mental health in the workplace and have strengthened measures to support our team's financial and psycho-social wellbeing.

Creating and enabling shared value continued

Chief Executive Officer's report continued

Outlook

Sanlam is set for sustainable and profitable growth and consistent superior returns.

Over the long term

WE ARE EXCEPTIONAL IN THE RIGHT PLACES

Across our diversified portfolio, we have sufficient scale, footprint and reach to deliver growth for manageable risk, given the robust long-term demand trends in our markets.

WE ENABLE SOCIO-ECONOMIC WELLBEING

Our partnerships will allow us to create and capitalise on the profound opportunities we have to expand financial inclusion, and thereby to support socio-economic wellbeing.

WE ARE RESILIENT AND AGILE

We have demonstrated that we are resilient and agile enough to overcome volatility, which will shield us against the potential for macroeconomic downturn and sociopolitical impediments in the short to medium term.



"I am grateful to the Sanlam board for its guidance and support.

A particularly heartfelt thank you goes to our employees for their commitment to empowering generations to be financially secure and prosperous. I believe it is our great privilege, alongside our world-class partners, to shape the future of our markets.

It is gratifying that the steady progress we have made in the last few years allows us to do so with confidence."

P B Hanratty

Paul Hanratty
Group Chief Executive Officer

Creating and enabling shared value continued

Our macroeconomic **context**

Global economic conditions and persistent inflation remained a feature of 2023. Although inflation saw signs of peaking, concerns remain over how long it will take to recede and when lower interest rates will be seen again. Global geopolitics continues to provide a very difficult backdrop to global economic conditions.

South Africa

In **South Africa**, real GDP growth was constrained in 2023 by persistent electricity supply disruptions, a downturn in export commodity prices and monetary policy tightening. At the same time, real personal disposable income growth weakened. Along with tighter monetary policy, this constrained household spending. Real GDP growth is expected to increase in 2024, as electricity supply improves. Even so, growth is expected to remain tepid, advancing 1,5% in 2024, from an estimated 0,6% in 2023.

Statistics South Africa data indicates that after peaking at 7,8% in July 2022, headline inflation slowed to 4,7% in July 2023, before lifting late in the year to 5,1% in December 2023. South African Reserve Bank monetary policy committee statements indicate the Bank increased its repo rate by a cumulative 125bp during the first half of 2023 but remained on hold in the second half of 2023.

South Africa's fiscal outlook remains a focal point. In March 2023, the National Treasury noted Standard & Poor's Global Ratings changed the outlook on South Africa's BB- rated long-term foreign currency debt to stable from positive citing the risk to GDP growth from infrastructure constraints. In its 2024 Budget Review the Treasury estimated a Main Budget deficit of -4,7% of GDP for 2023/24, which compares unfavourably with the initial projection of -3,9% published in its February 2023 Budget Review, while the government's gross loan debt ratio is projected to continue increasing over the next two years before peaking.

Pan-Africa

In **Sub-Saharan Africa** (SSA), excluding South Africa, inflation slowed in numerous countries in 2023, following a strong increase in 2022. Inflation returned to central bank target levels in Kenya, Botswana, Namibia and Uganda but remained high in some countries, including Ghana and Zambia, amid material currency weakness and fiscal policy concerns.

In Nigeria, removal of a fuel subsidy and the sharp depreciation of the naira, following liberalisation of the foreign exchange regime in June 2023, also kept inflation high. Similarly, in Angola, devaluation of the kwanza and lower fuel subsidies kept inflation in double-digit territory.

Progress in fiscal consolidation has, generally, been slow in SSA and higher global risk-free interest rates exposed economies with high foreign currency debt levels. Amid debt restructuring negotiations, the Zambian kwacha depreciated markedly in 2023. However, the country is implementing economic reforms under an IMF Extended Credit Facility (ECF) Arrangement. Similarly, in Ghana, where domestic government debt was restructured in 2023 but progress towards macroeconomic stability is expected under the country's ECF Arrangement. Elsewhere, in Kenya, the shilling depreciated persistently throughout the year, reflecting foreign currency liquidity constraints and concerns around foreign current debt repayments.

Among the large SSA resource-producing economies only low to moderate real GDP growth was recorded in 2023, including the oil producers Nigeria and Angola. Among other resource producers, however, growth was firm in Botswana, Mozambique, Namibia and Zambia, despite the fiscal concerns in the latter.

Further, robust real GDP growth rates were recorded in **East Africa**, including Uganda, Tanzania and Kenya and in some **West African** economies, including Côte d'Ivoire and Senegal.

On balance, though, higher interest rates, slower global real GDP growth and fiscal constraints resulted in moderation of real GDP growth in SSA overall. The IMF's January 2024 World Economic Outlook estimates SSA real GDP advanced by 3,3% in 2023. Growth is expected to lift in the region in 2024 if the global economic expansion continues and global financial conditions ease as expected. In **North Africa**, Morocco's economy expanded moderately in 2023, with public sector expenditure supportive in response to the negative impact of the September 2023 earthquake. The agriculture sector remains vulnerable to adverse weather conditions but slowing inflation and expected interest rate cuts should underpin activity.

Elsewhere, in **Egypt**, the Egyptian pound remained relatively stable in 2023 following its sharp depreciation in February 2023. Even so, the currency remained vulnerable heading into 2024, given a large external borrowing requirement and sustained high inflation. The country's long-term sovereign credit rating was downgraded in October 2023 by Standard and Poor's to B- from B, and by Moody's to Caa1 from B3, reflecting fiscal pressures and slow progress on economic reforms.

Asia

India's real GDP growth was strong in 2023, while the country's long-term growth prospects are considered favourable. These are underpinned, in part, by activity related to the digital economy and business services activity. Although foreign direct investment inflows softened in 2023, the level of foreign exchange reserves held up relatively well over the course of the year.

In the US, these factors prompted the Federal Open Market Committee (FOMC) to continue its interest rate hiking path, which commenced in early 2022. The US FOMC increased the federal funds target rate by a cumulative 100bp in 2023, following the cumulative increase of 425bp a year before. Elsewhere, the Bank of England's Monetary Policy Committee and the European Central Bank's Governing Council increased their policy interest rates by a cumulative 175bp and 200bp in 2023, respectively.

However, despite monetary policy tightening, global real economic activity held up better than expected. A post-pandemic bounce in services activity, which compensated for soft global manufacturing output, supported global GDP.

Creating and enabling shared value continued

Our stakeholders

Our stakeholder engagements **are built on a foundation of transparency and trust**

Sustainable performance and growth are inextricably linked to healthy stakeholder relationships, based on understanding and reliable responses to stakeholders' expectations.

Different stakeholder practices are required across our extensive geographic footprint. Business entities are given relative autonomy in their positioning and responses, but must adhere to the principles outlined in the group stakeholder management policy.

The Sanlam board is ultimately responsible for governing and monitoring the quality of stakeholder relationships and the effectiveness of our stakeholder engagements across the group – in line with King IV.

The board has delegated to management the responsibility for implementation and execution of this policy.

The board holds management accountable through the social, ethics and sustainability (SES) committee, with progress reported on a quarterly basis.

To ensure consistency and protect the Sanlam brand, a comprehensive stakeholder relations policy, charter and supporting engagement framework informs and governs stakeholder engagement.
The policy outlines the principles for stakeholder management across the group, and sets minimum requirements for planning, conduct and reporting on stakeholder management.



Creating and enabling shared value continued

Our stakeholders continued

Our stakeholder **management model**

Stakeholder relations mandate

To ensure an integrated, principled and standardised approach to stakeholder management across the group, attuned to emerging opportunities and challenges.

Output

1. **Deliberate engagement by senior leadership**
2. **Proactively managing emerging issues**
3. **Co-creation of mutually beneficial programmes**
4. **Increase our share of voice through thought leadership**

Outcome

- Dynamic stakeholder mapping and matching to determine level of influence and impact.
- Profiling stakeholder groupings that matter and align with group strategy.
- Tailored engagement/ communication strategy.
- Thorough governance and reporting.

- Stakeholder perception survey.
- Galvanising and contracting executives to monitor, manage and report on emerging themes.
- Regular communication of the group's activities (financial results, impact, etc.).

- Identifying flagship programmes that resonate with key stakeholders and leverage shared value initiatives.
- Proactively seeking opportunities to co-create initiatives aimed at addressing stakeholder pain points.

- Leadership visibility and public engagements (written, spoken) on topical issues, eg, industry conferences.
- Stakeholder engagement events.
- Identifying and aligning third-party endorsers for amplification.

The tables that follow summarise the profiles of our key stakeholder groups, their interests and issues as well as our response.

Additional information on our broader stakeholder network can be found in our sustainability report, available on the investor relations website (**www.sanlam.com**).

Creating and enabling shared value continued

Our stakeholders continued

Responding to our stakeholders

Who they are



Shareholders and investor community

Primary providers of financial capital, and analysts guiding their decision-making.

Purpose of our engagement

- Sanlam's ongoing engagements with shareholders and the investment community is aimed at fostering and maintaining interest in the group.
- Providing insights and clarity about the group to analysts and potential investors in our long-term growth opportunities.

Methods and channels of engagement

- Proactively and directly engaging with investors.
- Investor conferences.
- Biannual results presentations and roadshows.
- Quarterly operational updates.
- Local and international roadshows.
- Capital Markets days.
- Annual general meeting (AGM).

Shareholder and investment community expectations and key engagement issues

- Clear communication and transparency regarding Sanlam's strategy, performance and prospects.
- Regular interactions with senior management.
- Consistent financial performance and delivery on strategy.
- Adherence to principles of sound governance.
- Clarity and guidance on the impact of the new IFRS 17 standard on the group's reporting.
- Understanding SanlamAllianz and other transactions and their impacts on the group.

Our response

- Management attends local and international roadshows.
- The group publishes interim and year-end results and quarterly operational updates.
- Significant allocation of capital over the year to improve the group's long-term growth profile.
- Ongoing meetings with analysts and investors.
- Annual capital markets day in October, providing insights on SanlamAllianz, IFRS 17, and implementation of our local transactions (Capital Legacy, Afrocentric, Brightrock and Absa asset management integration).

Risks and opportunities

- R1 Economic outlook risk
- R2 Strategic execution risk
- R3 Cyber-risk
- R4 Outsourcing/ third-party risk
- R5 Regulatory/ compliance risk
- R6 Political and social instability risk
- R7 General infrastructure failure/water risk
- R8 Eskom energy supply risk
- R9 Digitisation risk
- R10 Human capital – talent/ capacity/diversity risk
- R11 ESG/climate risk

Capitals impacted

- FC Financial capital
- IC Intellectual capital

Creating and enabling shared value continued

Our stakeholders continued

Responding to our stakeholders continued

Who they are



Employees

113 748 employees who provide the skills and expertise that support the activities inherent to Sanlam's business model, advance our strategy, live our culture and protect our brand.

Purpose of our engagement

- Creating a meaningful employment relationship between Sanlam and its workforce that ensures reciprocal value and mutual trust.
- Ensuring the perspectives and experience of our people are accounted for and factored into decision-making.
- Ensuring our employees understand and align themselves with Sanlam's strategic intent.
- Increasing the level of discretionary effort and above-target performance from our people, by raising levels of engagement and morale.

Methods and channels of engagement

- Employee surveys (annual Barret culture survey and quarterly Pulse surveys).
- Internal communications and emails.
- Performance management reviews.
- Digital employee platforms.

Employee expectations and key engagement issues

- Career progression and opportunities for growth.
- Fair and competitive compensation for work done.
- A safe and enjoyable environment to work in.
- Leadership and management that is transparent, rational and motivational.
- An approach to workforce management that is humanistic and accounts for the individual circumstances and aspirations of each employee.

Our response

- A holistic work experience integrated with employees' lives, with ongoing consultation to enhance their employment experience and development prospects.
- Consultation with employees is emphasised for continuous improvement.
- Employees are supported through future-fit leadership and initiatives promoting financial, emotional and physical wellbeing.
- Employees receive recognition and appropriate incentives, with a total remuneration of R17,2 billion in 2023 (2022: R16,3 billion).

Risks and opportunities

R2 Strategic execution risk
R10 Human capital – talent/capacity/diversity risk

Capitals impacted

HC Human capital
IC Intellectual capital

Creating and enabling shared value continued

Our stakeholders continued

Responding to our stakeholders continued

Who they are



Clients

Individual and institutional clients that purchase Sanlam's products and services to meet their financial needs and wealth creation, management and protection goals.

Purpose of our engagement

- Understanding and meeting the unique needs of our clients.
- Fostering transparent communication with our clients.
- Driving increased customer satisfaction and business success.

Methods and channels of engagement

- Accessing advice, information and product services.
- Call centres, branches and offices.
- Client surveys.
- Media and advertising campaigns.
- Sanlam website.
- Print and electronic product brochures.
- Digital and social media platforms.
- Mobile phones.

Client expectations and key engagement issues

- Products or services that meet their needs and expectations.
- Efficient and quality service.
- Security of client data.
- Affordable and accessible products and services.

Our response

- The customer interest committee focuses on governance relating to product development and ensuring treating clients fairly (TCF) principles are applied throughout the group.
- Providing clients with educational content or resources that help them to make informed financial decisions.
- Sanlam conducts financial needs analysis before recommending cover.
- Our wealth bonus loyalty programme has accrued cash rewards to clients amounting to over R7 billion to date.
- We conduct client satisfaction surveys to understand clients' experience.
- Digitisation allows us to provide solutions through alternative distribution capabilities that are cost-efficient for our clients.

Risks and opportunities

R3 Cyber-risk

R9 Digitisation risk

Capitals impacted

SC Social and relationship capital

IC Intellectual capital

FC Financial capital

Creating and enabling shared value continued

Our stakeholders continued

Responding to our stakeholders continued

Who they are



Regulators

Institutions, entities and bodies that aim to ensure financial stability and a sustainable environment for financial services through prudential and market conduct regulation.

Purpose of our engagement

- Active collaboration with regulators to mitigate financial risks and align with regulatory expectations, emphasising compliance, accountability and transformation through financial inclusion and access.

Methods and channels of engagement

- Direct communication.
- Meetings, calls and emails.
- Participation in forums and engagement through industry bodies.
- Statutory reporting.
- B-BBEE reporting commitments.

Stakeholder expectations and key engagement issues

- Adherence to all relevant regulations and standards, good governance, TCF and transformation initiatives.
- Proactive and transparent relationship with tax authorities.
- Proactive engagement with the National treasury and Prudential Authority.
- B-BBEE compliance and progress.

Our response

- Contributing to trust in the financial sector by maintaining ethical behaviour and compliance with all relevant regulations and standards.
- Presented to the Prudential Authority on the group's risk and resilience.
- Collaborative efforts with tax authorities have cultivated a proactive and constructive relationship, ensuring responsible tax management.
- Sanlam actively contributes to the government's social agenda, prioritising job creation and empowerment.
- Payment of R5,9 billion in direct and indirect taxes (2022: R6,2 billion).

Risks and opportunities

R5 Regulatory/compliance risk

Capitals impacted

SC Social and relationship capital
IC Intellectual capital
HC Human capital
FC Financial capital

Creating and enabling shared value continued

Our stakeholders continued

Responding to our stakeholders continued

Who they are



Society

The communities in which we operate, trade unions, political parties and non-government organisations.

Purpose of our engagement

- Solidifying our position as a responsible corporate citizen, ensuring we make meaningful and positive social impacts.
- Ensuring an economic and socio-economic environment conducive to inclusive economic growth, development and economic transformation in South Africa.
- Alignment of our human capital strategies to foster successful relationships with trade unions.

Methods and channels of engagement

- Sanlam and Ennajah Foundations.
- Direct engagement through proactive engagements with trade unions, political parties and non-government organisations.
- Social media.

Broader society expectations and key engagement issues

- Financial inclusion.
- Community support.
- Clarity of Sanlam strategy and long-term plans that may affect organised labour.
- Sanlam's commitment to transformation.

Our response

- Our group CEO is leading the team developing strategies to address the jobs crisis, with the key areas of focus being energy, transport and logistics, and crime and corruption, on behalf of business for South Africa.
- A number of our senior leaders sit on various boards of corporate bodies, including the National Business Initiative (NBI) and Business Unity South Africa (BUSA), demonstrating Sanlam's commitment to a thriving South Africa, as a responsible business and active corporate citizen.
- Sanlam Foundation in South Africa, the Ennajah Foundation in Morocco and partnerships in Kenya and Ivory Coast drive CSI, through financial inclusion and literacy, which are fundamental for socio-economic development.
- The group invested R139 million in corporate CSI in 2023 (2022: R130 million).
- Our membership in the P4RR, strengthens the capacity of local municipalities to proactively reduce the impact of natural disasters.
- Provided pension fund trustees with information on the impact of the two-pot retirement system.

Risks and opportunities

- R6 Political and social instability risk
- R8 Eskom energy supply risk
- R7 General infrastructure failure/water risk
- R10 Human capital – talent/ capacity/diversity risk

Capitals impacted

- SC Social and relationship capital
- IC Intellectual capital
- FC Financial capital

Creating and enabling shared value continued

Our stakeholders continued

Responding to our stakeholders continued

Who they are



Strategic partners

Banks, telcos, affinity groups, agents, intermediaries and international brokers that form part of our omnichannel distribution network or supply services that play a pivotal role in delivering diverse solutions to retail and institutional clients, required to operate our business.

Purpose of our engagement

- Maintaining continuous innovation and market leadership.
- Meeting the expectations of our distribution partners for mutual value creation.
- Fostering trust and integrity through supportive and non-intrusive engagements.

Methods and channels of engagement

- Online and face-to-face engagement.
- Product and service brochures.
- Product launches and events.
- Meetings and written communications.

Business partners and suppliers' expectations and key engagement issues

- Regular engagement and financial/non-financial support.
- Enhancing intermediary productivity in challenging economic environments.
- Data protection and privacy.
- Digital capabilities that facilitate sales and servicing.
- Ongoing sales and training support.

Our response

- Responsible and impactful investment in African economies is a key focus, aiming to enable and grow local ownership.
- Increased entrepreneurship, consumer financial education and investments in education and skills development that benefit communities.
- Sanlam provides loans to selected suppliers to support the growth of their businesses.
- Suppliers gain from Sanlam's substantial procurement of goods and services.
- Contributing to the growth and sustainability of SMMEs through the Legacy Fund range.
- In 2023, supplier procurement spend reached R14,9 billion (2022: R11,6 billion), with R4,4 billion specifically for SMMEs (2022: R4,5 billion).
- Distribution partners benefited from fees generated through the distribution of products and services.
- Access to automated advice solutions facilitated more reliable, responsible and efficient client on-boarding and access.
- Sanlam's commitment to innovation and financial inclusion promotes the creation of new and enhanced distribution opportunities across all markets.
- Support from dedicated intermediary support units, tools and learning platforms.

Risks and opportunities

- R1 Economic outlook risk
- R2 Strategic execution risk
- R4 Outsourcing/ third-party risk
- R6 Political and social instability risk
- R9 Digitisation risk

Capitals impacted

- SC Social and relationship capital
- IC Intellectual capital
- MC Manufactured capital
- FC Financial capital

Creating and enabling shared value continued

Our **material matters**

To fulfil our purpose and achieve the outcomes of our strategy, we manage certain factors arising from our external and internal operating environments and the expectations of our stakeholders.

These factors group into themes that incorporate **risks and opportunities,** and **impact on multiple capitals.**

As such, they can be seen as the flywheels of value creation or depletion given the capital dependencies of our business model, and the expectations of our stakeholders in relation to our impact on them and the world around us.

Looking ahead

These factors are expected to require the most leadership attention, effort, and resource allocation.

In the pages that follow, we provide an integrated discussion of the context to our material matters and our strategic responses, as we seek to achieve our purpose, strategy and sustainability agenda. This discussion of our material matters is framed by our approach to building a sustainable business, which stands on the following pillars:



For comprehensive detail on the pillars of our sustainability strategy, see here.

Creating and enabling shared value continued

Our material matters continued

Economic and geopolitical headwinds

MM1

1

Material matters

1 Client affordability
2 Socio-economic weakness
3 Sociopolitical uncertainty
4 Depressed capital markets

Strategic context

Our business growth depends on stable and rising economic growth, supported by healthy levels of savings and investment, which in turn support socio-economic development. Consumers' financial health materially impacts our ability to grow. Difficult economic environments shrink the pool of potential clients and hamper clients' ability to afford their premiums and save. As an institutional investor, we need vibrant and growing capital markets to earn returns for our clients and shareholders. In unstable economic conditions, deploying capital into productive investments becomes more difficult.

Currently, global dynamics are depressing economic growth in Africa. High inflation (notably in transport and food) and interest rates, coupled with unemployment, are depleting the disposable income of consumers. At the same time, high government debt and geopolitical turbulence affect exchange rates, especially for developing countries. More widely, the interconnectivity of the global economy means that wars and conflicts in key regions are pulling global resources away from productive activities, with socio-economic ramifications for all our markets. Also, rifts in the world order, with world powers jostling for economic (and technological) dominance, mean government positions on contested issues could negatively affect international business.

In South Africa, economic growth is low due to unstable power supply, deteriorating civil infrastructure, and high levels of crime and corruption, depressing consumer and business confidence. An already low savings rate and capital leaving the country due to emigration are eroding the state's fiscal position. Alongside an uncertain policy environment, the sociopolitical situation is deterring foreign capital, on which the country depends to finance its revenue shortfalls. Collaborative efforts between the state and business that seek to address these impediments are underway, with Sanlam actively contributing to key initiatives. The outlook for the South African economy will likely remain sombre in the medium term.

Beyond our domestic market, the potential for socio-economic and political instability in our markets remains. However, our medium to long-term view of Africa is optimistic. The continent's population, growth and age, low insurance penetration and relatively strong economic growth rates signal good long-term prospects. It is not unreasonable to expect some of the larger economies on the continent, like Egypt and Nigeria, to be in the top 20 global economies within the next 30 years. In Asia, economic growth remains relatively strong and we are confident of solid growth momentum in our market niche in the short to medium term.

Links to strategy

Objective

Clients | Financial | Economic

Enabler

Partnerships

Sustainability

Associated opportunities

- Economic pressure on our clients gives us an opportunity to provide better value and tailored risk solutions through affordable products and smart distribution that eases access.
- Similarly, the need and value of insurance and savings is highlighted – we are able to demonstrate that we pay claims and support our clients and invest for the good of society.
- Working with government and society to address national challenges, for instance power and logistics in South Africa.
- Strategically, opportunities for acquisitions and partnerships in new emerging markets could make further diversification in geography, revenue and asset class possible for less capital outlay.
- Our broad and varied portfolio, which includes a mix of small economies with mature markets and large economies with small markets, works in our favour. It is unlikely that our entire portfolio will suffer simultaneously.

Associated risks

R1 Economic outlook risk | R6 Political and social instability risk | R7 General infrastructure failure/water risk | R8 Eskom energy supply risk

Capitals impacted

FC Financial capital | SC Social and relationship capital

Creating and enabling shared value continued

Our material matters continued

Implications of digitalisation

MM2

2

Material matters

5 Rapid digitalisation in the finance industry

6 Disruptors and new entrants into the insurance market

7 Skills availability and change management

Strategic context

Clients expect the seamless fulfilment of digital services but still need assistance from human intermediaries where engagement and empathy are required. In many of our markets across Africa and Asia, physical infrastructure still signals trust. This requires an omnichannel model, with the measured integration of digital processes and AI enablement. Competitively, other financial services providers like banks, retailers and telcos are using digital means to move into the insurance space, and fintechs compete for specific segments of our value chain using innovative business models. Adding complexity to the shift to digitally enabled business is an inconsistent regulatory environment, for instance, regarding cross-border data privacy.

The pace of change means we must ensure our operations and solutions remain relevant. Changing the way we work can be disruptive and expensive, while cybercrime is a constantly mutating daily threat. Old technologies become obsolete and costly to maintain, and multiple systems across different businesses result in duplication and extra costs. We need to keep pace with advances in technology and digitalisation to meet our clients where they are, increase the efficiency of our operations and offer clients better value. This requires appropriate application and effective implementation of new technologies in tandem with the consolidation and streamlining of IT architecture. Rationalising and standardising our legacy IT systems is complicated and requires digital skillsets that are in short supply. There is also constant pressure to strengthen cybersecurity defences. Also, while accelerating digitalisation is critical, related capital investment and operational costs must be kept in check, especially in an inflationary environment. Most importantly, we also need to take our people with us through careful and considered change management and retraining and reskilling to manage role and job redundancy.

Our digital strategy focuses on digitalising the business and creating digital businesses underpinned by strong information security and cybercrime prevention systems. Digitally enabled processes remove rote work and administrative burden from people, allowing them to focus on human engagement, creative problem-solving and innovation. Digital enablement is being used to enhance operational efficiencies in client onboarding, sales and claims settlement processes and to inform better investment decisions. We continue to explore the possibility of 'leapfrogging', using new technologies and AI to bridge the financial inclusion and financial literacy gap, reaching unserved and underserved consumers in new ways. We are also making financial advice and education accessible at scale through new platforms. We have robust data to support business intelligence, client servicing, engagement, and personalisation with appropriate data governance. Our new business, Sanlam Fintech, has been established to develop innovative products and ways of reaching clients and co-ordinates our efforts to foster, recognise and reward innovation across all our businesses.

Associated opportunities

- Digitalisation is enabling us to meet our clients where they are, expand access to previously unserved market segments, increase efficiency and offer clients better value.
- Engagement with clients creates rich data that allows us to tailor products and personalise engagement to a client's needs.
- Standardisation and sharing of technology assets and platforms across the group will be beneficial.
- AI is being used for improving process management and improving the impact of financial education, as well as informing investment decisions.
- Key hires and skills development initiatives at Sanlam Fintech will help to attract, retain and develop scarce digital skills.
- The new cluster will co-ordinate group-wide innovation efforts, deepening the culture of innovation at Sanlam and investing in disruptive solutions.

Associated risks

R2 Strategic execution risk | R3 Cyber-risk | R5 Regulatory/ compliance risk | R9 Digitisation risk | R10 Human capital – talent/ capacity/diversity risk

Capitals impacted

IC Intellectual capital | MC Manufactured capital | FC Financial capital | HC Human capital | SC Social and relationship capital

Links to strategy

Objective

Clients | Economic | People

Enabler

- Innovation
- Data and digital transformation
- Continuous development of our people and culture
- Sustainability

Creating and enabling shared value continued

Our material matters continued

Socio-economic upliftment

MM3

3

Material matters

8 Brand trust | 9 Financial inclusion | 10 Financial education | 11 Responsible investment | 12 Corporate citizenship

Strategic context

We depend on rising living standards to grow. Our business model and purpose-led strategy drive progressive social upliftment underpinned by financial inclusion, education and access to appropriate and affordable financial services. Financial education is vital to engendering trust among consumers and clients. Access to products without proper understanding can lead to poor financial decision-making and outcomes. Growing the understanding of financial systems, from how savings and investment products work to the value of long-term investing for individual clients and societies, attracts money into the savings and investment cycle. Giving clients access to financial knowledge and tools enables economic participation, supports the socio-economic health of a country and provides the means to address societal factors like poverty, underdevelopment and unemployment through sustainable infrastructure and initiatives.

Financial inclusion focuses on closing the insurance gap in our markets by creating and providing products that are simple to understand, affordable and easy to access. Access hinges on affordability, education and appropriate distribution channels. Intermediaries' relationships with clients are important in raising financial literacy and offering personalised insight and advice. Digital channels open our product, advice and educational offerings to a broader market at lower cost, helped by mobile penetration. Our strategic partnerships improve accessibility and affordability through alternative digital distribution methods at lower costs than our traditional adviser channels. Challenging socio-economic circumstances highlight the need and value of insurance and savings, and provide opportunities for differentiation; we can demonstrate clearly that we pay claims reliably, support our clients through difficulty and invest productively for the good of society. We ensure our clients understand the significant socio-economic impact of our responsible and sustainable investment. All of these enhance brand trust and loyalty.

Stakeholder trust is the currency of our business, so responsible citizenship is both a business imperative and a moral obligation. Sanlam is a major taxpayer in our markets, and we are fair and transparent in our tax affairs. We are also a large holder of government bonds supporting state social funding. We run educational initiatives for early childhood development and higher learning, including bursaries and leadership, which foster good relationships and perception of the group. Our diversity and inclusion strategy focuses on expanding economic growth and opportunities for the marginalised in our societies. We actively measure diversity, equality and inclusion to develop a more diverse and representative workforce that can engage with and service an expansive client base of different ethnicities, cultures, generations and income levels. Besides our investment in sustainable infrastructure, SMMEs and job creation projects, we fund corporate social development programmes through our group and country foundations, specifically focusing on initiatives that empower women and the youth. Our strategic partnerships give added reach and impact to community development in our markets.

Associated opportunities

- Covid-19 emphasised the need for risk solutions, deepening demand for our products.
- Our strategic partnerships enable us to improve our reach and affordability, through alternative digital distribution methods at a lower cost than our traditional advisor channels. This positions us to increase access for underserved market segments, especially across Africa.
- There is also significant opportunity for growth in non-traditional segments such as the SMME space, which is an important driver of socio-economic betterment.
- Mobile penetration, digital engagement and data insights gives us a new platform for wide-reaching and effective financial education. Improving financial literacy in our markets has profound potential to improve socio-economic prospects at grassroots level, and create the trust needed among previously marginalised communities, to grow our client base.
- Our significant socio-economic impact, including our responsible and sustainable investment approach and corporate social investment initiatives, alongside the substantial financial value we create and distribute to our stakeholders, including significant tax contributions, is a cornerstone of building and protecting brand trust.

Associated risks

R1 Economic outlook risk | R10 Human capital – talent/capacity/diversity risk | R11 ESG/climate risk

Capitals impacted

IC Intellectual capital | SC Social and relationship capital | FC Financial capital

Links to strategy

Objective

Clients | Economic | People

Enabler

- Partnerships
- Data and digital transformation
- Continuous development of our people and culture
- Sustainability

Creating and enabling shared value continued

Our material matters continued

Balancing social and environmental priorities

MM4

4

Material matters

13 Climate change and biodiversity loss

14 Balanced approach to investment

15 Environmental stewardship

Strategic context

We are seeing more extreme weather events impacting our business – specifically our claims experience in short-term insurance. We need to manage this carefully in relation to our actuarial assumptions and fund resilience, product design, pricing and use of technology to mitigate risk. Some clients are showing increasing interest in ESG-focused investment options, but not at the expense of the financial returns they expect. Investors, particularly foreign investors and rating agencies, are highly focused on ESG commitments and performance. This as the potentially catastrophic impacts of climate change, biodiversity loss and pollution require more urgent global action and redirection of capital.

Vulnerable communities in our markets are likely to be disproportionately affected by climate change over the long term. However, expectations for global emissions cuts within the current timeframes are unlikely to be achieved in our markets. Nonetheless, carbon taxes for imported goods, especially in the EU, will impact the global competitiveness of certain high-energy industries in our markets, depressing socio-economic growth and development. On the African continent (which comprises around 17% of the world's population and contributes only 4% of global carbon emissions), the reality is that social upliftment outweighs climate mitigation (ie, GHG emission reduction) considerations. Instead, a just and pragmatic approach to the transition to net-zero carbon economies is necessary. With climate standards mostly emanating from developed economies, expectations are high. We need international investors and partners to understand that Africa's development needs and capabilities must be carefully harmonised with climate action considerations, which should be biased toward adaptation and green development. With this in mind, we continue to invest in uplifting communities and developing economies while simultaneously finding ways to safeguard the environment for future generations.

We are deliberately integrating sustainability considerations in all our businesses. Our indirect environmental impact, through responsible investing, is significant, and we are making investment vehicles available that mobilise long-term funding for sustainable infrastructure, renewable energy and other green economy opportunities. On the other hand, we need to defend our investments in high environmental impact industries, which are unavoidable in terms of investment optionality and socio-economic value in our markets. As such, we apply our influence as an institutional investor to drive environmental stewardship, in the coal, oil, gas and other high-impact industries. Regarding direct impact, we focus on efficient use of resources, renewable energy and lowering our technology-driven carbon footprint.

Associated opportunities

- We are utilising Sanlam's pool of capital and assets to channel long-term funding into renewable energy and sustainable infrastructure, guided by the principles of a just transition to a lower-carbon energy future for Africa.
- Retirement annuities can now invest a significant portion in infrastructure investments.
- SanlamAllianz is identifying green investments in our countries of operation, which will contribute significantly to the continent's carbon reduction commitments.
- Our socio-economic investments play a part in mitigating the impact of poverty and underdevelopment on environmental degradation.

Associated risks

R6 Political and social instability risk

R7 General infrastructure failure/water risk

R8 Eskom energy supply risk

R11 ESG/climate risk

Capitals impacted

SC Social and relationship capital

NC Natural capital

FC Financial capital

HC Human capital

MC Manufactured capital

Links to strategy

Objective

Clients

Financial

Enabler

Sustainability

Creating and enabling shared value continued

Our material matters continued

Regulatory and governmental expectations

MM5

5

Material matters

16 Compliance burden

17 Unfavourable regulations

18 Uncertain policy environment

Strategic context

Integrity has always been a core value for Sanlam, and considerable leadership attention is given to ensuring Sanlam remains a brand trusted to stand for integrity. Governance is the primary enabler of our purpose and the long-term sustainability of our business. The highest governance standards are ingrained in everything we do, operationalised through consistent standards implemented across the group. We ensure compliance with all national laws and regulations, as it is imperative to our commercial and social licences to operate and fundamental to stakeholder trust in our brand wherever we are. Sanlam is recognised as the benchmark for governance in the insurance industry across our markets, and we work to strengthen the governance standards and codes in our industry. In general, we enjoy constructive relationships with our key regulators.

Our extensive footprint makes preparing for and maintaining compliance with shifting regulatory requirements in different jurisdictions complicated and costly, requiring system and process changes that delay the delivery of other priorities. In other areas, particularly in the digital space, regulation does not keep pace with global developments, which curbs related opportunities. However, on balance, our robust risk management culture and capabilities underpin our ability to meet the expectations of our regulators. We carefully balance any inconsistencies between our policy positions and values, and local legislation and cultural practices. We understand that not every country adheres to the International Bill of Rights in all respects. In these countries, as far as we can, we participate constructively in available and appropriate industry and other forums to increase alignment with the International Bill of Human Rights while respecting the rule of law within each jurisdiction.

A vibrant business sector needs well-balanced regulation and sensible implementation; however, in our markets, inconsistent and unfavourable policy positions can cause unintended consequences for the private sector. There is concern that substantive fiscal reforms could stall in the lead-up to the national election, exacerbating the uncertain economic environment and social challenges. We are committed to initiatives, directly and through business associations, to support the South African government in addressing priorities. In all markets, we engage with governments and regulators directly, through our in-country leadership teams and by way of business and industry associations, to make the voice of our industry and business heard in a non-confrontational and supportive manner that seeks pragmatic and sustainable outcomes.

Associated opportunities

- Our strong risk management culture and capabilities underpin our ability to meet the expectations of our regulators.
- We are committed to initiatives, directly and through business associations, to support the South African government in addressing socio-economic priorities.
- We lend a credible voice in advocating for policymaking that is supportive of consumer protection and business vibrancy.
- Our IT strategy enables the design and implementation of new capabilities in a decoupled manner, allowing for rapid delivery without undue disruption – which mitigates the impact of system developments to meet regulatory requirements.

Associated risks

R5 Regulatory/ compliance risk | R6 Political and social instability risk | R9 Digitisation risk | R11 ESG/climate risk

Capitals impacted

IC Intellectual capital | FC Financial capital | SC Social and relationship capital

Links to strategy

Objective

Clients | Financial | Economic | People

Enabler

Data and digital transformation

Sustainability

Creating and enabling shared value continued

Our material matters continued

Engaged people and collaborative culture

MM6

6

Material matters

19 Attraction and retention of specialised talent

20 New ways of work

21 Employee wellness

Strategic context

Our clients depend on us to provide the best advice and the most appropriate solutions that cover them during the critical events and vulnerable stages of life, no matter what happens. This makes reliability in fulfilling their expectations fundamental to our growth and sustainability. Against fierce competition for scarce talent, especially specialist skills, exacerbated by a global talent market no longer limited by borders or industry, talent availability and affordability are key drivers (conversely key constraints) to our strategic aspirations. Our people are responsible for building trust-based relationships with our clients and other stakeholders through consistent excellence and integrity.

Our people strategy aims to create a positive work environment that enables growth and development, making Sanlam a great place to work across every operation in the group. Priorities include transforming our culture to instil values that support our purpose and our strategy, getting the right people into the right jobs in combination with digital enablement, and keeping top talent and scarce skills within the group. We foster open communication about issues facing our people and remain responsive in tailoring interventions to address them. Progress in our culture journey is tracked through an extensive annual survey, and episodic "dipstick" surveys provide insights into where we are succeeding or falling short. Talent management is an actively driven priority, including succession planning, training, development and mentoring, and talent mobility across the group. Pleasingly, our value proposition to employees (EVP) has been endorsed both by external recognition and key management hires, particularly in Sanlam Fintech, despite the fierce competition for digital skills. Further, our B-BBEE performance in South Africa and localisation approach in other markets supports our status as an employer of choice.

Covid-19 forced a shift away from traditional workplace models and mindsets, with hybrid working becoming the norm. While this allows employees to work from home, it has to be balanced against managing and measuring productivity, culture building and collaboration, and uninterrupted power supply. Our approach has been to make office time mandatory three days a week, and we have plans to revamp offices to better accommodate the hybrid working model. We continue to assess and develop the model to enable our people to perform at their best, with measures in place to intervene where productivity levels dip. Wellness is an issue demanding increasing concern due to numerous factors impacting mental health as well as financial problems, with the lowest-income earners under the most financial pressure. Additionally, rapid industry, market and technology developments are causing change fatigue among our employees, necessitating resilience training and change management support. Employee wellness is a key focus, with a range of initiatives in place to support physical, mental and financial wellbeing and to ensure that our workplaces are inclusive and accommodative of diverse employees.

Sanlam respects the human rights of all our employees and has implemented workplace policies that seek to prevent and address discrimination. We take great care to ensure that we do not cause or contribute to adverse human rights impacts directly or indirectly. Our policies are guided in this regard by international legal instruments, including the International Bill of Human Rights and various Conventions of the International Labour Organization, as they are relevant to our operations. We have a zero-tolerance stance on unethical behaviour and ethical breaches. Our group governance policy sets tight and loose principles: loose principles imply a level of autonomy at operational or country level, provided it does not impinge on a tight principle, which is non-negotiable. Tight principles incorporate ethical practices, breaches of which have hard consequences without exception.

Associated opportunities

- Employee engagement and satisfaction are vital to ensuring consistently excellent client service and, importantly, a greater share of our clients' business and loyalty over generations.
- Recognition of our top employer status positions us a destination for top talent.
- Recruitment of highly experienced tech leaders in our new cluster will assist in upskilling, growing our teams and attracting more top talent.
- Talent mobility enables us to take advantage of global talent recruitment in balance with local policies.

Associated risks

R2 Strategic execution risk | R9 Digitisation risk | R10 Human capital – talent/capacity/diversity risk

Capitals impacted

HC Human capital | IC Intellectual capital | FC Financial capital | MC Manufactured capital

Links to strategy

Objective

Clients | Financial | Economic | People

Enabler

- Innovation
- Data and digital transformation
- Continuous development of our people and culture
- Sustainability

Creating and enabling shared value continued

Our material matters continued

Leveraging powerful partnerships

MM7

7

Material matters

22 Absa | 23 Afrocentric | 24 MTN | 25 SanlamAllianz | 26 Brightrock | 27 Capital Legacy | 28 Easy Equities | 29 Shriram

Strategic context

Sanlam's future performance relies on leveraging our strategic partnerships' scale, reach and footprint to grow our client base and realise the integration benefits and synergies in each case. Even for less equity, we can generate significant shared value for our stakeholders that we cannot achieve on our own for the same capital outlay. Our trusted brand, competitive position, and collaborative, values-driven culture allow us to embrace symbiotic partnerships with like-minded businesses that complement and combine both parties' strengths, expertise and resources.

We understand that a business model that is effective in one jurisdiction or market cannot be easily applied elsewhere. Our partnering strategy accelerates our strategic growth aspirations without costly acquisitions and integrations. In particular, our diversification strategy hinges on partnering with local businesses to integrate into new markets and communities, combining their local understanding, expert knowledge and relationship networks with our deep insurance and investment knowledge and our skills, which draw on over 100 years of experience. These partnerships earn us legitimacy and trust far faster than we could achieve otherwise.

Partnering with other financial services providers with trusted brands, as well as with innovative fintechs, allows us to challenge our traditional models ('disrupting ourselves') to drive financial inclusion and address the insurance gap through affordable product options and digital distribution platforms. Partnerships also give us access to scarce specialist expertise and skills, especially in technology, digital and data. We also form partnerships with civil society groups, including our CSI channels and the Sanlam Foundation, which enable us to significantly impact our social investment efforts in each of our markets.

We ensure our partners share the same values as us and, as far as possible, we align on a governance approach. Often, our partners adopt Sanlam's governance standards. On this basis, our partnerships also give us a credible voice in engaging with and advising policymakers. For instance, SanlamAllianz has strengthened our legitimacy and led to increased engagement with government authorities. This gives us opportunities to contribute to policies and initiatives that promote inclusive growth and equitable and socio-economic development in our countries of operation.

We are cognisant of the reputational, counterparty and supply chain risk given the large and complex ecosystem of group partnerships. Our strong risk culture and well-embedded risk management framework include controls in place to mitigate third-party risks, including for every prospective partnership, with the option to audit our partners and their suppliers, both as part of initial due diligence and on an ongoing basis. Ultimately, the strategic and cultural fit that we seek in our strategic partners makes alignment easier and allows for transparent and respectful resolution of differences.

Associated opportunities

- Partnerships create more value for more stakeholders in a more sustainable way.
- They also amplify our socio-economic impact and our influence in advocating for an enabling business environment in our markets.

Associated risks

R2 Strategic execution risk | R3 Cyber-risk | R4 Outsourcing/ third-party risk

Capitals impacted

IC Intellectual capital | SC Social and relationship capital | FC Financial capital | HC Human capital

Links to strategy

Objective

Clients | Financial | Economic | People

Enabler

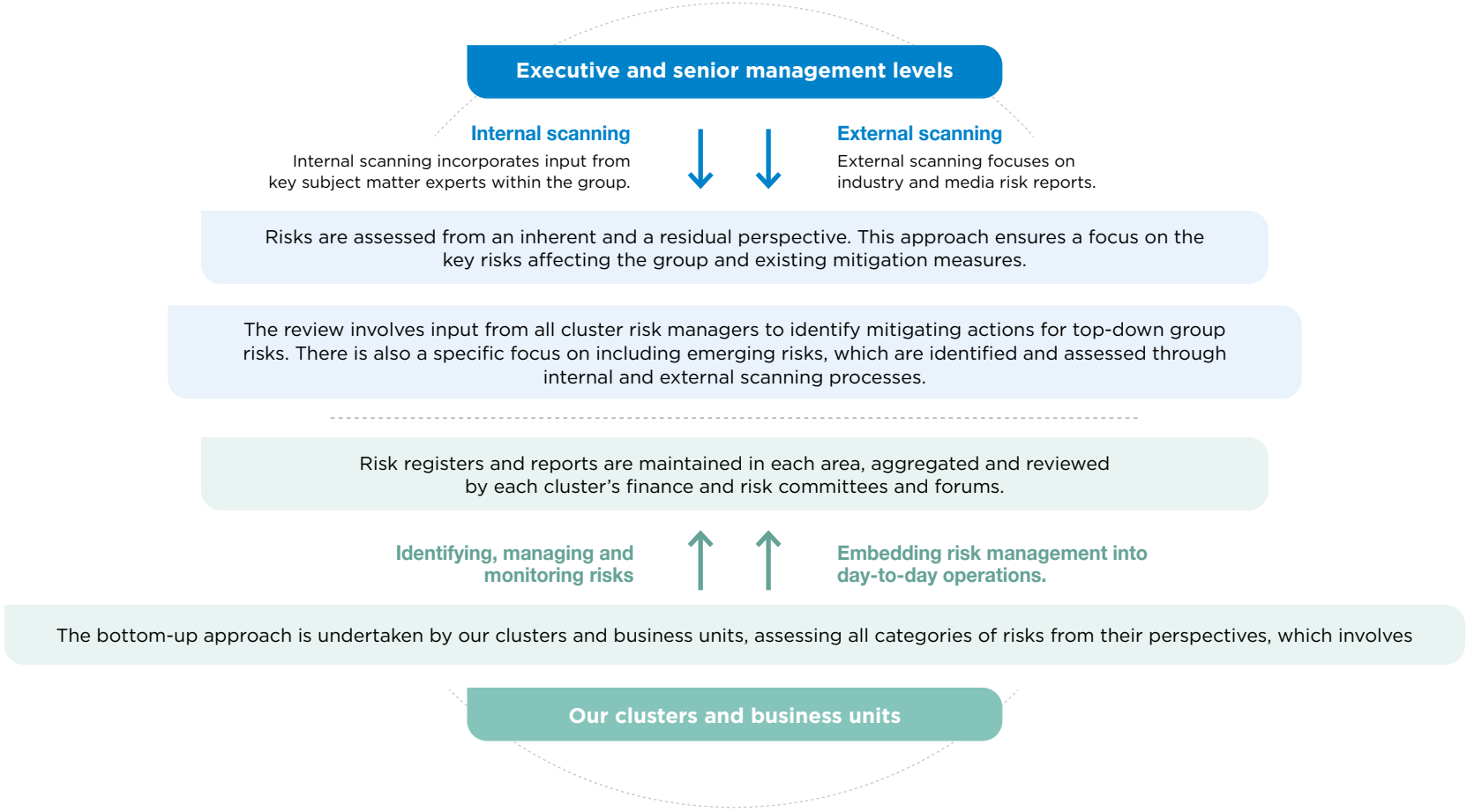
- Innovation
- Partnerships
- Data and digital transformation
- Continuous development of our people and culture
- Sustainability

Creating and enabling shared value continued

Our risks and opportunities

The group adopts a comprehensive risk management approach that evaluates risks from both a top-down (strategic) and bottom-up (operational) perspective, addressing them through a mature risk management governance structure. This approach enables us to maintain an integrated view of material risk exposures through quarterly internal and external scanning of emerging risks.

Sanlam's robust risk management governance structure and process facilitates proactive mitigation of potential impacts and identifies opportunities associated with risks.



Creating and enabling shared value continued

Our risks and opportunities continued

Top strategic risks

		Trend	Cluster impacted
R1	Economic outlook risk	→	SLS, SNT, SIG, SEM, SFT
R2	Strategic execution risk	→	SLS, SNT, SIG, SFT, GO
R3	Cyber-risk	→	SLS, SNT, SIG, SEM, SFT, GO
R4	Outsourcing/third-party risk	→	SLS, SNT, SIG, SEM, SFT, GO
R5	Regulatory/compliance risk	→	SLS, SNT, SIG, SEM, SFT, GO
R6	Political and social instability risk	→	SLS, SNT, SIG, SEM, SFT, GO
R7	General infrastructure failure/water risk	↑	SLS, SNT, SIG, SEM, SFT, GO
R8	Eskom energy supply risk	↓	SLS, SNT, SIG, SFT, GO
R9	Digitisation risk	→	SLS, SNT, SIG, SEM, SFT
R10	Human capital – talent/capacity/diversity risk	→	SLS, SNT, SIG, SEM, SFT, GO
R11	ESG/climate risk	→	SLS, SNT, SIG, SEM

Risk exposure heat map

The residual risk heatmap for strategic risks, which plots these in terms of impact and likelihood, is presented below.

Residual risk rating of strategic risks

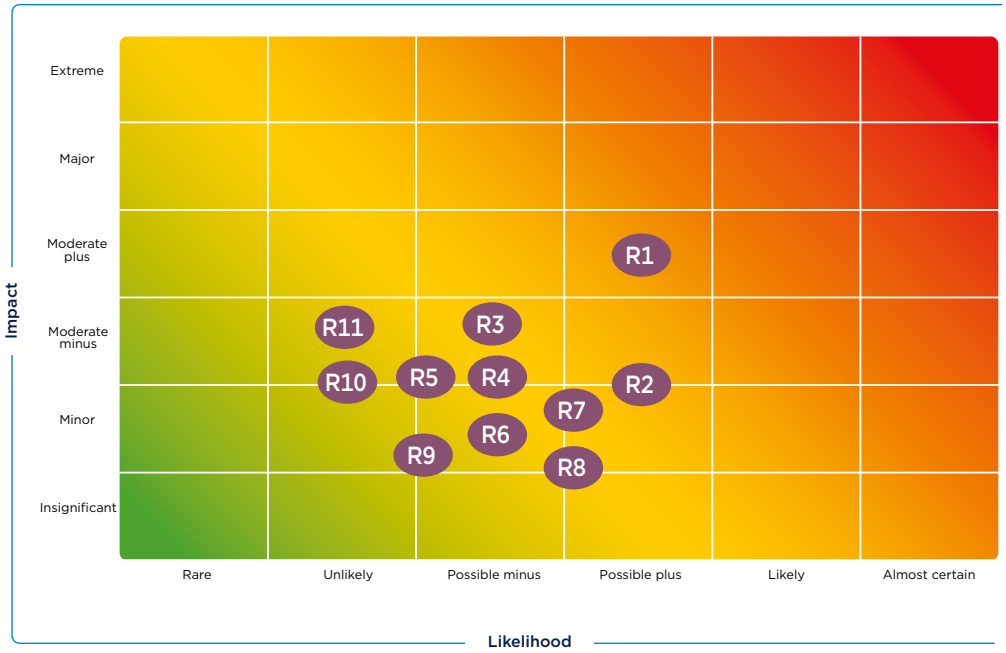


Table key

Risk trend

→ *Risk exposure remained constant*
↑ *Risk exposure increased*
↓ *Risk exposure decreased*

Creating and enabling shared value continued

Our risks and opportunities continued

Economic outlook risk

R1

1

Context/how this affects our business

Global protectionism and geo-economic fragmentation are worsening the trade-off between growth and inflation.

Interest rates and inflation remain high into 2024 and rate cuts remain uncertain. High inflation undermines the personal disposable income of clients, which impacts new business, persistency and fund inflows.

The GDP growth forecast for South Africa remains under pressure.

The geopolitical outlook remains volatile with the conflict in the Middle East and Russia/Ukraine impacting supply chains.

The SanlamAllianz portfolio remains exposed to sovereign risk in several countries within the portfolio.

Potential effects on the group:
- Negative impact on saving benefits.
- Profitability impact – poor investment return on assets.
- Poor economic growth and inflation impacting new business sales and retention of existing business.
- Persistency and lapse risk.
- Impact on balance sheet strength and funding levels.
- Loss of fee income due to poor market performance.
- Increased credit provisions and potential default risk.

Mitigation

- Significant focus across the group on managing expense levels.
- Focus on directly engaging with clients and applying various retention strategies.
- Robust reviews of business strategies across the group to accommodate the current economic climate.

Opportunities

- Potential opportunity to acquire smaller competitors at a discount due to weakening market conditions.
- Weaker market conditions drive innovation and faster development of alternative products and market channels.

Key capitals at risk

FC Financial capital

Relevant strategic objectives



Link to material matters

MM1 Economic and geopolitical headwinds

Creating and enabling shared value continued

Our risks and opportunities continued

Strategic execution risk

R2

2

Context/how this affects our business

Increased corporate activity due to ongoing strategic portfolio restructuring within the group increases the execution risk linked to such activity. In addition, various large-scale transformational and renewal projects are underway throughout the group.

Several risks need to be managed in this regard:

- Integration and onboarding risks of new business into the group.
- Transition risks where business units are sold or where large projects are being implemented into our operations.
- Further strain on key staff and resources involved with the transition or integration of business units, over and above their daily operational responsibilities.
- Overall complexity of the group increases as new businesses are acquired.

Mitigation

- The Group Strategic Office has been established to provide guidance on strategic initiatives.
- Amended Sanlam governance structures accommodate quarterly business reviews that focus specifically on tracking key strategic initiatives and associated KPIs.
- SanlamAllianz has expanded capacity and breadth of skills in some areas to support integration requirements.
- Appropriate hurdle rates are set for the capital invested in new businesses and performance is closely tracked.
- Dedicated projects and steering committees are in place to drive and deliver the integration of strategic initiatives and acquisitions.

Opportunities

- Acquisitions enable synergies and penetration of markets.
- Internal renewal projects will deliver long-term efficiencies, as well as enabling systems and processes that allow agile responses to changing consumer behaviour and market conditions.

Key capitals at risk

FC Financial capital | SC Social and relationship capital | HC Human capital | IC Intellectual capital | MC Manufactured capital

Relevant strategic objectives

Clients | Financial | People

Link to material matters

MM2 Implications of digitalisation | MM7 Leveraging powerful partnerships

Creating and enabling shared value continued

Our risks and opportunities continued

Cyber-risk

R3

3

Context/how this affects our business

Cyber-risk climate remains high globally. The prevalence of cyberattacks continues to rise, facilitated by growing digitisation, reliance on cloud services, shift to remote working and a shortage of cybersecurity professionals.

The group faces the risk of theft or ransom of sensitive client data, corruption of insurers' databases, fraud or intellectual property theft.

The reputational damage of a large-scale cyberattack could be severe.

Mitigation

- Group exco's technology and digital council oversees Sanlam's response to cyber-risk and execution of the cyber-resilience strategy.
- Ongoing assessment of Sanlam's critical data and systems most at risk.
- Analysis of third-party cyber-risks conducted with a mitigation plan in place.
- Annual cybersimulations are performed to ensure that response teams and related processes are in place.
- Frequent penetration testing performed by internal teams to test cybercontrols and close potential gaps.

Key capitals at risk

FC Financial capital | SC Social and relationship capital | HC Human capital | IC Intellectual capital | MC Manufactured capital

Relevant strategic objectives

Clients | Financial | People

Link to material matters

MM2 Implications of digitalisation | MM5 Regulatory and governmental expectations

Creating and enabling shared value continued

Our risks and opportunities continued

Outsourcing/ third-party risk

R4

4

Context/how this affects our business

Third-party risk is becoming more prevalent as the number of outsourced parties increases throughout the group. Additionally, the drive towards cloud applications and platforms introduce additional third-party risk.

New acquisitions made by the group also add to the number of third parties that needs to be accounted for and the governance oversight required.

Strict governance requirements related to third parties and outsourcing also increases where fourth-party risks are introduced.

Mitigation

- Group outsourcing policy in place, which governs how third-party relationships and outsourcing are managed.
- The group keeps a formal complete register of all material outsourcing arrangements.
- Formal service level agreements are in place and monitored by management to ensure third parties comply with service levels and related controls.
- Formal onboarding questionnaire and risk assessment performed on all potentially new third parties.
- Internal audit performs periodic audits of third parties to ensure adequate controls and governance are in place.

Opportunities

- Outsourcing allows the group to focus on its core capabilities.
- Outsourcing activities that require specialist skills that are difficult to acquire may help the group to be more efficient.

Key capitals at risk

SC Social and relationship capital

IC Intellectual capital

Relevant strategic objectives

Clients

Financial

People

Link to material matters

MM2 Implications of digitalisation

MM7 Leveraging powerful partnerships

Creating and enabling shared value continued

Our risks and opportunities continued

Regulatory/ compliance risk

R5

5

Context/how this affects our business

The group operates subject to ever-evolving requirements set out by diverse regulatory, legal and tax regimes.

Ongoing regulatory reforms can have a material impact on our businesses. This includes the Two-Pot retirement system, National Health Insurance, Anti-Money Laundering, Conduct of Financial Institutions Bill, IFRS 17, etc.

The work required to ensure simultaneous implementation of new and updated regulatory measures places significant strain on already stretched group resources.

Mitigation

- We proactively investigate and formulate views on all regulatory proposals.
- The group participates in discussions with regulators directly and through industry associations.
- Continuous re-evaluation of cluster business models to gain advantage in relation to the changing regulatory environment.
- Group-wide co-ordination to achieve economies of scale and a consistent approach to compliance.
- Group risk team uses various technology tools to improve our data management capabilities for IFRS 17 and other regulatory and business imperatives.
- Ongoing engagement with the Prudential Authority.

Key capitals at risk

IC Intellectual capital FC Financial capital SC Social and relationship capital

Relevant strategic objectives

Clients | Financial | People

Link to material matters

MM5 Regulatory and governmental expectations

Creating and enabling shared value continued

Our risks and opportunities continued

Political and social instability

R6

6

Context/how this affects our business

- High levels of socio-economic dissatisfaction and political conflict, service delivery issues, corruption and exploiting of expenditure are all contributing factors to increasing social and political instability.
- In South Africa, the high level of unemployment and poor economic growth put social stability at risk.
- It is expected that the approaching elections towards the second half of 2024 may potentially increase unrest in South Africa.
- SanlamAllianz is exposed to political risk in several countries within the portfolio.

Mitigation

- Participating in the dialogue between business, labour, government and society.
- Sponsoring consumer financial education programmes to boost financial literacy.
- Investing in national projects to support economic growth and contribute to uplifting the social and economic environment in South Africa.
- Our South African SME debt fund's mandate focuses on job creation through financing predominantly black-owned businesses.
- Continuous tracking of SanlamAllianz's political, economic and regulatory environments.

Key capitals at risk

FC Financial capital SC Social and relationship capital NC Natural capital

Relevant strategic objectives

Financial Economic

Link to material matters

MM1 Economic and geopolitical headwinds MM4 Balancing social and environmental priorities

Creating and enabling shared value continued

Our risks and opportunities continued

General infrastructure failure/water risk

R7

7

Context/how this affects our business

There has been a significant increase in failing general infrastructure. This affects rail transport, roads, ports, water, electricity, etc.

The dire financial status of many local municipalities is causing either poor or a complete lack of maintenance of critical local infrastructure.

A specific concern is around failing water infrastructure, which affects the availability of water, as well as its quality (potable water).

This could affect the group in the following ways:
- Overall impact on GDP, supply chains in country and economic growth.
- Increase in insurance/underwriting risk due to fire risk hazard linked to poor infrastructure.
- Water risk due to water quality and availability potentially increasing population health risk factors due to water-related diseases.

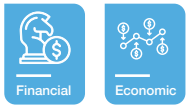
Mitigation

- Management continues to monitor water risk through various industry bodies.
- We run various social and education programmes to promote safe water habits in communities.
- Santam continues to partner with local municipalities through the Partner for Risk and Resilience initiative (P4RR).

Key capitals at risk

FC Financial capital | SC Social and relationship capital | NC Natural capital

Relevant strategic objectives



Link to material matters

MM1 Economic and geopolitical headwinds | MM4 Balancing social and environmental priorities

Creating and enabling shared value continued

Our risks and opportunities continued

Eskom energy supply risk

R8

8

Context/how this affects our business	The inherent risk around the national power utility, Eskom, and energy supply and distribution remains high. There has been a slight improvement in energy availability at Eskom although it is uncertain if this improvement will be sustainable. The risk of complete grid failure remains remote as loadshedding mitigates and reduces this probability. From an operational resilience perspective, the residual risk for the group is lower due to the completion of solar capabilities at its main campus building, which will reduce our dependency on Eskom.
Mitigation	▸ Solar project nearing completion at main campus office site with other offices also commencing. ▸ Onsite diesel storage for generators is maintained at maximum allowable levels and diesel supply contracts are in place with reputable suppliers. ▸ Business continuity plans in place and cater for various scenarios. ▸ Santam policies exclude losses as a result of grid failure, which includes losses due to both damage and non-damage perils.
Opportunities	▸ Reducing carbon footprint in main office buildings due to solar projects coming on stream.
Key capitals at risk	FC Financial capital SC Social and relationship capital NC Natural capital
Relevant strategic objectives	Financial, Economic
Link to material matters	MM1 Economic and geopolitical headwinds; MM4 Balancing social and environmental priorities

Creating and enabling shared value continued

Our risks and opportunities continued

Digitisation risk

R9

9

Context/how this affects our business

The ongoing technological revolution is fundamentally altering the way people live, work and relate to one another through technology, affecting Sanlam's current and future clients, employees and partners. This revolution coincides with longer-term changes in demographics and globalisation.

AI is also drastically reshaping the world and organisations must learn to adopt AI use cases in a responsible manner with adequate governance frameworks in place. External threats and risks posed by AI must also constantly be evaluated and assessed.

International insurance players, incumbent banks and tech players may disrupt the industries/lines of business in which we operate throughout Africa and elsewhere. Our ability to respond may be constrained by limitations of our legacy systems, scarcity of talent with key capabilities, lack of cluster collaboration and associated pressure on costs.

Delivering such fundamental change at scale in a large and complex organisation like Sanlam is challenging, especially with short-term pressures.

Mitigation

- Ongoing implementation of the group strategy, which prioritises digital transformation.
- Sanlam Fintech (SFT) aims to deliver a digital experience to clients and drives the implementation of Sanlam 3.0.
- The digital and IT risk forum was created as a subcommittee of the risk and compliance committee. This forum considers digital risks and opportunities in depth, supported by executive and non-executive directors with appropriate skills and expertise in this area.
- Sanlam is constantly recruiting IT skills, developing existing IT talent and establishing partnerships with vendors that can provide additional skills and capacity.
- Ongoing simplification and modernisation projects co-ordinated by Sanlam Group Technology.

Opportunities

- Through the creation of SFT, Sanlam onboards skills from digital native businesses that contribute to the cluster's delivery, while also creating digital pathways for other businesses.
- Sanlam Group Technology, which follows the approach of learning by doing, has created an AI accelerator lab staffed with experts to develop identified use cases.

Key capitals at risk

IC Intellectual capital | MC Manufactured capital | FC Financial capital | HC Human capital | SC Social and relationship capital

Relevant strategic objectives

Clients | Financial | Economic | People

Link to material matters

MM2 Implications of digitalisation | MM6 Engaged people and collaborative culture

Creating and enabling shared value continued

Our risks and opportunities continued

Human capital – talent/capacity/ diversity

R10

10

Context/how this affects our business

Increased competition for talent results in challenges in sourcing key talent, especially black talent.

Rapid evolution of skills and shortage of critical skills requires increased focus on building capability that supports the success of current and future organisational strategy.

Pressure on capacity of key staff members to deliver integration projects while maintaining operational service levels.

The group actively monitors employees' mental wellbeing.

Mitigation

- Implemented strategic workforce planning.
- Use of real-time data insights for succession and development.
- Continued support and growth of talent pipeline feeder programmes to build internal capacity.
- Employer brand constantly being reviewed and enhanced.
- Enhancing talent acquisition and onboarding practices.
- Robust talent review and succession planning across all businesses.

Key capitals at risk

HC Human capital | IC Intellectual capital | SC Social and relationship capital | FC Financial capital | MC Manufactured capital

Relevant strategic objectives

Financial | People

Link to material matters

MM3 Socio-economic upliftment | MM6 Engaged people and collaborative culture

Creating and enabling shared value continued

Our risks and opportunities continued

ESG/climate risk

R11

11

Context/how this affects our business

With increasing pressure from asset managers and regulators for more ESG-related disclosure, Sanlam's response to these demands – particularly the roadmap to comply with TCFD recommendations – is critical.

There is also increased stakeholder and investor interest in Sanlam's climate disclosure. To date, there is increased harmonisation of reporting requirements by investors, rating agencies and others.

Sanlam needs to assess and manage the physical and transitional risks that emanate from climate change.

As a systemic risk, climate change will have profound economic and social impacts.

Mitigation

- Dedicated Chief Sustainability Officer and sustainability office that drives ESG-related initiatives and disclosures.
- Climate Change Policy Statement and Investment and Insurance Position Statement on Fossil Fuels indicates the group's support of the just energy transition framework.
- Scenario analysis work will allow Sanlam to map out potential risk and opportunities due to climate change.
- We are working on gaining a better understanding of carbon intensity in the investment portfolio, to manage transition risk.
- In South Africa, Santam partners with municipalities across the country to manage fire and flood risks, and to build an understanding of the systemic risks in play where we do business.
- The expansion into credit assets means that Sanlam is investing more in longer-term infrastructure projects, such as renewable energy.
- Coordinated approach to ESG reporting through TCFD and IFRS S1 and S2 recommendations, and moving towards adherence to the new Sustainability Accounting Standards Board (SASB) reporting framework.

Key capitals at risk

SC Social and relationship capital | NC Natural capital | FC Financial capital

Relevant strategic objectives

Financial | Economic

Link to material matters

MM4 Balancing social and environmental priorities

Creating and enabling shared value continued

Our **strategy**

Our strategy aims to maintain and strengthen our position as a digitally enabled insurance market leader in Africa, and in fast-growing niche markets in Asia.

This will enable us to continue expanding the shared value impacts of our purpose "to empower generations to be financially confident, secure, and prosperous", in a turbulent global and regional operating context.

To do so we must extend our track record for sustainable growth by leveraging our competitive strengths. In the main, this will entail driving organic growth from our regional, business line and product diversification; digitally transforming our business for efficiency, excellence and innovation; and leveraging our strategic partnerships for greater reach and impact on clients, economies and societies.

Our strategic progress will continue to be underpinned by forward-looking, long-term and disciplined allocation of capital, to maintain our financial strength and resilience, deliver consistent returns to our shareholders, and deepen our positive impact on all our stakeholders over the long term. Our best-in-class system of governance and control is fundamental to achieving our strategic objectives and associated targets.

Our strategy at a glance

Becoming an African Champion

Our Africa ambitions include building a fortress position in our home market of South Africa, as well as accelerating growth on the African continent outside South Africa.

Building a fortress position in South Africa

We expect challenging conditions to persist in South Africa in the medium term. To preserve our market position and grow, we intend to refine and innovate to provide highly competitive solutions. Service quality will be benchmarked against global standards, with a focus on cost-efficiency. Our focus will be on further diversifying our revenues with new offerings and reaching new segments through partnerships.

Accelerating growth outside of South Africa

With favourable demographics, low insurance penetration and high mobile adoption rates, Africa represents regions of vast, reachable and growing potential client bases with enormous unmet need for financial services and socio-economic betterment. With our core focus on financial inclusion, we intend to meet an increasing share of those needs and unlock the potential of Africa's people and economies.

Strengthening our positions where we operate outside of Africa

Our niche presence in Asia contributes to our overall scale and is a more near-term growth opportunity in our business portfolio. In India, we have successfully carved a market niche catering to a large population of entry level market, particularly in underserved parts of the country. We expect to widen financial inclusion and record sustainable solid growth in these markets over the medium to long term.

Creating and enabling shared value continued

Our strategy continued

Our strategic objectives...	...and targets	How we measure progress	Why we measure progress
Clients			
Increase access to our products and services across Africa.	> 50 million clients by 2025.	Increase in number of clients in Africa.	Enhancing reach and financial inclusion in line with our purpose.
Be rated as having the best client experience in each market where we operate.	Best-in-class client experience.	We track client satisfaction across core markets.	To improve our offering and service, and better understand different local market needs.
Be recognised as the most trusted and secure insurer in each African market where we operate.			We value the trust of our customers and conduct ourselves to the highest ethical standards, adhering to all relevant legislation.
Financial			
Achieve consistently superior returns for shareholders relative to competitors in the Insurance Sector of the JSE.	Return on group equity value (RoGEV) above cost of capital of i+4%.	RoGEV, with i being the South African nine-year risk-free rate. RoGEV is a more appropriate performance measure as it combines current-year earnings compared to expectations (short term) and changes in future expected earnings (long term) in one performance metric.	While RoGEV primarily measures shareholder value, it also indirectly reflects our success in creating value for our other material stakeholders given the direct long-term relationship between shareholder and other stakeholder value creation.
– Create value for our shareholders.			
– Target inflation-adjusted dividend growth.	2% to 4% pa over a rolling three-year period.	Dividend growth rate.	Demonstrates consistent cash generation, financial strength and resilience.
Maintain leadership as the biggest insurer in Africa.	Leading insurer in Africa by market capitalisation.	Company market capitalisation in ZAR billion.	Indicates our status as a leading insurer in Africa.
Economic			
Invest in the economies of Africa in a manner that is responsible and impactful for the development of those economies.	Invest R1 trillion.	Total assets under management.	To enable economic and infrastructure development.
Diversify the benefits of ownership of the company to local participants.	Fostering local partnerships in our emerging market operations.	Through our Pan-African organisational structures, investment and development in our countries of operation.	Business partners and suppliers benefit from our responsible and impactful investment in African economies.
Create and participate in powerful ecosystems that use digital technology to stimulate economic growth in tandem with physical infrastructure.	Sanlam 3.0 – leveraging the Sanlam ecosystem and its data to create unmatched client propositions and maximise value creation.	Data and digital journey from Sanlam 1.0 to Sanlam 3.0.	Digital ecosystems streamline operations for efficiency and create opportunities to reach more clients and offer cost-efficient solutions.
People			
Attract the best people in the market, empower them to learn, lead and live our shared purpose.	Maintain a culture score ahead of the local and global industry average. Being an employer of choice, attracting and retaining the best diverse talent in the world.	Barrett Culture survey (SA only).	To understand and measure the Sanlam culture and the success of our interventions in learning and development, as well as potential barriers or challenges that employees may be experiencing.
Foster a high performance and agile culture that drives accountability and exceptional employee experience.		Annual employee turnover.	
Harness the power of our diverse workforce to deliver innovative solutions for our clients.		Employee pulse measurement surveys in the markets in which we operate.	

Creating and enabling shared value continued

Our strategy continued

Our strategic enablers

- **Innovation** — **Increase orchestration in the group** to implement our strategy across the clusters and drive innovation.
- **Partnerships** — **Leverage our partnership model** to introduce a broader spectrum of society to the benefits of financial resilience.
- **Data and digital transformation** — **Leverage data and digital transformation** to increase the value offered to clients and improve efficiencies.
- **Continuous development of our people and culture** — **Empower people and evolve the culture** to be competitive in a fast-changing world.
- **Sustainability** — **Focus on shared value creation in Africa and Asia** by driving financial inclusion and integrating environmental, social, and governance (ESG) into asset management, value chains and ecosystems – supported by strategic partnerships.

Our sustainability pillars

1	2	3	4	5	6
Financial strength, resilience and consistent performance	**Trust and reputation**	**Financial inclusion**	**Investing for good in people and planet**	**Partnerships for impact**	**Thought leadership**
Maintain a robust financial position to withstand economic uncertainties and market fluctuations, ensuring the long-term security of our clients' investments and insurance coverage. We continuously enhance risk management practices to identify and address sustainability-related risks and opportunities.	Uphold the highest ethical standards, transparency and integrity in all our operations. We foster trust through responsive and fair customer service, supported by effective grievance mechanisms.	Strive for accessible and inclusive insurance and investment products and services that cater to a broad range of customers, regardless of their income level or socio-economic status. We develop innovative and affordable financial solutions to bridge the insurance and investment gap, especially in underserved communities, while we collaborate with regulators and local organisations to ensure fair access to financial services for all.	Adhere to responsible and sustainable investing principles, aligning with international sustainability standards and guidelines. We integrate ESG principles in our investment portfolios to promote environmentally friendly and socially responsible practices. We support initiatives and investments that address global challenges, such as climate change, poverty alleviation and healthcare access.	Collaborate with social impact not-for-profit organisations, government agencies and other stakeholders to maximise the positive impact of our sustainability efforts. We create strategic alliances with like-minded organisations to pool resources and expertise for larger-scale sustainability initiatives. We support and participate in multi-stakeholder initiatives that advance sustainable development goals.	Act as a thought leader in the financial industry by sharing knowledge, research and best practices related to sustainable investment and insurance that promote financial inclusion. We engage in public discourse and advocacy for sustainability issues that align with our core values and business objectives. We encourage innovation and research within our organisation to drive sustainability forward.

Governance*

Ethical culture | **Good performance** | **Effective control** | **Legitimacy**

* King IV specifies four key governance outcomes.

Creating and enabling shared value continued

Our strategic **delivery**

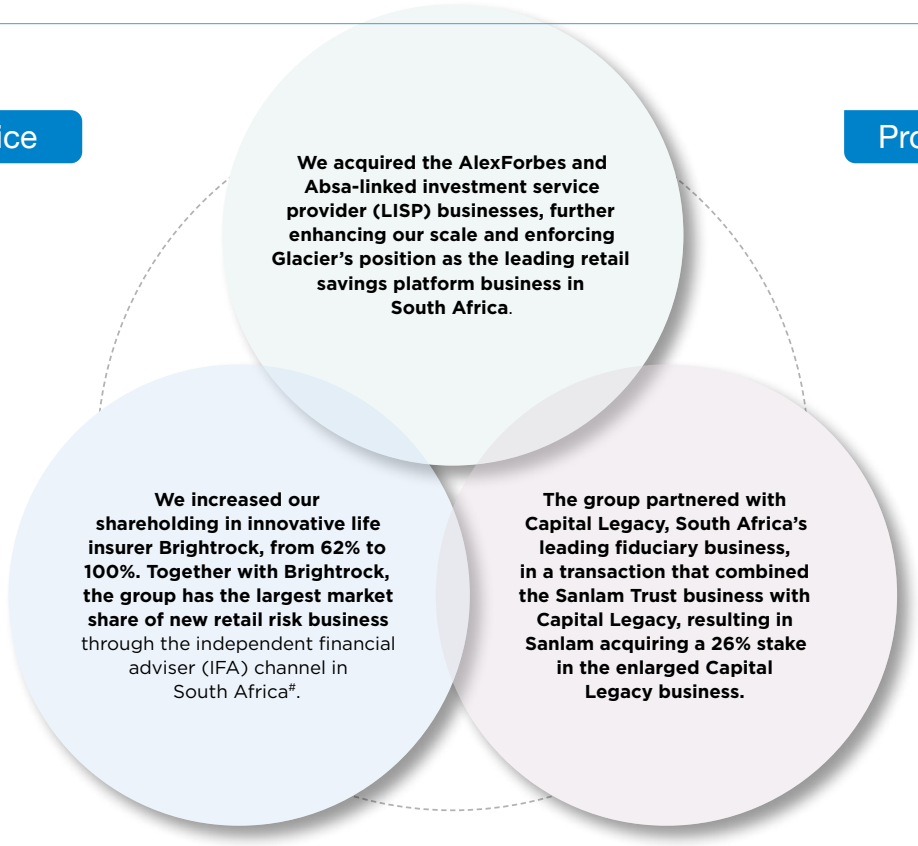
Building a fortress position in South Africa

Our product and geographic diversity and robust capital base continue to benefit the group. **We have leveraged our distribution and product capabilities, innovation and balance sheet, to retain consistently strong inflows across our product sets, despite the challenging operating environment.** We have also taken steps to close gaps in our solutions offering to further strengthen our client proposition and enhance our market position.

Strengthened by partnerships and acquisitions to scale and close gaps

Leveraging distribution and advice

- 2 597 SA retail affluent agents.
- 2 596 supporting brokers.
- 4 463 SA retail mass agents.
- Direct to customer businesses including MiWay Blink, Easy Equities, Santam Switch, SatrixNow, Sanlam Credit Solutions, Sanlam Personal Loans, Sanlam Rewards and Sanlam Multidata.
- Leading discretionary fund management (DFM) business in South Africa.
- Glacier, the leading platform business in South Africa.
- Enhanced use of digital tools by our advisers to serve clients and improve efficiencies – increased adoption of AdvicePartner online tool.



Products to meet changing needs

- On balance sheet solutions for clients seeking to protect and grow wealth and the ability to lock-in returns in a high interest rate environment
  - Protection
  - Life annuities
  - Other guaranteed solutions.
- Off balance sheet solutions for clients seeking flexibility and more market linked return profiles
  - Living annuities
  - Market-leading Satrix Index business
  - Growing alternative asset management capability
  - One of the largest active asset managers in South Africa.
- Coupled with broad solution set of products (see page 15).

Source: NMG risk distribution monitor Q4 2023 (Sanlam + Brightrock)

Creating and enabling shared value continued

Our strategic delivery continued

Strong distribution footprint and holistic product set

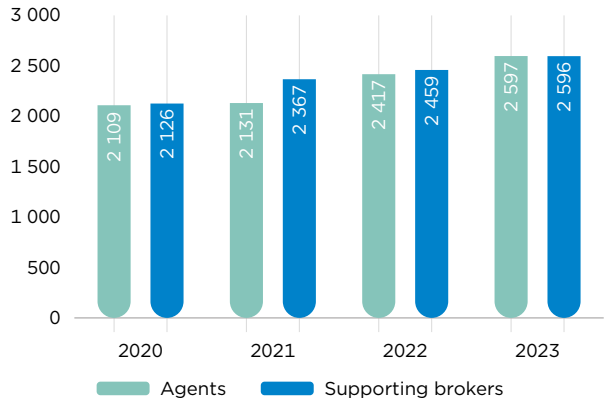
Our distribution footprint in South Africa has grown over time. This has supported our ability to gather more assets and service more clients.

We are also equipping our advisers with the training, knowledge and ability to cross-sell the group's broader solution sets, including wills and estates and healthcare solutions, from Capital Legacy and Afrocentric, respectively.

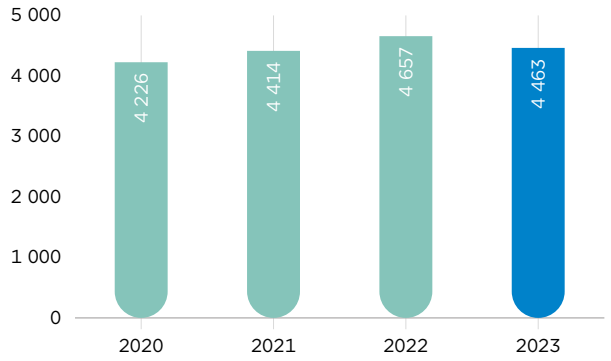
Through the continued strengthening of our corporate solutions, we have gathered more assets into our umbrella fund and improved our market position in retirement fund administration, which complements our strong position in group risk (enhanced by the AlexForbes Life acquisition).

Afrocentric healthcare solutions allow us to provide a holistic offering to corporate clients.

Number of retail affluent brokers and agents



Number of retail mass agents





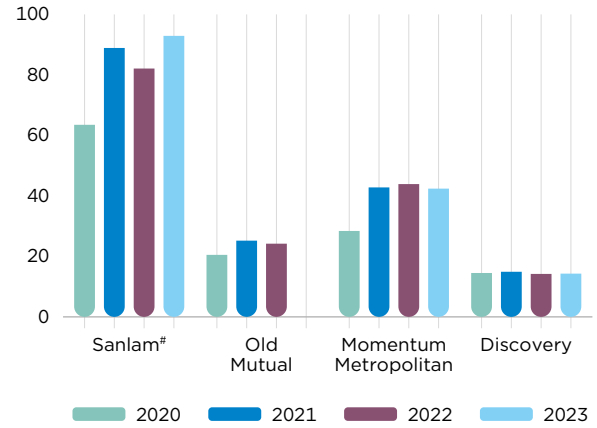
Creating and enabling shared value continued

Our strategic delivery continued

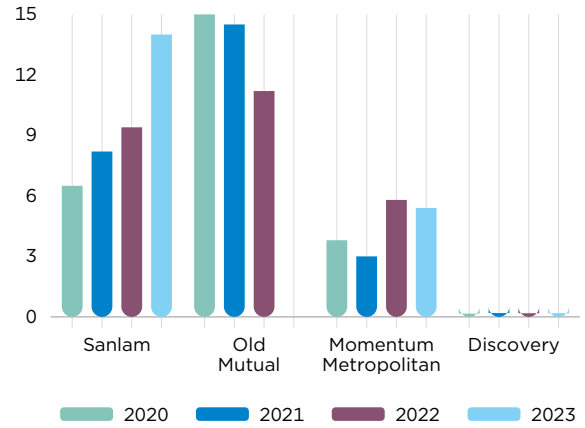
Delivering strong client asset gathering relative to peers

We have delivered strong premiums and flows compared to our peers. The graphs below reflect results in financial years for each business, rather than calendar years.

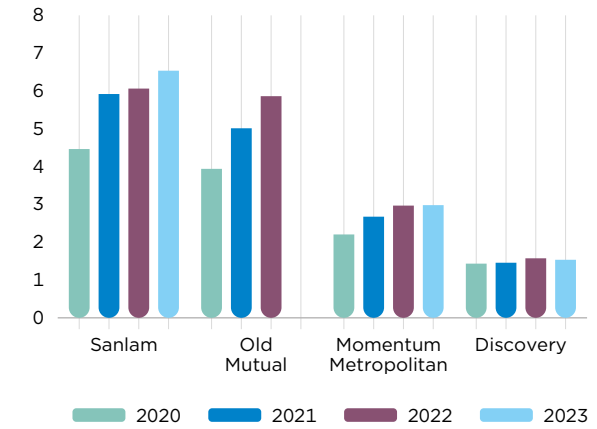
Single premium retail affluent new business volumes (R billion)



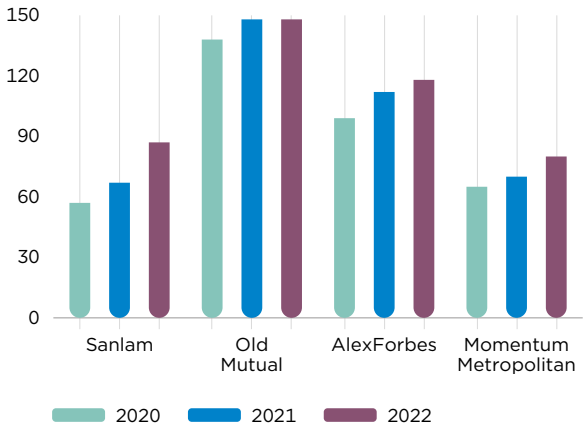
Corporate new business volumes (R billion)



SA retail recurring premiums new business volumes (R billion)



Umbrella funds asset under administration (R billion)



Source: Company disclosure
Includes Sanlam retail life and investments

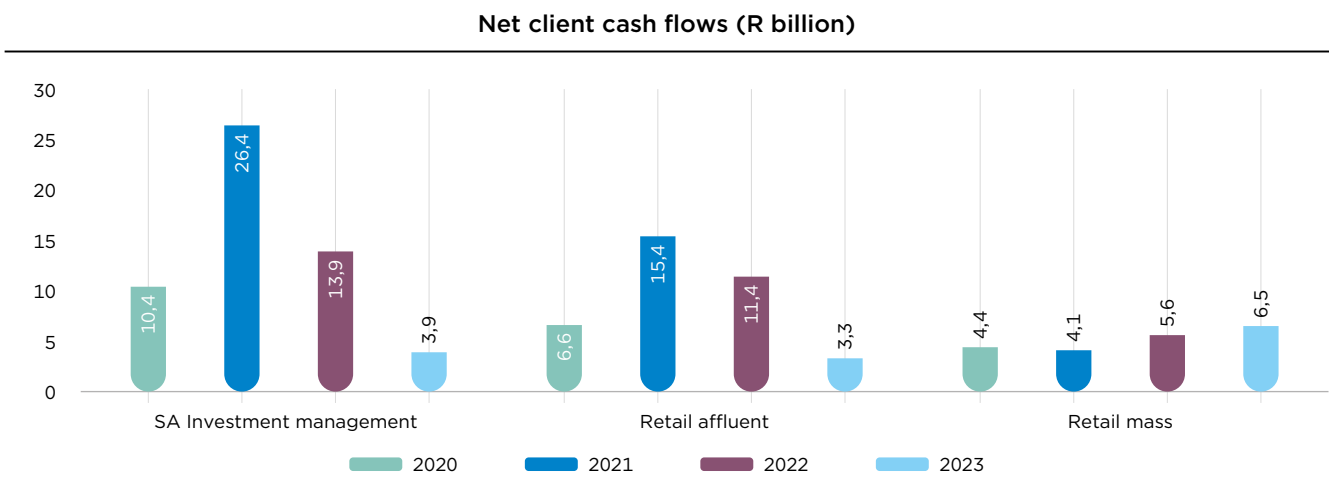
Source: FSCA database



Creating and enabling shared value continued

Our strategic delivery continued

Delivering resilient client asset gathering over time



Benefiting from Wealth Bonus

Our **Wealth Bonus reward offering** shares value by encouraging and rewarding client loyalty. It continues to perform strongly with over 2,5 million (2022: 498 000) members enrolled. The loyalty programme has accrued cashback to clients of over R7 billion (2022: R4,5 billion).

In September 2023, Sanlam's Wealth Bonus was recognised as the "best long-term loyalty programme of the year" at the 2023 South Africa Loyalty Awards, showcasing the meaningful monetary contribution the programme makes to its clients, as well as its focus on client engagement through marketing and communications.

Wealth Bonus offers lifestyle benefits to retail mass, corporate (through group risk and umbrella solutions) and retail affluent clients with additional benefits to be included in 2024.

Accelerating growth **outside South Africa (Pan-Africa)**

We were delighted to conclude the transaction with Allianz to form an Africa-wide insurance joint venture (JV) in September 2023, having received all necessary regulatory approvals.

Sanlam and Allianz have high expectations for the new SanlamAllianz business and believe it will grow strongly and profitably. The business is well positioned to benefit from Africa's economic growth, rising incomes and consequent increase in penetration rates, as well as from the technical and financial support of both Sanlam and Allianz.

SanlamAllianz houses Sanlam and Allianz's Pan-Africa financial services operations excluding South Africa and Namibia. Namibia is planned to be included in 2024. The JV provides a wide range of products covering life and general insurance, healthcare, reinsurance, asset management and retail credit products to retail, commercial, corporate and institutional clients across 27 countries in Africa. The JV has a top three position in 16 life and general insurance markets and is active in seven of the 10 largest African markets. SanlamAllianz is well positioned to capture the Africa growth opportunity through its extensive footprint, reach and scale, technical skills, extensive local partnerships and support from the Sanlam and Allianz groups. The Allianz transaction is being finalised and more granular financial reporting numbers with comparative will be provided in future.

Creating and enabling shared value continued

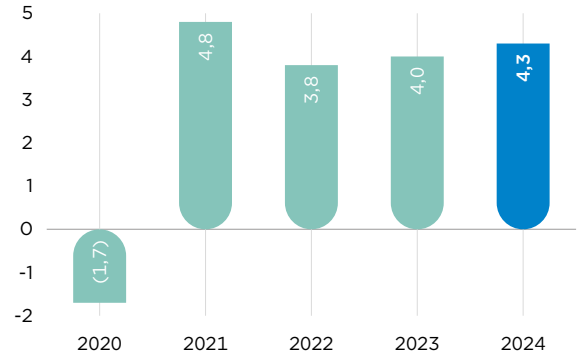
Our strategic delivery continued

Significant African opportunities | GDP growth, youthful population and rapid digitisation

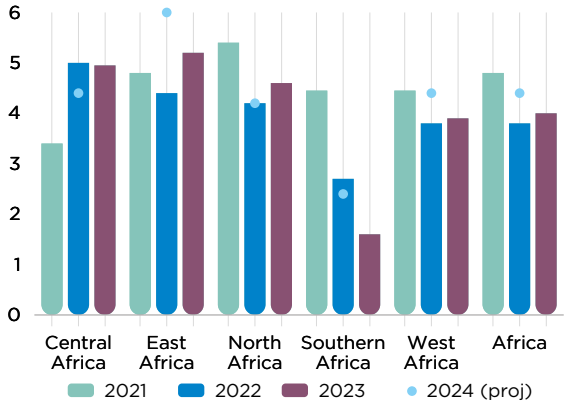
High GDP growth

- Africa's GDP (US$3 trillion) is expected to experience the fastest economic growth globally

Africa GDP (US$3 trillion) growth rate of 4% PA



GDP growth in Africa, by region (2021 – 2024) (%)

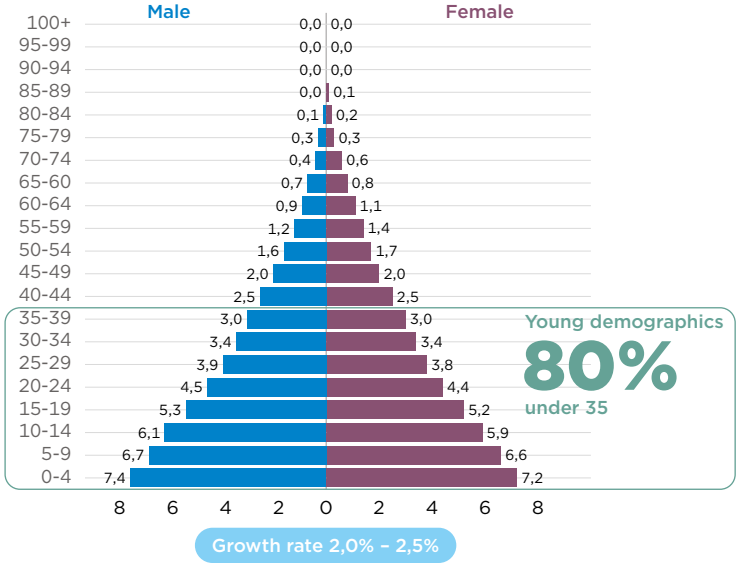


Source: African Development Bank

Youthful population

- Africa has the fastest growing population
- Rapid urbanisation

Youthful population (%)



19%

Global population in 2025

1,5 billion

People in 2025

1,2 billion

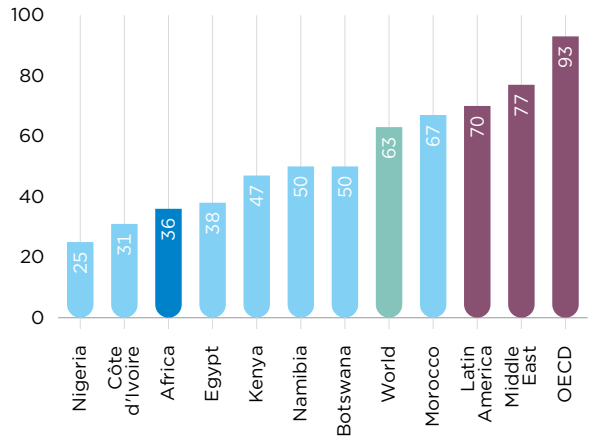
Mobile connections

Rapid digitisation

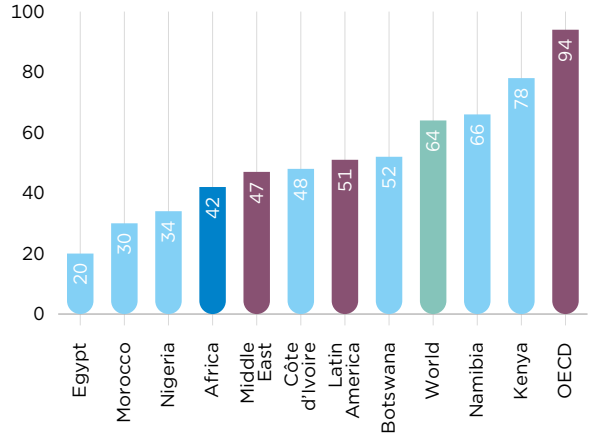
- Africa presents a unique opportunity to bridge the digital adoption gap on the continent compared to the other regions and economies

Comparison of African countries and other areas on digital indicators

2021 Internet penetration rate (%)



2021 Online/mobile penetration rate (%)



Creating and enabling shared value continued

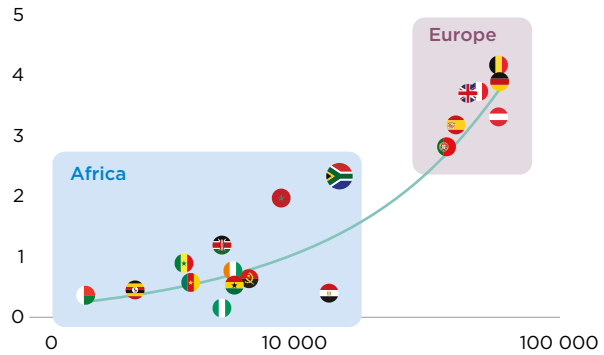
Our strategic delivery continued

Significant African opportunities | low insurance penetration

Low insurance penetration

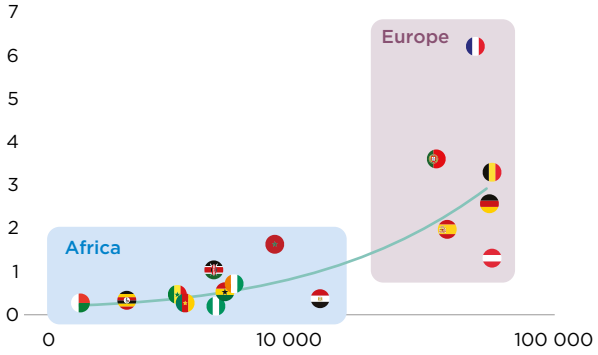
Insurance penetration increases as GDP increases and Africa's GDP is increasing. General Insurance (GI) is marginally further developed than Life insurance (Life). Egypt offers clear growth opportunity in Life and GI. Nigeria is also relatively underpenetrated.

GI insurance penetration[1] by count based on GDP per capita (2021) (%)



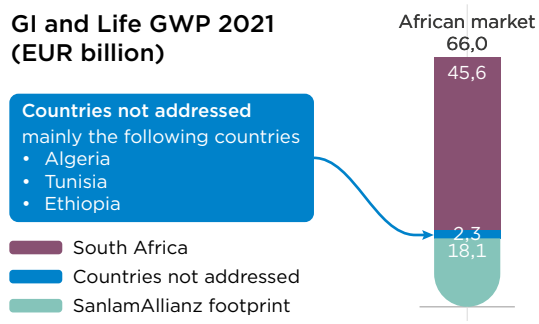
[1] GWP/GDP
Source: IMF, FANAF, Swiss Re, Roland Berger

Life insurance penetration by count based on GDP per capita (2021) (%)



South Africa Life penetration rates is about 12%.
The penetration rate for the UK is above 7%.

Significant insurance market in Africa due to low penetration



Note: Exchange rate used: 1 USD = 0,91 EUR
Source: SwissRe, Sanlam, Allianz, Roland Berger



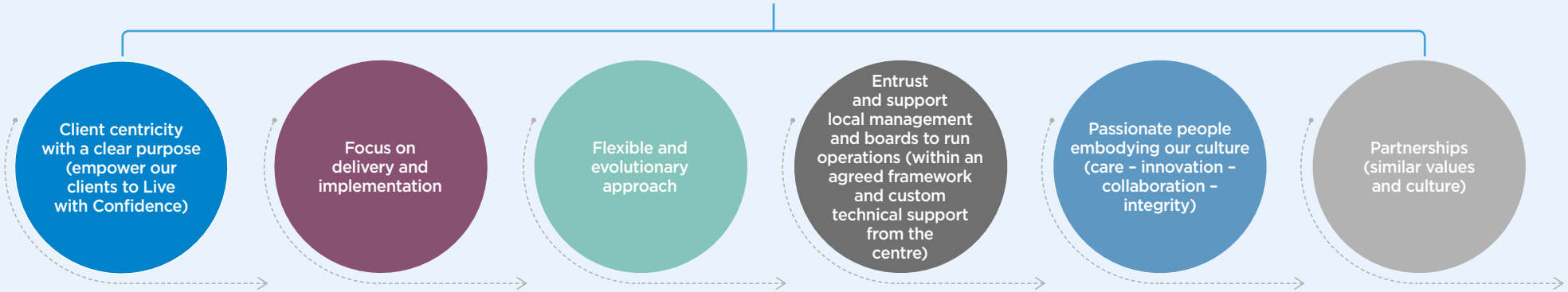
Creating and enabling shared value continued

Our strategic delivery continued

SanlamAllianz providing the best of leading international brands, offering multiple strengths and value creating opportunities

Market leadership	Pan-African footprint	Reinsurance	Technical expertise	Skills
Increased scale to drive leadership at continental level, with Top three position in most markets, enabling economies of scale and competitive offering to clients.	**Unique footprint,** to capture Pan-African policies/ multinationals.	**Power of the SanlamAllianz Re reinsurance captive** amplified with Allianz A-Rating.	**Broad set of capabilities** and deep expertise on key lines of business (GI, Life, Asset management and credit) with support of leading parent groups.	Best talent pool in the industry, critical for success in a service industry.
Digital/AI	**Customer proximity**	**Ecosystem**	**Scale efficiencies**	**Capital**
Enhanced digital capabilities with combined expertise of both companies (MTN JV, cyber offering etc.). Greater scale to invest in transversal innovation such as AI.	**Extended distribution network and reach**, driving closer proximity and inclusion in Africa.	**Strong ecosystem of partners** in Africa along the entire value chain (Reinsurance, assistance, health TPA, distribution partners, corporate solutions) providing a competitive edge on quality of service for the clients.	**Benefit from scale effect to drive efficiencies** and operate at a lower fixed-cost base.	**Strong capital base** opportunity to optimise/free capital in some entities.

Our business philosophy contributes to our success



Creating and enabling shared value continued

Our strategic delivery continued

SanlamAllianz is an insurance leader across the continent that offers a wide range of insurance products for all the client segments

SanlamAllianz

Presence across the African continent

SanlamAllianz group office	Life insurance	General insurance
One functional support team Life and GI supported by multi-skilled functional operational and technical teams.	**22 LI businesses in 22 countries** (20 subsidiaries and two associates). **Plus** ▸ Five asset managers. ▸ Two retail credit businesses.	**25 GI businesses in 25 countries** (21 subsidiaries and four associates). **Plus** ▸ Assistance offering in 18 countries. ▸ Health offerings in 15 countries. ▸ A reinsurance operation.

Business footprint

Serving **27 COUNTRIES...**

Seven countries[1]	Six countries	Two countries	Two countries	10 countries
Southern Africa region	East Africa region	Anglophone West Africa region	North Africa region	Francophone West Africa region

[1] Namibia will be added in 1H 2024.

Existing products

Offering a wide range of **PRODUCTS...**

Life insurance	General insurance	Specialist insurance	Assistance business	Health	Reinsurance	Asset management	Retail credit

Distribution

Through all major **DISTRIBUTION CHANNELS...**

Brokers	Bancassurance	Telcos	Tied agents	Direct	Aggregators

Clients

Addressing all the key **CLIENTS**

Retail	Commercial	Corporate	Institutional

Creating and enabling shared value continued

Our strategic delivery continued

Strengthening our positions where we operate outside of Africa

India

Sanlam's presence in India is through the group's shareholding in the Shriram entities.

Shriram serves the Indian market, focusing on life and general insurance, as well as credit solutions. Shriram has built a track record in the lending and insurance businesses, offering products and services to the underbanked through its extensive branch network in semi-urban and rural areas. Shriram's robust ecosystem across its financing and insurance businesses encourages cross-selling.

The group is also diversifying its distribution through partnerships and digital platforms. The group's divisions are Shriram Finance Limited, Shriram Life Insurance and Shriram General Insurance. Shriram Finance Limited is a leading non-banking financial institution in India that promotes financial inclusion across society's most vulnerable sectors. Sanlam holds a 10% shareholding in the listed Shriram Finance Limited, 40% in Shriram General Insurance and 42% in Shriram Life Insurance, both privately held entities.

Shriram entities

Shriram Finance Limited (10%)

Shriram Finance limited (SFL) is one of India's largest retail finance non-banking financial services companies. It is the result of the merger of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) with Shriram Transport Finance Company Limited (STFC). The merger has unlocked synergies, opening the path to a larger customer base, with improved product serving and operational efficiency. SFL is a prominent player in the pre-owned commercial vehicle and two-wheeler financing segments.

Customers:
8,2 million
(2022: 7,5 million)

Branches:
3 737
(2022: 3 647)

Credit book size:
R465 billion
(2022: R350 billion)

Number of agents:
29 659
(2022: 22 444)

Shriram Life insurance (42%)

Shriram Life Insurance is one of India's leading private insurers. Shriram Life insurance offers a suite of investment and insurance products, servicing customers efficiently in the urban and remote locations.

Customers:
10,9 million
(2022: 10,1 million)

Branches:
403
(2022: 423)

Shriram General insurance (40%)

Shriram General insurance (SGI) is one of India's leading and most profitable general insurers. SGI's key focus area includes motor own damage and motor third-party insurance.

Policies:
4,5 million
(2022: 4,7 million)

Agents:
66 579
(2022: 57 196)

Malaysia

Our operations in Malaysia consist of MCIS Life and Pacific and orient (P&O). MCIS offers a wide range of life insurance products covering life and health protection, savings, investment-linked and group insurance, while P&O offers general insurance services.

Malaysia provides cover to
834k policies
(2022: 808k policies)



Creating and enabling shared value continued

Our strategic delivery continued

Capital allocation

Capital management approach

Responsible capital management and allocation are an essential component of meeting the group's strategic objective of shared value creation for all stakeholders, including maximising shareholder value.

The management of the group's capital base requires a continuous review of optimal capital levels, including the use of alternative sources of funding, to maximise RoGEV and ensure appropriate solvency levels as a safeguard to our clients, regulators and broader society.

Any capital in excess of requirements and not optimally utilised, is identified on a continuous basis. The pursuit of structural growth initiatives is set as the preferred application of group capital, subject to such initiatives yielding the applicable hurdle rate and being complementary to or in support of group strategy. Any discretionary capital not efficiently redeployed is returned to shareholders in the most effective form. Between 2020 – 2023 we returned R30 billion to shareholders in dividends.

Read more on the capital and risk management report on page 15 in the AFS.

In 2023, we made significant progress completing several corporate transactions. Our recent transactions demonstrate good capital discipline and strong alignment to our strategic objectives.

Capital deployment to support strategy (2020 – 2023)

Focus area	Key transactions	Discretionary capital impact	Key outcomes
Fortress SA	▸ African Rainbow Capital financial services (ARC FS) buys into Sanlam Investments ▸ Sanlam buys into ARC FS ▸ AlexForbes Life, LISP and EB ▸ Afrocentric ▸ Absa asset management ▸ Brightrock ▸ Capital Legacy ▸ Sanlam personal loans	**R2,6 billion outflow**	▸ One of SA's largest black-owned asset managers ▸ Leading group risk business ▸ Leading LISP business ▸ #2 medical scheme administrator ▸ Leading fiduciary business, strong VNB contribution, revenue synergies, capital synergies, expense efficiencies
African Champion	▸ Sale of sub-scale businesses ▸ SanlamAllianz	**Capital neutral**	▸ Enhanced growth potential and diversified risk ▸ Revenue, cost and capital synergies
India	▸ Restructuring of Shriram – merger of two credit businesses ▸ Sell stake in Shriram General Insurance (SGI) to KKR	**Capital neutral**	▸ Simplified focus on India ▸ Synergies created ▸ Uplift to GEV
UK	▸ Disposal of three businesses	**R3,8 billion inflow**	▸ Redeploy capital to strategic growth areas
Fintech	▸ MTN aYo	**R0,9 billion outflow**	▸ Platform to take insurance digitally to continent with MTN as a partner to over 200 million customers
Balance sheet and other	▸ Capital release, share repurchase ▸ Santam special dividend, investment return from discretionary capital portfolio and other	**R2,2 billion net inflow**	▸ Repurchase of 33 million shares at discount to GEV ▸ Smaller transactions, recapitalisations

The various transactions and capital allocation decisions have impacts over different timeframes. The majority of our transactions have been accretive immediately. Some transactions will take a little longer to see an uplift in earnings as synergies will take longer to extract.

In the case of the SanlamAllianz, which includes MTN aYo, we expect strong long-term returns.

Creating and enabling shared value continued

Our strategic delivery continued

Data and digital transformation

The digital revolution in the financial services sector, which was accelerated by Covid-19, has transformed how financial firms engage, service and build deeper relationships with clients. In essence, digital technologies have the potential to fundamentally change business models in this sector.

Some major focus areas in financial services technology include the following:

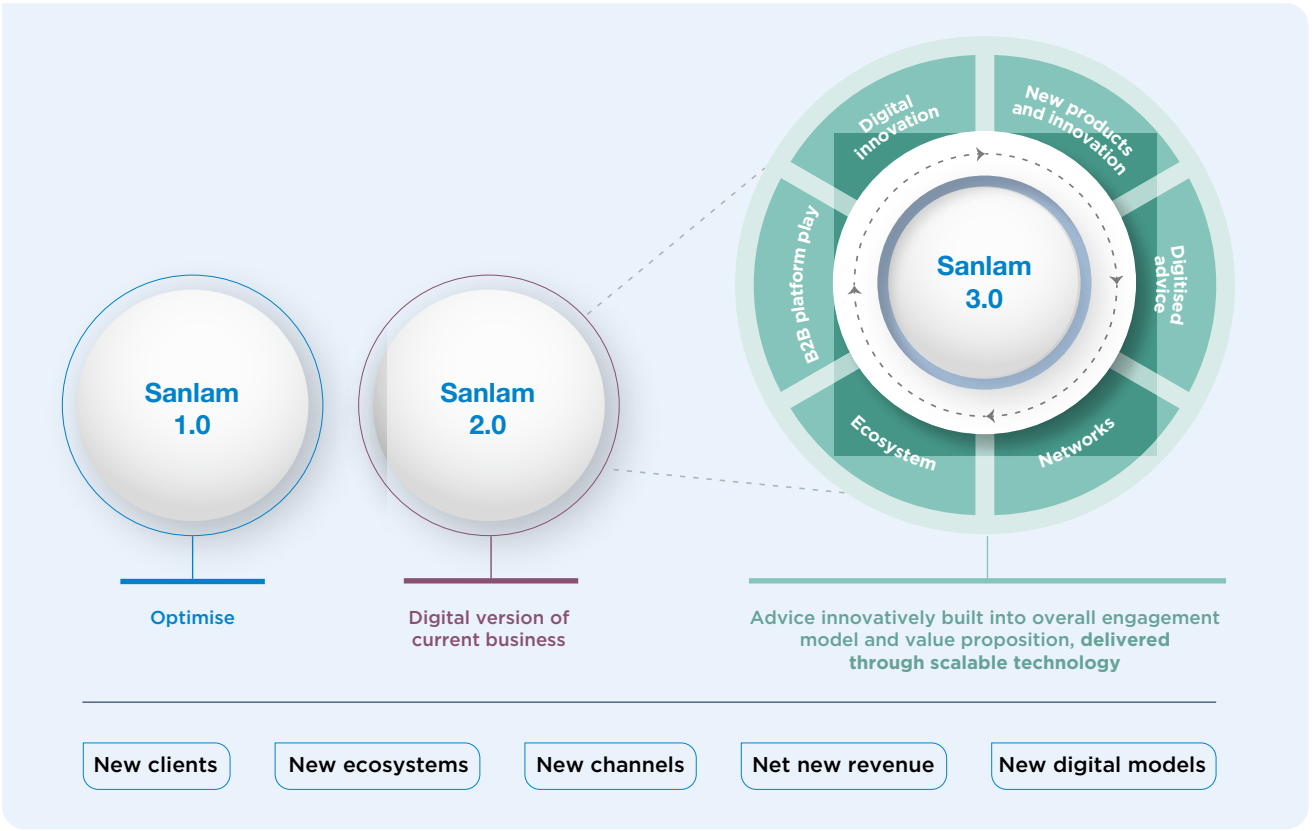
- enabling a simple, automated and paperless client and intermediary experience;
- exploiting rapid developments in technology to create and embed value, including the adoption of AI, GenAI, Modern Engineering, data analytics and cloud-native application development; and
- rationalising and simplifying legacy technologies to enable greater flexibility, lower risk and faster time to market.

In line with these trends, Sanlam is committed to providing a superior client experience through modern and flexible technology platforms, as well as driving the optimisation of the business through the application of targeted automation and AI transformation.

In 2023, we launched Sanlam Fintech and continued to accelerate our secure digital, data and ecosystem capabilities to spearhead our growth ambitions.

Our digital ambitions are focused on digitising the business and creating digital businesses. The following diagram illustrates our ambitions to move from Sanlam 1.0 while simultaneously developing Sanlam 2.0 and Sanlam 3.0.

The journey to digital business transformation

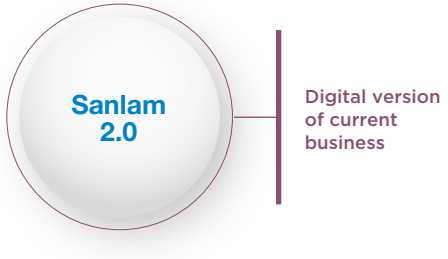


Creating and enabling shared value continued

Our strategic delivery continued

Delivering on Sanlam 2.0

Sanlam 2.0 refers to a targeted grouping of transformation initiatives that seeks to transform the way we do business from the traditional Sanlam business, through digitalisation, automation and integration of AI into our operations. The goal behind the transformation is to significantly enhance and simplify our processes and operations in the incumbent advice-driven model, ensuring a seamless experience for our clients, employees and intermediaries.



The 2.0 portfolio grouping consists of initiatives focused on modernising legacy architecture, consolidating and eliminating repeated applications, optimising our business operations and customer/intermediary experience, and building new, differentiating capabilities that aid our strategy and our ability to succeed in the market.

In 2023, we made good strides on key initiatives in the advancement of our 2.0 objectives, with the portfolio of work 65% complete at the end of 2023.

- We achieved a significant milestone, delivering the foundation of our new modernised and digitised investment administration platform, which will enhance core investment capabilities in retail affluent and SIG, allowing for simplification of business processes and administration and management of the investment business on a single platform, removing legacy technology, which in turn will provide an enhanced client and intermediary experience, with the completion expected in 2026.
- We accelerated the development of client self-service options and automation, for example, over 25% of calls handled in the Shared Services call centre authenticated utilising AI and machine learning, within the first few months of deployment.
- Driving ease of doing business in the intermediary space has also progressed, with for example Advice partner, a simplified relationship-led advice tool that was successfully delivered and transitioned to business as usual and uses a simple quiz to onboard clients and structure a set of goals. In 2023, the quiz on the Sanlam website attracted 97 709 clients in 2023, which assisted to generate new valuable leads.
- Our automation drive has also yielded results, eg, up to 50% of simple savings products being automatically issued in retail affluent. Automating the issuing of new business effectively cutting core handling time by 18% and 300 hours a month of effort saved thanks to the automation of FICA processes.
- The mainframe modernisation continued to drive down the use of the mainframe in Sanlam, propelling the migration of all existing client documents off the mainframe and onto new solutions.
- In 2023, we completed migration for two of the largest consumers (~10% of mainframe use) and multiple legacy applications, replacing some with efficient modern applications and decommissioning others, resulting in cost synergies and de-risking of our IT estate.
- We deprecated multiple legacy applications, replacing them with modernised and more capable applications, which has assisted to de-risk our technology estate further, while also releasing cost savings associated with managing and operating multiple application stacks.
- We also continue to make good progress on consolidating our application architecture, including the consolidation of Absa asset management systems into Sanlam, consolidating Allianz and Sanlam systems onto common, modern platforms in SanlamAllianz, with both examples expected to release synergies into the respective businesses.
- We embraced the agile transformation approach across multiple business units, resulting in faster throughput, improved turnaround times and higher-quality delivery in business operations. In 2024, we aim to further scale these practices across the group to benefit from agile base working across the group.

We accelerated the expansion of AI to enable business value (revenue and efficiency) using, among other things, a dedicated new AI engineering team.

In 2023, Sanlam's AI adoption has expanded significantly. This included the delivery of multiple GenAI solutions and the adoption of GitHub CoPilot, which has improved developer productivity by 20% to 30% and has seen Sanlam become the largest adopter of the platform in South Africa.

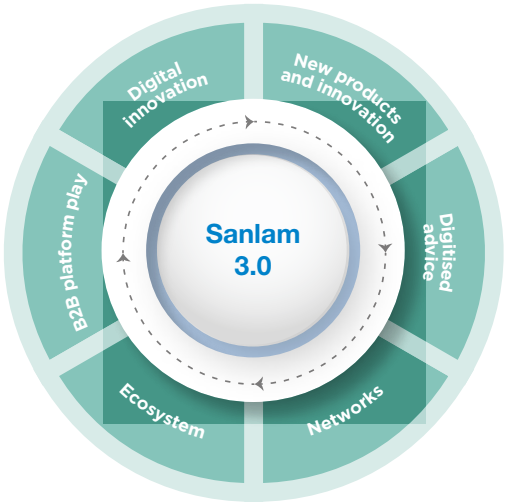
Introducing Sanlam 3.0 (Sanlam Fintech)

We established Sanlam Fintech in 2023, to create digital businesses and advance the convergence of our offerings into a single ecosystem incorporating financial guidance, rewards, non-intermediated product offerings and seamless payment capabilities. This will deliver the integrated digital experience our clients expect.

Sanlam Fintech applies a digital-first business model and is focused on supporting the Sanlam group's key strategic priorities of financial inclusion and digital transformation. It will enable the group to serve market segments that have been underserved historically.

Sanlam Fintech seeks to enable and enhance the Sanlam group's digital direct business model by knitting together the group's array of digital businesses into an ecosystem that includes MiWay Blink, Easy Equities, Santam Switch, SatrixNow, Sanlam Credit Solutions, Sanlam Personal Loans, Sanlam Rewards and Sanlam Multidata.

The group has ambitious plans to invest in new value propositions to drive future growth and has established an entrepreneurial team within Sanlam Fintech to focus on building new tools, products and capabilities.



Advice innovatively built into overall engagement model and value proposition, **delivered through scalable technology**

Creating and enabling shared value continued

Our **people**

Our employees and ESG integration

Our employees play a pivotal role in our ESG performance and are key drivers of our social impact initiatives. We are actively incorporating our cultural transformation to foster high-performing teams. Our aim is to empower employees to live confidently with a client-centric mindset, contributing to the achievement of the SDGs.

In an increasingly interconnected and conscious world, the ethos of business has undergone a profound transformation

While leadership charts the course and management steers the ship, it is the employees who provide the heartbeat, energy, and soul of a company's sustainability journey.

Engaging employees in ESG integration involves creating a sense of purpose, aligning values, and providing opportunities for involvement and recognition.

2022 was about refreshing the Sanlam values and in 2023, the focus was about embedding the desired culture across the group by fostering an inclusive, high-performance, and agile culture that drives accountability, collaboration, and exceptional client and employee experience.

Sanlam is committed to building a workforce that mirrors the diversity and resilience of our footprint, recognising it as a crucial element for our long-term success. We take pride in the substantial progress achieved thus far.

113 748 employees

Globally

Our employee ambition revolves around several key principles:

Talent

We aim to draw in and retain top talent in the market, empowering them to learn, lead and embody our shared purpose.

Culture and leadership

We are dedicated to cultivating a high-performance and dynamic culture that emphasises accountability and provides an exceptional employee working experience.

Organisation enablement

Our goal is to harness the power of our diverse workforce to drive innovation and deliver solutions that meet the needs of our clients.

Digital, data and insights

Digitally transform the Human Capital value chain and enhance the data architecture to deliver actionable insights that drive business success.

Future-fit workforce

Embed a culture of continuous learning that empowers our people to adapt, innovate, and thrive in the ever-evolving landscape of work.

Creating and enabling shared value continued

Our people continued

Achieving our employee ambition translates directly into enhanced employee engagement, wellbeing, and satisfaction within the workplace.

Sanlam is recognised as a Top Employer, which helps us attract and retain top talent. We are pleased with our improved score of 91,62% (2022: 87,36%) reflecting our commitment to excellence for the eighth consecutive year. This success is based on our commitment to empowering employees, fostering confidence and ensuring alignment with our values in their daily work lives.

Promoting an ethical culture

Our values encapsulate the behaviours we aspire to see in our employees, aligning with our overarching 'Winning as One' culture. Incorporating these values is an integral aspect of our efforts to establish a Human Employment Deal for our employees. We acknowledge the evolving needs and perspectives of our workforce, understanding that work is a component of life, not a separate experience. This realisation underscores our commitment to integrating the work experience into the broader context of our employees' lives holistically.



The **Barret Culture survey** serves as a crucial tool in cultivating an inclusive, high-performance and agile "*Winning as One*" culture at Sanlam. It gauges progress over time and provides insights into employees' needs and experiences in the workplace.

In its fourth year, the survey involved the participation of all South African Sanlam employees. The results indicate a score of 60 (2022: 61), surpassing industry average of 50. While employees express contentment with our current and desired culture, there is an opportunity for improvement in aligning personal cultures with the group culture.

The entropy score, measuring employees' views on potentially non-productive work or wasted energy, remained at 15%, suggesting a perception of some time lost to unproductive work.

Following the survey, group and cluster feedback sessions were conducted, and results were shared through a video with all employees. In 2024, clusters will initiate action plans to address potential areas for improvement.

The Pulse survey allows us to gain a sense of the 'temperature' or the overall feeling of our people. It taps into individual concepts like job satisfaction, morale, wellbeing and happiness at work, which can all change and shift in a short space of time. This is why we envisage taking the pulse of our workforce a few times a year, so that we are able to identify and address issues faster. Currently the Pulse survey is done twice a year, the overall Pulse survey score (November 2023: 86%) indicates that the workforce sentiment across our group is positive and has remained stable since the last survey (June 2023: 85%). This means that on aggregate, the mood of people across the group is positive and our people feel satisfied and engaged.

Creating and enabling shared value continued

Our people continued

Diversity, equity and inclusion

We use our **diversity, equity and inclusion framework** to **attract, develop and retain employees** from different backgrounds, as well as a culture that **promotes inclusion.**

Sanlam is dedicated to fostering diversity, inclusion and equal opportunity in the workplace, recognising their positive impact on both the work environment and organisational success. Our intolerance of discrimination and proactive measures against harassment reflects a commitment to cultivating a workplace where every employee feels valued and respected.

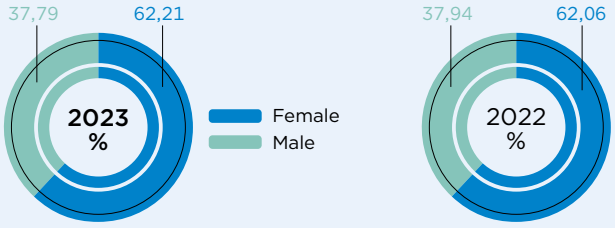
Cultural change is impossible without demonstrable commitment and ownership from leadership and aligned behaviours. This is why Sanlam partnered with Mandate Molefi, who has a proven track record spanning 20 years in the field of DEIB. In-person workshops, facilitated by Mandate Molefi, were rolled out to the senior leadership across the group, focusing on:

- Sensitisation (creating a common language for DEIB in the organisation, providing tools to create psychological safe spaces).
- Diversity of thought and personality (leveraging diversity for business success and bringing their attention to unconscious bias and micro-aggressions).
- Generational differences (leveraging diversity of age for business success).

Workforce composition

Sanlam remains focused on improving its diversity profile, specifically in the under-represented categories.

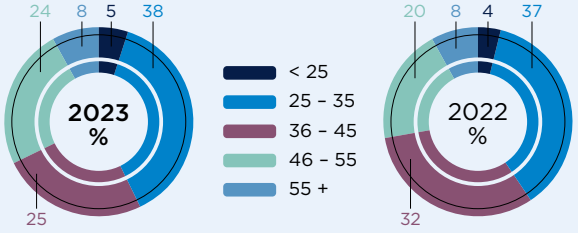
Gender



Employees with disabilities



Headcount by age group



South African DEL performance will be in the Appendices of the Sustainability report on page 139.

Creating and enabling shared value continued

Our people continued

Talent recruitment and retention

Our focus is on attracting top talent to join our successful team at Sanlam. Once individuals become part of our organisation, we provide them with ample opportunities for growth and development.

This approach is designed to foster a high-performance culture, empowering our people to seamlessly contribute to our collective success. Furthermore, this commitment enhances the capabilities of our workforce and leadership, enabling them to navigate and excel with confidence in the digital economy.

Our recruitment process is strategically designed to identify the best candidates while also aligning with our transformation targets. Following recruitment, we prioritise onboarding and integration initiatives to ensure value delivery for both Sanlam and the newly onboarded employee.

The group's commitment to cultivating a digital-first business extends beyond technological advancements to encompass talent development, ensuring the organisation is future-ready. The recent introduction of Sanlam Fintech marks a significant stride toward expediting financial access for all Africans. This cluster not only supports Sanlam's overarching strategic goals of financial inclusion and digital transformation but also serves as a catalyst for nurturing talent with a digital and "global" mindset.

In tandem with this initiative, Sanlam places a strong emphasis on attracting specialised digital skills to the group. Sanlam Fintech acts as a magnet for individuals proficient in cutting-edge technologies and digital strategies, enabling Sanlam to bolster its workforce with experts in areas such as data analytics, artificial intelligence, blockchain, and other emerging fields. This strategic focus not only bridges financial gaps but also provides an environment where specialised talents can thrive, innovate, and contribute to Sanlam's mission of delivering accessible financial services across diverse African communities.

Further reading in our Sustainability report pages 119 to 120.

Training and development

We believe the internal talent marketplace is the marketplace for future competitive advantage; to leverage this key competitive differentiator we need to build an environment that supports an agile, skilled workforce of continuous learners who are able to adapt and innovate to create organisational success. We are therefore focused on embedding a culture of continuous learning that empowers our people to grow, develop and thrive, for exceptional performance today and growth through innovation in the future.

Further reading in our Sustainability report on page 120.

Leadership development programme

Leadership development and succession planning are focal points at Sanlam, reflecting our commitment to nurturing individuals who can lead effectively in a future-fit and progressively digital economy.

Substantial investments are made in leadership development programmes, spanning all levels of leadership within the group. This proactive approach underscores Sanlam's dedication to preparing our workforce for the evolving challenges of a digital landscape and ensuring a pipeline of capable leaders for the future.

Further reading in our Sustainability report pages 121 to 122.

Sanlam places a strong emphasis on continuous learning and leadership development, evident in the diverse range of training programmes undertaken by our employees. These training and development initiatives at Sanlam encompass various programmes catering to different leadership levels:

1. Transitional Leadership Programmes
2. Transformational Leadership Programmes
3. Top Talent Programmes
4. Graduate Programme
5. Talent Pipeline Programmes

Africa

Sanlam is committed to empowering its workforce in Africa through comprehensive training initiatives. In 2023, the SEM Training Academy strategically focused on leveraging the content developed in 2022, expanding its reach to all subsidiary companies with the SEM learning and development platform. The training covered crucial areas such as risk and compliance, auditing, IT and human resources.

Further reading in our Sustainability report on page 123.

Creating and enabling shared value continued

Our people continued

Health, wellness and safety for our workplaces

Creating healthy workplaces is crucial for ensuring optimal efficiency and wellbeing among employees. The normalisation of remote and hybrid work has underscored the importance of equipping our workforce with the tools and knowledge to effectively adhere to health and safety guidelines, even when working from home. As the nature of work evolves, our commitment to supporting a healthy work environment remains unwavering.

Occupational health and safety policy

Maintaining safe working conditions is a top priority for Sanlam across all offices, as outlined in our comprehensive occupational health and safety policy available on our website.

https://www.sanlam.com/governance

Hybrid working

The impact of the pandemic has led to a significant shift away from traditional workplace models, giving rise to the prevalence of hybrid working at Sanlam. This approach provides employees with the flexibility to work from home, necessitating careful consideration of productivity management, culture building, collaboration and ensuring a reliable power supply.

Sanlam has implemented a hybrid working playbook, offering principles, best practices and practical tools to empower leaders and employees to co-create optimal and balanced working rhythms tailored to their team's needs. While recognising the flexibility of remote work, we still value real-time face-to-face office presence to foster relationships, build company culture and promote innovation.

We are continually assessing and developing the hybrid working model to enable employees to perform optimally. Proactive measures are in place to intervene should productivity levels show signs of decline. This adaptive strategy reflects our commitment to creating a work environment that aligns with the evolving needs of our workforce.

We strive to contribute to SDG 8 (decent work and economic growth); this includes the implementation of the work from home policy.

Employee wellbeing

Sanlam's employee wellbeing programme is a comprehensive initiative supporting the holistic health of our workforce. It provides access to counselling services, financial coaching and tailored programmes for physical and mental wellbeing. The programme, including a digital component, in-person and on-site is accessible to employees in South Africa and Namibia. The group wellness offering also extends to employees of Santam and MiWay, showcasing Sanlam's commitment to employee wellness.

Sanlam prioritises addressing concerns related to mental health, burnout and financial wellbeing, offering resilience training and change management support. Compliance with safety and health laws is integral to this commitment.

In the context of hybrid working, Sanlam provides extensive wellness offerings, accommodating reduced hours and part-time work where possible. Maternity leave is four months and parental leave is granted for 10 days in South Africa, aligning with local labour laws in other countries.

Our office design also supports collaboration and hybrid work, featuring amenities like lactation and sick rooms, and on-site corporate health clinics where feasible. 9 800 employees across Sanlam, Santam and MiWay are registered on the wellness solution (app).

Highlights

A series of employee workshops (facilitated in smaller groups) were run as part of Mental Wellness month in October, this was attended by 2 230 employees. The key focus was mindfulness and "engaging and disengaging for high performance". It was facilitated by life coaches and the feedback has been very positive from employees and line managers.

Until the end of October 2023 approximately 9 230 employees across the group made use of our seven primary healthcare clinics (run by Afrocentric), with the newest one being opened in the Alice Lane office in July 2023.

"Ignite your life" a lifestyle programme, includes two activations per year and over 500 employees have participated (year to date). The programme focuses on physical activity and diet. Trained nutritionists and biokineticists facilitate this programme and there are weekly and monthly tracking and check-in points.

Employee Assistance Programme ("EAP") utilisation: The overall engagement rate, which includes uptake of all services provided, amounted to 13,5% in 2023 in line with 2022.

Creating and enabling shared value continued

Our people continued

Digital enablers for a better employee experience

Sanlam leverages technology for people analytics, enhancing the employee experience by deriving valuable insights. The utilisation of technology aims to optimise continuous learning opportunities, enhance operational efficiency and maximise the utilisation of available data.

There are four key areas that we are currently integrating digital technology across our human capital capability:

- **1. Platform and ancillary applications**
  - Recruitment and onboarding for advisors ensures that the adviser footprint resides within MyWorkspace core system.
  - Currently we are in final stages of development to ensure that contingent workers will also reside in MyWorkspace through a digital solution of automatically processing their agreements into the MyWorkspace system.
  - Ancillary applications are being implemented, notably video interviewing and automating offer letters.
  - The above ensures that the entire workforce is on the MyWorkspace system.
- **2. Automation and AI**
  - Many processes have been automated from the front end thereby eliminating the need for recapture to process.
  - We have prototyped using ChatGPT for access to internal information. This prototype was successful and it has paved the way for more aggressive roll out in early 2024.
  - The use of AI in the employee help desk has also been designed and development will start in late 2023 or early 2024.
- **3. Data and Insights**
  - Data capability (skillset and technology platform) has been established and maturing.
  - Dashboards available include: succession; performance and goals, headcount, DEI, mentoring, learning and FSC reports.
  - Insights are applied to all reports and dashboards.
  - Ground work has been established for predictive insights in 2024.
- **4. Mobile and Intuitive**
  - Our employee work-hub app, designed for mobile use, continues to grow.
  - This app enables a convenient and intuitive option for employees to engage with the organisation.
  - Features landed in 2023 include: access to earned salary, declaring conflict of interest, declaring gratifications, convenient managers view of his direct report's status on certain organisational requests, loadshedding solutions offered at discounted prices, other VAS offered to staff.






Creating and enabling shared value continued

How have we performed against our **Sustainability Strategic Pillars**

1 Financial strength, resilience and consistent performance

We aim to generate enduring and sustainable value for our shareholders, employees and clients.

Our strategic objective is financial stability and responsible management. We adhere to a robust and prudent capital allocation methodology. Strong internal controls are in place to guarantee that we stay within the target range, even in the face of different shock scenarios.

In order to maintain competitiveness and resilience, we have diversified our offerings to include healthcare and fiduciary business in South Africa. Additionally, we operate in multiple geographies globally, positioning ourselves to adapt to various economic and regulatory environments.

How Sanlam delivered:

- Delivered adjusted return on group equity value of 19,5%, above our hurdle rate of 15,5%, extending our track record for long-term shareholder value creation.
- Continued strong cash generation with cash earnings growing 18%.
- Declared a dividend of 400 cents per share, an increase of 11%, (2022: 8%), meeting our target of inflation-adjusted dividend growth of 2% to 4% per annum over a rolling three-year period.

2 Trust and reputation

Sanlam places a strong emphasis on nurturing trust and maintaining a reputable standing with our clients.

A dedicated board sub-committee oversees the group's performance, ensuring alignment with client interests and fair treatment. Operating within a jurisdiction featuring robust regulatory oversight further reinforces Sanlam's commitment to fostering trust.

In South Africa, supervision in prudential and market conduct oversight ensures consistent application of these oversight standards across all group businesses.

How Sanlam delivered:

- Sanlam Kenya awarded Kenya's number one Transparency and accountability trailblazer at the Kenyan ESG Awards for 2023/2024.
- The 27four Sustainable Asset Manager Award was conferred upon Sanlam Investments, highlighting its achievements in sustainable asset management.
- Sanlam Alternatives Investment team was recognised as Africa's best Alternative Fund Investment team in 2023 by the Capital Finance International Awards.
- Sanlam earned a finalist position at the 2023 Top Empowered Company Sustainable Business of the Year award, further emphasising our dedication to sustainable practices and business excellence.
- Sanlam's Wealth Bonus was recognised as the best long-term loyalty programme of the year at the 2023 South Africa Loyalty Awards.
- Maintaining good governance and upholding relationships with regulators through in-country leadership, with R5,9 billion in direct and indirect taxes paid in 2023 (2022: R6,2 billion).

Creating and enabling shared value continued

How have we performed against our **Sustainability Strategic Pillars** continued

3 Financial inclusion

Sanlam has developed innovative and affordable financial solutions to bridge the insurance and investment gap to its clients regardless of their income level or socio-economic status.

Its active engagement in regions with limited insurance penetration and restricted access to financial products positions the company strategically to drive initiatives and advancements in financial inclusion.

For us, financial inclusion signifies extending access to suitable and affordable financial solutions that meet the needs of the unserved and underserved markets across Africa and all the geographies where we operate. We view this is an opportunity to establish the group as an inclusion champion, aiming to uplift previously disadvantaged and excluded members of society by facilitating access and participation in financial services. Our vision extends beyond profit-making to making a positive impact on society.

Sanlam has set an ambitious target of impacting 50 million lives in Africa by 2025. This goal underscores our commitment to making a meaningful difference in the lives of individuals and communities across diverse regions, aligning with a broader mission of social and economic inclusion.

Our strategic approach to financial inclusion involves leveraging partnerships in the fintech and mobile telecommunication sectors. Through these collaborations, we aim to consistently decrease the cost of acquiring and maintaining our products, ultimately benefiting our clients. This approach allows us to enhance accessibility and affordability, making financial solutions more attainable for the unserved and underserved markets we serve.

How Sanlam delivered:

- Our products touch the lives of 69 million clients in Africa and Asia.
- 5 125 lives touched through financial educations workshops and seminars in South Africa.
- Through Sanlam Credit Solutions, we provide credit advice to over 698 000 individuals in South Africa.
- Our Satrix Access Range enabling financial inclusion with no minimum investment amounts.
- Launch of Sanlam Uganda's Insurance per trip microinsurance solution, at a base insurance premium of just under US$1, the personal accident benefit provides coverage of up to US$840.

4 Investing for good in people and planet

We support sustainable investing principles, aligning with ESG principles in our investment portfolios to promote environmentally and socially responsible practices.

Investing in water infrastructure, green energy, food security and social infrastructure is deemed crucial due to their pivotal role in poverty eradication, fostering sustainable communities and driving economic growth. This approach creates "additionality," offering additional social and environmental benefits beyond financial returns.

Global projections indicate a significant increase in demand for fresh water, energy and food in the coming decades. This surge is driven by factors such as population growth, economic development, international trade, urbanisation, changing diets, cultural shifts, technological advancements, and the impacts of climate change.

Our strategic objective, centred on creating wealth, investing in job creation and reducing inequalities, recognises the harsh realities faced by communities lacking access to clean water, low carbon-intensive energy and nutritional food. To address these challenges, we deploy innovative investment vehicles that both mitigate and adapt to climate change. Our focus includes increasing access to clean and reliable energy, providing safe drinking water and promoting sustainable agriculture. This holistic approach aligns with our commitment to sustainable development, ensuring that our investments contribute not only to financial returns but also to positive social and environmental outcomes.

By embracing best practices in climate change response, including mitigation and adaptation, Sanlam actively supports and funds the "just and equitable energy transition" to contribute to global efforts in decarbonising the world. This commitment underscores Sanlam's dedication to creating a lasting positive impact on both the group and the broader society.

How Sanlam delivered:

- Sustainable third-party asset manager AUM increased to 85% (2022: 81%).
- R24,6 billion* invested in Empowerment financing.
- Sanlam Resilient Investment Fund invested assets over R403 million.
- R139 million invested in CSI spend in 2023 globally.
- Invested R9,7 million in our partnership with WWF-South Africa in 2023.
- Sanlam collaborates with the Youth Employment Service (YES) in South Africa to contribute to youth employment initiative.
- Developed a comprehensive group Climate Change Position Statement.
- Sanlam Impact funds continue to support job creation:
  - Legacy Fund: 2 988
  - Resilience Investment Fund: 9 213

* Weighted according to regulations.

Creating and enabling shared value continued

How have we performed against our **Sustainability Strategic Pillars** continued

5 Partnerships

Strategic partnerships are integral to Sanlam's pursuit of social and economic impact within the communities we serve.

Collaborating with leading organisations we aim to continually influence society positively by leveraging of collective resources, expertise and efforts to achieve substantial positive outcomes in addressing societal and economic challenges. Recognising the significance of collaborative efforts, we emphasise the importance of these partnerships in making a meaningful and widespread impact.

Equally, Sanlam recognises that addressing climate change requires a collaborative effort and partnerships with various stakeholders. We actively engage in industry bodies to participate in discussions with the government and civil society on climate change action and the just transition to a low-carbon economy.

How Sanlam delivered:

- Climate Fund Managers to establish a $1 billion green hydrogen fund, aiming to accelerate South Africa's decarbonisation efforts.
- Facilitated the Galapagos conversion, which is the largest in history, exchanged $1,628 billion in Ecuadorian government bonds for a $656 million impact loan.
- Our joint venture with MTN aYo continues to drive financial inclusion in Africa, touching the lives 4,5 million people.
- Through the WWF – SA Sanlam partnership 1 710 Hectares of foreign species were cleared, 17 local SMMEs empowered and 619 beneficiaries were supported.
- The Sanlam SANParks SMME Support programme launched in June 2023, contributing R10 million in loan support.

6 Thought leadership

Sanlam remains committed to serve as a thought leader in the financial industry, actively sharing expertise and cutting-edge research to foster responsible and impactful financial solutions.

Through the dissemination of best practices in sustainable investment and insurance, we contribute to the broader discourse on sustainable practices within the sector. Simultaneously, we champion financial inclusion, dedicating efforts to promote accessibility through sustainable practices, and supporting economic growth and resilience in diverse communities.

We cultivate a culture of innovation, encouraging employees to explore and implement sustainable practices. Our commitment extends to investing in research initiatives that contribute to the advancement of sustainability in the financial sector. Embracing thought leadership, financial inclusion, public discourse and innovation, our dedication reflects our core values and contributes to the positive transformation of our industry and the broader communities we serve.

We understand that sustainability excellence requires multi-stakeholder partnerships and active engagement in the discourse. Thus, our influence and sustainability integration extends beyond operations where we have control of the broader insurance and investment industry, society, government and non-governmental sector.

We are also a signatory member of multiple local and international organisations in the insurance and investment sector.

How Sanlam delivered:

- Launched the first Sanlam ESG Barometer research report in March 2023 centred around driving ESG Additionality.
- Launched the third Sanlam Transformation Gauge research report in July 2023 and presents results based on B-BBEE scores from over 10 000 companies in various sectors.
- Sanlam participated in the 2023 TCFD best practice case study yearbook by the Financial Stability Board (FSB).
- Sanlam is among the first cohort of companies to publicly commit to adopting the TNFD recommendations by 2025.



Delivering and rewarding shared value

In this section

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Delivering and rewarding shared value continued

Group Finance Director's **report**

> **We are building leading market positions in all segments in South Africa, have created a new force on the African continent outside of South Africa and continue to strengthen our presence in Asia with a particular focus on India.**

Abigail Mukhuba
Group Finance Director



Delivering and rewarding shared value continued

Group Finance Director's report continued

Sanlam achieves an **excellent operating performance in 2023**

Financial review *(all commentary on net result from financial services and group equity value is based on additional shareholders' fund information)*

- **Net result from financial services (NRFFS) and cash net result from financial services[1][2] both increased by 18%** to R12,4 billion, with strong contributions from all lines of business.
- Net result from financial services and cash net result from financial services **on a per share basis, increased by 21%**, lifted by a reduction in share count from share repurchases in 2022 and 2023, and the consolidation of the B-BBEE SPV in the shareholders' fund following acquisition of the senior ranking preference shares effective 30 June 2023.
- **Net operational earnings[2] increased by 25%** to R13,9 billion (28% higher on a per share basis), supported by higher investment returns over the period.
- **Group new business volumes increased by 18%** to R397 billion.
- **Life insurance new business volumes were 14% higher** on a present value of new business premiums (PVNBP) basis, with **net value of new covered business up 19%** to R2,9 billion, benefiting from a shift in sales mix to more profitable product lines.
- **Net client cash flows** of R36 billion, with an improved trend in flows recorded in the second half of the year.
- **Return on group equity value (RoGEV) for the year of 15,7%** (16,7% per share) and adjusted RoGEV[3] of 18,4% (19,5% per share) both ahead of the hurdle rate of 15,5%.
- **Group solvency position remained strong** and within the target range, with a group solvency cover ratio of 170% at 31 December 2023.
- **Dividend increased by 11,1%** to 400 cents per share from 360 cents per share for 2022.
- **Strong delivery on strategy** evidenced by actions taken to build dominant positions in South Africa and the rest of the African continent.

[1] Cash NRFFS represents NRFFS adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and IFRS 17 specific and other non-cash adjustments.
[2] The 2023 earnings and the restated earnings for the comparable period in 2022 are based on the new IFRS 17 accounting standard, after allowing for Sanlam specific shareholders' fund adjustments.
[3] Adjusted RoGEV excludes all currency exchange rate movements, the impact of actual investment returns relative to long-term assumptions, interest rate changes, tax changes and other one-off effects not under management control.

The group recorded a marked upswing in performance in 2023 as the quality of our existing operations came through strongly after the series of one-in-25/100-year events from 2020 to 2022. We achieved a record net result from financial services of R12,4 billion, with the life insurance portfolio growing by 19%, general insurance by 21%, investment management by 14% and credit and structuring by 29%.

New business volumes remained solid at just under R400 billion, also a record high, with robust sales growth across all lines of business. Despite the challenging consumer environment, which resulted in more policy cancellations and clients accessing their savings in South Africa, the group's established asset gathering capability ensured that total net client cash flows remained firmly positive. All lines of business contributed to this excellent result, with the investment management operations doing well in a difficult environment as flows in core business areas remained positive.

The group's main value creation metric of RoGEV was above the hurdle rate on an actual and adjusted basis, supported by:

- **Covered business:** robust new business and positive risk, working capital and credit spread experience, somewhat dampened by a once-off reduction due to the introduction of IFRS 17 and related tax impact, and weaker persistency experience driving a consequent strengthening of persistency assumptions.
- **Non-covered business:** higher valuation of the group's credit operations in India (Shriram Finance Limited) due to improved performance and outlook, improved general insurance underwriting in the Pan-Africa operations, realisation of synergy benefits from the Absa asset management integration and an improved contribution from Santam, having outperformed its return on capital target over the period.

These positive contributions were partially offset by the lower former Allianz entities take-on value contributed to SanlamAllianz, mostly due to currency movements. The largest currency impacts were from the depreciation of the Egyptian pound relative to the rand, which impacted the value of the Allianz entities, and the appreciation of the Moroccan dirham and US dollar relative to the rand, which impacted the value of the Sanlam entities (see additional information on page 110). These currency movements were offset to some degree by currency impacts in other areas of the group's business.

The group's strong results reflect our strategic focus over the past three years on improving the performance of our existing operations, while at the same time investing in the group's long-term growth path. Our financial performance in 2023 was largely due to unlocking the potential of our existing operations, which are on a firm footing. We expect contributions from strategic activity to enhance group performance in future.

Disciplined capital allocation to strengthen our business for the long term

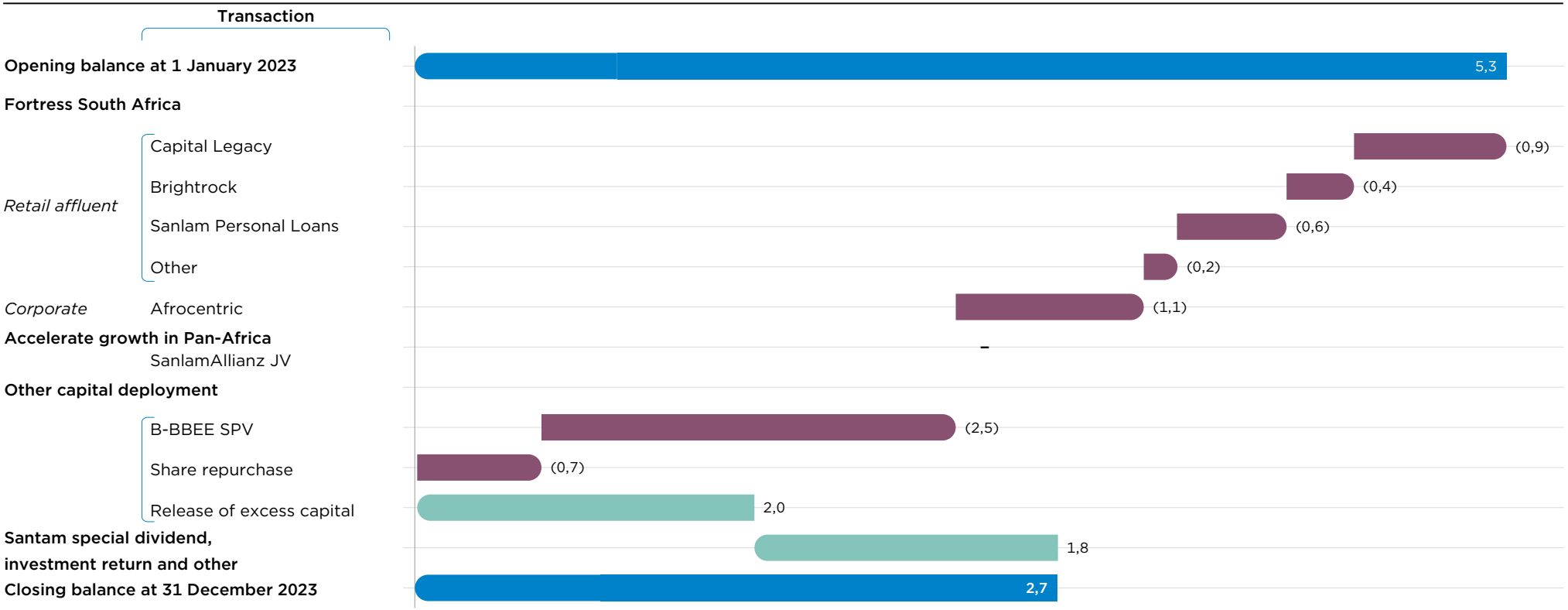
The group continued to allocate capital in line with its three strategic pillars of building a fortress position in South Africa, accelerating growth in Pan-Africa and strengthening our position in Asia.

Discretionary capital decreased from R5,3 billion at 31 December 2022 to R2,7 billion at 31 December 2023. Steps to fortify the group's position in South Africa focused on the retail affluent and corporate market segments, to strengthen the group's product proposition, enhance scale and cross-sell opportunities, and contribute to cost and capital synergies.

Delivering and rewarding shared value continued

Group Finance Director's report continued

Discretionary capital (R billion)



Fortress South Africa	Transaction	Strategic rationale
– *Retail affluent*	Capital Legacy	Innovative wills and estates provider, build market leading fiduciary business
	Brightrock	Strengthen risk product market position and realise synergies
	Sanlam Personal Loans	Minority buy-out with intention to expand business in time without the constraints of a competitor as partner
– *Corporate*	Afrocentric	Leading health insurance and solution provider, filling in an essential product proposition

Increase Decrease Total

See page 111 for further information on capital allocation.

Delivering and rewarding shared value continued

Group Finance Director's report continued

Line of business analysis

In this analysis, all references to South Africa include Sanlam Life and Savings, Sanlam Investment Group and Santam. Pan-Africa refers to the Sanlam Emerging Markets operations in Africa outside of South Africa (SanlamAllianz) and including Namibia, and Asia refers to our operations in India and Malaysia.

SanlamAllianz JV formation impact on Sanlam group reporting

The effective date for the SanlamAllianz JV was 1 October 2023, thereby contributing for only one quarter in the reporting period ended 31 December 2023 to the group. As a result the structure of the Sanlam Emerging Markets (SEM) cluster significantly changed, also impacting the comparability of the cluster's 2022 performance.

For the period to 30 September 2023, SEM consisted of Sanlam Pan African (SPA) including Namibia and Asia (India and Malaysia). All of the assets of Sanlam Pan African (SPA), except the Namibian assets, were contributed to the SanlamAllianz JV. From 1 October 2023 the SEM cluster consists of the SanlamAllianz JV, Namibia as a standalone business and Asia as illustrated below:

2022	2023											
Full year	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
SEM cluster	**SEM cluster**									**SEM cluster**		
▸ Sanlam Pan-Africa (SPA), including Namibia ▸ India ▸ Malaysia	▸ Sanlam Pan-Africa (SPA), including Namibia ▸ India ▸ Malaysia									▸ SanlamAllianz JV ▸ Namibia ▸ Asia (India and Malaysia)		

The SanlamAllianz JV transaction involved multiple African geographies with multiple regulatory requirements. The integration of the businesses, including financial reporting, could only commence after the effective date and is progressing well. As a consequence, Sanlam can only disclose summarised information until the processes are fully aligned over the next 12 months to allow reporting at the detailed level that is customary for Sanlam's disclosure. We anticipate that the detailed disclosures will be available when results for the financial year ending 31 December 2024 will be reported. This will also allow for a longer period to establish meaningful trends.

Commentary relating to 2023 and 2022 refers to the full year, unless otherwise indicated.

Because of the non-comparability of the portfolio between 2023 and 2022, an analysis of the performance of SanlamAllianz on a pro forma basis is included on page 107.

Life insurance and health

Net result from financial services for life insurance increased by 19%, with South Africa up 17% and Pan-Africa 63% higher. The South Africa and Pan-Africa operations recorded favourable risk experience and higher asset-based income from improved investment market performance and strong recent new business inflows. South Africa also benefited from higher earnings from the credit portfolio backing life insurance liabilities. Growth in Asia was dampened by a weaker performance in Malaysia, which offset the strong performance in India where continued book growth drove a 49% increase in NRFFS.

Life insurance new business volumes increased by 14% on a PVNBP basis, with strong trends recorded in South Africa and Asia. South Africa's PVNBP increased by 16%, with the retail mass business recording an 8% increase, retail affluent growing by 14% and corporate by 37%. Strong single premium sales were achieved in retail affluent and corporate, with retail affluent also showing good growth in the higher margin recurring premium product lines, despite muted recurring premium growth overall. Pan-Africa new business declined due to lower single premium sales. Asia's growth of 25% was driven by India, where sales increased 43% on the back of strong volumes from the Shriram ecosystem and third-party channels. Malaysia recorded weaker sales growth.

Net VNB increased by 19% (16% on a constant economic basis). South Africa increased its contribution by 22%, with strong performances from the retail affluent and corporate businesses. Retail affluent benefited from higher margin risk and guaranteed annuity product sales, while corporate's growth was driven by improved annuity and investment product sales. The retail mass contribution increased by 4%, as the positive impact of higher sales volumes was partly offset by assumption changes as a result of a weaker persistency experience.

Pan-Africa increased its contribution by 4% despite muted sales growth, supported by strong growth and favourable product mix in North and West Africa. Asia increased by 34% due to the strong performance from the India operations.

Net VNB margin of 2,85% (2,77% on a constant economic basis) was higher than the 2,72% recorded in 2022. South Africa recorded 2,49% (2022: 2,38%) with Pan-Africa at 4,84% (2022: 4,39%) and Asia at 5,46% (2022: 5,12%).

Life insurance net client cash flows were satisfactory at R18,7 billion, albeit 14% lower than in 2022. The lower net inflows were mainly due to a weaker performance in South Africa, where increased surrenders and fund terminations detracted from robust new business inflows.

Delivering and rewarding shared value continued

Group Finance Director's report continued

The **health** line of business consists mostly of Sanlam's 59,8% shareholding in Afrocentric.

Net result from financial services for health increased by 18%.

The increase in Afrocentric ownership from 28,7% to 59,8% in May 2023 supported this growth. Afrocentric experienced challenging operating conditions in the first half of 2023 but recorded an improved performance in the second half, benefiting from higher administration fee income as a result of increased membership, higher new business secured and higher sales in the pharmacy business.

General insurance

Net result from financial services increased by 21%.

Santam increased by 3%. Solid growth in alternative risk transfer and an improved return on insurance funds offset a weaker underwriting performance. Adverse weather events, the Türkiye earthquakes, run-off losses in respect of cancelled business and some large fire claims impacted underwriting performance, resulting in an underwriting margin of 3,5% (2022: 5,1%) for the conventional insurance business. Excluding large one-off items, an underwriting margin of 8,4% was achieved.

Shareholders and noteholders are referred to Santam's annual results released on 29 February 2024 for more information.

Pan-Africa increased by 41% (25% in constant currency) driven by improvements in both underwriting margin and investment return on insurance funds margin. The underwriting margin increased to 7,5% (2022: 5,3%), benefiting from improved experience, as well as good cost management. The investment return on insurance funds margin improved to 4,6% (2022: negative 2,7%), resulting in a net insurance result margin of 12,1%, within the 10% to 15% target range.

Asia's performance improved by 58% due to strong performance in India, albeit dampened by weaker growth in Malaysia. A continued recovery in sales volumes and reserve releases due to a better-than-expected claims experience following good claims management, underpinned India's strong performance.

New business volumes (net earned premiums) increased by 4%.

Santam achieved net earned premium growth of 5,8% in the conventional insurance business. Risk management actions impacted overall growth, which would otherwise have been 8%. Pan-Africa recorded new business volumes broadly in line with 2022. Asia's growth of 20% was driven by India where strong Shriram group and digital distribution channel growth across all product lines supported an increase of 27% (18% on a constant currency basis).



Delivering and rewarding shared value continued

Group Finance Director's report continued

Investment **management**

Net result from financial services increased by 14% (19% excluding 2022 disposed UK operations).

South Africa increased by 15%, despite lower performance and fund establishment fees. Improved investment market performance over the year and strong net inflows in recent periods supported earnings, with the wealth business also benefiting from increased trading activity. Synergies realised from the Absa asset management integration supported asset management. The international business increased by 10%, benefiting from performance fees earned in the second half of 2023. Pan-Africa increased 19% due to higher fee income from increased assets under management.

New business volumes increased by 22% to R275 billion, with good growth in South Africa, supported by the inclusion of the Absa asset management business, and strong inflows in the Pan-Africa operations.

Net client cash flows remained positive, albeit significantly lower than 2022.

The international asset management business was a significant detractor, with outflows still being experienced due to the sale of our wealth and financial planning business in 2022, and movement of portfolios due to restructuring and the closure of certain funds.

Excluding the international business, we achieved net inflows of R7,3 billion, a strong performance in a challenging economic environment.

In South Africa, we recorded net inflows of R9,7 billion. This was lower than 2022 due to increased terminations and withdrawals of investment business in the retail affluent and corporate operations. The South African asset management business recorded satisfactory net inflows of R3,9 billion, with flows improving strongly in the second half of 2023. Wealth management recorded positive flows, albeit lower than the prior year, benefiting from its offshore investment capabilities. The Pan-Africa operations recorded net outflows due to withdrawals in East and Southern Africa.

Credit and structuring

Net result from financial services increased by 29% due to the strong performance from the India operations, the largest contributor to the group's earnings from credit and structuring. India achieved growth of 51% from Shriram Finance Limited. The business benefited from a larger advances book, improved cost efficiencies and better collections.

Shareholders and noteholders are referred to Shriram's published results for more information.

South Africa's contribution declined due to reduced net interest income. This was as a result of muted book growth and higher bad debt provisions given the difficult economic environment.

Pro forma operational performance of SanlamAllianz

The pro forma financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors. It has been prepared for illustrative purposes only, to provide information on how SanlamAllianz may have affected Sanlam's financial position and financial performance for the 12 months ended 31 December 2023, had the effective date occurred on 1 January 2023 for statement of profit or loss purposes. Due to its nature, the pro forma financial information may not fairly represent Sanlam's operating results. The pro forma financial information has not been reviewed or reported on by Sanlam's external auditors.

On a pro forma basis, SanlamAllianz performed well, with key metrics for 2023 relative to 2022:

- General insurance gross premium growth within our medium-term target range.
- Life insurance new business volumes growth below our medium-term target range and flat.
- Life insurance VNB growth slightly below our medium-term target range.
- Net insurance result for the general insurance line within the target range of 10% to 15%.
- Net results from financial services increased by over 25%.

Delivering and rewarding shared value continued

Group Finance Director's report continued

Outlook

The group's performance momentum picked up significantly in 2023 as a result of actions taken over the past three years. Our strong capital position and cash generation, as well as the diversity of our operations by product, market segment and geography, position us well to navigate the current macroeconomic environment. We are building leading market positions in all segments in South Africa, have created a new force on the African continent outside of South Africa and continue to strengthen our presence in Asia, with a particular focus on India.

We are positive about the group's growth prospects for 2024. Ongoing geopolitical conflicts do, however, pose risk to the outlook for investment markets, interest rates and inflation. Group earnings remain sensitive to significant moves in global investment markets.

Due to the impact of economic conditions on clients in the retail mass market, persistency challenges continue. However, actions taken have seen short duration persistency stabilising. Further management actions to improve resilience to the cyclical economic pressures on clients are being implemented. These actions may negatively impact short-term sales and value of new business in 2024 in the retail mass segment, but will ensure sustainable long-term growth. We however expect profits in this segment in 2024 to remain robust and in line with historical growth levels.

The group's funeral JV with Capitec terminates in October 2024.

We anticipate that the proposed Assupol transaction, subject to regulatory and other approvals, together with the contribution from other strategic activity concluded in 2023, will supplement part of the new business value lost through this termination.

In our Pan-Africa operations, SanlamAllianz's businesses are progressing well, with management focused on integrating the operations and realising revenue and cost synergies. The long-term growth prospects for the portfolio are very attractive.

We remain positive about the medium to long-term prospects for the African countries in which we operate. Short-term economic challenges are set to reverse over time and the continent is likely to achieve good income growth, which will support our operations. The Indian economy is performing well and we are very positive about the medium to long-term prospects of our Indian operations.

Dividend

The group declared a dividend of 400 cents per share (2022: 360 cents per share). This fell within our normal dividend policy range of real growth of 2% to 4% over a rolling three-year period, without undermining the group's ability to deal with further financial stresses.

The declaration of a dividend reflects the group's resilience and ability to generate cash, and the board's confidence in the underlying strength of the business.

Additional information

Key performance indicators

For the year ended 31 December	unit	2023	Restated 2022	Δ
Earnings				
Shareholders' fund information				
Net result from financial services[1]	R million	**12 379**	10 473	18%
Cash net result from financial services[2]	R million	**12 398**	10 473	18%
Net operational earnings[1]	R million	**13 889**	11 077	25%
Headline earnings	R million	**14 467**	9 687	49%
Weighted average number of shares	million	**2 089**	2 078	1%
Adjusted weighted number of shares	million	**2 158**	2 210	(2)%
Net result from financial services per share	cents	**574**	474	21%
Cash net result from financial services per share	cents	**574**	474	21%
Net operational earnings per share	cents	**644**	501	28%
Diluted headline earnings per share	cents	**692**	466	49%
IFRS information				
Basic profit attributable to shareholders' fund per share	cents	**703**	598	17%
Diluted profit attributable to shareholders' fund per share	cents	**693**	590	17%
Dividend per share	cents	**400**	360	11%
Business volumes				
Total new business volumes	R million	**396 590**	335 201	18%
Total net client cash flows	R million	**35 672**	59 975	(41)%
Life insurance				
New business volumes (PVNBP)	R million	**100 241**	87 814	14%
Value of new covered business	R million	**2 853**	2 388	19%
New covered business margin	%	**2,85**	2,72	
Value of new covered business[3]	R million	**2 776**	2 388	16%
New covered business margin[3]	%	**2,77**	2,72	
Life insurance net client cash flows	R million	**18 678**	21 615	(14)%
General insurance				
New business volumes	R million	**47 153**	45 250	4%
Net client cash flows	R million	**16 744**	16 384	2%
Investment management				
New business volumes	R million	**274 579**	225 139	22%
Net client cash flows	R million	**250**	21 976	(99)%
Group equity value				
Group equity value	R million	**149 904**	140 776	
Group equity value per share	cents	**70,86**	63,80	
Return on group equity value per share	%	**16,7**	4,2	
Adjusted return on group equity value per share	%	**19,5**	14,9	
Solvency cover				
Sanlam group	%	**170**	169	
Sanlam Life Insurance Limited	%	**245**	230	
Sanlam Life insurance Limited covered business	%	**170**	176	

[1] The 2023 earnings and the restated earnings for the comparative period in 2022 are based on the new IFRS 17 accounting standard, after allowing for Sanlam specific shareholders' fund adjustments.
[2] Cash NRFFS represents NRFFS adjusted for the reversal of specific non-cash items: amortisation of capitalised IT projects and IFRS 17 specific and other non-cash adjustments.
[3] Constant economic basis.

Delivering and rewarding shared value continued

Group Finance Director's report continued

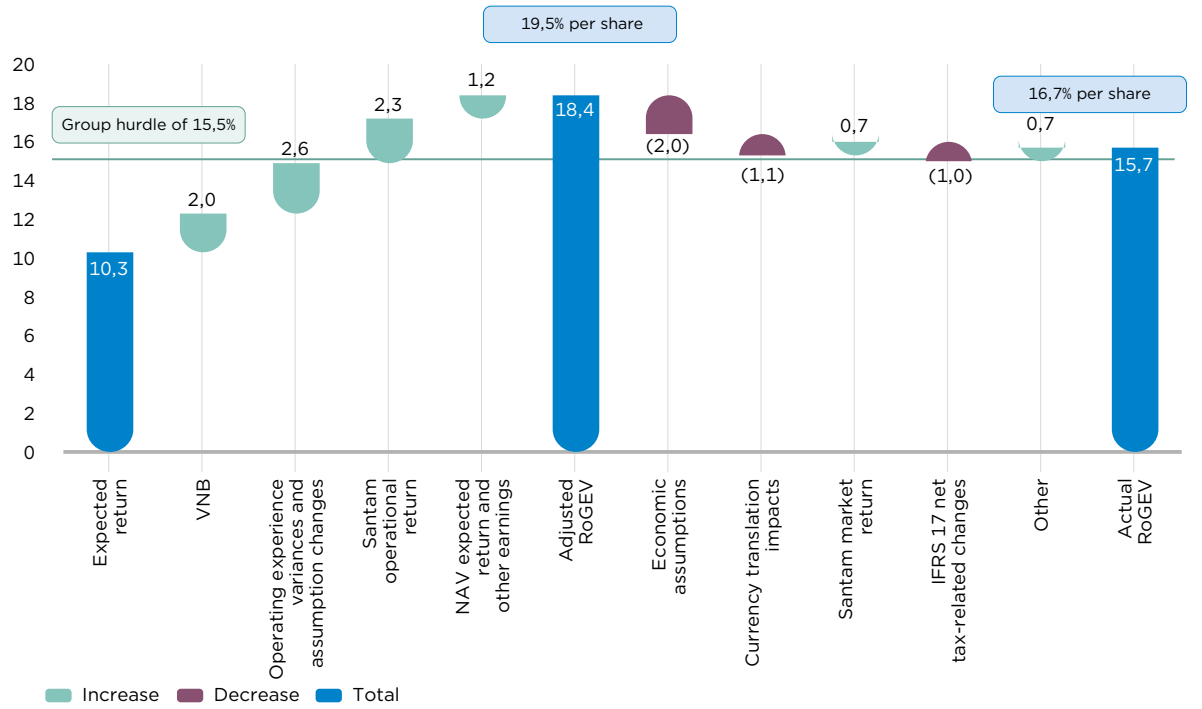
Group equity value

Group equity value amounted to R149,9 billion or 7,086 cents per share at 31 December 2023, with RoGEV of 15,7% and adjusted RoGEV of 18,4% both above the 15,5% hurdle rate.

On a per share basis, actual RoGEV was 16,7% and adjusted RoGEV was 19,5%. The uplift to RoGEV on a per share basis was due to the 85 million Sanlam shares held by the broad-based black economic empowerment (B-BBEE) special purpose vehicle (SPV), now treated as treasury shares after Sanlam's acquisition of the senior ranking preference shares from the Standard Bank of South Africa Limited (SBSA).

Analysis of RoGEV for 2023

Return on group equity value (%)



The key drivers of RoGEV were as follows:

- VNB contributed 2,0%, benefiting from satisfactory levels of new business volumes and increased sales of higher margin products. The South Africa retail affluent and corporate businesses, as well as Asia, contributed to the strong performance.
- Operating experience variances and assumption changes together contributed 2,6%, made up of 1,5% from experience variances and 1,1% from assumption changes.

Operating experience variances

- Positive risk experience variances of R1,5 billion on covered business (2022: positive R1,7 billion). All clusters contributed positively to risk experience.
- Persistency experience in the covered business was negative R810 million (2022: negative R596 million) largely due to a weaker experience in the South Africa operations. Persistency experience in retail affluent remained positive, benefiting from a range of proactive management interventions, but was negative in the retail mass and corporate businesses, as their client bases faced continued affordability constraints. In the retail mass business, management actions have stabilised short-duration persistency, but the difficult economic climate continues to impact persistency at longer durations. Lower-than-expected fees in the admin business impacted corporate.
- Higher positive credit spread and working capital profits due to increased margin income in the credit portfolio and the impact of higher interest rates on working capital.
- Positive experience variances in the non-covered business mainly due to strong general insurance premium income in Pan-Africa and positive lending income experience in the India credit business.

Delivering and rewarding shared value continued

Group Finance Director's report continued

Operating assumption changes

- The covered business recorded negative operating assumption changes of R964 million (2022: negative R473 million). The primary drivers were persistency assumption changes of negative R837 million (2022: positive R133 million) in response to weaker persistency in the retail mass business and some strengthening in the Pan-Africa operations. Negative maintenance expense assumption changes relate mainly to the re-allocation of costs to clusters from the group office.
- The non-covered business operations recorded strong positive operating assumption changes of R2,5 billion (2022: negative R396 million) due to an improved growth outlook in the India credit operations, improved general insurance underwriting in the Pan-Africa operations, and the realisation of synergy benefits from the Absa asset management integration.

- The negative currency translation impacts were mainly driven by the net portfolio impact of currency movements in the respective Pan-Africa and Allianz portfolios from transaction agreement to effective date (see below). This more than offset the positive impact of currency gains due to depreciation of the rand against major valuation currencies.
- Positive contribution from Santam due to outperformance against its return on capital target over the period.
- IFRS 17 related net tax changes negatively impacted RoGEV due to accelerated tax payable on transition, and the additional tax on the investment return earned on the IFRS 4 discretionary margins that were transferred from the policyholder funds to the shareholders' funds on transition.

Formation of SanlamAllianz

On 4 May 2022, we announced our intention to create a Pan-African JV between Sanlam and Allianz SE (Allianz), by combining Sanlam's African operations outside of South Africa (Sanlam Pan-Africa) with those of Allianz. The initial shareholding split of Sanlam and Allianz in the JV was 60% and 40% respectively and excludes Namibia. Sanlam's operations in Namibia will be contributed at a later stage, and at a time when Allianz will also have the option to increase their shareholding in SanlamAllianz to 49%. The initial shareholding split was determined based on relative appraisal value of the entities at 30 June 2021 excluding Namibia.

Following the receipt of all necessary regulatory approvals, the JV was incorporated with an effective date of 4 September 2023, and reflected in Sanlam's accounts from 1 October 2023. Provisions were included in the agreements for certain post-closing adjustments to be performed to obtain the final shareholding split. Post-closing adjustments relating to capital transactions between 30 June 2021 and 4 September 2023 were subsequently allowed for, resulting in the revised Sanlam and Allianz shareholding split at 59% and 41% respectively.

The post-closing adjustments did not include changes to appraisal value since 30 June 2021. Currency movements since 30 June 2021 resulted in an increase in the relative value of the Sanlam Pan-Africa portfolio, mostly due to the appreciation of the Moroccan dirham and US dollar against the rand, and a relative decrease in the value of the Allianz portfolio, mostly due to the depreciation of the Egyptian pound against the rand.

The net impact of these currency movements was a lower take-on value of the Allianz entities relative to the implied shareholding split. Since these are currency movements and do not reflect a deterioration in the underlying operational performance of the respective businesses, we remove this impact from adjusted RoGEV, in line with Sanlam's existing treatment of currency movements.

Despite the negative take-on impacts of currency movements, management remain positive about the long-term growth prospects for SanlamAllianz. The business is well positioned to benefit from Africa's economic growth, rising incomes and consequent increase in penetration rates, as well as from the technical and financial support of Sanlam and Allianz.



Delivering and rewarding shared value continued

Group Finance Director's report continued

Capital deployment

Termination of the funeral JV with Capitec

In December 2023, the group announced the termination of the funeral insurance co-operation agreement with the Capitec group, effective from 31 October 2024. A reinsurance recapture amount of R1,9 billion (gross of tax) is payable to the relative Sanlam entities on or before this date. As this is a reinsurance recapture fee, this amount will reflect in the net result from financial services of the relevant Sanlam entities in 2024.

Capital allocation in 2024 to date

In February 2024, the group announced its intention to acquire up to 100% of Assupol Holdings (Assupol), subject to regulatory and Assupol shareholder approval, for a consideration of R6,5 billion. Assupol will form part of Sanlam's retail mass cluster and, together with Sanlam Sky, Safrican and the Capitec JV (until October 2024), will consolidate Sanlam's strong market position in the retail mass market segment in South Africa in complement to our strong positions in the retail affluent and corporate life insurance markets.

In the same month, the group also announced completion of the mandatory takeover offer for Sanlam Maroc shares, increasing SanlamAllianz's shareholding in Sanlam Maroc from 61,73% to 85,59%. The total consideration of R2,4 billion was ultimately funded by Sanlam and Allianz, in line with their respective shareholdings in SanlamAllianz.

The group will fund these transactions from cash resources which may include short-term bridge funding and debt funding. The group has low levels of debt and sufficient capacity to fund these transactions. We do not intend to issue equity to fund any transactions.

Reconciliation of IFRS and shareholders' fund NRFFS

R million	2023	2022	
IFRS Profit after tax attributable to SHF	**14 478**	12 257	18%
Items outside of NRFFS	**(804)**	(1 949)	
Investment return	**(2 120)**	(1 147)	
Project expenses	**610**	543	
Net other earnings	**706**	(1 345)	
Net result from financial services (before SHF adjustments)	**13 674**	10 308	33%
Specific shareholder fund adjustments	**(1 295)**	165	
Net result from financial services (after SHF adjustments)	**12 379**	10 473	18%
Investment return	**2 120**	1 147	
Project expenses	**(610)**	(543)	
Net operational earnings	**13 889**	11 077	25%

"To the board, in particular the guidance of the audit committee, the CEO, and the group executive team, thank you for your support throughout another challenging year.

2023 will always be remembered as the year IFRS 17 finally went live!

A special appreciation goes to the dedicated and hardworking finance stars, risk and balance sheet management teams across the group for your personal commitment in ensuring that Sanlam complied and delivered. Not only does finance enable insightful decision-making, finance continued to be responsible stewards of shareholder and policyholder funds, empowering generations to be financially confident, secure and prosperous. I also extend my appreciation to our external auditors for making the joint audit as seamless as possible while still maintaining independence."



Abigail Mukhuba
Group Finance Director

Delivering and rewarding shared value continued

Group Finance Director's report continued

Annexure

The group entered into a number of transactions during 2023 which affects the comparability of the results during the year, to prior year:

- SanlamAllianz JV as discussed above.
- Sanlam Personal Loans (SPL) was a 70% held associate, and therefore equity accounted, up until 1 December 2023 until SPL became a 100% owned subsidiary.
- Sanlam sold its 28,7% share in ACT Healthcare (associate) in May 2023 for a 28,7% share in Afrocentric in addition to the 31,3% acquired in Afrocentric at the same time. ACT was accounted for as an associate up until 31 May 2023. Afrocentric has been accounted as a 59,8% held subsidiary since 1 June 2023.
- Sanlam sold its 100% subsidiary effective 1 August 2023, to Capital Legacy for a 26% stake in Capital Legacy. The result of this is that we will disclose seven months of subsidiary accounting and five months of associate accounting in 2023.
- MCIS has been classified as held for sale as at 31 December 2023. For shareholder reporting, the income statement reporting is unchanged, but the balance sheet is disclosed as held for sale. The sale is expected to be concluded in Q1 2024.
- Namibia has been classified as held for sale as at 31 December 2023. For shareholder reporting, the income statement reporting is unchanged, but the balance sheet is disclosed as held for sale. The sale to the SanlamAllianz JV is expected to be concluded in H1 2024 as part of step two of the SanlamAllianz JV.
- Effective, 30 June 2023, the B-BBEE SPV is consolidated, following the A preference shares (backed by 85 million Sanlam shares) acquired by URD, a 100% held subsidiary of Sanlam group. Up until 30 June 2023, the B-BBEE SPV disclosed in fund transfers for shareholder fund purposes. The remaining collar loan (ringfenced by 26 million Sanlam shares) as well as the Standard Bank derivative will continue to be accounted for in fund transfers until the expiry date of the SPV being 8 March 2023.

	Shareholders' fund reporting		IFRS reporting	
	Number of months		Number of months	
Accounting method	2023	2022	2023	2022
SanlamAllianz/Sanlam Pan-Africa	**12**	12	**12**	12
Consolidated	**9**	12	**9**	12
Equity accounted	**3**	–	**3**	–
Afrocentric	**12**	12	**12**	12
Consolidated	**7**	–	**7**	–
Equity accounted	**5**	12	**5**	12
Sanlam Personal Loans	**12**	12	**12**	12
Consolidated	**1**	–	**1**	–
Equity accounted	**11**	12	**11**	12
Capital Legacy				
Equity accounted	**7**	–	**7**	–
Sanlam Trust				
Consolidated	**5**	12	**5**	12
MCIS Berhad (classified as held for sale at 31 December 2023)				
Consolidated	**12**	12	**12**	12
Sanlam Namibia (classified as held for sale at 31 December 2023)				
Consolidated	**12**	12	**12**	12
B-BBEE SPV				
Consolidated	**6**	–	**12**	12

Delivering and rewarding shared value continued

Business cluster **performance**

SLS Sanlam life and savings

SLS serves the South African market, with the cluster segmented into three businesses: SA retail mass, SA retail affluent and corporate. This allows for more focused client servicing.

Key metrics

Life business

Net result from financial services	Life new business volumes on a PVNBP basis	Net value of new business	Net value of new business margin
R6,6 billion	R86 billion	R2,2 billion	2,49%
(2022: R5,9 billion)	(2022: R74 billion)	(2022: R1,8 billion)	(2022: 2,38%)

Health

Net result from financial services

R138 million
(2022: R117 million)

SLS cluster

Net client cash flows

R16 billion
(2022: R27 billion)

Our competitive advantage

Life business

- Leading distribution force
- Diverse and market-leading product range
- Shared value through innovative Wealth Bonus programme
- Strong brand and reputation
- Prudent financial management

Progress against strategy

We progressed our strategy of building a fortress position in South Africa. In retail affluent, the completion of the Absa and AlexForbes LISP business acquisitions, and their ongoing integration onto the Glacier platform, markedly enhances our scale and enforces Glacier's position as a leader in the retail investment platform market.

The Capital Legacy transaction combines South Africa's leading fiduciary planning and estate company's innovation with Sanlam Trust's seasoned estate and trust administration, and Sanlam's distribution capabilities. This positions Capital Legacy to reach more clients with the Legacy Protection plan, while offering client value through a cost-effective way to provide funding to cover their estate legal costs.

The acquisition of the remaining interests in Brightrock is anticipated to yield capital synergies and expense efficiencies. This transaction is poised to enhance our leading position in the retail risk business in the independent financial adviser channel (IFA) within South Africa.

The cluster has made good progress in digital enablement, utilising conversational AI in our call centres, robotic process automation in our savings and risk business, and secure online health statements. This is driving efficiency and overall improved client experience in retail affluent. Our successful advice partner platform saw notably higher adoption over the year. Catering to our network of intermediaries in the market, the platform equips them with digital tools that enhance the client experience and streamline the delivery of financial advice, ensuring efficiency in advisory services.

In corporate, we have implemented system improvements that enable online contribution submissions, claims, as well as employer reporting, improving operational efficiency and contributing positively to client experience. We enhanced our member portal with value-added services through the Sanlam Umbrella Fund (SUF), enabling clients to access virtual doctors, including psychologists, and integrated Wealth Bonus into our corporate offering. The value enhanced member portal through SUF allows clients to access communication pertinent to their financial outcomes such as the financial quiz and Two-pots retirement system awareness.

The Wealth Bonus rewards programme was well-received among intermediaries. The long-term loyalty programme continues to flourish and was recognised as the best long-term loyalty programme at the 2023 South African Loyalty Awards. This provides a unique competitive position for long-term client retention with Wealth Bonus members surpassing 2,5 million (2022: 498 000).

In retail mass, we empowered clients to make well-informed decisions regarding their policies through comprehensive financial needs analyses and offered them the flexibility to adjust their policy coverage levels without policy cancellation. Progress has been made in terms of broadening the product offering aimed at the mass market by incorporating credit solutions for underserved communities. This is being done alongside digital enhancements that will enable financial advisers to utilise future-fit technologies, ultimately streamlining advice and reducing costs to the benefit of our clients.

Read more on financial performance in the CFO report from page 102.

Delivering and rewarding shared value continued

Business cluster performance continued

SLS Sanlam life and savings continued

In corporate, the Afrocentric transaction propelled Sanlam to second position in the medical scheme administration market and number two in open schemes. The transaction provides Afrocentric clients with access to our expansive product offering and creates opportunities for integration with Sanlam solutions, closing a crucial gap in our service offering.

The bundled employee benefits of health and retail offering provides intermediaries with a unique position to combine wealth and health planning, enabling them to assist their clients to manage costs and cross-sell effectively.

Our umbrella funds have gained market traction, growing to assets under administration of over R101 billion (2022: R86 billion), solidifying our number three position in the market.

Financial inclusion and sustainability

Retail mass plays an active role in promoting financial literacy and responsible financial behaviour through offering of Consumer Financial Education (CFE) workshops in worksites. A total of 2 900 people participated in these workshops in 2023, surpassing the target of 2 000.

To improve market penetration, Sanlam has a long-standing partnership with one of South Africa's largest religious organisations, the Zion Christian Church (ZCC). The partnership between the ZCC and Sanlam, through the Kganya Benefits Fund Trust (KBFT), continues to uphold its 33-year commitment to financial inclusion and access to appropriate insurance products. More than 1,5 million people, including principal members and dependants are covered and since its establishment, Kganya has processed and paid claims to members exceeding R3,9 billion.



The launch of the MTN Insurtech partnership in South Africa is another exciting opportunity to increase reach and provide affordable digital insurance solutions, foster financial inclusion, and broaden access to financial solutions.

In retail affluent, the Project Khula initiative targeted at black advisers in our distribution house, of which 44% are black women, is gaining good traction. The initiative trains advisers and provides them with the tools to provide financial advice.

In corporate, we launched the Essential Financial Plan (EFP), an advice standard that provides members with access to a free financial plan and affordable financial advice through our contracted financial advisers (CFAs). As an asset owner, we compiled an ESG-focused responsible investing framework which forms part of the agreement with our investment managers. We also compiled our first ever responsible investment report focusing on our flagship-smoothed bonus portfolios. In collaboration with WWF, we added the Sanlam Living Planet Fund portfolio, with strong proactive ESG targets, to the member investment options on SUF from October 2023.

Outlook

We expect persistency pressures on the retail mass segment to remain into 2024. The Sanlam Capitec JV will conclude in October 2024. Focus remains on IT infrastructure readiness to handle the requirements of the looming Two-pot retirement fund regulation in September 2024.

We will also focus on strengthening our product and distribution capabilities and successfully integrating the businesses acquired.

Work on efficiency, digital enablement and platform rationalisation continues.

Delivering and rewarding shared value continued

Business cluster performance continued

SEM

Sanlam Emerging Markets (SEM)

SEM houses our operations in emerging markets outside of South Africa, including SanlamAllianz's Pan-Africa financial services operations, Namibia, India and Malaysia.

Key metrics

Net result from financial services
R3,6 billion
(2022: R2,6 billion)

Life business volumes (PVNBP)
R13,9 billion
(2022: R13,5 billion)

Net value of new business margin
5,04%
(2022: 4,59%)

General insurance new business volume
R17,4 billion
(2022: R17,2 billion)

Group equity value
R47,2 billion
(2022: R42,3 billion)

Our competitive advantage

Africa

- Extensive footprint across 27 countries in Africa
- Top three market position in 16 countries for life and general insurance
- Robust product offering
- Reach and scale
- Technical skills
- Extensive partnerships
- Support from Sanlam and Allianz groups

Asia

- Cross-selling
- Partnerships
- Robust ecosystem
- Digital platforms
- Leading non-banking financial institution

Progress against strategy

We continue to accelerate growth outside of South Africa through the incorporation of SanlamAllianz, which strengthened our top three Pan-African market positions from 11 countries in life and 14 for general insurance, to 16 countries in both life and general insurance as a result of the transaction. The JV enhances the balance between life and general insurance operations and gives Sanlam access to a large new market in Egypt. The leadership of SanlamAllianz includes both Sanlam and Allianz management, leveraging best-in-class skills. The cluster continues to focus on integrating its people and retaining its best skills, and unifying the culture throughout the organisation, seamlessly adopting Sanlam's group values of care, collaboration, innovation and integrity.

SanlamAllianz Re's reinsurance capabilities have been enhanced through the addition of Allianz's A-rating credit paper to expand its offering to capture third-party business. SanlamAllianz Re reinsurance premiums paid by our Pan-African companies are retained in the group, staying on the continent, unlike the traditional model in the international reinsurance market.

SanlamAllianz has taken steps to address volatility in earnings. Using the asset mismatch reserve coupled with the ongoing process of de-risking the float, resulted in reduced risk and a slight narrowing of the net insurance margin target range to between 10% to 15%.

The integration of IT platforms across our countries are in progress to streamline operations and business activity. Our immediate focus is on stabilising the JV and we are progressing well in aligning cultures, hub integration, new management structures and other related activities.

Our growth in India progresses our strategy of strengthening our position where we operate outside Africa.

Shriram Life Insurance Company (SLIC) remains focused on digitalisation and paperless processes. Good progress has been made on developing the business's analytics and technology initiatives, with 90% of non-investigation claims paid within 12 hours of the final document being received. Through the Shri-mitra service app, Shria chat bot and WhatsApp chat bot, we can offer additional digital means to give our clients an enhanced experience. The digital direct-to-customer (D2C) television and digital marketing channel is gaining traction. We revamped the website with a focus on user experience, which contributed to significant sales growth.

SGI integrated e-commerce functionalities into their platforms, enabling customers to buy insurance policies directly online. This approach streamlines the purchasing process, reducing the need for face-to-face interactions or phone calls. The business introduced a usage-based insurance model, which calculates premiums based on actual usage or behaviour, as well as wellness initiatives that incentivise healthy behaviour, providing discounts and rewards for policyholders who achieve health and fitness goals.

Read more on financial performance in the CFO report from page 102.

Delivering and rewarding shared value continued

Business cluster performance continued

SEM

Sanlam Emerging Markets (SEM) continued

In SFL, 'Shriram One' launched in September 2023. It offers an efficient, comprehensive and user-friendly application with an array of services, including loan applications, a digital wallet, payment services, fund transfers, investments, life and general insurance products. SFL's cross-selling ability allows it to offer clients bundled products that include loans combined with life and/or general insurance.

Financial inclusion and sustainability

The MTN aYo partnership has made good strides in advancing financial inclusion in Africa through its fintech capabilities, with a policyholder base of 4,5 million (2022: 4 million). Management actions are focused on driving excellence, cost-efficiencies and further enhancing the financial inclusion capabilities of the partnership.

SanlamAllianz is proactively investing in the communities in which we operate. The Ennajah foundation in Morocco equipped 72 schools with 720 computer equipment, furthering its digital learning program in Rabat as well as promoting the employability of 100 young people aged between 16 to 25 and 1 100 children and women from disadvantaged neighbourhoods and rural areas in Casablanca through the "School of 2nd chance" program, among other initiatives. In Kenya, through the World-Mweiga Area Programme and the World Vision-Mutomo Area Programme, we supported the construction of primary and secondary schools.

SGI offers educational resources, tutorials, and proactive guidance to help clients understand insurance products, coverage, and how to make the most of their policies. The business is developing and offering micro-insurance products tailored to the needs of low-income individuals and marginalised communities. It is also establishing insurance schemes within local communities. These programmes pool resources and spread risks among community members, providing affordable insurance coverage for groups that might not have access to traditional insurance.

SFL was founded on the principle, and has a long history of providing financing to the underbanked and rural segments in India. The company services its 7,7 million clients via a branch network that is 52% rural and 34% semi-urban. In addition to the 2 579 rural and semi-urban branches, there are 708 rural centres that will eventually migrate to full branches. We partnered with Paytm, a leading Indian fintech company, to offer SFL's loan products digitally to Paytm users, which will expand access to credit and drive financial inclusion in India.

SFL's commitment to environmental responsibility includes internal initiatives such as energy saving equipment, restricted water usage, digital communications and rewarding digital transactions. The company also supports the Indian economy by promoting electric vehicles, working towards financing the purchase of these vehicles and establishing the right environment for their uptake and integration.

Read more about our sustainability initiatives from page 96 in the Sustainability report.

Outlook

We expect sustained economic pressure over the next year. However, the cluster is well positioned to capture the African growth opportunity stemming from an urbanising population with a low insurance penetration, through its extensive footprint, reach and scale and technical skills.

Initiatives to integrate and realise synergies of overlapping countries are underway, and we expect these to conclude over the next 18 months. The rebranding of the non-overlapping countries to SanlamAllianz will be applied on a pragmatic basis over time, based on country brand strength.

SGI's comprehensive shift towards digitalisation and technology infrastructure, implementing innovative digital tools, and developing user-friendly platforms to enhance customer experience, streamline processes and improve operational efficiency.

Both SGI and SLIC are actively growing its agency force to support growth.

SFL, through the completed merger of STFC and SCUF, is expanding its complete product offering across the old STFC and SCUF branch network. This wider reach is accelerating the expansion into regions in which the company is under-represented, increasing its rural centres (which eventually becomes full branches), consolidating existing branches, and focusing on cross selling its various products.

At the same time the Shriram group is augmenting its physical branch presence and call-centres, with the launch of the Shriram One application, to offer existing and future clients a digital interface in terms of its product offering.

Delivering and rewarding shared value continued

Business cluster performance continued

SIG

Sanlam Investment Group (SIG)

This cluster offers a **broad range** of investment management, credit and risk management **solutions to retail and institutional clients** in **Africa** and the **UK**.

Key metrics

Investment business

Net result from financial services

R908 million
(2022: R798 million)

Sanlam investments assets under management

R1,3 trillion
(2022: R1,1 trillion)

Net client cash flows

-R1,4 billion
(2022: R10,6 billion)

Life business

Net result from financial services

R435 million
(2022: R207 million)

Credit and structuring

Net result from financial services

R239 million
(2022: R234 million)

Our competitive advantage

Investment business

- Scale
- Depth and breadth of investment offering
- Customised, fit-for-purpose solutions
- Backed by Sanlam balance sheet
- Commitment to diversity
- Commitment to making a real, sustainable difference to people and planet

Progress against strategy

SIG progressed our strategy of building a fortress position in South Africa in the past year. The Absa asset management integration continues to progress successfully, with good cost synergies realised. The transaction enhances our scale and provides an additional distribution channel and access to clients, and positions our asset manager as one of the largest, most diversified financial services and investment firms in South Africa.

Our JV between our multi-manger business and Glacier has produced a leading discretionary fund manager (DFM) in South Africa, providing best-in-class solutions to our clients.

We enhanced our product diversification by growing our alternative investment business, in turn, providing access to additional revenue streams across private equity, private debt, property, infrastructure and partnerships. The restructuring of SanFin and transfer of credit assets to the alternative business will further enhance product capability and scale for expansion across Africa.

The private wealth business is making good progress in developing its offshore operating model and platform, focused on delivering enhanced value and service proposition to its clients.

SIG is assessing opportunities to partner with Shriram to build a strong asset management business in India.

Responsible investing and sustainability

SIG continues to grow our clients' funds in a way that demonstrates real impact. In 2023, we were voted the most sustainable asset manager in South Africa at the 27Four Sustainable Asset Manager Awards.

We are transforming the industry in South Africa as one of the largest black-owned asset managers in South Africa. We drive social and economic change through the integration of ESG metrics into our investment processes, along with our impact investing practices across Africa.

Our stewardship approach includes proxy voting and active engagement, integrating data and technology into our responsible investing efforts. We employ innovative data gathering exercises that equip us with up-to-date information and real-time metrics, helping us remain alert to relevant sustainability issues and trends.

Read more on financial performance in the CFO report from page 102.

Delivering and rewarding shared value continued

Business cluster performance continued

SIG Sanlam Investment Group (SIG) continued

Our Satrix funds aim to democratise investing and encourage financial inclusion by offering clients the option to invest with lower investment minimums and cost-efficient solutions. Satrix now has reached R200 billion in assets under management (AUM), and has grown the SatrixNow direct platform to 105 active clients (a fraction of our total AUM). This shows that we have built Satrix into the leading index house locally, with plans to launch several new ETFs locally and incorporate added global focus.

Our multi-manager supports transformation and black asset managers with 79,51% (excluding foreign assets) of total AUM allocated to BEE level 1 managers. Transformation credentials are a key consideration in the manager research and selection process.

Our alternatives investment team was named Africa's Best Alternative Fund investment team in June 2023 at the Capital Finance International Awards.

Backed by the Sanlam group's balance sheet, the investments cluster has a true competitive advantage in its ability to invest alongside its clients, particularly in private markets where impact investing drives the agenda. To date, we manage R40 billion in alternative AUM, spread across five pillars, of which 42% is Sanlam's own capital.

Our Private Equity Mid-market Fund, launched in response to the Covid-19 pandemic in 2020 – with the dual impact theme of job preservation and creation – has exceeded the R3 billion target in its recent final close, impacting over 27 000 lives and creating hundreds of new jobs.

We expect to launch the SA Property Impact Fund in the first half of 2024. The fund will focus on social infrastructure for the underserved working class in South Africa. These assets will span affordable education, healthcare, student housing, residential and rural retail sectors for the benefit of the "missing middle" in our country, which represents an opportunity worth R2,7 trillion.

Our SME Debt Fund, with AUM currently standing at R2,6 billion, has added a seventh fund: 104+ SMME Solutions Fund, which targets supplier development, enterprise development and SMME growth, providing working capital, senior debt and equity type capital to small start-ups and SMMEs. In addition, we provide them with education and help them with the management of their businesses.

Last year, Climate Fund Managers (CFM) via its Climate Investor Two fund, concluded a new debt-for-climate conversion. This landmark transaction, which CFM facilitated via its marine ecosystem venture, Oceans Finance Company (OFC), will protect one of the planet's most important ecosystems: the Galapagos Islands.

The Galapagos conversion, the largest in history, exchanged US$1,628 billion in Ecuadorian government bonds for a US$656 million impact loan. The transaction will generate savings for the Ecuadorian fiscus of over US$1 billion through to 2041. In return, Ecuador will direct savings of US$323 million by 2041 to the conservation of the Galapagos and establish a new endowment fund, maturing to US$227 million to finance their preservation.

CFM via Climate Investor Three fund, in partnership with Dutch company Invest International BV, the Development Bank of Southern Africa, the Industrial Development Corporation of South Africa and Sanlam, along with other strategic partners, launched the SA-H2 fund, South Africa's Dedicated Green Hydrogen Fund. SA-H2 is an innovative blended finance fund that will facilitate and accelerate the development of a green hydrogen sector and circular economy in South Africa. The fund aims to raise US$1 billion in funding, accelerating the development of the green hydrogen sector and uplifting economic development in South Africa. SAH2 reflects the immense potential of blended finance in tackling the climate crisis. Its focus will be to fast-track the mobilisation of funding for the development and construction of large-scale green hydrogen infrastructure assets across South Africa.

Outlook

Local asset prices are under pressure due to foreign selling and recent changes to Regulation 28 added additional pressure, negatively affecting the asset base of local-biased asset managers. SIG is assessing opportunities to offer a world-class global active management capability and grow its Pan-African footprint in alternatives.



Delivering and rewarding shared value continued

Business cluster performance continued

SNT

Santam

Santam is a leading South African general insurer with an international presence in selected territories. Santam is a JSE-listed subsidiary of Sanlam, which holds 62% of Santam's shares.

Key metrics

Net result from financial services
R1,1 billion
(2022: R1,0 billion)

Gross written premium
R37 billion
(2022: R35 billion for conventional insurance)

Growth in size of book
5,8%
(8% excluding cancelled business)
Target:
CPI+GDP+1 to 2% - 7,5% to 8,5%

Net earned premium
R29 billion
(2022: R28 billion)

Net underwriting margin
3,5%
(8,4% excluding large one-off items)
(2022: 5,1%)
Target:
5% to 10%

Net insurance margin
6,1%
(2022: 6,3%)

Diversification targets

International	Direct
16%	17%
>20% by 2030	>30% by 2030

Our competitive advantage

- Diversity across insurance classes, regions and market segments
- Geo-coding and risk management
- Partnerships

Progress against strategy

Santam contributed to our progress in building a fortress position in South Africa in the year. 2023 marked the first year of implementing Santam's robust new FutureFit strategy. The strategy is underpinned by a client-centric multi-channel business focus and data and digital enablement. The Commercial and Personal business has been restructured into Broker Solutions, Client Solutions and Partner Solutions, with Santam Re, MiWay and Specialist Solutions remaining as separate business units within the diversified portfolio. Leadership and organisational capacity in the new business units have been established.

Santam acquired the MTN device insurance book, with over 151 000 new policies written since April 2023. The transfer of the in-force book of business received regulatory approval in December 2023. This part of the transaction is now also unconditional with an effective transfer date of 1 January 2024. This will add some 340 000 policies to the Santam licence and annualised GWP of nearly R390 million on transition date.

Santam implemented several underwriting actions in response to the 2022 adverse claims experience, including enhanced risk assessments in underwriting, property geo-coding, segmented premium increases, changes to excess amounts and enhanced security requirements for high-risk vehicles. These actions are yielding positive results, with a marked turnaround in the profitability of the motor book and mitigation of power surge losses. The latter remains an insurable peril and an important value proposition for our clients.

Good progress is being made in the roll-out of geo-coding across the property book, of which roughly 86% of the core property book has been covered to date. Santam plans to increase further geo-coding coverage throughout the portfolio during the course of 2024. To date, we have seen the benefits with estimated losses of some R55 million prevented during the Western Cape floods through risk-mitigating actions taken in response to the geo-coding initiative.

Good progress has been made on the digital front. The Home+ ecosystem, in collaboration with Sanlam Fintech, aims to accelerate growth through this digital channel. JaSure has been rebranded to Santam Switch, with an uptick in sales. MiWay made an additional investment in Miway Blink, a purely digital vehicle insurance experience, with the opportunity to offer additional digital products in this range.

MiWay launched the Move for Value campaign, enhancing its inbound strategy; this campaign has been well received in the market. It also established a commercial tied-agency model, which has gained good traction.

During the year Santam sold its share in the Pan-Africa holdings of SEM to Allianz. SanlamAllianz creates an opportunity for Santam to offer additional reinsurance capacity and specialist solutions to the entities in the JV's 27 Pan-African countries.

Read more in the executive summary of Santam's 2023 year-end report.

Delivering and rewarding shared value continued

Business cluster performance continued

SNT Santam continued

Financial education and sustainability

In line with the group values of care, collaboration, innovation and integrity, Santam is emphasising employee wellbeing and safety, and has updated its human rights policy in alignment with Sanlam's policy.

Santam published its coal position statement in support of a gradual, just transition to a low-carbon economy.

It conducted qualitative climate scenario assessments in line with the group's commitment to TCFD and membership of ClimateWise.

Santam continues to work with municipalities through the partnership for risk and resilience (P4RR), to the benefit of communities. In 2023, Santam partnered with the City of Johannesburg to facilitate the installation of solar-powered traffic lights.

Santam continues to partner with the South African Insurance Association (SAIA) to offer a financial education programme that introduces more people to the benefit of insurance.

Enterprise development is a key focus area, with support provided through the Santam Resilient investment portfolio, as well as investments through ASISA.



Outlook

We expect economic pressure to remain elevated in the next year. Personal disposable income should find some relief as both inflation and monetary interest rates have peaked by all indications. A decline in interest rates in the medium term will be supportive of GWP and NEP growth prospects.

With the work Santam is doing to understand the challenges in the property businesses, as well as enhanced geo-coding initiatives, we believe we are well positioned for enhanced profitability into 2024. We remain confident in Santam's prospects and the potential to deliver superior growth and profitability.

Delivering and rewarding shared value continued

Remuneration **summary**

Remuneration philosophy

Sanlam has a **total reward strategy** for our people. This offering comprises remuneration (which includes cash remuneration, short and long-term incentives), benefits (retirement, medical, risk, group life, etc.), **recognition, learning, development**, career growth and a **balanced working environment** with a range of personalised lifestyle and wellness benefits.

Our remuneration philosophy sets out to:

- Identify those aspects of the remuneration policy that are prescribed and to which all businesses should adhere to in accordance with our group governance policy
- Provide a general framework for other components of total remuneration across the group
- Provide guidelines for short and long-term incentive and retention processes
- Provide mandates and guidelines about how businesses should apply discretion in awarding remuneration and incentives

The board recognises certain industry-specific and other relevant differences between Sanlam businesses and where warranted differentiation in remuneration is applied to enable businesses to attract, retain and reward their employees appropriately within an overarching policy. In this regard, there are some areas where good corporate governance, the protection of shareholder interests and those of the Sanlam brand or corporate identity require full disclosure, motivation and approval by the group CEO or the committee.

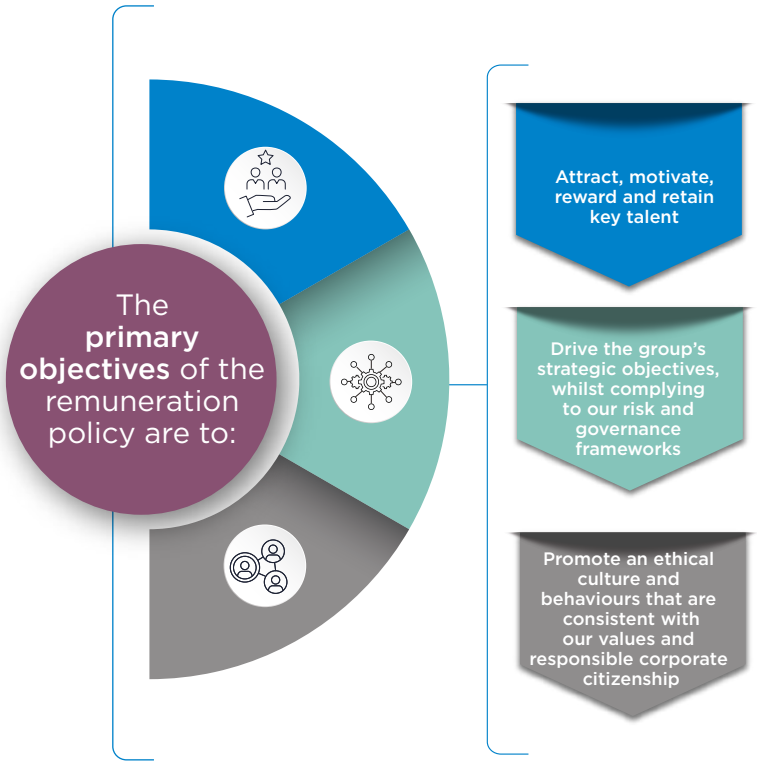
The principle of pay for performance and management discretion regarding individual employees is central to the remuneration philosophy on the basis that all remuneration is based on merit. However, the overarching principles of the Sanlam remuneration structure are consistently applied, to support a common philosophy and to ensure good corporate governance, with differentiation between businesses/industries where appropriate.

Delivering and rewarding shared value continued

Remuneration summary continued

Design principles for our remuneration policy

Our remuneration policy is a key enabler of the Sanlam business strategy. It is, therefore, vital that it is market competitive and fair and equitable to all stakeholders.



The key principles of our policy are:

1. **Pay for performance:** Performance is the cornerstone of the remuneration philosophy. On this basis, all remuneration practices are structured in such a way as to provide for clear differentiation between individuals about performance. It is also positioned so that a clear link is maintained between performance conditions and the Sanlam business strategy.

2. **Competitiveness:** A key objective of the remuneration philosophy is that remuneration packages should enable the group and its businesses to attract and retain employees of the highest quality to ensure sustainability.

3. **Leverage and alignment:** The reward consequences for individual employees are, as far as possible, aligned with, linked to, and influenced by:
   - the interests of Sanlam shareholders (and where applicable, minority shareholders in subsidiaries);
   - the interests of other stakeholders (for example, employment equity, client service, the community);
   - sustainable performance of Sanlam as a whole;
   - the performance of any region, business unit or support function; and
   - the employee's own contribution.

4. **Consistency and fairness:** The remuneration philosophy strives to provide a framework that encourages consistency, but allows for differentiation where it is fair, rational, and explainable. Differentiation in terms of market comparison for specific skills groups or roles is necessary and differentiation concerning performance is imperative. Unfair differentiation is unacceptable.

5. **Attraction and retention:** Remuneration practices are recognised as a key instrument in attracting and retaining the required talent to meet Sanlam's objectives and ensure its sustainability.

6. **Shared participation in relevant components of remuneration:** Employee identification with the success of Sanlam is important because it is directly linked to both Sanlam's and individual performance. All employees should have the chance to be recognised and rewarded for their contribution and the value they add to Sanlam, and for achieving excellent performance and results, in relation to Sanlam's stated strategic objectives. The performance management process contributes significantly towards obtaining this level of participation and towards lending structure to the process.

7. **Best practice:** Reward packages and practices reflect local and international best practice, where appropriate and practical.

8. **Communication and transparency:** The remuneration philosophy, policy and practices, as well as the processes to determine individual remuneration levels, are transparent and communicated effectively to all employees. In this process, the link between remuneration and Sanlam's strategic objectives is understood by all employees.

9. **Market information:** Accurate and up-to-date market information and information on best practice are important factors in determining the quantum of the remuneration packages.

10. **Malus and clawback:** Where defined trigger events take place provision is made for redress against remuneration through either malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture). Malus and clawback provisions and the application thereof to trigger events are governed by the Sanlam group malus and clawback policy, which is a related policy to this group remuneration policy and these provisions will be incorporated in relevant remuneration governance documents/rules.

Delivering and rewarding shared value continued

Remuneration overview

Structure

The different components of **remuneration** are summarised in the table below. The summary is generic for all **South African employees** but highlights specific aspects applicable to exco. **Non-South African employees** pay structures are aligned from an **incentive design perspective** but may differ from country-to-country dependent on local regulations, benchmarks, and practices.

Component	Purpose	Potential	Design	How we delivered
Total Guaranteed Package (TGP)	Reflects market value of role and individual performance.	Market benchmark for comparative role.	Annual benchmarking against market surveys. Positioned on average at the 50th percentile of market.	Cash salary and a mix of compulsory and discretionary benefits.
Short-term Incentives (STIs)	Rewards performance over a 12-month period (financial year).	STI on-target ranges between 16,7% – 100% of TGP for employees. STI caps are set at 200% of on-target. 30% of STI for exco is deferred into restricted Sanlam shares for three years (subject to employment).	For exco based on individual, business, and group performance.	STI outcomes generally capped at 200% of TGP or 200% of the on-target earning potential. For exco and for investment businesses, deferral principles apply.
Long-term Incentives (LTIs)	Rewards company performance over a three-to-five-year period. Long-term value creation for shareholders.	Total LTI award levels range between 35% and 250% of TGP (based on value of unvested awards). These percentages as an indicative annual award comprises approximately 10% to 70% of TGP.	Vesting in tranches in years three (40%), four (30%) and five (30%).	Company performance conditions (RoGEV and dividend growth) for vesting of PDSP shares awarded to senior management. Deferred shares (DSPs) awarded to emerging and key talent below senior management level are subject to individual performance.
Out-performance Plans (OPPs)	Focused and bespoke incentives for a specific period (long-term), aligned to the Sanlam business strategy and key strategic projects over a three-to-five-year period.	100% – 200% of TGP per annum.	Performance conditions for a three-to-five-year period are set considerably more stretching than annual LTI performance conditions. Due to the out-performance targets the probability of vesting is lower than LTIs. In the past three years, due to the very stretching performance conditions of OPPs, the vesting outcomes have been between 7% and 50%.	Value measured and delivered in Sanlam shares to align to shareholders. By exception (and if good rationale exists) may be settled in cash, but this will be transparently disclosed and is not the preferential settlement mechanism.

Delivering and rewarding shared value continued

Remuneration overview continued

2023 remuneration outcomes and decisions in South Africa

In April 2023, base salary increases of 5,75% (on average) were awarded to employees.

For 2024, an overall 5,75% uplift on the guaranteed pay base of employees is proposed, with limited adjustments higher than the mandate to address key critical business imperatives.

The bonus outcomes for financial year 2023 reflect performance relative to business and group scorecards set, with higher reward in areas where there was out-performance. In 2023, all group executive committee members (exco) were measured against ESG measures (5% – 10%) in determining their short-term performance bonuses. In March 2023, exco deferred 30% of bonuses into Sanlam restricted shares (vesting after three years) which provides them with greater investment in Sanlam and alignment with shareholders. It also allows for risk adjustment over deferred cash bonuses.

In June 2023, we only awarded performance deferred shares (PDSPs) to senior management employees. Deferred shares (DSPs) are reserved for emerging talent, succession planning and retention at levels below senior management. PDSPs were awarded with performance conditions of adjusted RoGEV (70% weighting) of real 3% – 7% and dividend growth (30% weighting) of real 1% – 4%, measured over the performance and vesting periods of three, four and five years. Out-performance plans (OPP) shares have higher financial hurdles than PDSPs, as disclosed in the remuneration report.

We kept close to market developments and carefully reviewed aspects of remuneration to ensure Sanlam remains competitive, while our remuneration policy is bespoke and agile enough to enable our unique business strategy.

Engagement and voting outcomes from last AGM

During the year under review, we engaged individually with shareholders regarding our remuneration policy, facilitated by our investor relations function. The engagements were ad hoc and the feedback was positive, also shareholders expressed an appreciation for the simplification in remuneration design, specifically as it relates to bonus deferral and long-term incentives (LTIs) which took place over the past two years.

At the 2023 AGM our remuneration policy received a positive vote of 93,8%, while our implementation report received a positive vote of 96%.

We extend a standing invitation to all shareholders to engage on our remuneration policy and the implementation thereof throughout the year. We also actively strive to incorporate our remuneration policy approach and the link to business strategy in our shareholder roadshows and dialogues.

We assure you of our continued commitment and look forward to your continued support of our remuneration report at the upcoming AGM.

Minimum shareholding requirement (MSR)

MSR is to drive alignment between executives and shareholder interests. Sanlam applies a minimum shareholding policy to all current and future exco members defined as prescribed officers, including Sanlam executive directors and any roles which fall within the categories below. There is no cap on the number of Sanlam shares that exco members may hold in terms of the MSR.

In terms of these arrangements, the following minimum shareholding levels, expressed as a percentage of annual TGP, must be reached within six years from the date of appointment.

Role	Minimum Level
Group CEO#	200%
Group Finance Director	150%
CEO: SanlamAllianz	150%
Business executives (Sanlam Corporate, Retail Affluent, Retail Mass, Fintech and Investment)	100% – 150%
Support executives (Chief Executives of functional portfolios, including Chief Risk Officer)	75%
Other*	50%

* Where roles, driven by business requirements (which are not on the group executive committee) have similar remuneration design as exco, "Other" will apply.

\# The Group CEO is subject to an extended holding period in terms of the CEO remuneration arrangement.

Participating executives are required to maintain the target shareholding throughout their tenure with the group. Unvested shares in terms of any LTI arrangement or short-term bonus arrangement will not be considered when assessing compliance with the MSR policy.

Incentive arrangements implemented after 1 January 2016 may include MSR terms and conditions as determined by the committee to ensure compliance with the prescribed levels in the prescribed periods, as well as the implications of not adhering to the MSR.

For purposes of determining compliance with the MSR levels, the value of a participating executive's shareholding at the end of each financial year will be determined by using the weighted average closing price of Sanlam ordinary shares on the Johannesburg Stock Exchange (JSE) for the trading days in that financial period and expressed as a percentage of the participating executive's annual TGP at the end of such financial year.

Delivering and rewarding shared value continued

Remuneration overview continued

Remuneration details for executive directors and exco members

Executive remuneration summary

Remuneration earned by executive directors and exco members were as follows:

Remuneration for the year ended 31 December 2023

The disclosure approach (and specifically as it pertains to LTIs) is aligned with King IV™ recommendations. Separate disclosure is provided in respect of the number and value of LTIs that were awarded and vested in the year.

Refer to pages 27 to 39 of the remuneration report.

2023

R'000	Months in service	Salary	Company contributions	Subtotal: Guaranteed package	Annual bonus		Attributable value of LTIs vested[1]	**Total remuneration**
					Cash	Deferred		
Paul Hanratty	12	6 130	–	6 130	–	–	–	**6 130**
Abigail Mukhuba	12	5 757	350	6 107	**5 250**	**2 250**	12 096	**25 703**
Heinie Werth	12	7 173	350	7 523	**7 000**	**3 000**	5 921	**23 444**
Subtotal: executive directors		**19 060**	**700**	**19 760**	**12 250**	**5 250**	**18 017**	**55 277**
Anton Gildenhuys	12	6 240	350	6 590	**5 600**	**2 400**	10 011	**24 601**
Theo Mabaso	12	4 867	350	5 217	**4 200**	**1 800**	1 084	**12 301**
Bongani Madikiza	12	4 581	972	5 553	**4 200**	**1 800**	2 055	**13 608**
Lotz Mahlangeni	12	5 697	340	6 037	**4 900**	**2 100**	5 057	**18 094**
Kanyisa Mkhize	12	4 764	336	5 100	**4 550**	**1 950**	2 232	**13 832**
Carl Roothman	12	4 498	987	5 485	**6 125**	**2 625**	1 948	**16 183**
Karl Socikwa	12	4 700	350	5 050	**3 850**	**1 650**	2 131	**12 681**
Sana-Ullah Bray	12	3 876	374	4 250	**2 800**	**1 200**	1 326	**9 576**
Riaan van Dyk	11	4 693	349	5 042	**4 200**	**1 800**	–	**11 042**
Executive committee		**62 976**	**5 108**	**68 084**	**52 675**	**22 575**	**43 861**	**187 195**

[1] Fair value of LTIs (excluding equity-settled OPPs) vested during the year – refer to pages 35 and 36 of the remuneration report.

Delivering and rewarding shared value continued

Remuneration overview continued

Short-term incentives

Purpose

The purpose of the annual bonus plan is to align the performance of employees with the financial and strategic targets of the group and the businesses and to motivate and reward employees who outperform the agreed performance metrics over a 12–month period. Growing the business and ensuring that it is managed in a sustainable way are key performance drivers for bonuses.

The design and quantum of performance bonuses are regularly reviewed against best market practice and the quantum is benchmarked against the market using a relevant comparator group.

Long-term incentives (LTIs)

Overview

Our LTIs support the company's business strategy and long-term value creation for shareholders and wealth creation for key talent participating in LTIs.

The primary LTI is the PDSP in terms of which deferred shares (with group financial, strategic and individual performance conditions) are awarded to retain and incentivise senior management. DSPs (with individual performance conditions) are awarded to key emerging talent and successors.

By exception Sanlam may grant (as part of the CEO–approved mandate from the committee) awards in terms of the restricted share plan (RSP). The purpose of the RSP is to attract and retain key talent and can be used for sign–on of new senior employees and to ensure long-term alignment and retention purposes for a defined period where it enables business strategy for employees other than exco. Where RSP awards are made to exco this will be transparently disclosed.

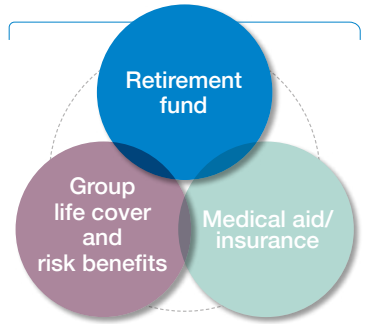
Total guaranteed package

Purpose

TGP is a guaranteed component of the remuneration offering. It forms the basis of Sanlam's ability to attract and retain the required skills.

To create a high–performance culture, emphasis is placed on the variable/ performance component of remuneration rather than the guaranteed component. For this reason, TGP on average is positioned around the 50th percentile of the market.

As an integral part of TGP, Sanlam provides a flexible structure of benefits that can be tailored, within certain limits, to individual requirements. These include:



Total guaranteed package

The TGP (in rand) of the executive directors and exco are reflected in the table below.

Individual	TGP as at 31 Dec 23	TGP as at 31 Dec 22	TGP as at 01 Jan 21	% increase in TGP 2023	% increase in TGP 2022
Paul Hanratty	6 130 000	6 130 000	6 130 000	—	—
Abigail Mukhuba	6 210 000	5 800 000	5 515 400	7,07	5,16
Heinie Werth	8 600 000	6 740 000	6 400 000	27,60	5,31
Anton Gildenhuys	6 680 000	6 320 000	6 000 000	5,70	5,33
Theo Mabaso	5 290 000	5 000 000	—	5,80	n/a
Bongani Madikiza	5 670 000	5 200 000	4 500 000	9,04	15,56
Lotz Mahlangeni	6 120 000	5 790 000	5 500 000	5,70	5,27
Kanyisa Mkhize	5 240 000	4 680 000	4 250 000	11,97	10,12
Carl Roothman	5 560 000	5 260 000	—	5,70	n/a
Karl Socikwa	5 120 000	4 840 000	4 600 000	5,79	5,22
Sana-Ullah Bray	4 250 000	—	—	n/a	n/a
Riaan van Dyk	5 500 000	—	—	n/a	n/a



Supplementary information

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Supplementary information continued

Glossary of terms

Technical terms and definitions

"adjusted return on group equity value" or "adjusted RoGEV"	The return on group equity value, excluding the impact of investment market volatility. Adjusted RoGEV is based on the actuarial investment return assumptions at the beginning of the reporting period. Full description is available in the annual financial statements.
B-BBEE	Broad-based black economic empowerment.
"capital adequacy"	Capital adequacy implies that there are sufficient capital resources to meet the regulatory solvency capital requirement (SCR). Capital resources are referred to as eligible Own Funds (OF). SCR and OF are determined in accordance with the Insurance Act and relevant Prudential Standards.
capital portfolio or balanced portfolio	The consolidated capital of the group, excluding working capital held by group businesses. The capital portfolio includes the required capital of covered business and discretionary and other capital.
constant economic basis	Applying the same economic condition assumptions experienced in the prior year into the current year.
cost of capital	Cost of capital is calculated as the required capital at the valuation date less the discounted value, using a risk-adjusted discount rate of the expected annual release of the capital over the life of the in-force business, allowing for the after-tax investment return on the expected level of capital held in each year.
covered business	Long-term insurance business written by Sanlam Life and Savings and Sanlam Emerging Markets.
double-materiality	Material from both a financial and non-financial perspective.
embedded value of covered business or EV	Embedded value of covered business is an actuarially determined estimate of the value of covered business, excluding any value attributable to future new business. Embedded value of covered business consists of the required capital supporting the covered business, or adjusted net worth, plus the value of the in-force covered business less the cost of capital.
FSCA	the Financial Sector Conduct Authority, the regulator of insurance companies in South Africa.
IFA	Independent financial adviser.
life business	The aggregate of life insurance business and life licence business.
life insurance business	Products provided by the group's long-term insurance businesses in terms of insurance and investment contracts included in the group financial statements, but excluding life licence business.
life licence business	Investment products provided by Sanlam Life and Savings, Sanlam Investments and Sanlam Emerging Markets by means of a life insurance policy where there is very little or no insurance risk.
linked policy	A non-participating policy which is allotted units in an investment portfolio. The value of the policy at any stage is equal to the number of units multiplied by the unit price at that stage less the value of unrecouped expenses.
market-related policy or contract with discretionary participating feature	A participating policy which participates in non-vesting investment growth. This growth reflects the volatility of the market value of the underlying assets of the policy.
material/materiality	A matter is material if it could substantively affect the organisation's ability to create value in the short, medium or long term.
new business margin	VNB as a percentage of PVNBP.
non-life business	Financial services and products provided by the group, excluding life insurance business.
non-life linked business	Non-life linked business comprises investment products provided by Sanlam Personal Finance's Glacier business, which is not written under a life licence.
non-participating annuity	A non-participating annuity is a policy which provides, in consideration for a single premium, a series of guaranteed regular benefit payments for a defined period.
non-participating policy	A policy which provides benefits that are fixed contractually, either in monetary terms or by linking them to the return of a particular investment portfolio, eg, a linked or fixed-benefit policy.

Supplementary information continued

Glossary of terms continued

Technical terms and definitions continued

normalised headline earnings	Normalised headline earnings measure the group's earnings, exclusive of earnings of a capital nature and fund transfers relating to the policyholders' fund's investment in Sanlam shares and group subsidiaries. For Sanlam group, the only differences between normalised attributable earnings and normalised headline earnings are: • Profits and losses on the disposal of subsidiaries, associated companies and joint ventures • Impairment of investments, value of business acquired and goodwill • The group's share of associates' and joint ventures' non-headline earnings. Normalised headline earnings exclude the above items that are of a capital nature. Given that the group's operations are of a financial nature, normalised headline earnings include investment surpluses earned on the investments held by the shareholders.
participating annuity	A participating annuity is a policy that provides, in consideration for a single premium, a series of regular-benefit payments for a defined period, the benefits of which are increased annually with bonuses declared.
participating policy	A policy that provides guaranteed benefits as well as discretionary bonuses. The declaration of such bonuses will take into account the return of a particular investment portfolio. Reversionary bonus, stable bonus, market-related and participating annuity policies are participating policies.
policy	Unless the context indicates otherwise, a reference to a policy in this report means a long-term insurance or investment contract issued by the group's life insurance subsidiaries in accordance with the applicable legislation.
PVNBP	Present value of new business premiums from covered business.
required capital	The required level of capital supporting the covered business, based on the minimum regulatory capital requirements, plus an internal assessment of adjustments required for market, operational and insurance risk, as well as economic and growth considerations.
result from financial services	Profit earned by the group from operating activities, excluding investment return earned on the capital portfolio.
Return on group equity value or RoGEV	Change in group equity value, excluding dividends and changes in issued share capital, as a percentage of group equity value at the beginning of the period.
reversionary bonus policy	A conventional participating policy that participates in reversionary bonuses, ie, bonuses of which the face amounts are only payable at maturity or on earlier death or disability. The present value of such bonuses is less than their face amounts.
Sanlam 1.0	Traditional insurance practices.
Sanlam 3.0	Build, partner and manage, through the use of leading-edge technologies, a digital and non-intermediated, Pan-African financial services business of profitable scale.
SCR	The solvency capital requirement under SAM is a risk-based measure of capital required to maintain solvency, subject to a confidence level of 99,5% over a one-year period (which is equivalent to a 1-in-200 year event).
SMME	Small, medium and micro enterprises.
stable bonus policy	A participating policy under which bonuses tend to stabilise short-term volatility in investment performance.
statutory valuation method or SVM	Valuation requirements as laid out in a board notice issued by the FSB, entitled "Prescribed requirements for the calculation of the value of the assets, liabilities and Capital Adequacy Requirement of long-term insurers" or the equivalent valuation requirements of the regulators of the group's insurance subsidiaries outside of South Africa.
surrender value	The surrender value of a policy is the cash value, if any, payable in respect of that policy upon cancellation by the policyholder.
Task Force on Climate-related Financial Disclosures or TCFD	The TCFD provides information to investors about what companies are doing to mitigate the risks of climate change. The TCFD recommendations on climate-related financial disclosures are widely adopted and appliable to organisations across sectors and jurisdictions.
value of in-force covered business or VIF	The value of in-force covered business is calculated as the discounted value, using a risk-adjusted discount rate, of the projected stream of future after-tax profits expected to be earned over the life of the in-force book.
value of new business or VNB	The value of new business is calculated as the discounted value at point of sale, using a risk-adjusted discount rate of the projected stream of after-tax profits for new covered business issued, net of the cost of capital over the life of this business.

Supplementary information continued

Glossary of terms continued

Major businesses and regions of the group

anglophone	Countries belonging to an English-speaking population especially in a country where two or more languages are spoken, eg, Kenya and Zimbabwe.
francophone	A population using French as its first or sometimes second language.
lusophone	Countries where Portuguese is the common language: Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique, Portugal, SaoTome and Principe.
SanlamAllianz	Joint venture between Sanlam Limited and Allianz SE in which Sanlam holds a 59% stake in the arrangement.
Sanlam Life	Sanlam Life Insurance Limited, a wholly owned subsidiary of Sanlam Limited, conducting mainly life insurance business.
Sanlam, Sanlam group or the group	Sanlam Limited and its subsidiaries, associated companies and joint ventures.
Sanlam Namibia	Sanlam Life Namibia, a wholly owned subsidiary of Sanlam Life, conducting mainly life insurance business in Namibia.
SDM Limited	Sanlam Developing Markets Limited, a wholly owned subsidiary of Sanlam Life, conducting mainly life insurance business in South Africa and through its subsidiaries in Africa.
SEM Proprietary Limited	Sanlam Emerging Markets Proprietary Limited, a wholly owned subsidiary of Sanlam Life, conducting mainly insurance and credit business through its subsidiaries and associated companies in Africa, India and South-East Asia.



Supplementary information continued

Analysis of shareholders on 31 December 2023

	Total shareholders		Total shares held	
Distribution of shareholding	**Number**	**%**	**Number**	**%**
1 – 1 000	**327 028**	**87,39**	**118 819 958**	**5,39**
1 001 – 5 000	**40 927**	**10,94**	**79 966 598**	**3,63**
5 001 – 10 000	**3 415**	**0,91**	**23 502 738**	**1,07**
10 001 – 50 000	**1 757**	**0,47**	**34 307 652**	**1,56**
50 001 – 100 000	**288**	**0,08**	**20 545 488**	**0,93**
100 001 – 1 000 000	**619**	**0,17**	**197 650 307**	**8,97**
1 000 001 and over	**195**	**0,05**	**1 728 123 259**	**78,45**
Total	**374 229**	**100,00**	**2 202 916 000**	**100,00**

Public and non-public shareholders

	% Shareholding
Public shareholders	**64,32**
Non-public shareholders	
Directors' interest	**0,32**
Held by subsidiaries	**1,52**
Sanlam Limited Share Incentive Trust	**1,28**
Government Employees Pension Fund (PIC)	**14,23**
Ubuntu-Botho Investments (Pty) Ltd	**13,28**
SU BEE Investment (RF) (Pty) Ltd	**5,05**
Total	**100,00**
Shareholding of 5% or more:	
– Government Employees Pension Fund (PIC)	
– Ubuntu-Botho Investments (Pty) Ltd	
– Ninety One Plc	

Shareholder structure

	% Shareholding
Institutional and other shareholding	
Offshore	**33,82**
South Africa	**53,03**
Individuals	**13,15**
Total	**100,00**

Supplementary information continued

Shareholders' diary

Financial year-end	31 December
Annual general meeting	5 June 2024
Reports	
Interim report for 30 June 2024	5 September 2024
Announcement of the results for the year ended 31 December 2024	6 March 2025
Integrated report for the year ended 31 December 2024	31 March 2025
Dividends	
Dividend for 2023 declared	8 March 2024
Last date to trade for 2023 dividend	2 April 2024
Shares will trade ex-dividend from	3 April 2024
Record date for 2023 dividend	5 April 2024
Payment of dividend for 2023	8 April 2024
Declaration of dividend for 2024	March 2025
Payment of dividend for 2024	April 2025

To allow for the dividend calculation, Sanlam's share register (including Sanlam's two nominee companies, namely Sanlam Share Account Nominee (Pty) Ltd and Sanlam Fundshares Nominee (Pty) Ltd), will be closed for all transfers, off-market transactions and dematerialisations or rematerialisations between Wednesday, 3 April 2024 and Friday, 5 April 2024, both dates included.

Transactions on the JSE via Strate are not affected by this arrangement.



Supplementary information continued

Registered name: Sanlam Limited

Registration number:	1959/001562/06
Tax reference number:	9536/346/84/5
JSE share code (primary listing):	SLM
NSX share code:	SLA
A2X share code:	SLM
ISIN:	ZAE000070660 incorporated in South Africa
Internet address:	http://www.sanlam.com

Directors:

Elias Masilela
(Chair)

Dr Patrice Motsepe
(Deputy Chair)

Paul Hanratty
(Group Chief Executive)

Abigail Mukhuba
(Group Finance Director)

Andrew Birrell,
Anton Botha,
Ebenezer Essoka,
Nicolaas Kruger,
Ndivhuwo Manyonga,
Mathukana Mokoka,
Kobus Möller,
Sipho Nkosi,
Karabo Nondumo,
Thembisa Skweyiya,
Willem van Biljon,
Dr Johan van Zyl,
Heinie Werth,
Dr Shirley Zinn

Contact:

Sanlam client care centre:
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Sanlam Head Office:
2 Strand Road, Bellville, South Africa

ir@sanlam.co.za

33”45’09.77S 18”38’28.32E

Executive Head: Investor Relations
Grant Davids

Company Secretary:
Adela Fortune

Registered office:
2 Strand Road, Bellville 7530, South Africa
Telephone +27 (0) 21 947 9111
Fax +27 (0) 21 947 3670

Postal address:
PO Box 1, Sanlamhof 7532

Equity Sponsor to Sanlam
The Standard Bank of South Africa Limited

Debt Sponsor to Sanlam Life Insurance Limited
Rand Merchant Bank, a division of FirstRand Bank Limited

Transfer secretaries:
Registered number: 2004/003647/07
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, South Africa
Private Bag X9000, Saxonwold 2132, South Africa
Tel +27 (0) 11 370 5000
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sanlamholders@computershare.co.za

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