



2023

KING IV™ DISCLOSURE REPORT

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and the controlling company for its group of companies



This report provides a synopsis of Santam Limited's (Santam) application of the following 17 principles set out in the King Report on Corporate Governance™ for South Africa, 2016 (King IV)¹.

King IV – 17 Principles (summarised)

Principle 1	The governing body should lead ethically and effectively.
Principle 2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.
Principle 3	The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen.
Principle 4	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
Principle 5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.
Principle 6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.
Principle 7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.
Principle 8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.
Principle 9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.
Principle 10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.
Principle 11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.
Principle 12	The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.
Principle 13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
Principle 14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of the organisation's strategic objectives and positive outcomes in the short, medium and long term.
Principle 15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.
Principle 16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.
Principle 17	The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests.

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Santam’s Board of directors (the Board) confirmed its satisfaction with the manner in which governance was approached and applied throughout the Group, during the period under review. Concerted efforts are, however, being made on a continuous basis to identify areas for improvement. This is to ensure that Santam’s methodology and its business practices remain relevant and pragmatic – i.e. considering global corporate governance trends, the legitimate (and increasing) expectations of stakeholders, as well as the governance-related risks that the Company and the industry at large are exposed to on an ongoing basis.

Figure 1: Santam – Who we are



- Founded and incorporated in 1918
- Listed on the JSE in 1964 under the insurance (non-life) sector and listed on NSX and A2X
- Santam is a subsidiary of the Sanlam Group



- Certified as a Top Employer by the Top Employer Institute for the eight consecutive year



- Leading market share exceeding 24% (+R37bn in GWP)



- Listed on the Top 30 FTSE/JSE Responsible Investment Index and a constituent of the FTSE4Good Index Series



- A uniquely diversified group
 - » Product lines
 - » Geography
 - » Multi-channel distribution with over 3 000 intermediaries



- Relationship with Sanlam Allianz provides growth opportunities in specialist lines across Africa



- Insures over 1 million policyholders and more than 80 of the Top 100 companies listed on the JSE



- Stable Dividend Policy with an ordinary dividend per share at a 7% compound annual growth rate

THE SANTAM GROUP IS THE LARGEST GENERAL INSURER IN SOUTH AFRICA, WITH A SOLID LEGACY AND A CONSISTENT, PROVEN RECORD OF SUSTAINABLE VALUE CREATION



The implementation of sound, ethical and transparent governance practices supports and encourages the Santam Group to deliver on its brand promise of “Insurance good and proper” – while, at the same time, creating value for its diverse group of stakeholders in a sustainable and responsible way

Santam is a leading South African general insurer with over 105 years standing and does business in selected emerging markets. With its head office in Tyger Valley, Cape Town, Santam is South Africa's leading general insurer and the largest by premium size on the African continent. It specialises in proactive risk management and insurance solutions and covers a diverse portfolio of personal and specialist business products and financial services.

The implementation of sound, responsible, ethical and transparent governance practices supports the Santam group to deliver on its brand promise of Insurance good and proper – while, at the same time, creating value for its diverse group of stakeholders sustainably and responsibly.

Santam is a subsidiary of the South African financial services group Sanlam Limited, which held an effective 62.6% interest in Santam as at the end of December 2023. Santam Limited was, furthermore, designated by the Prudential Authority of South Africa (PA), in terms of section 10(1) of the Insurance Act read together with paragraph 1.11 of the Financial Soundness of Insurance Groups, as an insurance sub-group of Sanlam Limited. In addition, Santam Limited was designated by the PA, in terms of section 10(2) of the Insurance Act, as the controlling company of the insurance sub-group. The PA also approved the licensing of Santam Limited as the controlling company of the Santam insurance sub-group in terms of section 23 of the Insurance Act.

During the 12 months ended 31 December 2023 (the reporting period), Santam continued to allocate dedicated efforts towards implementing and demonstrating its response to the core principles as outlined in King IV. The Company remains committed to adhering to the essential corporate governance standards and requirements. It continues to focus on creating value for all its stakeholders through a robust, stakeholder-inclusive and customer-centric approach.

Herein below is a synopsis of Santam's application and response to the 17 principles of good corporate governance as provided for under King IV. This is in addition to the mandatory corporate governance disclosure requirements as outlined in the JSE Listings Requirements, the JSE Debt Listings Requirements and the Prudential Standards and Framework for Governance and Operational Standards for insurers and insurance groups.

Santam's key corporate governance pillars include among others, the following salient aspects:

- Responsible and effective leadership
- Sound and ethical governance practices
- Effective control and decision-making
- Creating value and sustainability in a responsible manner
- A heightened approach to transparency, accountability and legitimacy
- Stakeholder inclusivity and client centricity
- Continuous performance evaluation and monitoring
- Conducting business in a responsible and ethical manner, while fulfilling a meaningful role in society

Reporting scope

Santam's King IV Disclosure Report (the Report) forms an integral part of the Group's 2023 integrated annual reporting suite and summarises the activities of Santam for the reporting period. Therefore, this report's scope extends to Santam and its subsidiaries, whereas the content covers Santam's general insurance and investment operations.

Notably, the Board acknowledges its responsibility to ensure the integrity and credibility of the Company's disclosures. These include Santam's Integrated Annual Report, its annual financial statements, the Remuneration Report, the Group's Corporate Governance Report, and this King IV Disclosure Report for the 12 months ended 31 December 2023 (01 January 2023 – 31 December 2023).

The Board is supported by:

- The following six Board Committees
 1. Audit Committee (*Pr. 3 – 5, 7 – 9, 11 – 12, 15 – 17)
 2. Risk Committee (*Pr. 1 – 5, 7, 8, 11 – 13, 15, 17)
 3. Investment Committee (*Pr. 3 – 5, 7 – 9, 11, 15 – 17)
 4. Social, Ethics and Sustainability Committee (*Pr. 1 – 5, 8, 11, 13, 15 – 17)
 5. Human Resources and Remuneration Committee (*Pr. 5, 7 – 10, 14)
 6. Nominations Committee (*Pr. 1 – 3, 6 – 9, 16)
- The Group Company Secretary (*Pr. 1 – 17)
- The Group Exco (*Pr. 8, 10, 14)
- Various internal and external assurance providers (*Pr. 4, 11, 15)
- Management (junior, middle and senior management) (*Pr. 10)
- Advisors, external counsel, subject matter experts (SMEs) (*Pr. 1 – 5, 7 – 8, 11 – 13, 15 – 17)

“*Pr.” – i.e. the recommended Principle/s as set out in King IV (which relates to the role and mandates of the respective governance forums and assurance providers listed above).

Collectively, the aforementioned helps to ensure that value-adding and appropriate governance processes and controls are developed and implemented to verify, enhance and safeguard the quality and integrity of the information in the Group's integrated annual reporting suite.

The Board further appreciates that the Group's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are inter-connected and inseparable elements that are being applied to create value for Santam's diverse group of stakeholder groups.

Santam's core values

The Board remains the custodian of corporate governance and is committed to the highest standards of business integrity, ethical values and corporate governance. It recognises Santam's responsibility to conduct its affairs ethically, transparently, with accountability, fairly and in a socially responsible way. This ensures that Santam operates a sustainable business that creates value for its stakeholders. Santam's corporate values are based on four core pillars, which can be summarised as follows:



Our core values



CARE

It's in everything we do



COLLABORATION

It's how we unlock our #winningasone spirit



INNOVATION

It's how we strive for continuous improvement



INTEGRITY

It's all about doing the right thing

Santam's application and response to King IV

The Board is pleased to confirm that during the period under review, the Company applied each of the 17 principles outlined in King IV. To this end, the Group's heightened approach towards promoting and implementing sound governance practices is a testimony of Santam's continuous commitment to create value ethically and responsibly. The following provides a synopsis of the 17 King IV principles and Santam's responses.

King IV principles

Santam's response and application of the King IV principle/s

Leadership, ethics and corporate citizenship

Leadership

PRINCIPLE
1

The governing body should lead ethically and effectively.

Developing and maintaining stakeholder trust by conducting business ethically and responsibly remains at the core of how Santam conducts its business. As a result, ethical and accountable leadership forms an integral part of the Group's corporate governance practices.

Santam's governing body and leadership team

Santam Limited's shareholders have the authority to appoint the members of the governing body (the Board of directors) on an annual basis at the Company's annual general meetings (AGM) – i.e., in alignment with the applicable regulatory requirements and the Company's memorandum of incorporation (Moi). These appointments to the Board (the election, appointment, re-appointment and rotation of directors) are governed by a formal process, which is informed and guided by the recommendations made by the Nominations Committee and the Board. In addition, standard practice is to seek regulatory authorisation before proposing any new appointments to the Board for shareholder approval.

The rest of the Company's leadership team (the members of the Group Executive Committee (Group Exco)) are appointed upon the recommendations made by Santam's HRRC, which follows a similar appointment process. This ensures that skilled, experienced, responsible and high-calibre individuals are recruited and appointed to the necessary leadership portfolios. At the end of the reporting period, Santam's governing body comprised a diverse group of 13 highly skilled and experienced directors who each contributed to the competencies required to fulfil and discharge the Board's duties ethically, effectively and responsibly.

Leading ethically and with integrity

While honouring their fiduciary duties in alignment with Santam's brand promise of *Insurance good and proper*, the Board continues to exercise effective, ethical and responsible leadership by promoting good corporate governance practices. The directors hold one another accountable (individually and collectively) for decision-making based on integrity, competence, responsibility, accountability, fairness and transparency.

In addition, Santam adopted a Code of Ethics and a Group Governance Policy which are reviewed by the Board annually. It establishes the minimum and mandatory ethics-specific and governance standards to be applied by the Santam Group at large. Through the Code of Ethical Conduct and the Group Governance Policy, Santam's Board acknowledges and confirms its oversight role and responsibilities, as well as its commitment to the highest governance and ethical standards.

The Board also assumes responsibility and accountability for steering and guiding Santam's strategic objectives, approving the Company's corporate strategy, overseeing the monitoring and execution thereof by management as well as ensuring accountability for optimal organisational performance. The Board is at the forefront, setting the tone for the Company by acting with due care, skill and diligence and taking the necessary steps to act ethically and responsibly.

Further information regarding how the Board and the Board committees executed their respective mandates effectively and ethically during the reporting period is available in Santam's 2023 Corporate Governance Report.

Leadership, ethics and corporate citizenship *(continued)*

Organisational ethics

PRINCIPLE
2

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Santam's Board is committed to ensuring that its corporate strategy is executed based on an ethical foundation that supports the business in a sustainable manner. The Company's Board authorisation framework, the Group Governance Policy, the code of ethics, and the respective charters that govern the Board and Board committees' roles and responsibilities are reviewed annually. These governance-related protocols define, among others, those matters reserved for the Board's attention and decision-making authority. In addition, it enables the Board to exercise effective control while leading the business ethically.

Furthermore, the Board continues exercising authority and responsibility for setting and guiding Santam's ethical values and business conduct. This underpins Santam's continuous strive to operate as a responsible corporate citizen. Even though the Board, as a collective, remains accountable for the application of ethics across the Group, it delegated the oversight and governance of ethics – including the monitoring and implementation of Santam's activities against the Group's code of ethics – to the SES Committee. The SES Committee is a statutory governance forum and reports at every Board meeting on the activities and actions executed in line with its Board-approved mandate and statutory obligations.

Guiding principles

Santam's Board approved Code of Ethics sets out the principles to guide the organisation to carry out its business activities honestly and with integrity. The Code of Ethics also outlines the Group's core values that influence decision-making processes and it provides an overview of the Company's ethical standards to adhere to. The Code of Ethics is, furthermore, underpinned and supported by policies relating to specific areas, which include the Group's Business Integrity Policy, Anti-Bribery and Anti-Corruption Policy, the Conflict of Interest Policy and the Whistleblowing Policy, to mention a few. Notably, Santam's Code of Ethical Conduct (which originates from its Code of Ethics) converts the Group's core ethics-related principles into a clear and concise set of ethical guidelines that are implemented across the business.

The governance of ethics

A Group ethics management committee (GEMC) has been established as a sub-committee of Santam's Group Exco. The GEMC assists the Board, the SES Committee and Group Exco with the management of ethics while continually monitoring Santam's response to principled business practices. The GEMC meets approximately three to four times per year and is chaired by the executive custodian responsible for ethics management. The Group's ethics office supports the GEMC and fulfils the role of its secretariat. All major business areas are represented on the GEMC, given Santam's diverse group of stakeholders. The ethics office is part of Santam's business integrity unit, which reports directly to the Group's Chief Risk Officer. The business integrity unit is responsible for, among other things, managing the ethics help desk and the group's confidential reporting mechanism. Reports can be made anonymously, and all allegations received are investigated and reported on by trained professionals. Escalation protocols have been established for all ethics-related trends, risks and reportable incidents. These are reported regularly to the GEMC, Santam's Group Exco, the SES Committee and the Board based on relevance and materiality.

Stakeholders are also advised that dedicated efforts are made continuously to create awareness and visibility of the Group's ethics-related protocols and enablers. Along with Santam's internal controls designed to detect, prevent and respond to ethical breaches and anti-corruption conduct, it complements and contributes to an enhanced and effective ethical culture embedded across the organisation. The key ethics-related focus areas that the Santam Group attended to during the reporting period have been reported on in further detail in the 2023 Corporate Governance Report.

King IV principles

Santam's response and application of the King IV principle/s

Leadership, ethics and corporate citizenship *(continued)*

Responsible Corporate Citizenship

PRINCIPLE
3

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Santam believes that the implementation of sound and ethical governance practices will support the group in delivering on its brand promise of *Insurance good and proper* while at the same time ensuring the sustainability of the Group. The Board is responsible for ensuring that Santam is a good corporate citizen, considering the Group's responsibility towards the broader society it serves. The Board ensures that Santam's core purpose, values, strategy, and conduct are congruent with its being a responsible corporate citizen. Hence, it continues to support management in shaping and implementing the Group's FutureFit strategy through ongoing, regular interaction and progress evaluations.

The primary objective remains to create value for all Santam's stakeholders in a sustainable, ethical and responsible manner. This includes balancing the needs and expectations of the Company's diverse group of stakeholders which is underpinned by Santam's client-centric approach. Given the nature of the services that Santam specialises in and its associated product offerings, establishing and maintaining healthy relationships with its broad stakeholder groups results in increased confidence and trust, especially in uncertain and challenging times.

The Board (with the assistance of the SES Committee, the HRRRC, the Investment Committee and the Risk Committee) oversees and monitors Santam's processes and activities associated with its corporate citizenship responsibilities. This is measured against a set of pre-determined performance targets agreed with management to support Santam's FutureFit strategy.

Apart from the various mediums and platforms that Santam uses to engage and communicate with its key stakeholder groups, an opportunity is also afforded to Santam's shareholders and other interest parties at each AGM, to voice any concerns or challenges they might have. The Board welcomes feedback from its key stakeholders and affords further consideration to this when reviewing Group policies and procedures. In addition, the Chair of the SES Committee (an independent non-executive director) attends the AGM to respond to any enquiries or questions that shareholders and other stakeholders might have regarding how Santam conducts itself as a responsible corporate citizen.

King IV principles

Strategy, performance and reporting

Strategy

PRINCIPLE
4

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

Santam's response and application of the King IV principle/s

The Board confirms and acknowledges its responsibility to ensure that Santam's strategic objectives are aligned with the Group's vision, purpose and values. How the Company creates value for its stakeholders in a sustainable, ethical and responsible manner, is reported in further detail in Santam's 2023 integrated annual reporting suite. Santam's Board, with the support and assistance of its Board committees, continuously monitor the execution of the Group's strategic objectives in a structured manner. The robust process is testimony to the fact that Santam's purpose, the risks and the opportunities that the Company is exposed to, its business model, its strategic objectives and the Group's performance are all regarded as inseparable in creating value for its stakeholders. The Board is committed to ensuring that Santam takes responsibility and accounts for its performance transparently. This includes the targets and the performance measurement criteria agreed upon over the short, medium and long term. One of the recent milestones achieved was the introduction and implementation of clearly defined evaluation criteria relevant to key environmental, social and governance-related (ESG) aspects. These were also incorporated and provided for in each of the members of the Group Exco's key performance areas. To this end, ESG related aspects are well embedded in the Group's overall risk management process. This is in addition to the Board's proactive approach to identify, consider and respond to ESG related risks and opportunities in a pragmatic way.

More information regarding Santam's ESG disclosures can be accessed in the Group's 2023 Task Force on Climate-Related Financial Disclosures (TCFD) Report, the 2023 Integrated Annual Report, the 2023 Remuneration Report and the 2023 Corporate Governance Report.

The Board further assures that Santam's disclosures are credible and accurate, enabling Santam's key stakeholders to make an informed assessment of the Group's performance and how it conducts its business. Further detail regarding Santam's performance in response to its strategic objectives (and the execution thereof during the reporting period), is provided in the Group's 2023 integrated annual reporting suite.

King IV principles

Strategy, performance and reporting

Reporting

PRINCIPLE
5

The governing body should ensure that reports issued by the company enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.

Santam's response and application of the King IV principle/s

Santam's Board of directors has a clearly defined mandate, that is annually reviewed and summarised in the Board Charter. However, without abdicating any accountability assigned to it, the Board occasionally delegates some of its responsibilities to its Board committees or management. In this regard, Santam's Audit Committee, Risk Committee, Investment Committee, HRRC, Nominations Committee and SES Committee ensure that the required controls are in place and that the requisite combined assurance is provided where necessary. The latter is to verify and safeguard the integrity of Santam's integrated annual reporting suite. The respective Board committees each warrant that all printed information or reports issued by Santam comply with the applicable suite of legal requirements and meet the legitimate and reasonable information needs of material stakeholders.

The Board committees further assist the Board by guiding Santam's reporting frameworks and how disclosures should be approached and conducted. These Board committees also provide assurance as and where required on the quality, integrity, completeness and accuracy of the content recorded in the integrated annual reporting suite. The latter includes the Group's audited annual financial statements and other relevant information published occasionally on Santam's website (www.santam.co.za) or other mediums, as deemed appropriate.

Consideration is also afforded to the feedback shared by Santam's stakeholders, aiming to enhance the quality and relevance of the Group's disclosures. This also enables Santam's diverse group of stakeholders to make informed assessments of the organisation's performance, including its short-, medium- and long-term prospects.

King IV principles

Governing structures and delegation

Primary role and responsibilities of the Board

PRINCIPLE
6

The governing body should serve as the focal point and custodian of corporate governance in the organisation.

Santam's response and application of the King IV principle/s

The Board operates in accordance with a clearly defined Charter which is reviewed at least once per annum. This Charter defines, among others, the Board's mandate, its governance role and associated responsibilities, its composition and quorum requirements, and the procedures applicable to conducting Board matters.

Through its Board committees, the Board oversees the implementation of governance practices throughout the Santam Group. This includes monitoring the implementation of the Group Governance Policy and adherence to the Board authorisations framework.

During the year under review, Santam's operating model and organisational structure continued to underpin and support the execution of the Group's FutureFit strategy, with the objective to build and maintain a resilient and sustainable business. To this end, Santam's new organisational structure, which came into effect on 1 January 2023, clearly distinguished between the Group's six client-facing business units versus those divisions that perform enabling and shared services functions.

Santam's approach, therefore, enables and allows the respective businesses to be individually responsible for applying the Group's governance, risk and compliance management policies and frameworks within their respective areas of responsibility. Each of the client facing businesses within the group of companies, is managed by a chief executive officer (CEO) who is supported by an executive management team and several support functions that are appropriate to the businesses' particular operational requirements. These CEOs form part of Santam's Group Exco and are regarded as the designated "key persons" in terms of the Prudential Standards and Framework for Governance and Operational Standards for insurers and insurance groups.

The subsidiaries' business strategies are developed and aligned to Santam's Board-approved FutureFit strategy, including its approved policies and stringent governance and management principles. In addition, statutory and non-statutory governance structures exist at an operational level with clearly defined roles and responsibilities. Depending on its mandates, the governance structures implemented at a subsidiary level comprise a combination of non-executive and executive directors. The non-executive directors include members of the Santam Board, key persons and, where appropriate, expert external appointees.

The Santam Board is pleased to confirm that it fulfilled its primary role and responsibilities concerning corporate governance and executed its mandate accordingly during the reporting period. This was verified and supported by the outcome of the 2023 Board effectiveness evaluation that was recently conducted. The Group's governance principles are disclosed in further detail in the 2023 Corporate Governance Report.

Composition of the Board**PRINCIPLE
7**

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The nomination, election and appointment of Board members

The Board is responsible for setting the direction and approving the process to attain an appropriate balance of knowledge, skills, experience, diversity and independence to discharge its governance role and responsibilities objectively and effectively. Santam's Nominations Committee makes recommendations to the Board to nominate, elect and appoint members of the Board. This includes affording its consideration to attract and retain critical skills at a Board level and ensuring succession planning regarding new director appointments to the Board and its Board committees.

The Nominations Committee follows a formal, transparent and robust process to review the balance, effectiveness and representivity of the Board and its Board committees. This is done while considering the requirements outlined in Santam's MoI and the skills requirements identified at a Board level over time.

Independence and objectivity

A comprehensive review of the independence of Santam's non-executive directors is conducted on an ongoing basis, particularly those directors serving on the Board for a tenure of longer than nine years. Further detail in this regard is provided in Santam's 2023 Corporate Governance Report. The capacity and independence of each director are therefore categorised and assessed in alignment with the criteria provided for in King IV, the Companies Act, the JSE Listings Requirements, and the Prudential Governance and Operational Standards for insurers and insurance groups. Other factors documented in the Board Charter, the Company's MoI and recommended practices concerning non-executive directors who hold a long tenure are also considered.

The Board is, therefore, satisfied that its composition during the reporting period and beyond, reflects an appropriate balance of knowledge, skills, experience, race and gender diversity, inclusivity and independence. Some of the significant changes that were made to the Board during the 2023 financial year include the new appointments made to the Board and Board committees in response to the retirement of the Chair of the SES Committee and the HRRC, as well as the appointment of Santam's new Group Finance Director and Debt Officer. More detail regarding these changes that occurred at a Santam Board level during the 2023 reporting period can be found in the 2023 Corporate Governance Report. In addition, a brief curriculum vitae for each director standing for election or re-election at Santam's 2024 AGM accompanies the notice of its next AGM.

Apart from the Chair of the Board being classified as independent, Santam also has a Lead Independent Director (LID) appointed to the Board. The LID's role and mandate are clearly defined in a Board approved LID Charter which is annually reviewed. Santam's LID's primary role is to ensure and enhance independence at a Board level and to support and assist the Chair in facilitating independent and objective decision-making. The LID is regarded as instrumental when the Chair is conflicted or her independence is debated or jeopardised in any way. Following the annual Board effectiveness evaluation that was conducted during the 2023 reporting period, the Board reached consensus on the performance and services delivered by its LID, Mr Monwabisi Fandesio. The Board confirmed that it was satisfied that its LID operated effectively, independently and consistently with the skills, experience and attributes required to execute his delegated mandate.

Managing conflicts of interests

A closed session is a standard agenda item at each Board meeting, providing the independent non-executive directors an opportunity for private deliberations. This platform is also used to discuss, if required, any related-party transactions, including but not limited to any financial or economic interest, position, association or relationship, which, when judged from the perspective of a reasonable and informed third party, could unduly cause bias in decision-making processes.

A formal process is also being implemented at Santam to manage and facilitate any actual, perceived, or potential conflicts of interest that may occur occasionally. The latter is in addition to the Group's standard protocol, which requires each Board member to declare their respective interests quarterly in writing and at every meeting they attend – i.e., taking into account the discussion points listed on the meeting agenda. Board members are required to update their declaration registers at any time and communicate the same to the Group Company Secretary should any changes in their profiles or interests become evident.

Governing structures and delegation (continued)

Composition of the Board
(continued)**PRINCIPLE**
7**Succession and diversity**

The Nominations Committee also assists the Board in reviewing succession planning annually at a Board and Board committee level. This includes the identification, mentorship and development of future candidates. The Board further considers its composition in alignment with its Policy regarding the Promotion of Diversity Attributes. During the period under review, this policy was reviewed by the Nominations Committee, after which a recommendation was made to the Board for its approval. The policy continues to be consistent with the Amendments Schedule relevant to the JSE Listings Requirements. The Board is of the view that the stance that Santam adopted in this respect goes beyond the minimum regulatory requirements and acknowledges the value that it contributes to the Group's diversity-related objectives and overall sustainability. The Board composition and its evaluation thereof are disclosed in further detail in the 2023 Corporate Governance Report.

The following are also applicable requirements:

- *JSE 3.84(a): the process to ensure clear balance of power and authority at Board of directors' level*
- *JSE 3.84(b): appointment of the Group Chief Executive Officer and Board Chair*
- *JSE 3.84(d): CV of each director standing for election or re-election*
- *JSE 3.84(e): categorisation of directors*
- *JSE 3.84(i) and (j): Policy on the Promotion of Gender and Race Diversity on the Board and Remuneration Policy and the implementation report be tabled for non-binding vote by shareholders at the annual general meeting (AGM)*

Governing structures and delegation (continued)

Committees of the Board

PRINCIPLE
8

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

The Board has six established Board committees to support and assist it in discharging its role and responsibilities. The Board committees comprise an Audit Committee, a Risk Committee, an Investment Committee, an HRRC, a Nominations Committee and a SES Committee. Each Board committee's role and associated responsibilities (as approved and delegated by the Board), its composition, meeting protocols, quorum requirements, decision-making powers and delegation of authority have been summarised in the Group's Integrated Annual Report and the 2023 Corporate Governance Report.

It is worth highlighting that each Board committee is appropriately constituted, and each member is appointed by the Board as per the recommendations made by the Nominations Committee. However, this excludes the members appointed to the Audit Committee, nominated by the Board, and annually elected by Santam's shareholders at the AGM. The Nominations Committee also assists the Board by evaluating and presenting suitable, prospective candidates for recommendation to the shareholders for the directors' election or re-election at the AGM. This process aligns with Santam's Mol and other applicable regulatory requirements.

The Board further ensures effective leadership of its committees by allowing collaboration between the relevant governance structures through cross-membership, as recommended by King IV. This primarily aims to prevent duplication and mitigate fragmented functioning between the various Board committees. In addition, external advisors and members of management attend Board and Board committee meetings by invitation only, with no voting or decision-making powers.

A balanced distribution of power regarding membership across the Board committees remains a Board focus. The objective is to ensure that no individual member is allowed to dominate any decision-making exercises and that no undue reliance is placed on any particular Board member. The governance structures and the various decision-making powers are defined in the Group's Board approval framework and the Group Governance Policy, which are reviewed and approved annually. It aims to regulate decisions on the following levels:

- Decisions of the Board that require ratification or approval from Santam's shareholders in terms of the Companies Act, 71 of 2008, as amended (the Companies Act);
- Decisions of the Board that the Mol provided for based on good governance principles;
- Decisions reserved for formal approval by the Board and/or those which are delegated to the Board committees; and
- Decisions of the Board that have been delegated to Santam's Group CEO. The Group CEO may, in turn, consult with any representatives of management across the organisation as required from time to time and he may also delegate his decision-making authority to the respective subsidiaries' governance structures and/or the Group executives, as appropriate

Any delegation of responsibilities to a Board committee or the Group CEO of Santam will, however, not constitute a discharge of the Board's accountability. The Board remains accountable for applying its collective mind to the information, opinions, recommendations, reports and statements presented and recommended by the Board committees.

A brief overview of each Board committee's mandate and its key focus areas is included in the 2023 Corporate Governance Report. In addition, a statement confirming that each Board committee is satisfied that it fulfilled its responsibilities during the period under review and in accordance with its respective Board-approved terms of reference is also disclosed in Santam's 2023 Corporate Governance Report.

The following are also applicable requirements:

- JSE 3.84(c): Audit Committee, Remuneration Committee and SES Committee
- JSE 3.84(g) (i) to (iii): expertise and experience of the Group financial director, appropriate financial reporting and assessment of audit firm and designated individual audit partner suitability

King IV principles

Santam's response and application of the King IV principle/s

Governing structures and delegation *(continued)*

Evaluations of the performance of the Board

PRINCIPLE
9

The governing body should ensure that the evaluation of its own performance and that of its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness.

A Board effectiveness evaluation is conducted on an annual basis. The Chair of the Board, with the support of the Group Company Secretary and the Nominations Committee, leads the evaluation process. The Board is satisfied with the outcome of the 2023 Board evaluation process conducted during the previous financial year. It has been confirmed that the Board continued to operate effectively and efficiently in creating value for Santam's stakeholders. Consensus had been reached on the continuous commitment, competence and experience exercised at a Board and Board committee level.

With the assistance of the Nominations Committee, the Board also determines the number of external directorships and other positions a director may hold, considering the relative size and complexity of Santam and the industry in which it operates. Annually, the Nominations Committee considers all other commitments of Santam's Board members and whether each director has sufficient time to fulfil his/her responsibilities towards Santam.

When the Nominations Committee is of the view that a particular director is over-committed or has an unmanageable conflict, the Chair of the Board will meet with the director to discuss a resolution on the matter to the satisfaction of the Nominations Committee. The 2023 Board effectiveness assessment results are disclosed in the 2023 Corporate Governance Report.

The Board confirms that it executed its mandate and responsibilities in alignment with the Board Charter.

Governing structures and delegation *(continued)*

Appointment and delegation to management

PRINCIPLE
10

The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The Board appoints the Group CEO based on the recommendation of the Nominations Committee and the HRRC. The role and responsibilities of the Group CEO are specified and defined in the approved Board Charter. The Board, supported by the Nominations Committee and the HRRC, evaluates the performance of the Group CEO annually against an agreed set of performance measures and targets. In consultation with the HRRC, the Nominations Committee is also responsible for ensuring adequate succession plans for the two ex officio executive directors serving on the Board. Furthermore, the Group CEO appoints the members of the Group Exco, after consulting the HRRC for its endorsement. The Board approves and regularly reviews the Group Governance Policy and Santam's Board approval framework, which provides an overview of the respective authorisations and decision-making powers exercised at a Board and management level.

The Group CEO, supported by the Group Exco, is accountable to the Board for the successful execution of Santam's strategic objectives and the overall management and performance of the Company. The respective businesses within Santam each develop their own authorisation framework in alignment with Santam Limited's Board approval framework and its Group Governance Policy. It should be noted that the Group CEO is not a member of the HRRC, the Nominations Committee or the Audit Committee. He, however, attends any of the aforesaid Board committee meetings or parts thereof by invitation only – i.e., if and when required, with no voting rights to exercise. The same principle applies to the Group Finance Director.

The Board agrees upfront with the Group CEO on whether he and/or other directors may take up additional professional positions, including membership in other governing bodies outside Santam. Time constraints and potential conflicts of interest are considered and balanced against the opportunity for professional development. The Board confirmed its satisfaction with the approach that is being applied.

The Group Company Secretary has a direct channel of communication with the Chair of the Board and the Group CEO, while maintaining an arm's length relationship with the other directors as far as is reasonably possible. The role and responsibilities of the Group Company Secretary (a statutory appointment) are described in further detail in the Board Charter and summarised in the 2023 Corporate Governance Report. The Group Company Secretary's performance and independence are assessed on an annual basis by the Board.

The following are also applicable requirements: JSE 3.84(h): the Group Company Secretary

- *The Board appoints the Group Company Secretary in accordance with the Companies Act. The Board considers and evaluates the competence, qualifications and experience of the Group Company Secretary on an annual basis and is satisfied that she is competent and has the appropriate qualifications and experience to fulfil her role and responsibilities*

King IV principles


Santam's response and application of the King IV principle/s

Governance functional areas

Risk governance



PRINCIPLE
11



The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The Board has ultimate responsibility for the governance of risk. The Risk Committee advises and assists the Board in discharging its role and responsibilities. In turn, the Group Exco ensures that the business achieves its strategic objectives in a manner that optimises the Company's risk-adjusted return performance. It also has the executive responsibility to provide assurance to the Board and the Risk Committee that Santam's risk management practices are governed effectively and that it continuously supports the Group in achieving its strategic objectives. The Board also approves Santam's enterprise risk management (ERM) framework, which reaffirms the Group's commitment towards ensuring effective risk management practices in pursuit of Santam's strategic deliverables. The Group's ERM framework outlines the process of identifying and monitoring the key risks (internally and externally) that the Company is exposed to. Consideration is also being afforded to converting risks into opportunities to create sustainable value for Santam and its stakeholders.

An overview of how risk governance is managed (in alignment with Santam's Board Approval Framework), the list of key focus areas relevant to the reporting period, and how the Company's risk exposure is being responded to on an ongoing basis are disclosed in the Company's integrated annual reporting suite. During the 2023 financial year, the Board approved Santam's risk appetite statement and risk tolerance levels, which are deliberated at each Board meeting, especially during these challenging operating times.

Cross-committee membership

The Audit Committee members are also members of the Risk Committee, thereby ensuring some degree of co-ordination and cross-membership regarding the evaluation and reporting of risks. Three members of the Risk Committee are also members of the SES Committee, while five members of the Risk Committee are also members of the Investment Committee. One member who serves on the SES Committee is also a member of the HRRC, whereas the LID is a member of the Audit Committee, the Risk Committee, the Investment Committee and the Nominations Committee. This arrangement facilitates the co-ordination of risk management across the six Board Committees. In addition, standard protocol includes that the respective Board members are at liberty to attend (or get exposed to) any of the Board Committees' meetings – i.e. in the capacity as an "invitee" if they are not formally appointed as a member of the Board Committee.

Technology and information governance

PRINCIPLE
12

The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

The accountability associated with the management and governance of technology and information resides with the Board. The Board fulfils an oversight role and directs Santam's strategic and operational use of technology and information. This is to ensure that the use of technology and information complements, maximises and supports the Group's strategic objectives. It also ensures that the respective subsidiaries realise the benefits within an acceptable and articulated level of risk.

Risk Committee: This Board Committee is chaired by an independent non-executive director and, as a collective, the Risk Committee is responsible for IT governance and it oversees management's response to the Group's key technology and information-related risks. This is assessed based on materiality and aligned with the Group's risk appetite and risk management framework. The Risk Committee also oversees the development and review of Santam's Group technology strategy and digital transformation roadmap. It furthermore oversees technology architecture and the operational excellence of the Company's shared IT infrastructure.

Audit Committee: In alignment with Santam's combined assurance model, all significant technology, governance and information-related audit findings are reported to the Audit Committee. It aims to ensure the integrity of the information disclosed and reported from time to time. In addition, the Board (via the Risk Committee) considers the need to receive periodic independent IT assurance on the effectiveness of Santam's risk management practices and will consider the recommendations made by the Risk Committee for Board approval.

Santam's Group IT steering committee: This governance forum was specifically established as a sub-committee of the Risk Committee to assist and support the Risk Committee in fulfilling its strategic oversight role over digital transformation and IT. The Group IT steering committee furthermore co-ordinates and provides oversight over digital transformation activities (strategy, governance, compliance and risk) within the Santam Group, by liaising with the respective businesses within the Santam Group of companies as and when required. In addition, due to Santam being a major subsidiary of the Sanlam Group, the Group collaborates and works closely with Sanlam's Group technology services business unit to ensure alignment and consistency regarding IT and IT governance-related business practices.

Management, in turn, provides assurance to the Risk Committee and the Board that effective IT governance practices are being implemented and that material IT-related risks are mitigated appropriately. These are all well-articulated in Santam's risk register, with appropriate mitigations being implemented and reported to the Board by Santam's enterprise risk management functionaries at a Group and subsidiary level.


Santam's Group internal audit (GIA) function exercises oversight over the effectiveness of the controls that were identified and implemented. The GIA function provides the requisite assurance to the Audit Committee, which satisfies itself as to the effectiveness of the Group's IT governance system and applied controls.

The external audit function frequently performs reviews and assessments as part of its IT management and governance audits.

The Group policies applicable to IT and the IT governance landscape include, but are not limited to, Santam's Group IT Policy, the Information and Data Policy, the IT Cyber Security Policy, and Santam's Digital Behaviour and Security Policy. The Board reviews and approves these policies frequently to ensure that its content and application remain pragmatic, relevant, value-adding and aligned with best practices.

Governance functional areas *(continued)***Compliance governance**


PRINCIPLE
13



The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

Santam is a financial services industry player that operates in a highly regulated environment due to the nature of its products and services. Regulatory compliance is, therefore, an important key focus area of the Board. The Board (with the assistance of the Risk Committee) has oversight over the implementation of Santam's corporate culture and its business strategies. This includes the Group's compliance strategy and risk appetite aligning with Santam's long-term interests and viability. The Risk Committee further assists the Board with exercising its oversight role over the governance of compliance by setting the direction for how compliance should be approached and addressed across the organisation.

Non-compliance

The Group has no appetite for deliberate, ignorant, or premeditated violations of applicable legislative requirements or non-compliance with Company standards, internal policies or governance principles. This is due to Santam striving to conduct its business with due skill, care and diligence to minimise violations and non-compliance incidents arising from negligence.

Group Compliance Policy


As per Santam's Board-approved Group Compliance Policy, all the governance structures operating at a Group and a subsidiary level (as well as all employees) are mandated and obliged to comply with the applicable laws, non-binding rules, codes and standards that support Santam being a responsible and good corporate citizen. It is important to note that establishing a sound governance and compliance culture means that compliance is well understood across the business, including the obligations it creates and the rights and protection it affords to the Santam Group and its key stakeholders.

Management is predominantly responsible for implementing the business objectives and strategies developed in line with the Group's compliance strategy, risk appetite and risk tolerance levels. Santam's design and implementation of sound compliance management practices and procedures aim to detect, prevent and mitigate compliance-related risks. This includes managing compliance risks that the business is exposed to on an ongoing basis and continuously seeking ways to improve the effectiveness of Santam's internal controls so that these are appropriately aligned with the applicable legislative requirements. Through the continuous enhancement of Santam's internal processes, dedicated efforts are made to mitigate all risks facing Santam's policyholders.

The Group Compliance Policy furthermore seeks to encourage compliance with all applicable laws and non-binding rules, codes and standards in those jurisdictions within which Santam operates. The Group compliance office is the responsible business functionary that develops procedures to facilitate implementing and monitoring the Group Compliance Policy regarding compliance practices across the Group. Santam's Group compliance officer reports directly to the Chief risk officer and is responsible for promoting and monitoring Santam's compliance culture. The Group Compliance Officer (supported by the various compliance functions within the subsidiaries) also facilitates compliance management by analysing statutory and regulatory requirements and monitoring the implementation and execution thereof. To this end, the Risk Committee and the Board receive regular feedback reports on material compliance matters through the Group Compliance Officer, who is suitably skilled and experienced.

An overview of governance and compliance management, the key focus areas thereof, the arrangements and initiatives embarked on and how the compliance-related risks have been addressed during the period under review, have been disclosed in the 2023 Corporate Governance Report that forms part of the integrated annual reporting suite. In compliance with the PA's governance standards relating to key persons, annual performance assessments are conducted on the Group Compliance Officer (as the head of a control function) to review the effectiveness of his services rendered during the reporting period.

Remuneration governance

**PRINCIPLE
14**


The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently so as to promote the achievement of its strategic objectives and positive outcomes in the short, medium, and long term.

The Board is accountable for ensuring that Santam remunerates fairly, responsibly and transparently for achieving and promoting Santam's strategic objectives over the short, medium and long term. The Company's remuneration philosophy and policy support the Group's FutureFit strategy by incentivising the desired behaviour required to meet or exceed pre-determined 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 general insurance operational performance.

Santam's Remuneration Policy

The Group's integrated annual reporting suite includes Santam's Remuneration Policy and its 2023 remuneration implementation report. The HRRC is responsible for developing an appropriate Remuneration Policy, monitoring its implementation, and regularly reviewing the policy's suitability. The primary objectives of the policy are to:

- Attract, reward and retain key talent
- Motivate and incentivise performance
- Support and promote the Group's strategic objectives, within its Board-approved risk appetite and risk tolerance levels
- Promote positive outcomes across the inputs and resources which the Group uses or affects
- Promote an ethical culture and behaviour that are consistent with Santam's core values, which encourage responsible corporate citizenship

Santam's remuneration philosophy aims to:

- Inform its key stakeholders of the Company's approach to rewarding its employees
- Identify those aspects of the reward philosophy that are prescribed and to which all businesses should adhere
- Provide a general framework for all the other elements of the reward philosophy
- Offer guidelines for short- and long-term incentive and retention processes
- Offer general guidelines about how the businesses should apply discretion in their internal remuneration allocation and distribution

This philosophy aligns with the Santam Group's approach to remuneration and reward.

The Group's remuneration objectives

Santam's objective remains to reward performance ethically, fairly, responsibly and transparently as practically possible. It also makes a concerted effort to ensure its approach and business practices are benchmarked and reviewed regularly. Through the auspices of the HRRC's mandate, dedicated efforts are made to obtain a better understanding of shareholders' views and recommendations. Input received from key stakeholders is considered and taken into account when Santam's policies and procedures are reviewed annually.

Remuneration disclosures

In addition to the aforementioned, Santam discloses each non-executive director's and prescribed officer's remuneration in its integrated annual reporting suite. In line with the recommended practices in King IV, Santam's Remuneration Policy and its implementation report will, as in 2023, be tabled for a separate non-binding advisory vote by the shareholders at the Company's next AGM, scheduled to take place on 29 May 2024. The Group's Remuneration Policy and the HRRC Charter provide for the measures Santam commits to take if the Remuneration Policy and/or the implementation report are voted against by 25% or more of the votes exercised at the 2024 AGM. These measures include the Board and management undertaking an engagement process to ascertain the reasons for dissenting votes and to address the legitimate and reasonable objections and concerns raised by Santam's shareholders (if any).

The following is also an applicable requirement:

- JSE 3.84(j): the Remuneration Policy and the implementation report

Governance functional areas *(continued)***Assurance****PRINCIPLE
15**

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organisation's external reports.

The integrity, completeness and accuracy of the Group's disclosures form part of the mandates of the audit, risk, and SES Committees. Although the Board assumes overall responsibility for assurance and the integrity of the information disclosed by Santam, the Audit Committee (assisted by several internal and external assurance providers), is delegated the responsibility for overseeing the Group's approach towards combined assurance and how it is being managed and facilitated across the business. This ensures that it incorporates and optimises the various assurance services and lines of defence within Santam.

The role of the Audit Committee

The Audit Committee therefore ensures that appropriate assurance is obtained in response to all the significant risks the business might be exposed to and other material matters that have been identified over time. This is done through a combination of reporting by first-line management functions that "own" and manage risks, specialist risk functions that oversee risk management and compliance as well as independent assurance providers such as internal and external audit.

The Board confirmed that it was satisfied with how the Audit Committee executed its mandate and responsibilities concerning combined assurance as per the Committee's Board approved Charter. The Board was also satisfied with the quality and integrity of the Group's combined assurance model – i.e., noting that it is effective, appropriate and suitably robust. It further enables the Board to rely on the Group's response to combined assurance, which supports and informs the Board's disclosures concerning the integrity of Santam's external reports.

During the reporting period, the Board also approved the Group's internal audit function's charter. It satisfied itself that the GIA was suitably staffed in 2023 with the necessary skills, qualifications, experience, and resources. Although the Chief audit executive (CAE) is not a member of Santam's Group Exco, she reports administratively to the Group Finance Director and functionally to the Audit Committee. She does, however, attend the Group Exco meetings by invitation. Given the highly regulated environment of Santam's operations and the nature of the role that the CAE fulfils, the Board ensures that the performance of the CAE is assessed on an annual basis (i.e., as a head of the control function and in alignment with the definition of the PA's recommendations).

King IV principles

Stakeholder relationships

Stakeholders

PRINCIPLE
16

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

Santam's response and application of the King IV principle/s

The Board accepts responsibility for overseeing the strategic risks and opportunities related to the interface between Santam and its key stakeholders. This includes balancing the needs, interests and legitimate expectations of all the Company's material stakeholders. As a result, Santam adopted a stakeholder-inclusive and stakeholder-centric approach which include affording its consideration to all its stakeholders as an integral part of how Santam conducts its business as a corporate citizen. The Group aims to proactively communicate and engage its key stakeholders on material and relevant aspects that directly or indirectly affect them. This is achieved through a broad range of communication channels and mediums to encourage stakeholders to respond and provide feedback in a pragmatic manner.

Group Stakeholder Management Policy

During the reporting period, the Board reviewed and approved the Group Stakeholder Management Policy that was developed in alignment with the principles and recommendations in King IV. The policy aims to define Santam's key stakeholder groups and outline the basic principles and requirements that must be complied with. The policy further highlights how stakeholder management is being approached across the business and how stakeholder engagements and initiatives are governed, monitored and reported on. The SES Committee oversees and monitors the implementation and compliance with the Group Stakeholder Management Policy. This is primarily achieved through quarterly reporting on stakeholder management initiatives and engagements by the different subsidiaries across the business.

Furthermore, the Group Stakeholder Management Policy enables Santam to communicate with its diverse group of stakeholders in the most appropriate and effective manner. All shareholders are invited to attend the AGM. Participation is facilitated by way of focused proxy solicitation and electronic means. The Group CEO and Group Finance Director also conduct regular presentations and roadshows on the Company's performance and strategy to analysts, institutional investors and the media.

Santam continues to shape a robust culture of interactive stakeholder liaisons, which serves as a platform to engage and share information with its diverse group of stakeholders. The Group's objective is to understand its stakeholders' needs and the risks they are exposed to and to receive regular feedback from stakeholders that enables amicable and positive outcomes for those concerned. More information on Santam's approach to stakeholder management and some key initiatives embarked on during the 2023 reporting period are available in the integrated annual reporting suite and published on Santam's website.

King IV principles

Stakeholder relationships *(continued)*

Responsibilities of institutional investors

PRINCIPLE
17

The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests.

Santam's response and application of the King IV principle/s

The Board is accountable for ensuring the Group promotes good governance by investing responsibly. It has an oversight role and exercises its ethics-related responsibilities, rights and obligations through elected representatives in the various companies Santam invests in. Santam's objectives associated with responsible investing are achieved through the Company's Investment Committee, Santam's Group Exco and the respective governance structures within each business cluster. The business units' respective executive committees ensure that Santam's investments are managed according to formal policies and Board-approved investment mandates. As a minimum, the Board requires that these governance practices should always:

- Promote responsible investment
- Achieve and maintain sound governance practices
- Promote an ethical culture
- Enhance effective control, good performance and legitimacy

Investing responsibly

The Board is of the view that the Group's approach to responsible investment will improve Santam's ability to meet its commitments to beneficiaries and, notably, better align its investment activities with the interests of society in general.

Santam, including its fund managers, subscribe to the United Nations' Principles of Responsible Investment and the Code of Responsible Investing by Institutional Investors in South Africa (the Responsible Investing Codes/CRISA 2). During the period under review, Santam (through its Investment Committee) reviewed its internal governance structures' terms of reference to ensure alignment with CRISA 2, which was launched in September 2022. This was followed by the Board's approval in November 2022 of the proposed amendments that were incorporated in the Group's Responsible Investing Policy. The latter has since formed an integral part of Santam's Group Investment Policy and the Company's general approach towards investing in a responsible and accountable manner.

The Group's Responsible Investing Policy further aims to ensure alignment between Santam's investment practices and the principles outlined in the Responsible Investing Codes and King IV. At the same time, Santam's overall investment objective is to maximise its after-tax investment returns within the approved Santam Group risk appetite framework – i.e., subject to the Group's investment management principles. However, it remains key that the Board-approved Group investment strategy always considers and safeguards the interests of the Group's policyholders.

To this end, no strategy that might adversely affect the Santam Group's ability to repay its insurance obligations, as and when they become due, will be considered. In addition, Santam remains committed to ensure that its investments are also in line with the prescripts of applicable insurance-related regulatory requirements.

Further information about Santam's responsible investment is available in the Company's 2023 integrated annual reporting suite.



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