



# SANTAM GROUP CLIMATEWISE REPORT

Performance for the year ended 31 December 2022

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



## Ms Rachel Austin

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cc: Steffy Velayudhan [email: Steffy.Velayudhan@cisl.cam.ac.uk]

Dear Rachel,

### ClimateWise Progress Report: 1 January to 31 December 2022

The Santam Group (Santam) has been a proud member of ClimateWise since 2009. The company was the first African insurer to mobilise the industry in response to increasing climate and weather risks, and has since been joined by Sanlam, our parent company.

Santam is South Africa's leading general insurer and the largest on the African continent by premium size. We continue to recognise the urgency required to address climate change and the complexity this brings. Therefore, we are committed to demonstrating our leadership in the South African short-term insurance sector through our membership by incorporating the seven ClimateWise principles in our business and decision-making. Our commitment is demonstrated in our [2022 Integrated Report](#), our [Task Force on Climate-related Financial Disclosures \(TCFD\) report](#), and our public [Climate Change](#) and [Coal](#) position statements.

#### Our approach to climate change

Our approach to addressing climate change-related risks focuses on adaptation efforts through partnerships with various stakeholders to understand climate-related risks, knowledge sharing, and enhancing community risk resilience. To move climate change mitigation and adaptation with broader Environmental Social and Governance (ESG) efforts forward, we work with relevant industry bodies, local and international research organisations, UNEP FI's<sup>1</sup> Principles for Sustainable Insurance and we are a member of the National Business Initiative (NBI), a voluntary coalition of leading national and multi-national companies, working together towards sustainable growth. Santam is also a member of the Business for Social Responsibility (BSR); an international member-based organisation that supports businesses to create long-term value for all stakeholders. Collaborations with other insurers, businesses, and the government are also key to our response to the changing climate and goal of building resilient societies. As a leading short-term insurer, we use our experience in climate-related weather events to contribute to efforts to better understand and manage climate-related impacts.

In this submission, our report covers initiatives and activities implemented in the past year to assist the Group in understanding and managing climate-related risks. The role of the board and management's oversight on the Group's climate-related initiatives are outlined in responses to principle 1. Notable progress in this regard is the inclusion of ESG criteria in the performance of the executive team going forward.

In our response to the second principle, which aims to demonstrate our progress in incorporating climate-related issues into our strategies and investments, progress can be seen in the approving and publishing of our coal position statement. The statement outlines our approach to underwriting coal within the South African market and outside the South African market. In our response to sub-principle 2.3, we also highlight the work currently underway to aid us in understanding our exposure to climate-related risks, i.e., Group-wide climate risk assessment (climate scenarios) using the Network for Greening the Financial System (NGFS) scenarios as a basis.

To demonstrate progress in the identification, understanding and management of climate risk as stipulated under principle 3, we note the continuing work and initiatives aimed at mitigating climate risk under the Partnerships for Risk and Resilience (P4RR) program. The P4RR helps municipalities develop floods and fire disaster resilience through various pragmatic preventive measures. These are further elaborated on in the submission.

<sup>1</sup>United Nations Environment Programme's Finance Initiative

Being at the forefront of climate-related and industry-relevant collaborations to inform public policy making (principle 5) is vital to our response to climate change and in demonstrating leadership in this space. This is evidenced by the Group's Head of Investor Relations and Strategy's chairmanship of the [South African Insurance Association](#) (SAIA) and in our continued effort towards keeping both our internal employees and clients informed about the latest climate related-risk events and topical updates relevant to the industry and our organisation (principle 6).

To demonstrate our effort towards reducing our environmental impact (principle 4) and ensuring enhanced reporting (principle 7), our submission refers to our carbon footprint report and annual CDP reports which elaborate on the work done internally to measure and manage the environmental impact of our operations. Our organisations commitment to enhanced reporting is also evidenced in our response to principle 7, which directs the reader to our latest Integrated Report, previous ClimateWise response and recent UNEP-PSI response.

In addition to initiatives implemented in 2022, the report also includes relevant activities implemented in 2023 as part of our "looking forward" inputs to highlight the work we are currently doing, which will be fully disclosed in the next ClimateWise reporting cycle.

We trust you will find evidence of our commitment in our report to embed the ClimateWise principles sufficient. We hope our report illustrates our commitment to integrating the ClimateWise principles into our business.

Should you have any questions, please feel free to contact Thabiso Rulashe on [Thabiso.Rulashe@santam.co.za](mailto:Thabiso.Rulashe@santam.co.za).

Kind Regards,

Thabiso Rulashe

**HEAD: STRATEGY AND INVESTOR RELATIONS**

Zimkita Nkata

**GROUP ESG AND STRATEGY ANALYST**

# CONTENTS

<b>Principle 1: Be accountable</b>	<b>5</b>
Sub-principle 1.1	5
Sub-principle 1.2	8
<b>Principle 2: Incorporate climate-related issues into our strategies and investment</b>	<b>10</b>
Sub-principle 2.1	10
Sub-principle 2.2	11
Sub-principle 2.3	12
<b>Principle 3: Lead in the identification, understanding and management of climate risk</b>	<b>13</b>
Sub-principle 3.1	13
Sub-principle 3.2	14
<b>Principle 4: Reduce the environmental impact of our business</b>	<b>17</b>
Sub-principle 4.1	17
Sub-principle 4.2	17
Sub-principle 4.3	18
Sub-principle 4.4	18
<b>Principle 5: Inform public policy making</b>	<b>20</b>
Sub-principle 5.1	20
Sub-principle 5.2	20
<b>Principle 6. Support climate awareness amongst our customers/clients</b>	<b>22</b>
Sub-principle 6.1	22
Sub-principle 6.2	22
<b>Principle 7. Enhance reporting</b>	<b>23</b>
Sub-principle 7.1	23
Sub-principle 7.2	23
<b>APPENDICES</b>	<b>24</b>

## PRINCIPLE 1: BE ACCOUNTABLE

### 1.1 Ensure that the organisation's Board is working to incorporate the Principles into business strategy and has oversight of climate risks and opportunities

#### RESPONSE

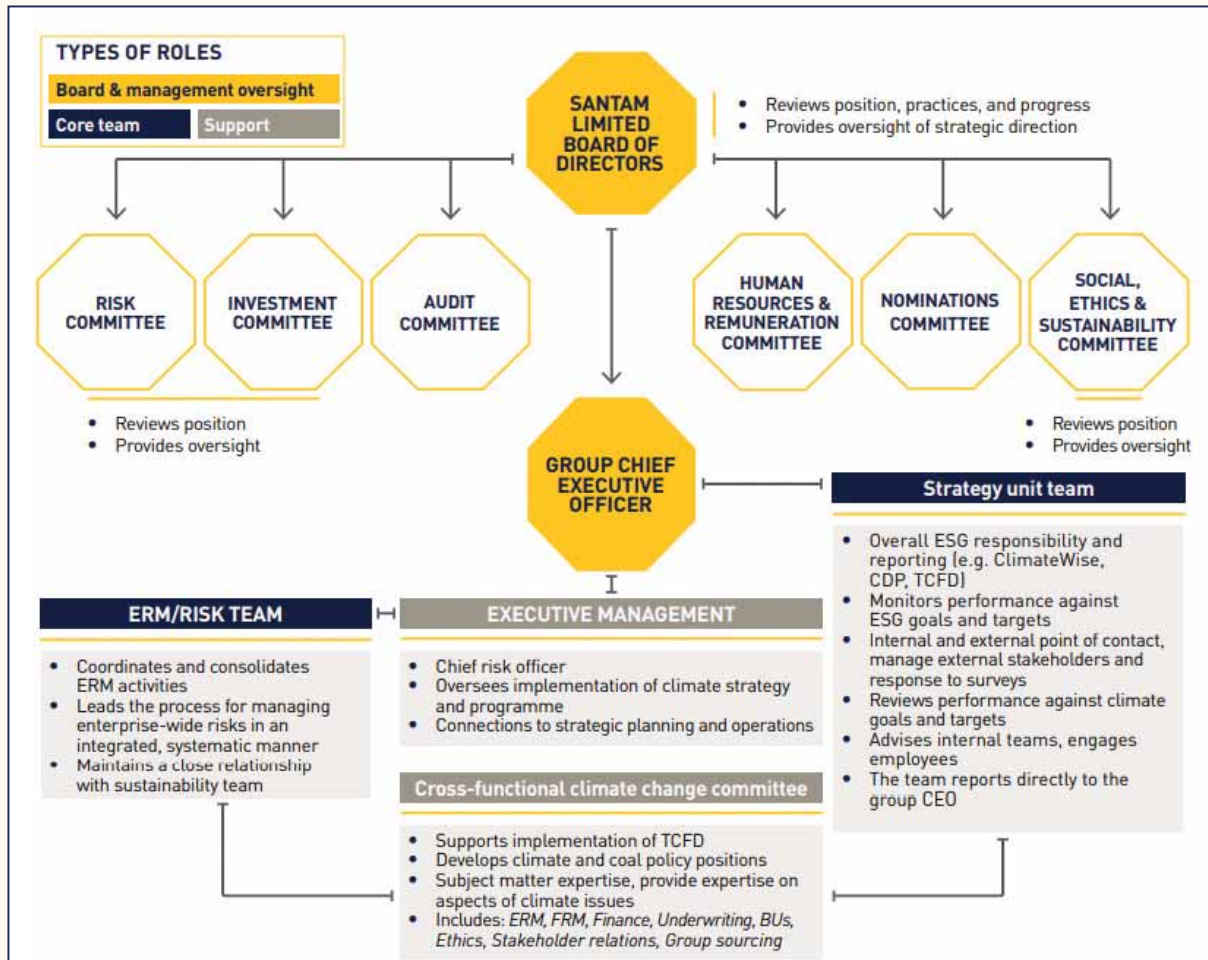


Figure 1: ESG and Climate Risks (Governance structure)

The Board of Santam Ltd and subsidiaries (hereafter referred to as Santam Group) sub-committee for Social, Ethics & Sustainability (SESCO) is responsible for assisting the Board with oversight of social, ethical and sustainability matters relating to the Group. The SESCO is governed by its [Charter](#) as recommended by the corporate governance code in South Africa applicable to all JSE-listed entities. Below is a high-level list of SESCO's role:

- The Board has delegated oversight of, and reporting on, organisation ethics i.e., ethical governance and leadership, responsible corporate citizenship, customer interests and fairness responsibilities, sustainable development, stakeholder relationship management and transformation of the Committee in terms of the King IV Report on Corporate Governance ("King IV").
- The Committee is responsible for assisting the board in setting the direction for how stakeholder relationships should be approached and conducted in the organisation in terms of King IV. Please see figure 1 above and page 18 of Santam's 2022 [Corporate Governance Report](#) which outlines the governance structure for managing climate-related and ESG matters.
- The Committee assists the Board in discharging the following governance responsibilities and ensures that the Board:
  - Advises Santam management of ways and means to improve the effectiveness of its sustainability;

- Encourages independently managed subsidiaries, associates and significant investments to develop policies, guidelines and practices congruent with Santam's environmental, social and governance (ESG) issues and other sustainability policies and practices;
  - Monitors and receives reports covering all substantive matters relating to ESG and other sustainability issues;
  - Monitors and makes recommendations as to the optimal utilisation of resources to optimise the company's long-term sustainability; and
  - Facilitates and monitors ongoing collaboration between the Risk, Strategy, Brand, HR, Finance and Stakeholder Management and Sustainability functions.
- For more on the SESCO, responsibilities and focus areas in 2022, please refer to page 35 and 36 of Santam's 2022 [Corporate Governance Report](#).
  - In 2022, Santam initiated a process to appoint a service provider to conduct climate risk scenario analysis at the Groupwide level. This is a step that both the Board and executive management views as critical in aiding our understanding of climate risk's impact on the overall sustainability of the business.

**Below are the Group's ESG strategic themes that are included in the oversight scope of the SESCO:**

**1. Continue running a responsible business:**

- Understand and manage socio-economic, climate and environmental contextual risk exposure across the Group (physical, transition and potential liability risk);
- Practice good and proper governance that supports the reputation of the group;
- Ensure that sensitive risks in underwriting are appropriately dealt with in line with global norms in the industry;
- Understand ESG impacts;
- Enhance our responsible investment impact; and
- Ensure our stakeholders experience safety, fairness, and inclusion.

**2. Help build resilient society: *(Narrowing the risk protection gap)***

- Have a clear public position on issues that matter for long-term resilience in society including climate change and underwriting of coal;
- Through the Group Transformation Strategy, contribute to building a sustainable and transformed SA economy (broad-based black economic empowerment);
- Partnering for Resilience (focus on impact and catalysing improved risk management); and
- Developing new markets including new innovative business solutions to address the rising risk protection gap.

**3. Talent and Culture:**

- Promote a diverse and inclusive workforce;
- Using diversity, equity, and inclusion to improve culture; and
- Increase employee wellbeing and improve employee engagement.

The SESCO oversees the Group's ESG related disclosures, including the Group's ClimateWise performance, which is included in the Group's SESCO Charter available [here](#).

**Sources:** [https://www.santam.co.za/media/2686538/santam\\_ses-committee-charter\\_march2022\\_final.pdf](https://www.santam.co.za/media/2686538/santam_ses-committee-charter_march2022_final.pdf)  
<https://www.santam.co.za/media/2687822/2022-corporate-governance-report.pdf>

Santam's Board oversees all ESG-related matters, including climate-related issues and disclosures. In addition to the SESCO, the Board is assisted by additional subcommittees in discharging its duties of overseeing the Group's ESG performance, including climate-related risks and opportunities. These include the Group Investment Committee and the Group Risk Committee.

The Group Investment Committee is responsible for evaluating the Group's investment portfolio as well as the performance of investment managers. The committee assists the Board's oversight of the Group's responsible investment practices promoting good governance and the creation of value by the companies in which Santam invests. The committee also sets the direction for responsible investing. The Group's investment management is outsourced, and the service providers are required to report on their application of the Group's responsible investment principles as set out in the Santam Group Investment Policy. The Group Investment Policy incorporates ESG considerations impacting the long-term sustainability of Santam's portfolio investments as well as active ownership practices, which are aligned with the Codes and King IV. The incorporated ESG considerations include climate risk, which has been identified as a material matter for the Group.

The Risk Committee of the Board assists the Board in fulfilling its governance duties from a risk and control perspective, including compliance and risk management responsibilities. The committee is responsible for identifying, evaluating, and effectively managing all significant risks, including enterprise risk and climate risk. The committee ensures that Enterprise Risk Management analyses the group's top inherent risks, which include climate-related extreme weather events. The committee is also responsible for reviewing the Group's Own Risk & Solvency Assessment (ORSA) process to support the Board in its overall responsibility to assess its risk management framework, and ensuring that the ORSA requirements are embedded in the business and decision-making processes (see pages 3 and 5 of the Group Risk Committee Charter [here](#)). The ORSA acknowledges the climate-related risks facing Santam Group, including physical risks that lead to an increase in claims settled by insurers, transitional risks resulting from adjustments to a low carbon economy and its potential impact on the Group (see appendix B for the climate change extracts from the 2022 Group ORSA report).

**Source:** <https://www.santam.co.za/media/2685917/santam-group-risk-committee-charter-nov-2019.pdf>

In 2022, the Group refreshed its strategy, this process further embedded ESG as part of the company's strategic objectives and as we are pleased to report that from now on; ESG-specific key performance indicators were made an integral part of the performance measurement criteria of the Group Exco and Senior Management (see page 29 of the Corporate Governance Report). The implementation thereof will be monitored continuously, with Santam's reward strategy aligned with the new performance assessment criteria.



## 1.2 Describe management's (below board-level responsibility) role in assessing and managing climate-related issues

### RESPONSE

The Group CEO and his executive team (Exco), in particular the Chief Risk Officer and the Group Strategy Unit in the Chief Financial Officer's office, are responsible for assessing climate-related issues. Climate change is embedded in the Group's FutureFit strategy (see pages 39, 40, 45, 50, and 56 of the Integrated Report [here](#)) highlighting the Group's response to climate risk and our approach to aligning with the TCFD). The strategy has been translated into key performance indicators and collated on a Group FutureFit dashboard. The CEO and the Exco is responsible for implementing the FutureFit strategy and reports progress to the Board quarterly. The Group's ClimateWise performance, CDP, and the FTSE Russell's ESG rating are included in the dashboard as key performance indicators. These are also presented to and assessed by the Exco regularly (at least annually).

During the second half of 2022, the Group Strategy Unit (Unit) was relocated to the office of the Chief Financial Officer. The Unit continues to monitor and track the progress of the FutureFit strategy and compiles the quarterly dashboard, and annual CDP, ClimateWise and FTSE Russel returns. The Unit is also responsible for contextual environmental scanning (socio-ecological and competitive environments). Scanning reports are shared with the CEO, Exco, and other functional peers regularly.

The Group's Chief Risk Officer (an Exco member) supports the Board Committee in fulfilling its governance and executing its risk management responsibilities. This role entails identifying, evaluating and effectively managing all significant risks. These risks are identified in Santam's strategic risks, which include climate risk, catastrophe events and other material risks. As highlighted in the climate change extract from the 2022 ORSA report (appendix B), Santam is exposed to physical (including indirect) and transition risks. The Chief Risk Officer is assisted by a team consisting of a business integrity officer, enterprise risk management officer, and a financial risk management officer who contribute to climate risk-related work.

The Group's Chief Financial Officer (an Exco member and Board member) is responsible for overseeing the Group's Investment Management, with the assistance of an investment officer. He is also responsible for managing the Group's relationship with investors and analysts concerning their ESG-related concerns, which include climate risk.

The Group Sourcing executive (an Exco member) is responsible for group sourcing and facilities, ensuring that there is resource efficiency in the Group's facilities (see the Groups Carbon Footprint report in Appendix C), and ensuring that sustainability, including climate risk, is part and parcel of the Santam supply chain management and Santam claims value chain processes.

The Group's Climate Change committee, which is mandated to assist the business with climate risk management and the rollout the Group's TCFD plan. The Climate Change committee also oversaw the drafting of the Group's coal position statement. The committee was chaired by the then-leader of the Strategy Unit under the executive oversight of the Chief Risk Officer. The Climate Committee Charter can be found in Appendix D, and below are the objectives of the Committee:

- Support the Group's response to the TCFD recommendations;
- Monitor the science of climate change;
- Address stakeholder inquiries regarding the company's position on climate change and coal/fossil fuels;
- Monitor the company's voluntary measures to reduce greenhouse gases;
- Oversee development of ESG in underwriting/transitioning towards low carbon insurance;
- Report quarterly to the Chief Risk Officer, and the related output then be reported to the Board of Director's Social, Ethics and Sustainability and Risk Committee bi-annually;
- Help the executive and the Board assess how the company is evaluating and responding to climate change issues.



**Below are the goals of the committee:**

- Recommend to management company actions regarding climate change.
- Oversee the development and implementation of a Management Plan to address greenhouse gas emissions.
- Oversee the development and implementation of protocols to identify GHG emission reductions and calculate baseline corporate-wide operated facility emissions.
- Assess issues related to GHG emission reductions and make recommendations for management's approval in an effort to maximize the commercial value of GHG emissions reductions and minimize the financial exposure from corporate-wide GHG emissions reduction balances.
- Review and assess the adequacy of the Charter annually and recommend changes, if any, to management for approval.
- Oversee the rolling out of the TCFD plan.

**Source:** *Santam Integrated Report, 2022 (pages 39, 40, 45, 50, 56).*  
<https://www.santam.co.za/media/2687818/integrated-report-2022.pdf>

## LOOKING FORWARD

- Following the refreshed Strategy and the operating model changes, the then leader of the Strategy Unit, has been promoted to the Executive Committee as the Executive Head of Investor Relations and Strategy. He will continue to have oversight of ESG and climate-related matters.
- Furthermore, the frequency of SESCO meetings has increased from bi-annual to quarterly.
- The Group Strategy Unit will continue to conduct climate-related training to ensure that management and the Board is on par with the roll out of the 2023 Group TCFD Report and are kept abreast with key global emerging climate disclosure trends.
- Once the Project Team and external consultant complete conducting the climate scenario risk analysis at a Groupwide level, the Strategy Unit intends to take the Board and the Executive team through the project outcomes. This will allow all Board members to interrogate the outcomes and provide input into the process. Involving the Board will also be important in the development of the overall climate change strategy as we advance.
- The Group's climate change progress and performance will continue to be assessed and discussed at both the SESCO and Exco meetings throughout 2023.
- The Board has approved the Group's coal position statement, and work is underway to review and mature the current coal position statement into a broader fossil fuel policy. The current coal position statement outlines Santam's approach to underwriting coal, and it applies to the Group's exposure to coal within the South African market and outside the South African market.

## PRINCIPLE 2: INCORPORATE CLIMATE-RELATED ISSUES INTO OUR STRATEGIES AND INVESTMENT

### 2.1 Evaluate the implications of climate change for business performance (including investments) and key stakeholders

#### RESPONSE

Refer to Principle 1 for an overview of the Group's corporate governance and risk management processes, which shows how climate change, as part of the material matters of the Group, is considered for business performance, investments, and key stakeholders. Furthermore, the latest Integrated Report acknowledges the Group's exposure to physical and transitional climate-related risks and notes the Group's response in the underwriting and investment sides of our business.

Source: Integrated Report, page 54.

<https://www.santam.co.za/media/2687818/integrated-report-2022.pdf>

The Group's inaugural TCFD report identified different climate-related risks and their impact on the business (See page 7 of the TCFD report). To further develop this work and continue the evaluation of the implication of climate change on our business, Santam Group has appointed a service provider to conduct a climate risk assessment exercise (climate scenarios) to assist the Group with understanding the impact of climate change on our business and stakeholders, thus bolstering managements' decision-making. See response to sub-principle 2.3 below for a further elaboration.

Source: <https://www.santam.co.za/media/2686530/santam-task-force-on-climate-related-financial-disclosures-tcf-d-report-2021.pdf>

#### GROUP CLIMATE CHANGE POSITION STATEMENT

Santam Group has a Climate Change Position Statement which highlights the impact of climate change on our business and our plan to understand climate-related risks. The position statement is aligned with the Paris Agreement on Climate Change, TCFD, and the UN Sustainable Development Goals. Our Climate Change Position statement can be found [here](#).

#### GROUP'S OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

The Enterprise Risk Management (ERM) team is responsible for evaluating the implications of climate-related risks for business performance. See principle 1.1 for how Santam Group is identifying and integrating climate-related risks in the climate change extracts of the 2022 ORSA report (see appendix B).

#### GROUP HUMAN RIGHTS STATEMENT

In 2022, the Group updated its Human Rights Statement, adding a section that amongst other SDG's recognizes and prioritizes SDG13 (climate action) as one of the SDG's that provide the biggest opportunity to create shared value for our organization and key stakeholders (see page 5 of Appendix E). The statement was reviewed by the Social, Ethics and Sustainability Committee and approved by the Board.

#### GROUP COAL POSITION STATEMENT

The Santam Limited [coal position statement](#) was developed in 2022 as part of our recognition of the role of the financial system in gradually diverting funds from the fossil fuel sector towards the low-carbon economy. To ensure Group-wide input, the statement was taken through a rigorous assessment by key stakeholders within the business. This ensured an alignment across the business areas, thus securing buy-in at the management level.

## 2.2 Measure and disclose the implications of climate-related issues for business performance (including investments) and key stakeholders

### RESPONSE

Santam Group currently measures and discloses performance on climate-related issues as follows:

- Santam’s annual ClimateWise report is public and discloses performance against the seven principles. In 2021, the Group’s ClimateWise performance score was 72%, an improvement from the previous year’s score (68%). Considering the Group’s plans to conduct climate scenarios per the TCFD recommendations, we believe that rating will improve. See the website version of our previous year’s ClimateWise progress report [here](#).
- Our organisation also measures and discloses the implications of climate-related issues for business through our annual CDP report in partnership with Sanlam Group, Santam’s parent company. See our CDP report publicly available on our website [here](#). In terms of our performance, our 2022 CDP score dropped from an A to a B. Whilst acknowledging the room for improvement, a score of B still indicates advanced environmental stewardship at the managerial level.
- The Group’s Carbon Footprint report (2022) is also available on our website [here](#).
- The Group continues to work on improving its overall ESG performance. In 2022, Santam maintained its spot in the top 30 of the FTSE/JSE Responsible Investment Index, which is assessed by the ratings agency (FTSE Russell) as part of the annual review process.

### SANTAM GROUP’S RISK REGISTER AND ORSA

Santam Group’s ORSA acknowledges climate-related risks facing the Group, and highlights the Group’s response to climate change, as well as the Group’s progress in aligning with the TCFD recommendation (see Appendix B for the Group’s ORSA section on climate risk). For more information please see the Group Risk Committee Charter [here](#), and our Climate Change Position Statement [here](#).

### LOOKING FORWARD

Santam Group continues to work with international reinsurance partners to ensure that we align with global best practice and are making gradual steps towards refining our understanding of our exposure to coal in line with thermal coal reinsurance directives.

The Santam Group Strategy Unit presents the Group ESG performance to both SESCO and Exco at least four times a year. As of the 2023 financial year, the frequency of the SESCO meetings has increased to four times a year due to there being a need for greater oversight over ESG and climate-related performance matters at the Group level. The performance gets evaluated and corrective measures are agreed upon. Please see Appendix F for the updated charter and SESCO annual plan evidencing the proposed increased number of SESCO meetings going forward.

### UPDATE ON THE NEWSLETTER PUBLICATIONS ON WEATHER, CLIMATE, AND AGRICULTURAL CONDITIONS FOR 2022

Santam Group’s meteorologist continued to provide monthly climate reports to the Santam Agri<sup>2</sup> business. The reports entail useful and regularly updated climate-related and weather information. The information is then shared with our clients in the agricultural sector who benefit from the insights as they provide updates on the climate variability. These monthly reports are sponsored by Santam and are therefore also shared with all other business units. Appendix G is a compilation of the reports shared with Santam Agri and clients for the last 6 months of the 2022 financial year.

<sup>2</sup><https://www.santam.co.za/products/agriculture/>

## 2.3 Incorporate the material outcomes of climate risk scenarios into business (and investment) decision-making

### RESPONSE

At Santam, we strongly believe in the importance of conducting climate scenario analysis (CSA) to assist Santam management and the Board to better understand climate-related financial risks. The CSA exercise will enhance the ability of the Group to identify, measure, monitor, and manage climate-related risks and opportunities. It will also enable the Group to show progress of the Group's TCFD journey. The CSA exercise will support the Board's responsibilities to ensure that the group is appropriately managing all material risks, including financial risks related to climate change.

In response, in 2022, Santam started a process to appoint as consultant to carry out the climate scenario analysis. The exercise is aimed towards stress testing climate risk according to the TCFD principles and assessing business opportunities emerging from climate change-related changes in the business environment. The assessment will use the Network for Greening the Financial System (NGFS) scenarios as a basis. The NGFS scenarios were developed to provide a common starting point for analysing climate risks to the economy and financial system. They represent a global, harmonized set of transition pathways, physical climate impacts, and economic indicators (for the project approach and timelines, see Appendix H). Once complete, this exercise will complement the work already done internally towards identifying several physical and transitional risks that will affect our business in the medium to long term. Conducting climate scenarios is a key priority for the year 2023, this intention can be seen on page 52 of the 2022 [2022 Integrated report](#).

### LOOKING FORWARD

1. Santam Group looks forward to the completion of integrating climate scenarios to assess the resilience of the business model and its strategy to differing levels of physical climate change and different policy responses.
2. Having completed the drafting and publishing of the coal position statement, we look forward to further bolstering and maturing our position on coal and other fossil fuels.



## PRINCIPLE 3: LEAD IN THE IDENTIFICATION, UNDERSTANDING AND MANAGEMENT OF CLIMATE RISK

### 3.1 Ensure processes for identifying, assessing and managing climate-related risks and opportunities are integrated within the organisation (including investments)

#### RESPONSE

##### CLIMATE-RELATED RISKS

Santam Group's Enterprise Risk Management team constructs a Group Risk Thermometer based on discussions with the Executive Management team of Santam. In the 2022 reporting year, the ERM team identified climate risk (including catastrophic events and extreme weather) as one of the top risks Santam is exposed to. See Appendix I for an extract of the Santam Group Risk Thermometer and the Group's response to climate risk. Santam faces the risk of an increase in the frequency and severity of extreme weather events (droughts, floods, wildfires, cyclones) and the consequent impact on its claims experience and business processes. For an overview of risk governance, refer to principle 1.1.

Furthermore, Santam Group, alongside Sanlam, has set greenhouse gas (GHG) reduction targets for scope 1 and scope 2 GHG emissions, focusing on energy, water, waste, and paper reduction targets. The GHG reduction targets are available in our CDP report on our website [here](#).

##### CLIMATE-RELATED OPPORTUNITIES: SPECIALIST UNDERWRITING

Santam Group's Specialist Business portfolio covers large and complex risks in niche market segments of business in South Africa, the rest of Africa and in other emerging markets. This business is conducted through an underwriting management agency business model. The Specialist business focuses on sustainable and profitable growth while leveraging the Group's leadership position to become a leading Pan-African specialist insurer. As part of covering complex risks, several of the Group's Specialist Business function as underwriting managers and as such, provide insurance cover for a number of sectors including the renewable energy sector, see below:

**Emerald**, our specialist corporate property underwriter, currently has underwritten a total of 23 Renewable Energy risks (3 in Rest of Africa) constituting a mix of solar, wind, biomass, and hydroelectricity.

**SHA**, our underwriting manager specialising in liability, professional indemnity, directors and officers, cyber, financial lines, motor and personal accident insurance also underwrites several Renewable Energy Projects which are considered as "off-sets" against coal risk. SHA also covers large Contractors and Built Environment Professionals, many of whom work on Renewable Energy Projects – such projects would be covered under the insured's annually renewable insurance policy. Whilst majority of these projects are mainly solar, a few of them include wind projects. Geographically, all these underwritten RE projects are in the Republic of South Africa.

**Santam Marine** is the largest maritime insurer in Africa, with an extensive footprint throughout the continent. The Marine business insures a wide range of marine risks and boasts an array of technical and reinsurance support services. Like the other Specialist Businesses, the Marine business has a renewable energy project in Somalia.

By providing cover for renewable energy technologies such as solar power, wind power, biomass energy production and hydropower, we are encouraging the uptake of low-carbon energy sources through renewables. This contributes to the much-needed transition towards a low-carbon economy which is enshrined in our current and recently published coal position statement.

##### CLIMATE-RELATED OPPORTUNITIES: CROP INSURANCE

Santam Group, through its division, Santam Agri, provides crop insurance to farmers, which acts as a hedge against climate, environmental and other risks. Financial settlements for weather damage not only make it possible for growers to continue their livelihoods, but also helps stabilise the region's food supply. To underwrite these agricultural policies, Santam uses its risk assessment expertise and decades of weather-related data to estimate the frequency of major weather events. This has been done to ensure that we provide optimal insurance solutions for our clients. One such area is a long history of conducting crop research trials specifically for the study of simulated hail damage on agricultural crops. The results are used for the compilation of new hail assessment procedures or to update existing procedures. Revisiting existing procedures is very important in light of the progress and development in crop genetics which leads to different reactions to damage as compared with older more traditional cultivars.

Source: <https://www.santam.co.za/products/agriculture/crop-insurance/>

## SANTAM RESILIENT INVESTMENT FUND

Santam Group has a Resilient Investment Fund (SRI), which targets investments in companies that address environmental, social or governance needs, specifically those that reduce long term systemic risks to Santam's business. Through the SRI Fund, the Group incorporates climate change into the cluster's business strategy and planning. In essence, the Fund is intended to give Santam an exposure to unlisted credit opportunities that address an Environmental, Social or Governance (ESG) issue or have a positive impact on society. The Fund's main aim is to invest in a socially responsible way whilst also generating a financial return. The Fund invests in both senior and junior debt with a focus on secured finance, mezzanine finance and secured property lending. Loans are granted to suitable small and medium sized enterprises SMEs. Potential investee companies undergo an ESG or Impact screening process which serves to identify and quantify potential ESG or Impact outcomes. The impact goals of the Fund are closely aligned to the following Sustainable Development Goals (SDGs), established by the United Nations:

- No poverty (Goal 1);
- Quality Education (Goal 4)
- Affordable and clean energy (Goal 7);
- Decent work and economic growth (Goal 8);
- Reduced inequalities (Goal 10); and
- Sustainable cities and communities (Goal 11)

The Fund has to date focused largely on investment opportunities including those that promote clean/green and affordable energy. As at 31 December 2022, the fund amounted to R150 million. The fund is managed by [Sanlam Investments](#).

### 3.2 Support and undertake research and development to inform current business strategies (including investments) on adapting to and mitigating climate-related issues

#### RESPONSE

At Santam, we strive to be a responsible corporate citizen that contributes to sustainable economic growth and the communities that we live and work in, the most vulnerable in our society are both most susceptible to risk and most deprived of the insurance security blanket when it's really needed. To service this societal need whilst simultaneously building resilience, Santam Group has a Partnership for Risk and Resilience (P4RR) Program, which brings together our proactive risk management activities in municipalities. The program achieves this by emphasizing early warning systems, preparedness, and proactive risk management. This is done with the aim of improving emergency responses and disaster management capabilities within vulnerable communities. The P4RR program, our CSI spend, stakeholder relations functions and sustainability initiatives, are fully aligned with the 'Help Build Resilient Societies' theme of Santam's FutureFit strategy which is in turn in response to the need and aspiration of narrowing the risk-protection gap.

In addition, through the P4RR program, the Emthunzini Community Trust also invests in risk reducing interventions that are managed by Santam and other willing partners, such as the South African Special Risk Insurance (SASRIA). The objective of P4RR is to strengthen the institutional and participatory development capacity of local municipalities to proactively reduce the impact of fire and flood disaster events. Ultimately our efforts help to contribute to climate adaptation efforts. We do this by assisting service delivery and providing support to local government infrastructure, economic development, and governance. Below are initiatives that were implemented through the P4RR program in 2022:

- **The Green Book (GB)** - P4RR continues to collaborate with the Council for Scientific and Industrial Research (CSIR) through the Green Book initiative to support selected municipalities with climate change adaptation/response planning. During the 2022 financial year, P4RR supported nine (9) Districts and one (1) Metro. The Green Book ([www.greenbook.co.za](http://www.greenbook.co.za)) is a multi-disciplinary, open-access tool that supports South African municipalities with adapting to current and future impacts of climate change.
- **The Fire Station Capacity Assessment Application (APP)** - in addition to the 38 services that were captured during the previous reporting year (2021), a further 53 services have been assessed during 2022; bringing the total to 91. To date, over ninety-one (91) fire services/stations have been graded or assessed on the fire application (App) which is equivalent to over forty-six percent (46%) of the total country's fire services.

- **Nelson Mandela Bay (NMB) Metro Municipality water security** – In the previous year, NMB continued to face a severe water crisis which, if not averted, will have devastating effects on communities, businesses and on the social stability of the region. To address the exacerbated water insecurity in NMB, in the 2022 financial year; Santam initiated the below mitigative interventions in partnership with the Metro:
  - Drilling, testing and installing a borehole at Livingstone hospital and Alpha Primary School in partnership with Gift of the Givers.
  - Installation of 18 five-thousand litres JoJo Tanks and pumps in all nine (9) fire stations (X2 tanks per station).
  - Provision of 180 containers firefighting foam concentrate.
  - Santam has also augmented water supply for fire protection in 14 selected Old-age homes and facilities for people with special needs located in water scarcity red-zone to reduce vulnerability of facilities and residents to fires.
- **Independent P4RR monitoring and evaluation study** – A Professional Service Provider (PSP) was appointed in May 2022 and has successfully executed the project in partnership with P4RR.
- **Cross-cutting initiatives with Risk Services** – P4RR and Risk Services co-funded a flood risk modelling project to investigate current flood exposure in Ladysmith during different extreme events because of pluvial flooding and river flooding. The project was successfully completed.
- **Community education and awareness** – In 2022, the P4RR reached a total number of 33 288 people with disaster risk education and awareness in collaboration with its partners.
- **Provision of firefighting and disaster management equipment** – P4RR delivered equipment for all its partner district and metro municipalities.
- **Capacity building, training, and development.** A total of 149 Disaster Management and Fire Services personnel, Councillors and Traditional leaders benefitted from training in firefighting/ safety, disaster management and related courses.

#### GREEN BOOK ROLL-OUT PILOT

In partnership with the Council for Scientific and Industrial Research (CSIR), Santam's Partnerships for Risk & Resilience program (P4RR) supported 10 district municipalities utilising the Green Book. The Green Book is an online planning support tool that provides quantitative scientific evidence on the likely impacts that climate change and urbanisation will have on South Africa's cities and towns, as well as presenting a number of adaptation actions that can be implemented by local government to support climate resilient development. A further 6 district/metro municipalities will be supported during 2023.

#### BSR COLLABORATIVE INITIATIVE

Santam Group maintained its membership to the Business for Social Responsibility (BSR) initiative. BSR is a global nonprofit organisation that works with a network of more than 300 companies to build a just and sustainable world. Below are the benefits of a BSR membership:

- Keeping up to date with the latest insights which provide an overview of key developments, activities, and opportunities in sustainable business, industry trends, and thought leadership.
- Benefitting from the guidance from BSR's sustainable business experts and discounted rates on consulting.
- Teaming up with sustainability peers to build impact at scale.
- Networking opportunities with peers and stakeholders across industries all over the world.

## CLIMATE AND DISASTER RESILIENCE FUND

In collaboration with a number of industry partners, under the auspices of the National Disaster Resilience Round table, Santam conceptualised the Climate and Disaster Resilience Fund. The purpose of this fund is to ensure that South Africans and vulnerable communities are better prepared for disasters arising from climate change and challenges relating to municipal capacity and spatial development and capacitate post-disaster resilience. Under its ambit, the Fund has established and continues to run the following projects:

- **The Fire Services Capacity Assessment Application (APP):** The APP enables and provides objective data about the capacity of fire services and as such is an important tool for understanding the current state of fire service capacity and enabling planning for the upgrading of fire services. As of December 2022, 91 fire stations have been assessed. The resulting data is crucial for understanding the risks presented by under-capacitated and underperforming fire services. This is equivalent to over forty-six percent (46%) of the total country's fire services.
- **Waste-water Treatment project** (along a section of the Berg River in the Drakenstein Municipality, Western Cape): The project is centred on the Source Treatment Optimisation and Water Resource Management-Decision Support Tool (STOWRM-DST) developed by the CSIR. The key benefit to the Drakenstein municipality is that the outputs of the STOWRM-DST may be used to derive evidence-based decisions.
- **The Green Book Initiative:** (see notes above).





## PRINCIPLE 4: REDUCE THE ENVIRONMENTAL IMPACT OF OUR BUSINESS

### 4.1 Encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business

#### RESPONSE

The work of ensuring that our supply chain is in support of the Group's overall ESG Strategy remains a work in progress. The Group continues to work towards ensuring that sustainability, including climate risk, is part and parcel of the Santam supply chain management and Santam claims value chain processes. To ensure that suppliers meet the requirements of the selection criteria, high level Safety, Health and Environment (SHE) criteria are incorporated into 'Site Evaluation' questionnaires and are either verified by means of a physical site evaluation (vehicle part suppliers, motor body repairers) or by means of electronic photographs (for example glass fitment centres). As part of the SHE criteria, manufacturers are required to be ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management Systems) certified.

In addition, the Santam Quality Service and Compliance unit work with supplier selection criteria guidance to encourage suppliers (e.g., Plumbing and building contractors, and Incident Managers) to meet the selection criteria and agreements listed below:

- Provide services in accordance with the National Building Regulations and Building Standards Act, which requires that contractors only use heat pumps and solar heating systems (See Appendix J for an extract of the Santam Group Supplier Selection Criteria).
- Keep water, energy, and materials to a minimum in the work process to reduce wastage (page 2 of Appendix J).
- Use water and energy-saving products such as insulation, low flow taps, showerheads, multi-flush toilets, greywater systems, and solar water systems to promote resource efficiency.
- Allow Santam to access suppliers' premises and records to validate and audit compliance in this respect.

One of Santam's main drivers for property claims is damaged and burst geysers.

Therefore, suppliers repairing or replacing clients' geysers are required to use efficient systems and must meet the following requirements:

- SANS 941:2014 Energy efficiency of electronic or electrical apparatus, with specific emphasis on the label specifications; and
- Energy efficiency type must be B Rated, in terms of VC9006, and all geysers supplied and fitted on Santam claims must hold a valid NRCS 'Letter of Authority'.

The Group started a project with the International Forum on Sustainable Value Chains (ISVC) and Golden for Impact Foundation to assess our supply chain sustainability on motor and property suppliers.

### 4.2 Disclose our Scope 1 and Scope 2 GHG emissions and Scope 3 GHG emissions using a globally recognised standard

#### RESPONSE

Santam's Greenhouse Gas (GHG) emissions reporting uses the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard methodology. The Group's GHG reporting methodology is highlighted in the Group's Carbon Footprint report extract in Appendix C, which also includes the Group's GHG emissions. The full Carbon Footprint report is available on our website [here](#). Our GHG emissions are also included in our annual CDP return in partnership with Sanlam Group, Santam's parent company. The Group's CDP report is available [here](#).

### 4.3 Measure and seek to reduce the environmental impacts of the internal operations and physical assets under our control

#### RESPONSE

Our facilities team is responsible for measuring and managing the environmental impact of the Group's operations. The team achieves this through measuring and managing our use of energy, water, and waste management, which are then reported to the Sanlam Group, our majority shareholder. The Sanlam Group (including Santam's facilities) manages and reports its emissions using the operational control approach, which requires a company to account for its emissions by entities and activities under the organisation's direct control.

As part of metrics and targets setting, Santam Group measures its internal environmental performance by monitoring consumption patterns such as energy, water, waste, and recycling through an internal IT system. The Group's facilities that are monitored for environmental performance include:

- Santam Head Office,
- Santam Auckland Park,
- Santam Garsfontein,
- Santam Alice Lane, and
- Santam Glacier.

Santam also tracks some material scope 3 emissions. The Group's environmental targets (in partnership with Sanlam Group) for the period 2021 to 2025 are listed below and can be seen in Appendix K. This is in line with Santam's FutureFit strategy:

- 10% reduction in greenhouse gas emissions (tonne of carbon dioxide equivalent/full-time employee (FTE))
- 10% reduction in electricity consumption (kWh/m<sup>2</sup> of office space)
- 10% reduction in municipal water withdrawal (kl/m<sup>2</sup> of office space)
- 10% reduction in paper use (kg/FTE)
- 10% reduction in air, road travel (km/FTE) and hotel nights/FTE
- 10% reduction in waste to landfill (kg/FTE) and 50% of total waste recycles (tonnes)
- Zero Waste to Landfill at Sanlam and Santam Head Offices in Cape Town

For the Group's energy efficiency initiatives and water efficiency initiatives implemented in 2022, and the savings achieved, please see the Group's Carbon Footprint Report [here](#). The Group's environmental impact is also measured and disclosed in our CDP report available [here](#).

### 4.4 Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work

#### RESPONSE

##### SANTAM EMPLOYEE AND CLIENT CLIMATE CHANGE AWARENESS

- During 2022, Santam Group's meteorologist continued to provide monthly climate and agricultural outlook reports to the Santam Agri business and their clients. The aim of this information is to help clients inform their decision-making concerning their business operations. This is evidenced in Appendix G.
- Climate change poses a significant risk to the global economy. The insurance industry actively insures the economy against unpredictable events and has a history of helping society understand and adapt to emerging risks. Therefore, the industry is best placed to play a leading role in addressing the impacts of climate change. In 2022, the Group's Strategy lead penned an industry wide ESG-related article highlighting the insurance sectors' path towards adopting ESG. This article emphasized the industry's role in embedding a strong ESG framework and agenda in the business strategy overall. The full article is available on our website [here](#).

To help increase climate awareness internally i.e., amongst employees, the Group Strategy Unit continued to roll out the Climate Risk course to all current employees. To ensure a wider reach, the course was made compulsory for all employees to complete, with new employees also expected to complete it.



## LOOKING FORWARD

- Santam Group employees will continue to be required to participate in the internal Climate Risk e-learning module developed by our Parent Company, Sanlam. The module forms part of Sanlam's Group training and general awareness for Sanlam Group employees. The module consists of sub-sections that are key to introducing employees to key aspects of climate risk such as defining transition and physical risk and the impact of these on the business, introducing the TCFD and defining climate scenarios.
- The Strategy team looks forward to conducting training of the SESCO members and board focusing on pertinent topics such as the Just Transition and understanding climate scenarios from an insurance perspective.
- The Strategy team looks forward to publishing articles on climate-related scenarios, ESG and sustainability-related matters as an awareness measure for all internal employees.

## PRINCIPLE 5: INFORM PUBLIC POLICY MAKING

### 5.1 Promote and actively engage in public debate on climate-related issues and the need for action. Work with policy makers locally, regionally, nationally, and internationally to help them develop and maintain an economy that is resilient to climate risk

#### RESPONSE

The Group's Strategy Unit (SU) Manager was elected as the chairman of the [South African Insurance Association \(SAIA\) Climate Change Forum](#) during the fourth quarter of 2021. SAIA is the representative body of the non-life insurance industry in South Africa. The SAIA Climate change forum meets quarterly to discuss topical climate change related matters, which includes input to key trends and regulatory developments. Being valid for two years, the lead of the Strategy Unit has continued his chairmanship role, contributing to the conversation on climate-related matters relevant to the insurance sector. This is evidenced in page 9-10 of Appendix L, which is an article penned by the Strategy lead on the future of Climate reporting.

At a regional level, in 2022; we pledged our support to the UN-Global Compact convened and newly founded Pan-African coalition – the Africa Business Leaders Coalition (ABLC) which has an accompanying Business Leaders Climate Statement. The Coalition consists of about 50-80 business leaders, board chairs etc., giving them the opportunity to advance Africa's sustainable growth, prosperity, and development. The intention is for ABLC to be a multi-year initiative, creating a long-term platform for the private sector in Africa

### 5.2 Support and undertake research on climate change to inform our business strategies and help to protect our customers' and other stakeholders' interests. Where appropriate, share this research with scientists, society, business, governments and NGOs in order to advance a common interest

#### RESPONSE

Our organisation continues to be on a journey with respect to understanding our exposure to climate related risk and opportunities. However, in the past financial year, the Group has taken measures to inform our understanding and improve our decision-making when it comes to managing risk. These are listed below:

- Flood Risk Assessments: The year 2022 saw our organisation's underwriting margins being significantly impacted by flood-related claims. As recorded in our integrated report, these floods were by far the worst natural disaster in the history of the company. To mitigate our exposure to floods, Risk services in collaboration with the Partnerships for Risk and Resilience (P4RR) undertook a flood risk modelling project to investigate flood exposure in the KwaZulu-Natal Province, a region that has been largely impacted by extreme rainfall leading to heavy flooding events.
- Geocoding of our insurance book with the aim of better understanding our risk exposure has also been an important initiative. The value of this exercise is in its ability to assist the Group in managing extreme events exposure through underwriting and pricing actions, as well as managing accumulations of risk in exposed geographies. In 2022, this process focused mainly on geocoding new business and address changes – thus more work needs to be done in the 2023 financial year.
- The other important response (at Group level) is the preparation of the work towards conducting climate risk assessments (climate scenarios). The outcomes of this assessment are important as they will guide our climate change response more holistically.

In the past reporting year, the Group Strategy Team also performed an in-depth analysis of the local and international best practice being followed by financial services i.e., banks, insurers, re-insurers with respect to the adoption of fossil-fuel related targets and positions. Whilst this work was conducted internally, it provided the team with sufficient guidance to formulate the Groups' own coal position statement.



#### LOOKING FORWARD:

- As part of thought leadership and contributing to the climate change and ESG awareness in the industry, the Manager of Santam Group Strategic Unit will continue his role in the South African Insurance Association (SAIA), where he will continue to be at the forefront of the conversations aiding the industry towards maturing the understanding of climate and ESG risk in the insurance industry.
- We look forward to the maturing the geocoding of our personal and commercial clients. Having the geographic coordinates of our insurance book from this perspective will play a crucial role in aiding our understanding of our exposure to physical risk.
- We look forward to the completion of our climate risk assessments (climate scenarios). See response to sub-principle 2.3 for further context.

Source: [https://mcusercontent.com/b072df70b35f0495a6ce5293e/files/12fc4a32-f63e-bbf5-b913-71e40149609c/SAIA\\_Bulletin\\_July\\_2022.pdf](https://mcusercontent.com/b072df70b35f0495a6ce5293e/files/12fc4a32-f63e-bbf5-b913-71e40149609c/SAIA_Bulletin_July_2022.pdf)

## PRINCIPLE 6: SUPPORT CLIMATE AWARENESS AMONGST OUR CUSTOMERS/CLIENTS

### 6.1 Communicate our beliefs and strategy on climate-related issues to our customers/clients

#### RESPONSE

- See principle 2.1 on the Group's Climate Change Position Statement which communicates our approach to climate change issues.
- See principle 2.1 on the Group's TCFD report which outline our strategy on addressing climate-related issues and aligning with the TCFD recommendations.
- See page 52 of our integrated report which includes a summary table highlighting the Groups progress in responding to climate risk using the TCFD as a framework.
- See our coal position statement which communicates our acknowledgement of the science behind climate change thus underlining our approach to underwriting coal.

#### Sources:

**Santam Climate Change Position Statement:** [https://www.santam.co.za/media/2684742/doc-10377\\_climate-change-positioning-statement\\_plain\\_bold\\_with-linksfinal-draft.pdf](https://www.santam.co.za/media/2684742/doc-10377_climate-change-positioning-statement_plain_bold_with-linksfinal-draft.pdf)

**Santam TCFD Report:** <https://www.santam.co.za/media/2686530/santam-task-force-on-climate-related-financial-disclosures-tcf-d-report-2021.pdf>

**Santam Integrated Report:** <https://www.santam.co.za/media/2687818/integrated-report-2022.pdf>

**Santam Coal Position Statement:** [https://www.santam.co.za/media/2688148/santam-ltd-coal-position-statement\\_final\\_08062023-001.pdf](https://www.santam.co.za/media/2688148/santam-ltd-coal-position-statement_final_08062023-001.pdf)

Our climate-related issues are also shared on our annual CDP report which is publicly available to our clients on the CDP website. Our CDP report discloses our climate change risks and opportunities.

Source: [https://www.santam.co.za/media/2687807/submission-final-version-sanlam\\_-\\_cdp\\_climate\\_change\\_questionnaire\\_2022.pdf](https://www.santam.co.za/media/2687807/submission-final-version-sanlam_-_cdp_climate_change_questionnaire_2022.pdf)

### 6.2 Inform our customers/clients of climate-related risk and provide support and tools so that they can assess their own levels of risk

#### RESPONSE

Santam Group's meteorologist continued to provide monthly climate reports to the Santam Agri business. The reports entail useful and regularly updated climate related and weather information. The information is then shared with our clients in the agricultural sector who benefit from the insights as they provide updates on the climate variability. These monthly Climate Reports are sponsored by Santam and are therefore also shared with all other business units. Appendix G is a compilation of the reports shared with Santam Agri and clients for the last 6 months of the 2022 financial year.

## PRINCIPLE 7: ENHANCE REPORTING

### 7.1 Submission against the ClimateWise Principles

#### RESPONSE

Santam Group's ClimateWise progress report has been updated on the Santam website to highlight to our stakeholders and investors how we are aligning our Group activities with the ClimateWise principles. Our updated ClimateWise submission for the previous year (2021) can be found [here](#).

Our submission against ClimateWise principles is also highlighted in our TCFD report which can be found [here](#). The response is highlighted on pages 3, 4, 9, 10 and 12 of the TCFD report.

Our submission against the ClimateWise principles can also be found on pages 50-54 of our Group's latest Integrated Report, which can be found [here](#).

### 7.2 Public disclosure of the ClimateWise Principles as part of our annual reporting

#### RESPONSE

Santam Group's work against the ClimateWise principles is available on our [website](#). Our ClimateWise disclosure is also reported on our United Nations Environment Programme Finance Initiative Principles for Sustainable Insurance Initiative (UNEP FI PSI) progress report (the progress report can be found [here](#)).

Sources:

[https://www.santam.co.za/media/2687806/rep-15837\\_santam-climatewise-report-2021.pdf](https://www.santam.co.za/media/2687806/rep-15837_santam-climatewise-report-2021.pdf)

<https://www.santam.co.za/media/2687818/integrated-report-2022.pdf>

<https://www.santam.co.za/media/2686530/santam-task-force-on-climate-related-financial-disclosures-tcf-report-2021.pdf>

Santam Group's Social, Environmental, and Sustainability (SES) charter continues to include the updated ClimateWise principles and the Group's efforts to align with the principles (see page 10, annexure 4 for the updated ClimateWise principles on the SES charter).

Source: [https://www.santam.co.za/media/2686538/santam\\_ses-committee-charter\\_march2022\\_final.pdf](https://www.santam.co.za/media/2686538/santam_ses-committee-charter_march2022_final.pdf)



# APPENDICES

## APPENDIX A – CLIMATE WISE PRINCIPLES

*(Included for ease of reference)*

### 1. Be accountable

- 1.1 Ensure that the organisation's Board is working to incorporate the Principles into business strategy and has oversight of climate risks and opportunities.
- 1.2 Describe management's (below board-level responsibility) role in assessing and managing climate-related issues.

### 2. Incorporate climate-related issues into our strategies and investment

- 2.1 Evaluate the implications of climate change for business performance (including investments) and key stakeholders.
- 2.2 Measure and disclose the implications of climate-related issues for business performance (including investments) and key stakeholders.
- 2.3 Incorporate the material outcomes of climate risk scenarios into business (and investment) decision making.

### 3. Lead in the identification, understanding and management of climate risk

- 3.1 Ensure processes for identifying, assessing and managing climate-related risks and opportunities are integrated within the organisation (including investments).
- 3.2 Support and undertake research and development to inform current business strategies (including investments) on adapting to and mitigating climate-related issues.

### 4. Reduce the environmental impact of our business

- 4.1 Encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business.
- 4.2 Disclose our Scope 1 and Scope 2 GHG emissions and Scope 3 GHG emissions using a globally recognised standard.
- 4.3 Measure and seek to reduce the environmental impacts of the internal operations and physical assets under our control.
- 4.4 Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work.

### 5. Inform public policy making

- 5.1 Promote and actively engage in public debate on climate-related issues and the need for action. Work with policy makers locally, regionally, nationally and internationally to help them develop and maintain an economy that is resilient to climate risk.
- 5.2 Support and undertake research on climate change to inform our business strategies and help to protect our customers' and other stakeholders' interests. Where appropriate, share this research with scientists, society, business, governments and NGOs in order to advance a common interest.

### 6. Support climate awareness amongst our customers/clients

- 6.1 Communicate our beliefs and strategy on climate-related issues to our customers/clients.
- 6.2 Inform our customers/clients of climate-related risk and provide support and tools so that they can assess their own levels of risk.

### 7. Enhance reporting

- 7.1 Submission against the ClimateWise Principles.
- 7.2 Public disclosure of the ClimateWise Principles as part of our annual reporting.