

PSI DISCLOSURE: June 2015

Our approach

The Santam Group (Santam Ltd and its subsidiaries) remains committed to embedding the PSI (Principles for Sustainable Insurance) principles in its business.

The business ethos of the group – *Insurance good and proper* – underscores the group's activities. *Insurance good and proper* speaks to Santam's commitment to a sustainable and resilient world echoed in its support for the United Nations' Principles for Sustainable Insurance and the ClimateWise principles.

Through Santam's strategic choices, implementation and participation in global associations and locally in the South African Insurance Association (SAIA) we aim to promote sustainable insurance that is essentially about reducing risk, developing innovative solutions, improving business performance, and contributing to environmental, social and economic sustainability.

More details regarding Santam's strategy and the integration of its sustainability framework can be found on pg. 34 – 36 of our 2014 Integrated Report (IR).

The Santam group revised its sustainability framework by adopting a three to five-year strategic view of Sustainability issues, which is integrated into the group's three-pillar business strategy. The six capitals were considered in developing the framework and three key material issues were highlighted:

- Exposed markets and clients
- Rising systemic risk and vulnerability
- Pressure on human, social and natural capital

Santam developed a response to each of these material issues by identifying fifteen implementation drivers, which are underpinned by five guiding ESG (Environment, Social and Governance) principles. In our response to Principle 1, we provide evidence of how, through the progress made against Santam's 2014 driver focus areas, we are committed to embedding ESG issues into our decision-making within the context of the revised Sustainability framework.

Please find a summary of progress made against each principle to demonstrate our commitment to PSI. Santam's 2014 Integrated Report can be found on:

<http://www.santam.co.za/financial/integrated-report-2014>

PRINCIPLE 1

The fifteen sustainability implementation drivers each have a clear vision and focus, and an implementation strategy for which Business owners take responsibility. Initiatives flowing from the implementation drivers are in place, managed, measured and reported on.

More information on our 2014 progress against our key focus drivers is available in our 2014 Integrated Report (page 36)

An overview of the responsibilities of the committee can be found in our 2014 Integrated Report (pg. 71-72)

Santam participated in the Carbon Disclosure Project (CDP) and the Johannesburg Stock Exchange's (JSE) Social Responsibility Index (SRI). Santam is in the process of submitting our 2014 Climatewise report, and produced its second Integrated Report. The progress made against Santam's sustainability framework is embedded across all reporting areas of this report.

Looking forward

Santam's focus will remain the implementation of the three pillar group strategy and will monitor strategic progress against selected material financial and non-financial indicators. We believe that this strategic focus will continue to deliver sustainable and positive outcomes for Santam's stakeholders.

Santam's aspiration is to maximise socio-economic welfare, enhance stakeholders' sustainability and build a more resilient world through the provision of risk solutions to our clients in selected emerging markets. We will do so by embracing *Insurance good and proper*.

Santam remains committed to driving the adoption of the UNEP FI Principles for Sustainable Insurance in its business and will continue mining opportunities to further embed the principles across all levels of its business, through relevant stakeholders and at the various industry and global initiatives in which we participate.

Yours sincerely



John Melville
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Ray-Ann Sedres
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