

# Transformation report

Santam's approach to transformation is embedded and integrated into how the business operates. Transformation is driven by focusing on key 'unlockers', which include the diversification of our workforce, intermediary and supplier network, providing opportunities for non-traditional markets to access our products, as well as our investments in the communities in which our employees live and where we do business. We believe that this is aligned with and in support of delivering on our brand promise of doing *Insurance good and proper*.

## Transformation management

The transformation agenda is governed by two board committees. The human resources and remuneration committee focuses on reviewing the employee elements of the transformation agenda, including employment equity, skills development and the BBBEE share scheme. The social, ethics and sustainability committee consider issues relating to suppliers, intermediaries, access products, social agendas and enterprise development.

Management has set up structures within the business through the establishment of a transformation advisory committee comprising selected change agents whose role it is to oversee progress towards achieving transformational integration. The committee is chaired by the chief executive officer, with reporting input from the national employment equity committee (NEEF) whose role it is to consolidate all operational business units' employment equity and skills development objectives.

Each executive is held accountable for his/her employment equity objectives which are integrated into their performance management deliverables. Executives also take accountability for driving key areas such as enterprise development coupled with supplier diversification, providing access products to emerging markets linked to consumer education, corporate social responsibility and diversifying our distribution partners and channels. Progress is tracked on a quarterly basis and reported to the respective board committees, which then report in turn to the board.

## Transformation highlights

- Since inception, 1 972 black employees were allocated shares through the BBBEE employee share ownership scheme at an estimated value (based on Santam share price at 31 December 2014) of R265 million.
- The BBBEE scheme has 1 115 black business partners and has an estimated value of just over R498 million based on the 31 December 2014 Santam share price.
- R65 million invested in learning and development for black employees for the Santam group.
- R2.9 million committed to enterprise development via the Santam group scheme.
- R12 million invested in social corporate investment and consumer education projects.
- R2 million invested in Black Broker Development programmes.
- Eight products deemed to be appropriate products for the emerging markets.

We have made good progress but still face challenges as a group in attracting and retaining senior black talent, providing appropriate and relevant products for the emerging markets and investing further into growing black suppliers for the business.

## Transformation priorities for 2015

Employment equity remains critical, with increasing emphasis on enterprise development in support of procurement targets. We remain committed to improving access to financial services and supporting consumer education. We continue our approach of integrating transformation into how we do business and not to view it as a standalone agenda.

### TRANSFORMATION RATING

Santam jointly subscribe to the Financial Sector Charter as part of the Sanlam group. Santam participates with the Sanlam group in an annual verification. The Sanlam group achieved a level 2 as at the end of 2014. For more detail on this rating go to [www.santam.co.za](http://www.santam.co.za).

