Sanlam: FY2024 Carbon Footprint Report

PREPARED BY PROMETHIUM CARBON FOR:

Sanlam

19 March 2025

Document Control

Date	Version/Amendment	Amendment Number
19 March 2025	First draft submission for external review	0

Prepared by:

Promethium Carbon
The Courtyards, Block 2, 1st Floor
32 Peter Place, Bryanston
PO Box 131253, Bryanston, 2021
https://promethium.co.za/ | +27 11 706 8185
Reg Nº: 2005/018622/07 | Directors: RT Louw, HJ Swanepoel

Table of Contents

List of Tables

1 Introduction

Sanlam is a leading diversified financial services company, founded in South Africa, with core operations spanning life insurance, short- and long-term insurance, personal finance, and asset management. Over the years, the Group has expanded its local and international footprint and now operates in 33 African countries, as well as in India, Malaysia, the United Kingdom, and other selected regions.

This report presents the greenhouse gas (GHG) inventory for Sanlam Group for the 2024 financial year (FY2024), covering the period from 1 January 2024 to 31 December 2024. The inventory accounts for Sanlam's material direct and indirect emissions across its facilities in South Africa. The emissions data and associated calculations, including key inputs, emission factors, and assumptions, are documented in an accompanying Excel workbook.

Sanlam's GHG inventory is structured in accordance with both the GHG Protocol and ISO 14064-1:2018 standards, ensuring alignment with global best practices and enabling consistency in corporate emissions reporting. The inventory forms part of a broader climate change strategy and reporting framework that Sanlam is in the process of developing.

As part of this initiative, a separate assessment is underway to evaluate Sanlam's Scope 3, Category 15 emissions, which relate to the indirect emissions associated with its investment portfolio. This assessment aims to enhance Sanlam's ability to report and manage significant indirect emission sources linked to its financial activities.

The purpose of this GHG inventory report is to provide Sanlam with a comprehensive emissions quantification to support corporate sustainability reporting, inform strategic decision-making, and facilitate the development of low-carbon growth strategies. By quantifying its emissions, Sanlam can better identify key climate-related risks and opportunities, track performance over time, and benchmark its emissions footprint against industry standards.

The report is intended for use by Sanlam's board, executives, shareholders, customers, and other key stakeholders who have an interest in the Group's environmental performance and climate-related initiatives.

2 Approach and Methodology

The Sanlam GHG inventory for FY2024 was compiled in alignment with internationally recognised standards to ensure accuracy, transparency, and consistency in emissions reporting. These standards include:

- The GHG Protocol Corporate Standard – Developed by the World Business Council for Sustainable Development and the World Resources Institute, this framework provides globally accepted guidelines for measuring, managing, and reporting greenhouse gas emissions at the corporate level.

- The ISO 14064 standard was developed by the International Organization for Standardization (ISO) to establish internationally recognised guidelines for quantifying, monitoring, reporting, and verifying GHG emissions and removals. ISO 14064-1, specifically, focuses on organisational-level GHG emissions reporting, providing a structured approach that aligns with global best practices. The standard was initially released in 2006 and later revised in 2018 (ISO 14064-1:2018) to incorporate advancements in emissions measurement methodologies and strengthen corporate climate reporting.

A detailed comparison between the GHG Protocol and ISO 14064-1:2018 emission categories is provided in Appendix 1: Comparison between the GHG Protocol and ISO 14064-1:2018 Standard.

By applying these internationally recognised frameworks in a complementary manner, Sanlam enhances the integrity of its GHG inventory, strengthens corporate risk management, and supports the development of an effective GHG management strategy.

The principles guiding the accounting of Sanlam's GHG inventory, as defined by the GHG Protocol, are outlined in Table 1 below. These principles ensure accuracy, transparency, consistency, and credibility in emissions reporting.

2.1 Reporting Principles

The GHG Protocol and the ISO 14064 provides the following principles for GHG emissions reporting:

Table 1: Principles for GHG accounting and reporting

Principle	Description
Relevance	The GHG inventory should appropriately reflect the data and methodology of the company's GHG emissions and serves the decision-making needs of users.
Completeness	The GHG inventory should account for all relevant GHG emission sources within a company's chosen inventory boundary.
Consistency	A consistent methodology should be used to allow for meaningful comparisons of emissions over time.
Transparency	Address all relevant issues in a factual and coherent manner, based on a clear audit trail specific to the company. Disclose any relevant assumptions and provide appropriate references to the accounting and calculation methodologies as well as data sources used.
Accuracy	Ensure that the quantification of GHG emissions is systematically neither overestimated nor underestimated to the best judgment, while reducing uncertainties as far as practicable.

2.2 Define Purpose of the Inventory

It is necessary to define the purpose of the GHG inventory as different carbon footprints can serve different needs, audiences and purposes. Defining the purpose assists in ensuring that emissions data sets are accurate, actionable, and aligned with both business strategy and climate commitments.

A GHG inventory serves as a tool for organisations to measure, manage, and report their emissions. It provides a structured framework for corporate sustainability reporting, ensuring transparency in environmental disclosures and aligning with regulatory and voluntary reporting frameworks. Additionally, a GHG inventory supports regulatory compliance, adhering to international standards such as the GHG Protocol, ISO 14064-1:2018, and national climate regulations where applicable.

Beyond compliance, it plays a key role in climate risk assessment, helping organisations identify and manage climate-related risks and opportunities, often in alignment with the IFRS S2 requirements. It also serves as a foundation for carbon footprint management, allowing organisations to establish a baseline, track direct and indirect emissions, identify reduction opportunities, and measure progress toward sustainability and net-zero targets.

Furthermore, a well-defined inventory enhances stakeholder engagement, providing key insights into an organisation's climate impact for investors, regulators, employees, customers, and the public.

2.3 Setting Inventory Boundaries

The first step in the quantification of a GHG inventory is the selection of reporting boundaries. These boundaries are important as they identify the GHG sources (activities that emit GHGs) that are to be included in the inventory calculation. Two types of GHG inventory boundaries need to be set – an organisational boundary and an operational boundary. A third approach is the equity share approach which considers a company's GHG emissions based on its share of equity in an operation. In this approach, the company accounts for its proportionate emissions based on its ownership stake in the operation.

The organisational boundary refers to a grouping of activities or facilities over which an organisation exercises operational or financial control. It determines which facilities or operations are included in the organisation's GHG inventory for reporting purposes. Two approaches can be used to set the organisational boundary: the control approach and the equity share approach.

Under the control approach, a company accounts for 100% of the GHG emissions from facilities or operations that it has direct control over. This approach considers both financial control and operational control. Financial control is established when a company has the authority to direct the financial and operating policies of an operation, allowing them to gain economic benefits from it. Operational control, on the other hand, is determined by the company's full authority to introduce and implement operating policies at an operation the company does not have operational and/or financial control over.

By establishing the organisational boundary, organisations can accurately determine which facilities or operations to include in their GHG inventory. This ensures the comprehensive reporting of emissions for the purposes of measuring and managing the organisation's carbon footprint and implementing effective emission reduction strategies.

The GHG Protocol and ISO 14064-1:2018 both provide frameworks for measuring and reporting GHG emissions, but they define organisational and operational boundaries differently.

2.3.1 Organisational Boundaries

The GHG Protocol and ISO 14064-1:2018 define organisational boundaries differently to determine which emissions an entity should report. The GHG Protocol offers two approaches for defining organisational boundaries: the equity share approach and the control approach. Under the equity share approach, an organisation accounts for emissions in proportion to its ownership stake in an operation, regardless of operational control. The control approach, on the other hand, allows organisations to report emissions based on financial control (if they have the ability to direct financial policies) or operational control (if they have full authority to implement operational policies and procedures). Organisations using the GHG Protocol must choose one approach consistently across their inventory.

ISO 14064-1:2018, in contrast, takes a more flexible approach to defining organisational boundaries. It does not prescribe a specific consolidation method but instead allows organisations to define their reporting boundaries based on their governance structure, legal ownership, operational influence, and emissions reporting objectives. This flexibility allows organisations to tailor their reporting to their specific circumstances, often making ISO 14064-1:2018 more adaptable for regulatory compliance and certification.

2.3.2 Operational Boundaries

Operational boundaries define which types of emissions an organisation includes in its inventory, distinguishing between direct and indirect emissions. The GHG Protocol categorises emissions into three scopes:

- **Scope 1** includes direct emissions from owned or controlled sources, such as fuel combustion in company-owned facilities and vehicles.
- **Scope 2** covers indirect emissions from purchased electricity, steam, heating, or cooling that an organisation consumes.
- **Scope 3** includes other indirect emissions from the upstream and downstream value chain, such as employee commuting, business travel, and emissions associated with investments. This comprehensive classification allows for standardised corporate reporting and comparability across industries.

ISO 14064-1:2018 categorises emissions into categories:

- Category 1: direct emissions and removals,
- Category 2: indirect emissions from imported energy,

- Category 3: indirect emissions from transportation,
- Category 4: indirect emissions from products used by the organisation,
- Category 5: indirect emissions associated with the use of products from the organisation, and
- Category 6: other indirect emissions.

However, instead of explicitly using this category structure, the following three broad classifications are commonly referenced:

- Direct GHG emissions, which align with Scope 1.
- Energy indirect GHG emissions, which correspond to Scope 2.
- Other indirect GHG emissions, a broader category similar to Scope 3, where organisations have discretion in defining relevant emissions sources based on significance and reporting objectives.

By structuring operational boundaries differently, the GHG Protocol provides a rigid, widely accepted classification system, whereas ISO 14064-1:2018 allows for greater flexibility, enabling organisations to focus on emissions categories most relevant to their operations and regulatory requirements.

2.4 Identify Emissions Sources

The operations, activities, and resource consumption of an organisation generate GHG emissions across various sources. Identifying and categorising these emission sources is essential for accurately calculating the organisation's carbon footprint. This process involves determining the direct and indirect activities that contribute to emissions, such as fuel combustion, electricity consumption, transportation, and supply chain activities.

A comprehensive GHG inventory requires collecting relevant activity data that aligns with recognised reporting frameworks, such as the GHG Protocol and ISO 14064-1:2018. This includes identifying data sets related to energy usage, business travel, material procurement, waste generation, and other operational processes that result in carbon emissions. Proper identification of emission sources ensures transparency, consistency, and accuracy in GHG accounting, ultimately supporting effective climate action strategies and sustainability reporting.

2.5 Calculate Emissions

The methodology used to calculate the GHG inventory entails multiplying the GHG activity data by an appropriate emission factor.

Activity data x Emission Factor = Quantity of GHG Emissions

An emission factor is a numerical value that represents the amount of a GHG emitted per unit of a certain activity, process, fuel consumption, or other relevant metric.

Emission factors are generally provided in the units of:

$$\frac{Carbon\ Dioxide\ Equivalent\ (CO2e)}{Unit\ of\ Measure\ (litre, kg, etc.)}$$

Thereafter, the various quantities of GHG emissions (calculated using the equation above, per activity data source) are summed for each category to provide the total GHG emissions produced by Sanlam Group in FY2024.

2.5.1 Identify Data Sources

Accurately quantifying emissions requires identifying and collecting reliable data sources that reflect the organisation's activities. The selection of data sources should align with those recognised reporting standards (GHG Protocol and ISO 14064-1:2018), ensuring consistency and accuracy.

Data sources typically include utility bills, fuel purchase records, travel logs, supplier invoices, meter readings, financial accounting systems, fleet management records, and waste disposal reports. For indirect emissions, organisations may need data from vendors, service providers, and other third parties within their value chain. The quality of emission calculations depends on the completeness, accuracy, and representativeness of these data sources. Therefore, organisations should establish data validation processes to ensure reliability and reduce uncertainties in their GHG inventory.

2.5.2 Selection of Emission Factors

Once activity data sources are identified, appropriate emission factors must be selected to convert raw data into carbon dioxide equivalent (CO_2e) emissions. Emission factors represent the average GHG emissions per unit of activity (e.g., kg CO_2e per litre of fuel consumed, per kWh of electricity used, or per kilometre travelled).

Organisations should prioritise emission factors from authoritative sources, such as the Intergovernmental Panel on Climate Change (IPCC), national environmental agencies, government databases, or industry-specific reports. Where localised emission factors are available (e.g., country-specific grid electricity factors), they should be used to improve accuracy. If organisation-specific or supplier-specific emission factors exist, they can be used for enhanced precision.

The selection of up-to-date and relevant emission factors is essential to ensuring the credibility of GHG calculations. To maintain transparency, organisations should document the sources, assumptions, and methodologies used in applying these factors, supporting the consistency and comparability of emissions reporting over time.

2.6 Significance Criteria

Organisations are responsible for establishing their own significance criteria to determine which indirect emissions sources are material to their GHG inventory. The selection of these criteria should align with the purpose of the GHG inventory, ensuring that the most relevant and impactful emission sources are identified. ISO 14064-1:2018 provides guidance on how to assess significance, helping companies prioritise indirect emissions sources based on their materiality and relevance.

In alignment with ISO 14064-1:2018, a significance assessment needs to be conducted to identify the most material sources of emissions. This assessment would serve as a framework for future carbon footprint reporting, ensuring that significant emissions are consistently monitored and addressed. The ISO proposed criteria, to be used as a starting point, for determining significant emission sources include:

- **Magnitude**: These indirect emissions sources have a quantitatively substantial impact. This criterion focuses on emissions sources that contribute significantly to a company's overall carbon footprint.
- **Level of influence**: Evaluates the extent to which a company can monitor and reduce emissions associated with specific activities. This criterion considers factors such as energy efficiency measures, eco-design practices, customer engagement initiatives, and terms of reference that the exertion of control over emissions.
- **Risk or opportunity**: Indirect emissions that expose a company to climate-related risks and opportunities. This criterion considers factors such as financial, regulatory, supply chain, product and customer risks, as well as opportunities for new markets or business models.
- **Sector-specific guidance**: A company should consider sector-specific guidance when determining the significance of GHG emissions within their industry. This criterion ensures alignment with industry norms and best practices when selecting significant emissions.
- **Outsourcing**: Consider indirect emissions resulting from outsourced activities that are typically core business activities. This criterion recognises the emissions associated with outsourced operations and includes them in the assessment of significant emissions.
- **Employee engagement**: Evaluate indirect emissions that have the potential to motivate employees to reduce energy use and foster a collective commitment to addressing climate change. This criterion includes initiatives such as energy conservation incentives and carpooling programs.

By applying significance criteria, organisations can prioritise the most significant indirect emissions sources, enhance the accuracy and completeness of their GHG inventory, and develop effective carbon management strategies that align with business goals, regulatory expectations, and climate commitments.

2.7 Materiality of Emissions Sources

The GHG Protocol requires organisations to assess the materiality of emission sources to ensure that their GHG inventory accurately reflects significant emissions and provides reliable and decision-useful data. Materiality refers to the relative importance of specific emission sources in the overall inventory and helps organisations focus on high-impact areas for emissions management and reduction.

Determining materiality involves evaluating emissions sources based on their magnitude, relevance, influence, and associated risks or opportunities. This ensures that emissions that are significant in scale or impact are consistently tracked and reported. Organisations typically define materiality thresholds, either as an absolute value (e.g., total tons of CO_2e emitted) or as a percentage of total emissions, to guide decisions on which sources to include in the inventory.

By establishing materiality criteria, organisations can ensure their GHG inventory is comprehensive, transparent, and aligned with reporting standards, while avoiding unnecessary complexity in tracking insignificant emission sources. This approach strengthens climate risk assessment, regulatory compliance, and sustainability reporting.

2.8 Categorising Emission Sources

Emission sources must be categorised appropriately to facilitate accurate reporting, consistency, and comparability across organisations and reporting periods. The GHG Protocol and ISO 14064-1:2018 provide structured approaches for classifying emissions based on their origin and level of control within an organisation's operations, as represented in Appendix 1: Comparison between the GHG Protocol and ISO 14064-1:2018 Standard.

Organisations may incorporate carbon offsets into their emissions reduction strategy to compensate for unavoidable GHG emissions. Offsets represent verified emission reductions or removals that occur outside an organisation's direct operations, typically through projects such as reforestation, renewable energy investments, methane capture, or carbon sequestration initiatives. These offsets help organisations mitigate their environmental impact, particularly in areas where direct emission reductions may not be feasible.

When reporting emissions, organisations should follow GHG Protocol and ISO 14064-1:2018 guidelines to ensure transparency, credibility, and consistency in how offsets are applied. Best practices dictate that offsets should be reported separately from gross emissions to maintain a clear distinction between actual reductions within an organisation's operations and compensatory measures. Furthermore, companies should ensure that offsets are sourced from recognised verification standards, such as the Gold Standard, Verified Carbon Standard, or the Clean Development Mechanism, to uphold environmental integrity and prevent double counting.

For Scope 2 emissions—which include indirect emissions from purchased electricity, steam, heating, and cooling—organisations must apply one or both of the two recognised accounting approaches:

- **Location-Based Approach**: This method calculates Scope 2 emissions based on the average emissions intensity of the local electricity grid where the energy is consumed. It provides a standardised approach to assessing emissions using regional or national electricity generation data and does not account for an organisation's specific energy procurement choices.

- **Market-Based Approach**: This approach reflects an organisation's specific energy purchasing decisions, such as contracts for renewable energy through Power Purchase Agreements (PPAs), Renewable Energy Certificates (RECs), or Guarantees of Origin (GOs). It allows companies to demonstrate the impact of investing in low-carbon or zero-emission energy sources.

Under the GHG Protocol's Scope 2 Guidance, organisations reporting their emissions should disclose both location-based and market-based figures where applicable. Dual reporting provides transparency and ensures stakeholders can assess both the regional grid impact of an organisation's electricity use and its efforts to transition to cleaner energy sources.

By accurately accounting for offsets and Scope 2 emissions, organisations can enhance the completeness, reliability, and credibility of their GHG inventory while aligning with climate commitments, investor expectations, and regulatory requirements.

2.9 Verification

Verification ensures the accuracy, completeness, and credibility of an organisation's GHG inventory. Independent verification provides assurance that emissions data has been collected, calculated, and reported in accordance with recognised standards such as the GHG Protocol and ISO 14064-1:2018. Verification enhances the reliability of reported emissions, strengthens stakeholder confidence, and supports regulatory compliance and voluntary reporting frameworks.

Organisations can pursue either internal or third-party verification. Internal verification involves an organisation's own quality control processes, such as internal audits, data checks, and management reviews. Third-party verification, conducted by an external accredited body, provides an independent assessment of the GHG inventory and may be required for regulatory compliance, sustainability certifications, or investor disclosures. Verification is typically conducted at different levels of assurance:

- Limited assurance provides a basic review of emissions data with a focus on identifying material misstatements.
- Reasonable assurance involves a more detailed audit, including site visits, document reviews, and verification of calculations.

Following verification, organisations should address identified discrepancies or areas for improvement, ensuring that their emissions reporting remains robust, transparent, and aligned with best practices.

2.10 Setting Targets

Setting emissions reduction targets is key to an organisation's climate strategy and supports long-term sustainability commitments. Targets provide a clear roadmap for reducing emissions and align with global climate goals, such as the Paris Agreement or the Science-Based Targets initiative (SBTi).

Organisations can set absolute or intensity-based targets:

- Absolute targets aim to reduce total GHG emissions by a specific amount (e.g., "reduce total emissions by 30% by 2030").
- Intensity-based targets measure emissions relative to an operational metric, such as revenue, production output, or employee count (e.g., "reduce emissions per unit of revenue by 20% by 2030").

To ensure targets are credible and achievable, organisations should follow the SMART approach—Specific, Measurable, Achievable, Relevant, and Time-bound. Additionally, targets should be regularly reviewed and adjusted based on business growth, operational changes, and advancements in emissions reduction technologies.

Organisations may also commit to net-zero goals, which involve reducing emissions as much as possible and offsetting any remaining emissions through carbon removal projects, carbon capture technologies, or nature-based solutions. Reporting progress against targets enhances transparency, accountability, and stakeholder trust.

2.11 Base Year

Establishing a base year is essential for tracking and comparing emissions over time. The base year serves as the reference point against which an organisation's emissions performance is measured. Generally, the base year is the earliest year for which reliable emissions data is available and should be selected based on data completeness, accuracy, and relevance to current operations.

Organisations should ensure that their base year remains consistent to allow for meaningful comparisons. However, in certain cases, the base year may need to be restated to reflect significant changes in:

1. Operational boundaries (e.g., mergers, acquisitions, or divestments).
2. Methodologies or emissions factors (e.g., updated national electricity grid factors).
3. Data availability (e.g., improved emissions tracking or correction of previous reporting errors).

Restating the base year ensures the inventory remains accurate and comparable over time. Organisations should clearly document any changes made to the base year and communicate these adjustments transparently in their reporting to maintain credibility and consistency.

3 Compilation of the GHG Inventory

3.1 Purpose of the Inventory

Sanlam's carbon footprint assessment serves multiple strategic purposes, ensuring compliance with investor expectations, regulatory frameworks, and corporate sustainability goals.

3.2 Reporting Boundaries

Sanlam has adopted an operational control approach for determining the organisational boundary for their GHG reporting. It includes emissions sources from operations under Sanlam's full authority to implement policies. This approach excludes emissions from operations where Sanlam has ownership but not operational control.

The South African facilities included within this reporting boundary represent approximately 85% of the Group's directly held subsidiaries. These are listed below, split between Santam and Sanlam premises:

Santam

1. Santam Head Office
2. Santam Alice Lane
3. Santam Glacier
4. Santam Hill on Empire
5. Santam West End A
6. Santam West End B

Sanlam

7. Sanlam Head Office
8. Sanlam Sky/Houghton
9. Sanlam Investments
10. Sanlam Sanlynn
11. Sanlam Glacier
12. Sanlam Alice Lane
13. Sanlam West End D

3.3 Emissions Sources

The table in Appendix 2: Emissions Sources, outlines the emission sources which Sanlam Group considers significant, as per the assessment framework developed using the ISO14064-1:2018 standard. The emission sources are presented according to the emission categories prescribed by both the ISO14064-1:2018 and GHG Protocol accounting standards.

In accordance with the corporate GHG standards, the emissions from Sanlam's operations are categorised as either direct or indirect emission sources. The reporting of direct emissions, also known as Scope 1 emissions is mandatory according to the GHG protocol and the ISO 14064-1 standards. The GHG Protocol also considers the reporting of Scope 2 emissions as mandatory. However, the reporting of indirect emissions, referred to as Scope 3 emissions, is considered voluntary in the GHG Protocol and is at the discretion of the company whether to report on these emissions. Similarly, the ISO 14064-1:2018 provides guidance in the form of significance criteria which should be used to determine what indirect emissions sources should be included in the GHG inventory.

The emission sources included in the boundary of this assessment are presented in Appendix 2: Emissions Sources, categorised according to the respective categories used by both the GHG Protocol and the ISO 14064-1:2018 standard. These categories align with the different scopes referenced in the GHG Protocol. These emission sources have been evaluated for their significance and inclusion within Sanlam's carbon footprint boundary. The assessment ensures transparency, accuracy, and comparability in reporting, allowing for future reference and the establishment of emissions reduction targets.

As Sanlam continues to develop and mature its carbon footprint calculations, the emission sources and their boundary may evolve. The identification and justification of emission sources are essential components of the formal emissions target-setting procedure, providing a solid foundation for Sanlam's sustainability efforts.

3.4 Application of Significance Criteria

Reporting on other indirect (Scope 3) emissions is a voluntary process as per the GHG Protocol. However, the ISO 14064-1:2018 provides a significance framework that is used to identify criteria to distinguish which emission sources are significant for Sanlam Group, and which accordingly should be disclosed within the corporate GHG inventory.

The following table outlines the criteria selected by Sanlam to assess the significance of the Group's indirect emissions. These criteria are considered appropriate for the intended use of the GHG inventory, which is to report and compare annual emissions.

The respective framework for assessing significance, and therefore the inclusion of emissions sources in Sanlam's GHG inventory, is detailed in the table below.

Table 2: Significance criteria and thresholds for inclusion

Significance criteria	Description	Relevance and thresholds
1. Magnitude	The indirect emissions or removals that are assumed to be quantitatively substantial.	**Significant if** emissions >1% of Sanlam's total emissions.
2. Level of influence	The extent to which the organisation can monitor and reduce emissions and removals (e.g., energy efficiency, eco-design, customer engagement, terms of reference).	**Significant if** Sanlam can influence the emissions source by 2.5% per annum through supply chain agreements or similar mechanisms.

Significance criteria	Description	Relevance and thresholds
3. Outsourcing	The indirect emissions and removals resulting from outsourced activities that are typically core business activities.	**Significant if** emissions associated with outsourcing are relevant for Sanlam. For example, working from home emissions (electricity consumption from computers, heaters and air conditioners)
4. Employee engagement	The indirect emissions that could motivate employees to reduce energy use or that federate team spirit around climate change (e.g. energy conservation incentives, carpooling).	**Significant if** employees' activities (e.g. travel/commuting) result in the influence of Sanlam's indirect emissions
5. Risk and opportunity	The indirect emissions or removals that contribute to the organisation's exposure to risk (e.g. climate-related risks such as financial, regulatory, supply chain, product and customer, litigation, reputational risks) or its opportunity for business (e.g. new market, new business model).	**Significant if** there are risks or opportunities that Sanlam is exposed to as a result of indirect emissions such as the markets Sanlam may invest in.
6. Sector-specific guidance	The GHG emissions deemed as significant by the business sector, as provided by sector-specific guidance.	**Significant if** there are sector-specific guidance, benchmarks or targets for indirect emissions that are relevant to Sanlam. Developments in Sanlam Group and related sector will be monitored, and the relevance of this significance criteria must be re-evaluated.

The significance framework above has been used to identify the emission sources reported in the Sanlam Group carbon footprint. A list of exclusions also follows.

3.5 Exclusions

The following is a list of exclusions in the calculation of Sanlam Group's carbon footprint.

3.5.1 Facilities

In addition to the thirteen facilities listed in Section 3.2 above, Sanlam operates numerous smaller offices across South Africa and globally. However, these sites have been excluded from the reporting boundary due to data availability constraints and the disproportionate reporting burden relative to their minimal GHG contribution.

A clear example of this approach is the UK office, which was included in last year's carbon footprint assessment but has been excluded this year. This decision was based on an evaluation of its negligible emissions impact compared to the effort required for data collection and reporting.

3.5.2 Employee figures

International employees were excluded from the employee figures as the reporting boundary was confined to the Group's regional offices in South Africa. As indicated above, these exclusions are considered acceptable as the employees from approximately 85% of the Group's directly controlled global operations are included in the GHG inventory.

3.5.3 Other indirect emissions

Emissions associated with Sanlam's value chain, including capital goods, upstream leased assets, and investments, have been excluded from the reporting boundary of this assessment. However, Sanlam is currently conducting an assessment of emissions linked to its investment portfolio, which may be incorporated into future emissions reporting. This evaluation aims to enhance the completeness and transparency of Sanlam's carbon footprint by considering significant indirect emissions in alignment with evolving climate disclosure standards and best practices.

3.6 Data Sources

The activity data sets for the FY2024 GHG inventory related to the South African facilities were provided by Sanlam. Apart from a high-level sanity check, no verification or assurance of the data sources or results was conducted by Promethium Carbon. However, the data was externally assured by a third-party auditor.

3.6.1 Activity Data

Activity data refers to the quantitative information collected to calculate Sanlam's GHG emissions. This data represents the actual consumption, usage, or operational outputs that result in GHG emissions. The Sanlam FY2024 GHG inventory relies on a range of activity data sets sourced from various operational and administrative records.

For **Scope 1 emissions** (direct emissions from fuel combustion and refrigerant leakage), the activity data that was assessed includes:

- Diesel and petrol consumption in company-owned vehicles and pool cars.
- Diesel usage in stationary backup generators.
- LPG consumption in office kitchens.
- Refrigerant gases (such as R410A, R22, and 134A) used in air conditioning systems.

For **Scope 2 emissions** (indirect emissions from purchased electricity), the activity data includes:

- Electricity consumption from Eskom and other energy suppliers.
- Acquired energy from landlord-operated generators where direct electricity procurement is not possible.

For **Scope 3 emissions** (indirect emissions from the value chain), the activity data includes:

- Business travel records, covering air travel, road transport, and accommodation stays.
- Employee commuting data, including estimated distances travelled and transportation modes.

- Procurement records for purchased goods and services, including office supplies like paper and stationery.
- Waste management data, including the quantity of waste sent to landfill and recycling.
- Courier transportation distances related to Sanlam's operations.
- Facility-related information, such as gross leasable area (GLA) and employee numbers, which help normalise emissions reporting.

These datasets provide the necessary input values for emissions calculations, ensuring a data-driven and transparent carbon footprint assessment.

3.6.2 Emission Factors

Emission factors are conversion coefficients that translate activity data into GHG emissions (expressed in CO_2e). These factors indicate the average emissions produced per unit of activity, such as fuel burned, electricity consumed, or kilometres travelled.

For **Scope 1 emissions**, the emission factors applied include:

- DEFRA (UK Department for Environment, Food & Rural Affairs) factors for fuel combustion in vehicles and generators. It must be noted that the responsibility for publishing the UK's GHG emission conversion factors transitioned from DEFRA to the Department for Energy Security and Net Zero (DESNZ) in February 2023. This change was part of a wider UK government restructuring, which dissolved the Department for Business, Energy and Industrial Strategy (BEIS) and created DESNZ to focus on energy security and net-zero policies.
- Since then, DESNZ has been responsible for releasing the annual GHG conversion factors, with the latest update published on July 8, 2024.
- IPCC (Intergovernmental Panel on Climate Change) global warming potential values for refrigerant gases.

For **Scope 2 emissions**, the emission factors include:

- Eskom's 2024 Integrated Report grid emission factor for electricity consumed in South Africa.
- Transmission and distribution loss factors to account for energy losses in the power grid.

For **Scope 3 emissions**, emission factors are sourced from:

- DEFRA factors for business travel, including air travel (adjusted for radiative forcing), road transport, and accommodation.
- DEFRA and industry-specific sources for fuel and energy-related activities, covering upstream fuel production and transportation emissions.
- Recycling and waste management emissions factors from scientific studies and DEFRA databases.

- Sector-specific values for emissions related to purchased goods and services, such as paper and water consumption.

While DEFRA emission factors are widely recognised and commonly used in corporate GHG reporting, Sanlam could consider incorporating more region-specific emission factors going forward. Using local or region-specific data, such as South African government emission databases, sectoral reports, or industry-specific studies, may enhance accuracy and relevance for emissions that are geographically dependent, such as electricity grid intensity, fuel production emissions, and waste management processes. This approach would align Sanlam's reporting more closely with local regulations, energy market conditions, and sustainability initiatives, ensuring a more precise and representative carbon footprint assessment.

However, it must be noted that if Sanlam adopts regional-specific emission factors instead of DEFRA factors, it may be necessary to restate its baseline emissions to ensure consistency and comparability in its GHG reporting.

4 Results for Corporate Reporting

In this section of the FY2024 carbon footprint report for Sanlam, valuable insights into the organisation's GHG emissions are provided. The Sanlam FY2024 carbon footprint is presented in both the ISO 14064-1:2018 and the GHG Protocol formats.

The total emissions for Sanlam's FY2024 carbon footprint are summarised in The results are expressed in tonnes of carbon dioxide equivalent (tCO_2e), a standard unit that accounts for the global warming potential of different GHGs. It is important to note that "tonnes" refer to the metric unit (1 000 kg).

Table 3 and Table 4 below, following the ISO 14064-1:2006 and GHG Protocol standards.

4.1 Results as per ISO 14064-1:2018

The data collected and analysed in accordance with the ISO 14064-1:2018 highlights the significant sources of emissions, offering valuable insights for future carbon footprint reporting and management strategies.

Although the GHG Protocol remains popular for reporting purposes, the ISO14064-1:2018 represents the most up-to-date and internationally recognised methodology for corporate GHG inventory accounting.

The results are expressed in tonnes of carbon dioxide equivalent (tCO_2e), a standard unit that accounts for the global warming potential of different GHGs. It is important to note that "tonnes" refer to the metric unit (1 000 kg).

Table 3: Summary of Sanlam's FY2024 according to ISO 14064-1:2018

Category	Description	Sanlam Emissions	Santam Emissions	Group FY2024 Emissions	Group FY2023 Emissions	% change from FY23
Category 1: Direct GHG emissions and removals	Stationary Diesel Combustion	262 tCO_2e	87 tCO_2e	350 tCO_2e	1 612 tCO_2e	-361%
	Mobile Diesel Combustion	0	197 tCO_2e	197 tCO_2e	212 tCO_2e	-8%
	Pool Cars Diesel Combustion	0	11 tCO_2e	11 tCO_2e	5 tCO_2e	61%
	Mobile Petrol Combustion	0	1 284 tCO_2e	1 284 tCO_2e	1 178 tCO_2e	8%
	Pool Cars Petrol Combustion	2 tCO_2e	1 tCO_2e	3 tCO_2e	4 tCO_2e	-23%
	Stationary LPG	15 tCO_2e	20 tCO_2e	35 tCO_2e	29 tCO_2e	16%
	Refrigerants (R410A)	0	0	0	0	-
	Refrigerants (134A)	0	0	0	130 tCO_2e	-
Total CATEGORY 1		**279 tCO_2e**	**1 601 tCO_2e**	**1 880 tCO_2e**	**3 169 tCO_2e**	**-41%**
Category 2: Indirect GHG emissions from imported energy	Electricity and Fuel and Energy Related Activities[1]	26 569 tCO_2e	7 062 tCO_2e	33 630 tCO_2e	37 394 tCO_2e	-10%
Total CATEGORY 2		**26 569 tCO_2e**	**7 062 tCO_2e**	**33 630 tCO_2e**	**37 394 tCO_2e**	**-10%**

1 Value calculated is the sum of emissions from purchased electricity as well as the indirect emissions related to the production of fuels and energy purchased and consumed in the reporting year.

Category	Description	Sanlam Emissions	Santam Emissions	Group FY2024 Emissions	Group FY2023 Emissions	% change from FY23
Category 3: Indirect GHG emissions from transportation	Upstream Transportation and Distribution	213 tCO_2e	116 tCO_2e	329 tCO_2e	254 tCO_2e	23%
	Business Travel (Excluding Accommodation)	5 649 tCO_2e	2 446 tCO_2e	8 095 tCO_2e	10 569 tCO_2e	-23%
	Employee Commute	6 922 tCO_2e	2 339 tCO_2e	9 261 tCO_2e	9 025 tCO_2e	3%
Total CATEGORY 3		**12 784 tCO_2e**	**4 901 tCO_2e**	**17 685 tCO_2e**	**19 848 tCO_2e**	**-11%**
Category 4: Indirect GHG emissions from products used by organisation	Purchased Goods and Services	403 tCO_2e	105 tCO_2e	508 tCO_2e	251 tCO_2e	51%
Total CATEGORY 4		**403 tCO_2e**	**105 tCO_2e**	**508 tCO_2e**	**251 tCO_2e**	**51%**
Category 6: Indirect GHG emissions from other sources	Waste Generated in Operations	163 tCO_2e	39 tCO_2e	203 tCO_2e	176 tCO_2e	13%
	Accommodation During Business Travel	417 tCO_2e	398 tCO_2e	815 tCO_2e	1 454 tCO_2e	-44%
	Working from Home	881 tCO_2e	373 tCO_2e	1 253 tCO_2e	1 345 tCO_2e	-7%
	R22 Refrigerant	0	0	0	97 tCO_2e	-
TOTAL CATEGORY 6		**1 461 tCO_2e**	**810 tCO_2e**	**2 271 tCO_2e**	**3 072 tCO_2e**	**-26%**
Total EMISSIONS (Category 1-6)		**41 494 tCO_2e**	**14 480 tCO_2e**	**55 974 tCO_2e**	**63 734 tCO_2e**	**-14%**

Based on the table above, emission sources in Category 2, i.e., purchased electricity and fuel, and other energy related activities, account for 60% of Sanlam's total emissions. This is followed by transport related activities in Category 3, contributing to 32% of emissions.

4.2 Results as per GHG Protocol

The following table shows the summary of Sanlam's FY2024 GHG inventory according to the GHG Protocol.

Table 4: Sanlam's FY2024 GHG inventory according to the GHG Protocol

Scope	Description	Sanlam Emissions	Santam Emissions	Group FY2024 Emissions	Group FY2023 Emissions	% change from FY2023
SCOPE 1	Stationary Diesel Combustion	262 tCO_2e	87 tCO_2e	350 tCO_2e	1 612 tCO_2e	-361%
	Mobile Diesel Combustion	0	197 tCO_2e	197 tCO_2e	212 tCO_2e	-8%
	Diesel Pool Cars	0	11 tCO_2e	11 tCO_2e	4.5 tCO_2e	61%
	Mobile Petrol Combustion	0	1 284 tCO_2e	1 284 tCO_2e	1 178 tCO_2e	8%
	Petrol Pool Cars	2 tCO_2e	1 tCO_2e	3 tCO_2e	4 tCO_2e	-23%
	Stationary LPG	15 tCO_2e	20 tCO_2e	35 tCO_2e	29 tCO_2e	16%
	Refrigerants (R410A)	0	0	0	0	-
	Refrigerants (134A)	0	0	0	130 tCO_2e	-
Total SCOPE 1		**279 tCO_2e**	**1 601 tCO_2e**	**1 880 tCO_2e**	**3 169 tCO_2e**	**-41%**
SCOPE 2	Purchased Electricity	23 351 tCO_2e	5 867 tCO_2e	6 229 tCO_2e	32 255 tCO_2e	-9%
	Acquired Energy (Landlord Generator)	0	0	20 tCO_2e	79 tCO_2e	-
Total SCOPE 2		**23 351 tCO_2e**	**5 867 tCO_2e**	**29 218 tCO_2e**	**32 334 tCO_2e**	**-9%**
SCOPE 3	Purchased Goods and Services	403 tCO_2e	105 tCO_2e	508 tCO_2e	251 tCO_2e	51%
	Upstream Transportation and Distribution	213 tCO_2e	116 tCO_2e	329 tCO_2e	254 tCO_2e	23%
	Fuel and Energy Related Activities	3 218 tCO_2e	1 194 tCO_2e	4 412 tCO_2e	5 060 tCO_2e	-15%
	Waste Generated in Operations	163 tCO_2e	39 tCO_2e	203 tCO_2e	176 tCO_2e	13%
	Business Travel (Including Accommodation)	6 066 tCO_2e	2 844 tCO_2e	8 910 tCO_2e	12 023 tCO_2e	-23%
	Employee Commuting and Working from Home	7 803 tCO_2e	2 712 tCO_2e	10 515 tCO_2e	10 370 tCO_2e	1%
SCOPE 3 Sub-Total		**17 864 tCO_2e**	**7 012 tCO_2e**	**24 876 tCO_2e**	**28 134 tCO_2e**	**-13%**
Out of Scope[2]	R22 gas	0	0	0	97 tCO_2e	-

2 Non-Kyoto gases that have been reported.

Scope	Description	Sanlam Emissions	Santam Emissions	Group FY2024 Emissions	Group FY2023 Emissions	% change from FY2023
TOTAL Scope 1, 2 and 3		41 494 tCO_2e	14 480 tCO_2e	55 974 tCO_2e	63 637 tCO_2e	**-12%**
Total Emissions		**41 494 tCO_2e**	**14 480 tCO_2e**	**55 974 tCO_2e**	**63 734 tCO_2e**	**-14%**

The Scope 1 and 2 emissions amounted to 1 880 tCO_2e and 29 218 tCO_2e, respectively. The Scope 2 emissions (i.e., purchased electricity) are the greatest emission source in the GHG inventory, making up 52% of Sanlam's total emissions. Although it is a voluntary measure under the GHG Protocol, the Scope 3 emissions are also included, totalling 24 876 tCO_2e.

4.3 Carbon Footprint Performance Over 5 Years

Table 5 shows the changes in emission quantities across the last five years (2020-2024), reported according to the GHG Protocol format. It is noted that Scope 1, Scope 2 and Scope 3 emissions have decreased from previous two years, indicating a possible decreasing trend.

The decrease in emissions since last year (FY2023) can be attributed to reduced loadshedding for Scope 1 emissions as well as Sanlam's own solar PV generation. The decrease in Scope 3 emissions in comparison to previous years is due to the decreased business travel.

Table 5: Comparison of Scope 1, 2 and 3 emissions for 2020 to 2024

Carbon Footprint	2024	2023	2022	2021	2020
Scope 1 emissions (tCO_2e)	1 880	3 169	2 821	1 684	1 644
Scope 2 emissions (tCO_2e)	29 218	32 334	33 605	35 460	34 221
Scope 3 emissions (tCO_2e)	24 876	28 134	22 984	14 442	16 858
Total Carbon Footprint (tCO_2e)	**55 974**	**63 734**	**59 410**	**52 130**	**51 652**

5 Conclusion

This report quantifies Sanlam Group's direct and indirect emissions for the 2024 financial year, related to the group's South African facilities, in accordance with both the GHG Protocol and ISO 14064-1:2018 standards.

Sanlam's FY2024 GHG inventory is summarised in Table 6 below, in accordance with the GHG Protocol standard.

Table 6: Summary of the FY2024 GHG inventory according to the GHG Protocol standard

GHG Inventory according to the GHG Protocol	FY2024 Emissions
Scope 1: Direct GHG emissions and removals	1 880 tCO_2e
Scope 2: Indirect GHG emissions from imported energy	29 218 tCO_2e
Scope 3: Other indirect emissions that occur in the value chain	24 876 tCO_2e
Total emissions, excluding Out of Scope Emissions	**55 974 tCO_2e**
Out of Scope Emissions (R22)	**0 tCO_2e**
Total emissions, including Out of Scope Emissions	**55 974 tCO_2e**

Within Sanlam's Scope 1 (direct) emissions category, petrol combustion in company owned vehicles and stationary combustion of diesel in generators contributed to the majority of these emissions. However, the Group's Scope 1 emissions decreased by approximately 41% compared to FY2023 levels, attributed to the decrease in loadshedding for 2024 which therefore resulted in fewer quantities of diesel combusted in stand-by generators.

Overall, emissions associated with purchased electricity were the highest contributor to Sanlam's FY2024 GHG inventory (52%). Compared to emissions recorded for 2022 and 2023 (Table 5), Scope 1 and 3 emissions in FY2024 have decreased as a result of lower fuel usage rates, a large decrease in business travel and the absence of gas purchases (R410A, 134A and R22). Additionally, Scope 2 emissions have declined significantly over the past three years, driven by reduced electricity consumption and the implementation of Sanlam's solar PV embedded generation.

The GHG inventory, according to ISO 14064:2018, is summarised in **Error! Reference source not found.** below.

Table 7: Summary of the FY2024 GHG inventory according to ISO 14064:2018

GHG Inventory according to ISO14064-1:2018	FY2024 Emissions
Category 1: Direct GHG emissions and removals	1 880 tCO_2e
Category 2: Indirect GHG emissions from imported energy	33 630 tCO_2e
Category 3: Indirect GHG emissions from transportation	17 685 tCO_2e
Category 4: Indirect GHG emissions from products used by organisation	508 tCO_2e
Category 6: Indirect GHG emissions from other sources[3]	2 271 tCO_2e
Total Emissions (Category 1-6)	**55 974 tCO_2e**

Similar to the inventory described in Table 6, Sanlam's largest Category 1 (direct) emissions were from petrol combustion in company owned vehicles, followed by diesel combustion of generators- though significantly lower in FY2024 than the previous year. The largest indirect emissions originated from Category 2, which includes emissions from purchased electricity, as well as fuel

[3] Category consists of Sanlam's emissions for waste generated in operations, accommodation during business travel, R22 gas consumption and working from home activity.

and energy related activities. The second largest source of indirect emissions were accounted for in Category 3, where employee commuting and business travel were greatest contributors to emissions in this category.

6 Recommendations

The following recommendations focus on enhancing emissions data collection, verification, and reduction initiatives based on the gaps identified in the FY2024 GHG inventory. These strategies are aligned with the independent assurance findings and aim to improve accuracy, transparency, and Sanlam's broader sustainability commitments.

6.1 Recommendations for Improving Data Collection and Quality

The Independent Assurance Statement provided in 2025 by Sanlam's assurer, IRAS, confirmed that Sanlam's carbon data collection, collation, and reporting processes meet reasonable stakeholder expectations.

However, opportunities for further improvement include:

1. Expanding reporting boundaries – In order to enhance Sanlam's GHG inventory for the upcoming financial year, it is advised that the reporting boundary be extended to include additional significant indirect (Scope 3) emissions and additional physical facilities.

    1.1. This includes additional Sanlam/Santam office locations such as Milkwood, Tygerpark 5, Greenacres Boulevard, Rosestad, and Wanderers.

    1.2. This year, Sanlam Investments UK was not included in the reporting boundary, and Sanlam is encouraged to report on more facilities across the Group's international footprint.

2. Enhancing Scope 3 emissions reporting – It is recommended that Sanlam includes all significant indirect (Scope 3) emissions sources in the carbon footprint, if this is aligned with the stated purpose of the carbon footprint, such as Scope 3, Category 15 (investment-related emissions) associated with Sanlam's insurance and asset management clusters. This aligns with the ongoing work Sanlam is undertaking to develop Category 15 Scope 3 reporting for future disclosures.

3. Improving data collection management – To streamline the data collection process and enhance data quality, Sanlam should:

    3.1. Implement monthly data collection and quarterly reviews instead of annual reporting to improve accuracy and completeness.

    3.2. Ensure that all relevant emissions-related supporting documentation is collected throughout the year for better quality assurance.

3.3. Strengthen internal data validation processes to identify discrepancies before submission for third-party assurance.

4. Standardising Emission Factors

   4.1. Prioritising South African-specific emission factors for electricity and transport over generic DEFRA factors, improving calculation accuracy.

   4.2. Periodically reassessing significance criteria, developed in accordance with ISO 14064-1:2018, to determine whether any updates are required.

6.2 Recommendations Related to Assurance

The Independent Assurance Statement provided in 2025 by IRAS confirmed that Sanlam's Scope 1, 2, and 3 emissions reporting is robust and aligns with ISO 14064 verification requirements. To further strengthen verification the following are recommended:

1. Third-Party verification continuation – Continuing independent verification to maintain credibility and compliance with international reporting standards.
2. Strengthening assurance of Scope 3 data – As Sanlam expands its Scope 3 disclosures (e.g., investments and supply chain emissions), additional validation mechanisms should be developed.
3. Periodic internal assurance reviews – Implementing internal audit processes before external assurance to improve data accuracy and identify potential gaps earlier.
4. Stakeholder engagement for transparency – Strengthening communication with investors, regulators, and stakeholders on carbon reporting improvements, particularly in Scope 3 investment-related emissions.

6.3 Emissions Reductions Initiatives

The assurance review highlighted that Sanlam's largest emission sources remain purchased electricity (Scope 2) and transport-related emissions (Scope 3: business travel and employee commuting). Key recommendations for reduction initiatives include:

6.3.1 Reducing Scope 2 (Electricity) Emissions

1. Onsite renewable energy generation – Expanding solar PV at key Sanlam facilities to reduce reliance on Eskom grid electricity.
2. Energy efficiency upgrades – Accelerating the installation of LED lighting, motion sensors, and smart energy management systems to reduce energy waste.

3. Market-based solutions – Increasing use of Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs) to source low-emission electricity and offset carbon tax liabilities.

4. Enhancing disclosure of renewable energy use – Clearly reporting renewable energy adoption metrics in future carbon footprint assessments.

6.3.2 Reducing Scope 3 (Transport) Emissions

1. Remote work expansion – Encouraging hybrid work models to reduce employee commuting emissions.

2. Carpooling and sustainable travel policies – Strengthening corporate travel policies to encourage lower-emission alternatives and public transport subsidies.

3. Business travel reduction – Expanding virtual meeting adoption and low-emission travel options to reduce air travel emissions.

6.4 Setting of Targets

The Independent Assurance Statement confirmed that Sanlam's reporting aligns with stakeholder expectations but suggested that emissions targets be further refined. Recommendations include:

1. Science-Based Targets (SBTs) – Aligning intensity-based targets with the Science Based Targets Initiative (SBTi) framework.

2. Clear short-, medium-, and long-term goals – Defining specific reduction targets for Scope 1, 2, and 3 emissions.

3. Annual review and benchmarking – Strengthening emissions tracking and performance reporting to assess year-on-year progress.

4. Carbon offsetting strategy – Where direct emissions reductions are not feasible, Sanlam could explore investment in verified carbon offset projects, such as reforestation and renewable energy initiatives. However, given the limited availability of high-quality offsets, a more effective approach may be to develop in-house offset projects within South Africa. These could focus on small-scale farming, forest protection and restoration, or green waste conversion to compost, ensuring alignment with local environmental and social priorities. By taking this approach, Sanlam can maintain greater oversight and control over the quality, credibility, and long-term impact of its offsets while fostering tangible local benefits.

Appendix 1: Comparison between the GHG Protocol and ISO 14064-1:2018 Standard

ISO 14064:2018		GHG Protocol	
Category	**Description**	**Scope and Category**	**Description**
1	Direct GHG emissions and removals	Scope 1	Direct GHG emissions
2	Indirect GHG emissions from imported energy	Scope 2	Energy indirect emissions
		Scope 3, category 3	Fuel- And Energy-Related Activities
3	Indirect GHG emissions from transportation	Scope 3, category 4	Upstream Transportation and Distribution
		Scope 3, category 6	Business Travel
		Scope 3, category 7	Employee Commuting
		Scope 3, category 9	Downstream Transportation and Distribution
4	Indirect GHG emissions from products used by organisation	Scope 3, category 1	Purchased Goods and Services
		Scope 3, category 2	Capital Goods
5	Indirect GHG emissions associated with the use of products from the organisation	Scope 3, category 10	Processing of Sold Products
		Scope 3, category 11	Use of Sold Products
		Scope 3, category 12	End-Of-Life Treatment of Sold Products
6	Indirect GHG emissions from other sources	Scope 3, category 5	Waste Generated in Operations
		Scope 3, category 8	Upstream Leased Assets
		Scope 3, category 13	Downstream Leased Assets
		Scope 3, category 14	Franchises
		Scope 3, category 15	Investments

Appendix 2: Emissions Sources & Significance Criteria Threshold

ISO 14064:2018		GHG Protocol		Emission Sources	Inclusion in GHG Inventory
Category	Description	Category	Description		
1	Direct GHG emissions and removals	Scope 1	Energy direct emissions	Emissions that occur from sources that are controlled or owned by Sanlam such as: • Stationary diesel combustion • Mobile diesel combustion • Mobile petrol combustion • Stationary liquid petroleum gas (LPG) • Refrigerants	Included: As required by ISO14064-1:2018 and GHG Protocol.
.2	Indirect GHG emissions from imported energy	Scope 2	Energy indirect emissions	Emissions associated with the purchase of electricity.	Included based on significance assessment: Indirect GHG emissions from electricity use and fuel production are significant due to the magnitude in Sanlam's emissions.
		Scope 3, category 3	Fuel- And Energy-Related Activities	Emissions related to the production of fuels and energy purchased and consumed by Sanlam in the reporting year such as: • Upstream emissions of purchased fuels • Upstream emissions of purchased electricity • Transmission and distribution losses	
3	Indirect GHG emissions from transportation	Scope 3, category 4	Upstream Transportation and Distribution	Emissions from the transportation and distribution (freight) activities throughout the value chain: • Air transport • Rail transport • Road transport	Included based on significance assessment: Emissions related to business travel and employee commuting are significant due to Sanlam's ability to influence the methods of corporate logistics and business travel, as well
		Scope 3, category 6	Business Travel	Emissions from employee business	

ISO 14064:2018		GHG Protocol		Emission Sources	Inclusion in GHG Inventory
Category	Description	Category	Description		
				travel such as: • Air travel • Automobile travel (e.g., business travel in rental cars or employee-owned vehicles other than employee commuting to and from work)	as the opportunity to engage employees to reduce their emissions resulting from commuting. Road and Air Freight (Upstream transportation and distribution) are significant due to the magnitude of these emissions.
		Scope 3, category 7	Employee Commuting	Emissions from employee commuting such as: • Automobile travel • Bus travel • Rail travel • Air travel • Other modes of transportation (e.g., motorcycling, walking)	
		Scope 3, category 9	Downstream Transportation and Distribution	Emissions from downstream transportation and distribution from transportation/storage of sold products in vehicles/facilities not owned by Sanlam, such as: • Air transport • Road transport	Downstream Transportation and Distribution was excluded as no downstream transportation and distribution services were reported in this boundary of Sanlam's GHG emissions.
4	Indirect GHG emissions from products used by organisation	Scope 3, category 1	Purchased Goods and Services	Products include both goods (tangible products) and services (intangible products) such as: • Water • Paper • Stationary	Included based on significance assessment: Indirect GHG emissions relating to goods used by Sanlam are significant due to their magnitude, as well as Sanlam's level of influence over the type of goods that can be purchased.
		Scope 3, category 2	Capital Goods	Emissions from the use of capital goods by the company, such as:	Not applicable as no capital goods were reported in this boundary of

ISO 14064:2018		GHG Protocol		Emission Sources	Inclusion in GHG Inventory
Category	Description	Category	Description		
				• Equipment • Machinery • Buildings • Vehicles	Sanlam's GHG emissions. To enhance completeness, future assessment and possible reporting should consider encompassing emissions associated with capital goods.
5	Indirect GHG emissions associated with the use of products from the organisation	Scope 3, category 10	Processing of Sold Products	Emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the company	Not applicable as Sanlam's operations are related to the provision of insurance services and finance.
		Scope 3, category 11	Use of Sold Products	Emissions from the use of goods and services sold by the company in the reporting year.	
		Scope 3, category 12	End-Of-Life Treatment of Sold Products	Emissions from the waste disposal and treatment of products sold by the reporting company such as: • Landfilling • Incineration • Recycling	
6	Indirect GHG emissions from other sources	Scope 3, category 5	Waste Generated in Operations	Waste treatment activities may include: • Disposal in a landfill • Recovery for recycling • Incineration • Composting (Food Waste)	Included based on significance assessment: Indirect GHG emissions from waste generation are significant due to the level of influence Sanlam has over how much waste is sent to landfill compared to recycling.
		Scope 3, category 8	Upstream Leased Assets	Operation of assets that are leased by the reporting company in the reporting year such as: • Vehicles • Equipment	Not applicable in this footprint as no leased assets were reported in this boundary of Sanlam's GHG emissions. However, this could be considered in the future.

ISO 14064:2018		GHG Protocol		Emission Sources	Inclusion in GHG Inventory
Category	Description	Category	Description		
				• Generator	
		Scope 3, category 13	Downstream Leased Assets	Assets that are owned by the reporting company (acting as lessor) and leased to other entities in the reporting year such as: • Vehicles • Equipment • Generator	
		Scope 3, category 14	Franchises	Emissions from the operation of franchises not included in scope 1 or scope 2.	Not applicable as Sanlam does not utilise a franchise model
		Scope 3, category 15	Investments	Emissions associated with the reporting company's investments in the reporting year such as: • Equity investments • Debt investments • Project finance • Managed investments and client services.	Not included at this stage. Sanlam is investigating the quantification of emissions associated with investments.

Appendix 3: Assumptions, Emission Factors/Conversion Factors

	Value	Unit	Source	Notes
SCOPE 1 - EMISSION FACTORS				
Diesel- Stationary Fuel	0.00266	tonne CO_2e/litre	DEFRA 2024	
Diesel Mobile Combustion	0.00266	tonne CO_2e/litre	DEFRA 2024	
Petrol Mobile Combustion	0.00235	tonne CO_2e/litre	DEFRA 2024	
LPG - Stationary	2.94	tonne CO_2e/tonne	DEFRA 2024	
R134a	1.30	tonne CO_2e/kg	IPCC AR5– 100 year GWPs.	
R410A	1.92	tonne CO_2e/kg	IPCC AR5– 100 year GWPs.	
R22 GWP	1 760.00	tonne CO_2e/tonne	IPCC AR5– 100 year GWPs.	
Diesel Combustion	2.62818	$kgCO_2$/litre	DEFRA 2024	
Diesel Combustion	0.00029	$kgCO_2e$ of CH_4/litre	DEFRA 2024	
Diesel Combustion	0.03308	$kgCO_2e$ of N_2O/litre	DEFRA 2024	
Petrol Combustion	2.34	$kgCO_2$/litre	DEFRA 2024	
Petrol Combustion	0.0082	$kgCO_2e$ of CH_4/litre	DEFRA 2024	
Petrol Combustion	0.0060	$kgCO_2e$ of N_2O/litre	DEFRA 2024	
LPG Combustion	2935.18	$kgCO_2$/tonnes	DEFRA 2024	
LPG Combustion	2.55	$kgCO_2e$ of CH_4/tonnes	DEFRA 2024	
LPG Combustion	1.63	$kgCO_2e$ of N_2O/tonnes	DEFRA 2024	
LPG Density	0.56	kg/litre	SA Methodological Guidelines Annexure D	Table D.1. at page 221
SCOPE 2 - EMISSION FACTORS				
Grid emission factor CO_2	0.903878	tCO_2e /MWh	Eskom IAR2024 page 113 - 117	Factor 1 = 190,4Mt of CO_2 ÷ 216 358 GWh available for distribution = 0,88002 tons per MWh / Factor 2 = 190,4Mt of CO_2 ÷ (216 358 GWh generated less 5 710GWh own consumption) = 0,90388 tons per MWh
Grid emission factor CO_2e of CH4	0.000181	tCO_2e /MWh	Eskom IAR2024 page 113 - 117	1523 tCH_4 x (GWP cell B86) / (216358GWh-5710GWh)/1000

	Value	Unit	Source	Notes
Grid emission factor CO_2e of N_2O	0.001955	tCO_2e /MWh	Eskom IAR2024 page 113 - 117	1382 tN_2O x (GWP cell B87) / (216358GWh-5710GWh)/1000)
Grid emission factor UK CO_2	0.204930	tCO_2e /MWh	DEFRA 2024	
Grid emission factor UK CO_2e of CH_4	0.000900	tCO_2e /MWh	DEFRA 2024	
Grid emission factor UK CO_2e of N_2O	0.001220	tCO_2e /MWh	DEFRA 2024	
SCOPE 3 - EMISSION FACTORS				
3.1 PURCHASED GOODS AND SERVICES				
Policy Paper	0.63	tonne CO_2e/tonne	Mondi IAR 2022 page 52	No 2023 IAR yet
Office Paper	1.37	tonne CO_2e/tonne	Mondi Paper Profile	
Water	1.28	tonne CO_2e/Million litres	Promethium Carbon Calculations	
Annual water production	1 611 110.00	Ml	Randwater annual report 2017	updated IAR: randwater.co.za/media/annual_reports/RAND WATER INTEGRATED ANNUAL REPORT 2023.pdf
Water tariff rate	0.85	R/kWh	Eskom Megaflex 2021	
Annual Electricity Cost for Production of Water	1 931 425 000.00	R	Rand water annual report 2017 (assumed all energy is from electricity)	updated IAR: RAND WATER INTEGRATED ANNUAL REPORT 2023.pdf
Energy Consumed per ML Water Produced	1.41	MWh/Ml	Assumed by calculation	
South Africa Electricity Grid	0.91	tonnes CO_2e per MWh	Eskom IAR2024 page 113 - 117	Factor 1 = 187.5Mt of CO_2 ÷ 188 401GWh sales = 1.00 tons per MWh / Factor 2 = 187.5Mt of CO_2 ÷ (191 307GWh generated less 5 504GWh own consumption) = 1.01 tons per MWh. https://www.eskom.co.za/wp-content/uploads/2023/10/Eskom_integrated_report_2023.pdf

	Value	Unit	Source	Notes
3.3 FUEL AND ENERGY RELATED ACTIVITIES				
Diesel production	0.000624	tonne CO_2e/litre	DEFRA 2024	
Petrol production	0.000607	tonne CO_2e/litre	DEFRA 2024	
LPG Production	0.349293	tonne CO_2e/tonne	DEFRA 2024	
South Africa - Grid	0.122379	tCO_2e/MWh	Calculated by Promethium using information from Eskom IAR in terms of GHG Protocol	
South Africa - Transmission and distribution losses	0.119000	%	Eskom IAR2024 page 114 (Total energy losses = 11.9%)	Network Performance in terms of Eskoms 2024 IAR = 11.0 (11.9/100=0.119). https://www.eskom.co.za/wp-content/uploads/2023/10/Eskom_integrated_report_2024.pdf
UK - Transmission and distribution losses	0.000018	tCO_2e/MWh	DEFRA 2024	
3.4. UPSTREAM TRANSPORTATION AND DSITRIBUTION				
Freight Heavy Goods Vehicle Couriers	0.0006226 40	tonne CO_2e/tonne.km	DEFRA 2024	unknown fuel type for a 3.5tonne van from DEFRA 2024; value changed from 0,000575 (DEFRA 2023)
Freight airline International	0.001099	tonne CO_2e/tonne.km	DEFRA 2024	with RF
Freight airline Short Haul	0.001668	tonne CO_2e/tonne.km	DEFRA 2024	with RF
Freight airline Domestic	0.004673	tonne CO_2e/tonne.km	DEFRA 2024	with RF
3.5. WASTE GENERATED IN OPERATIONS				
Municipal Solid Waste	1.296720	tonne CO_2e/tonne	Email correspondence between Kerry from VerifyCO_2 and Elena Friedrich (Author of: GHG emission factors developed for the collection. transport and landfilling of municipal waste in SA municipalities.)	
Recycled Municipal Waste	0.006411	tonne CO_2e/tonne	DEFRA 2024	Combustion commercial and industrial waste, DEFRA 2023 value was 0,021281

	Value	Unit	Source	Notes
Recycled Paper	0.085700	tonne CO_2e/tonne	Friedrich, E. and Trois, C., 2010. Greenhouse gases accounting and reporting for waste management–A South African perspective. Waste Management, 30(11), pp.2347-2353.	
Food compost	0.008884	tonne CO_2e/tonne	DEFRA 2024	
3.6 BUSINESS TRAVEL				
Average petrol car	0.000165	tonne CO_2e/km	DEFRA 2024	
Average diesel car	0.000170	tonne CO_2e/km	DEFRA 2024	
Domestic Flight - Average passenger	0.272570	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Short-haul - Average passenger	0.185920	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Short - haul - Economy	0.182870	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Short-Haul - Business	0.274300	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Long-Haul - Average Passenger	0.261280	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Long-Haul - Economy Class	0.200110	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Long-Haul - Premium Class	0.320150	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Long-Haul - Business Class	0.580280	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Long-Haul - First Class	0.800400	kgCO_2e/passenger.km	DEFRA 2024	Emission factors used include a radiative forcing uplift.
Accommodation	0.051400	tonne CO_2e/ bed.night	DEFRA 2024	Hotel stay in South Africa
3.7 EMPLOYEE COMMUTING				
Average petrol car	0.000165	tonne CO_2e/km	DEFRA 2024	
Average diesel car	0.000170	tonne CO_2e/km	DEFRA 2024	
Bus	0.000108	tonne CO_2e/passenger.km	DEFRA 2024	Average local bus

	Value	Unit	Source	Notes
SA Taxi	0.000013	tonne CO_2e/passenger.km	Toyota Quantum specifications	Assuming a 16 seat petrol taxi with 153,56g/km emissions (updated from 339g/km based on DEFRA 2024 Class I managed van)
National Rail	0.000035	tonne CO_2e/passenger.km	DEFRA 2024	
Mixed (Train and bus)	0.000072	tonne CO_2e/passenger.km	calculated	
Mixed (bus and taxi)	0.000061	tonne CO_2e/passenger.km	calculated	
Motorcycle	0.000114	tonne CO_2e/km	DEFRA 2024	Average motorcycle
Working from home	0.150000	kWh/FTE/annum	DEFRA 2024	
Conversion factors and assumptions				
Sanlam employees	10 341	No. of people	Provided by Sanlam Group	
Santam employees	4 377	No. of people	Provided by Sanlam Group	
Weight of A4 paper ream	0.0025	tonne/ream	http://paperlink.co.za/paper_rotatrim.htm	
Weight of A3 paper ream	0.005	tonne/ream	http://paperlink.co.za/paper_rotatrim.htm	
Convert GJ to MWh	0.277778	MWh/GJ		
Diesel Calorific Value	0.0381	GJ/litre	SA Methodological Guidelines Annexure A	Table A.1 at page 206
Petrol Calorific Value	0.0443	GJ/litre	SA Methodological Guidelines Annexure A	Table A.1 at page 206
LPG Calorific Value	0.0473	GJ/kg	SA Methodological Guidelines Annexure A	Table A.1 at page 206
Global Warming Potential of CH_4	25	$kgCO_2e/kgCH_4$	IPCC AR5– 100 year GWPs.	
Global Warming Potential of N_2O	298	$kgCO_2e/kgN_2O$	IPCC AR5– 100 year GWPs.	
Average travel time - car	0.75	hours	Assumption	
Average travel speed - car	30.00	km/hour	Assumption	
Average travel time - bus/tax	1.00	hours	Assumption	
Average travel time - train	0.50	hours	Assumption	
Diesel Density	0.826	kg/litre	SA Methodological Guidelines Annexure D	Table D.1. at page 221
Petrol Density	0.7405	kg/litre	SA Methodological Guidelines Annexure D	Table D.1. at page 221