



TOGETHER INVESTING IN THE
FUTURE OF SOUTH AFRICA'S
FRESHWATER ECOSYSTEMS



PARTNERSHIP
REVIEW

2012-14

A scenic landscape photograph showing a rocky riverbed with water flowing over the stones. In the background, there are green hills and a prominent mountain peak with a flat top, partially shrouded in mist. The sky is filled with soft, colorful clouds, suggesting a sunrise or sunset.

WWF Sanlam Partnership Review of the second partnership phase (2012-14)

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WWF is one of the world's largest and most experienced
independent conservation organizations, with over
5 million supporters and a global Network active in
more than 100 countries.

WWF's mission is to stop the degradation of the planet's
natural environment and to build a future in which humans
live in harmony with nature, by: conserving the world's
biological diversity, ensuring that the use of renewable
natural resources is sustainable, and promoting the
reduction of pollution and wasteful consumption.

Sanlam is a leading financial service group based in
South Africa, with a growing footprint in developed and
developing markets. Our vision is to be the leader in wealth
creation and protection.

Sanlam has been prominent member in the South African
business landscape since 1918 and are part of the top 100 listed
companies on the Johannesburg Stock Exchange (JSE).

The company provides a broad range of financial solutions and
products from: life insurance, general insurance, investment
management, credit and structuring to administration, health
to other financial services.

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FOREWORD

WWF-SA CEO

As the 2014 WWF Living Planet Report demonstrates, the challenges that the global environment faces today are too big, too interconnected and too urgent for any one organisation to solve alone. Business drives much of the global economy, so companies also have a specific responsibility to ensure that the natural resources and ecosystems that underpin their businesses are used sustainably.



Water is an absolute necessity to meet our most basic human needs as well as to grow our economy. South Africa is a water-scarce country, and our development has always been constrained by our ability to overcome the difficulties of ensuring that water supplies are available where and when we need them.

South Africa needs strong, credible leadership in this arena to start framing viable solutions for business, society and government. The partnership between WWF and Sanlam was formed in response to this challenge, with the vision of encouraging concerted action from these three role players around the wise management of our scarce water resources. Since its launch eight years ago it has been described as a highly innovative, visionary and pioneering partnership that has resulted in many successful interventions in the South African marine and freshwater conservation landscape.

In our view, it has not only delivered significant conservation impact, but has also delivered a strong institutional foundation and innovative approach upon which to build. It continues to provide a unique platform for leaders to address the management of our finite water resources.

Sanlam is now moving towards becoming an innovator in the global water dialogue and “blue space”. The influence and experience of the group will bring a strategic perspective to the national and global water debate, which has thus far not delivered holistic solutions.

WWF’s vision is to inspire people to live in harmony with nature. We need to plan and build our future economic growth in harmony with our water source areas. We hope that through our partnership with Sanlam and other like-minded partners in this space, South Africans will develop a better understanding and appreciation of our country’s water challenges and our different roles in ensuring a water-secure future for our country.

A handwritten signature in white ink, reading "Morné du Plessis". The signature is fluid and cursive, with a long horizontal stroke at the end.

Morné du Plessis
Chief Executive: WWF South Africa

FOREWORD

SANLAM CE



What does water scarcity – one of the greatest risks to the global economy and in particular South Africa – have to do with financial services? The answer is that it matters a great deal. The financial services sector is linked to water at a fundamental level, especially for companies such as Sanlam that focus on insurance, savings and investment management.

Firstly, the insurance sector is directly impacted by water risks through increased insurance claims

associated with natural disasters involving water, such as drought or flooding. It is therefore critical that public and private sector responses to water risks are coordinated and are focused on risk mitigation and reduction. Working together will reduce costs to government and insurers as well as the insured.

Secondly, in the investment management sector more and more investors are incorporating environmental risks into their decision-making processes. Ultimately, water risk will have to be factored into the valuations of the top JSE-listed companies. Sanlam's role in identifying and helping to mitigate water risks can therefore not be underplayed or underestimated.

Sanlam has since 2007 partnered with WWF South Africa on various freshwater and marine projects aimed at conserving South Africa's water systems. Since 2012 the partnership has also included a focus on influencing greater awareness of water issues in the business practices of the group, to strengthen water security in South Africa.

From a financial services industry perspective, partnerships of this nature are generating insights that link water security back to financial services – including an understanding of water risks that drive better insurance and investment practices. More important, however, is the positive impact this has on our clients and the broader South African community.

From Sanlam's perspective, the partnership is enabling us to become a leader and an innovator in corporate water stewardship. We are deepening our understanding of what this means in the financial sector of the South African economy.

We are Wealthsmiths™, and our vision is to be the leader in wealth creation and protection. This includes natural wealth such as water and healthy, living landscapes that are the foundation of our natural capital. Water links us all, and every part of our economy is dependent on it. We hope that going forward, more corporates will take the lead and engage in our national water dialogue to improve water security for the South African economy to the benefit of all our citizens.

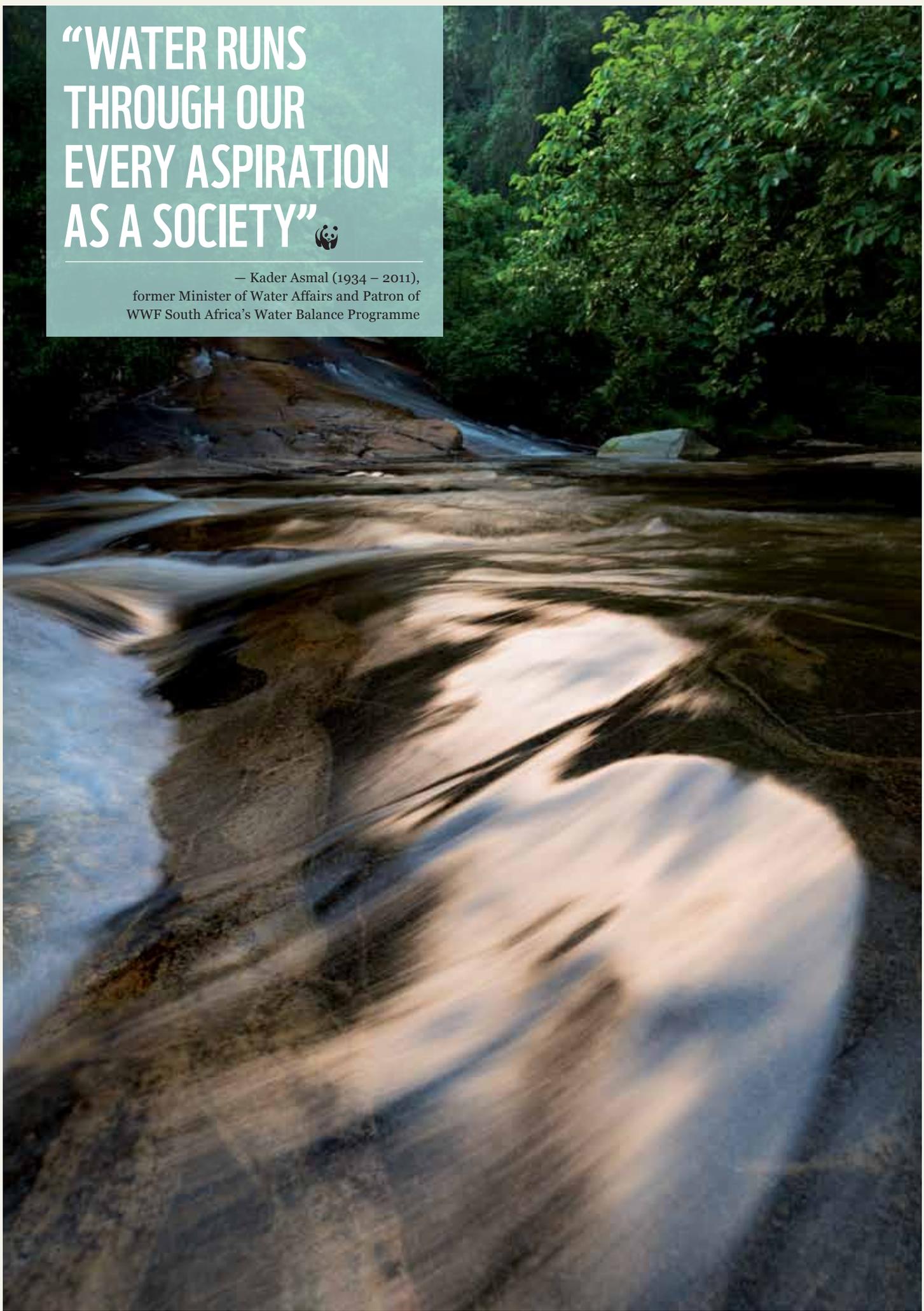
A handwritten signature in black ink, appearing to read 'Johan van Zyl'.

Johan van Zyl
Chief Executive: Sanlam

“WATER RUNS THROUGH OUR EVERY ASPIRATION AS A SOCIETY”



— Kader Asmal (1934 – 2011),
former Minister of Water Affairs and Patron of
WWF South Africa’s Water Balance Programme



INTRODUCTION

In December 2014, WWF and Sanlam celebrated the end of a successful second phase of what has been described as an innovative, visionary and pioneering partnership.

The two partners first collaborated in 2006 in supporting the gazetting of the Prince Edward Island marine protected area (MPA), located almost 2,000 kilometres south of South Africa in the Southern Ocean. This was followed in 2007 by a formal partnership launch of the WWF Sanlam Living Waters Partnership. This phase, which ran for five years, incorporated WWF's freshwater and marine programmes. The second partnership phase (2011-14) continued to build on the foundation of the first phase, but with a special focus on securing the country's water resources and also improving Sanlam's business practices from a sustainability point of view.

The WWF freshwater programme, in partnership with Sanlam, is focused on securing the highest yielding water source areas in the country, on which the rest of our economy depends; enabling better practice in water stewardship in the sectors with the largest impacts; catalysing corporate actions by linking public-private and community partnerships to realise greater effectiveness; and working with the finance sector at the heart of the economy to respond to water risks.

A schematic representation of WWF's freshwater key areas of work

8% OF RSA CRITICAL FOR WATER SECURITY IS PROTECTED

Legal protection and land stewardship protect strategic Water Source Areas from inappropriate development

WATER DOESN'T COME FROM A TAP

CORPORATE FUNDING CATALYSES CATCHMENT SECURITY

Water Balance reinvests in natural water provisioning. Land-owners and communities are empowered to respond to shared water risks.

WATER STEWARDSHIP ENABLES BETTER PRODUCTION AND COLLECTIVE ACTION

Water Stewardship is practised effectively in priority landscapes and is mainstreamed in key agricultural sectors

LOCAL GOVERNMENT IS ENABLED AND INCENTIVISED TO INTEGRATE FRESHWATER PROTECTION INTO PLANS

Land-use planning, economic development planning and water services planning ensure necessary protection of water sources

INVESTORS SUPPORT WATER SECURITY

Water risks and water security impacts are visible to investors and insurers and influence decisions

STRONGER TOGETHER: THE VALUE OF PARTNERSHIPS

While it may seem like a contradiction, more and more companies are starting to navigate the competitive world of business while looking to collaborate on issues facing the world. Why? Because they know that their sustainability

is not just threatened by an ever increasing demand and competition for resources, but is deeply connected to nature and to each other.



Stephen Elliott-Wetmore, manager of sustainability, partnerships and innovation at WWF

Most of our corporate partners know this, which makes for progressive WWF partnerships – partnerships that collaboratively seek to generate significant demonstrable environmental impact and benefits for all.

Having a broad sustainability strategy, Sanlam's long-term partnership with WWF reflects a commitment to real systemic change, so as to ensure the wealth of our nation in a climate secure, biodiversity safe and economically just future through tackling the one natural resource that all life, our health and our economy are reliant on – water. The WWF and Sanlam partnership represents an investment into the lives of every citizen. What's more, the true value of such a partnership is unleashed through the power of diversity – viewing the same challenges from a variety of perspectives to generate alternatives, and pooling solutions to provide more opportunities and levers for change. Partnerships such as these are crucial in order to deliver sustainable benefits for both people and the environment. They create a positive and constructive space for parties from different perspectives to meet, so as to co-create effective solutions for the water scarcity challenges facing our country.

In creating such shared value, the partnership has naturally generated a strong public profile and is viewed as a source of balanced, rational and informed leadership on freshwater and marine management issues.

Sanlam's investments in this partnership have been channelled towards robust conservation and awareness efforts. They have enabled WWF to develop water stewardship programmes and to partner with a number of other organisations so as to increase awareness of the challenges facing South Africa's water systems.

From Sanlam's perspective the transformative nature of the partnership has resulted in WWF helping the group to increase its level of sustainability. It has assisted in finding ways to save water and consequently costs, and helped to generate business advantage and unlock shareholder value for Sanlam.

The strength and power of partnerships such as these lie in the diversity they offer in thought leadership, agenda, motivation and vision. Their success, though, is determined by shared values; in this case, both WWF and Sanlam are striving towards the creation of a resilient, sustainable and equitable economy. We are confident that this partnership will continue to benefit all South Africans through protecting and growing our natural wealth and ensuring a water secure future for South Africa.

CREATING A WORLD WORTH LIVING IN

Sustainability is about doing business in a world that has limited resources. It's about building a world worth living in and enabling people to live their best lives possible.



Yegs Ramiah,
*Chief Executive of
Sanlam Brand*

However, this goes much further than just business sustainability. To remain sustainable, organisations have to adapt to the demands of the environment in which they operate. A concept that has received much attention in our boardrooms recently has been that of creating this desired “world worth living in”. We know that as an industry, we can’t focus only on assisting people to retire in financial comfort if the environment in which they retire – financial, physical, social and economic – is less than optimal. For this reason, Sanlam has devoted much thought to how we can pay our legacy forward to contribute to the creation of a future that is functional and enhances the wellbeing of our clients and all South Africans.

By their very nature, financial service providers such as Sanlam need to be inherently sustainable over the long term; issues of sustainability are therefore by necessity central to our business strategy. The challenge is not whether we can continue with “business as usual” – it is how we can remain profitable as well as “do the right thing”. The two are in fact symbiotic – sustainable business practice means recognising both our broader responsibilities to create a world worth living in, as well as new opportunities for sustained business growth that arise from this thinking.

In 2001, Sanlam performed a market analysis that identified environmental issues as one of the key drivers affecting our future business in South Africa. Even though financial service providers are seen as “low-impact” businesses with regard to their own environmental footprint, as corporate citizens we have a broader responsibility to address the environmental challenges facing our country.

Our partnership with WWF is one way in which we are making a difference. The various projects we have initiated together to conserve and ensure the healthy functioning of South Africa’s water systems are enabling us to make a difference to environmental sustainability in a number of ways and to extend this into the socio-economic space. The World Resources Institute has been quoted as stating that “future wars will be fought over water”, while the World Economic Forum has identified “water crisis” as the most impactful risk that the globe faces. These perspectives underscore our focus on environmental sustainability and more specifically, our focus on water.

As one of the significant custodians of the future, we believe that we are actively engaged in shaping that future, and our partnership with WWF in this mission is critical and invaluable.

3 YEARS OF THE WWF SANLAM PARTNERSHIP –



WATER SOURCE AREAS

WWF and the CSIR undertook a research study which mapped out South Africa's water source areas. These areas, 21 in total, form part of the 8% of South Africa's land area that provides 50% of our surface water. This research was funded by Sanlam.



THE JOURNEY OF WATER

Almost 30 businesses, government institutions and NGOs, together with media and various South African celebrities and influencers, partnered with WWF and Sanlam on the first Journey of Water campaign, which ran in 2013. This campaign garnered huge interest from all sectors, proving that water is indeed everyone's business.



MAIL & GUARDIAN GREENING THE FUTURE AWARD

In 2014 the WWF Sanlam Partnership won its second M&G award for the Journey of Water campaign. The campaign won in the Water Efficiency and Management category.



CREATING A PLATFORM FOR ROBUST DISCUSSIONS

In May 2013, WWF in partnership with SAfm held a live radio debate on the topic: "Are we paying enough for our water?" The WWF and SAfm's *Decisive Debates* provide an opportunity for the public to directly engage with dynamic, outspoken experts as they tackle a range of hot environmental topics.

HIGHLIGHTS 2012-2014

FAR-REACHING INFLUENCE

WWF South Africa is actively working further north in Africa to bring about greater water security on the continent. We worked with WWF colleagues from the Netherlands, Zambia and Mozambique on defining the environmental flows required for the trans-boundary Zambezi basin. WWF South-Africa is also an active participant in WWF's global water stewardship programme and our global steering committee for freshwater.

180 000KM²

WWF, through funding from Sanlam and the Charl van der Merwe Trust, influenced the declaration of 180 000km² of the Prince Edward Islands as a Marine Protected Area (MPA). Approximately the combined size of the Free State Province, Lesotho and Swaziland, this MPA, declared in 2013, is one of the world's largest and the first for Africa.

EXTENDING OUR REACH AND SCOPE

Two new freshwater programmes were established during the three-year second phase of the WWF and Sanlam Partnership. The WWF Water Sources Area and Water Stewardship programmes were established in early 2014 and both programmes continue to grow from strength to strength.

CATALYSING ACTION TO REDUCE ENVIRONMENTAL RISK

In partnership with WWF and the Eden District Municipality, Sanlam's general insurer, Santam, has embarked on a series of flood- and storm-water drainage projects. This project will allow for more effective integration across governance structures and improved risk management with respect to municipal functions that affect insurance.

THREE MORE YEARS OF THE WWF SANLAM PARTNERSHIP

As a water-scarce country, South Africa must act urgently to protect its water resources and ensure that we use what we have in the most efficient and effective ways possible. The following are some of the key highlights of what the WWF Freshwater Programmes have achieved over the last three years (2012-14) through partnership with Sanlam and collaboration with many other supporters.



SECURING THE HIGHEST YIELDING WATER SOURCE AREAS IN THE COUNTRY

Recent research by WWF South Africa and the Council for Scientific and Industrial Research (CSIR), with funding from Sanlam, mapped out South Africa's strategic water sources areas – the “crown jewels” of the country's water resources.

This research found that only 8% of the land area of South Africa generates more than half our river flow. This research and this report further remind us that our water doesn't come from a tap (or from a dam, for that matter).

Protecting our water source areas is the first step towards a water-secure South Africa.

Protecting our water source areas is the first step towards a water-secure South Africa. As part of achieving this goal the WWF Freshwater team has put together a multi-faceted strategy that will explore every available option for protecting one of our country's most important national assets as well as reconnecting the public to the areas of the landscape that provide them with water.

At a national level these areas need to be valued and prioritised for water security, and we need government and business to recognise that investment in ecological infrastructure is as necessary as engineered infrastructure. Engaging various government departments and exploring multiple mechanisms for protecting our water source areas ensures that success is not defined by relying solely on one government department or approach. The water source areas programme at this stage involves a significant amount of advocacy to drive change within a sector that for decades has focused on an engineered infrastructure approach. The paradigm shift that WWF is trying to achieve is not a quick process and must take into account a number of external factors in order to adequately ensure that our goals and vision will be achieved.

One of the major highlights during the last calendar year included driving the process towards drafting an implementation plan for the water resource protection component of the National Water Resource Strategy. With water source areas being incorporated as an essential component of the implementation plan and the process being driven by the Department of Water & Sanitation, it provides an opportunity to engage the key sectors in the country and promote overall awareness of our strategic water source areas.

Secondly, WWF was afforded the opportunity to present our work on water source areas at the Water Sector Leadership Group (WSLG), which is convened by the Director General of the Department of Water & Sanitation. In addition, the Water Research Commission is funding further work on refining our understanding of the importance of water source areas and the role of groundwater in our water security.

WATER SECURITY IN THE SOUTH AFRICAN ECONOMY



Christine Colvin,
*senior manager for WWF
Freshwater Programmes*

South Africa is one of the 30 most water-stressed countries in the world. Former Finance Minister Pravin Gordhan acknowledged in the 2012 Treasury Budget Review that by 2025-2030 water will be a limiting factor on our growth

and development, although it can be argued that these risks are already playing out. For instance, 75% of the JSE Top 40 companies that responded to the most recent Carbon Disclosure Project (CDP) Water Disclosure survey felt that their business was exposed to physical water risk.

South Africa's water problems can be described as either "too much", "too little" or "too dirty". With 98% of South Africa's harnessed water resources already allocated, and a rapidly increasing demand to support a growing economy, water availability is already under severe pressure. This is compounded by increasing challenges associated with water quality. Also, South African rainfall is very sporadic, resulting in extreme rainfall and flood events, and climate change models predict that in parts of the country this volatility will increase.

Our ingenuity as a nation has focused on overcoming these limitations – bringing water to where we need it, storing it for when we need it and enabling us to build our economy. The last century has seen a massive investment in an expensive network of engineered infrastructure to supply the drier parts of the country. The cost to upgrade and maintain this engineered infrastructure is estimated to be in excess of R700 billion over the next decade.

Our water security in this century, however, depends on our ability to plan our development in a way that is compatible with ecological infrastructure. WWF South Africa is focused on protecting our water source areas as well as critical catchments and wetlands. These are the ultimate sources of our water and are as important as maintaining efficient engineered infrastructure.

As South Africans, we need to stand up for our right to a healthy environment and the rights of future generations to inherit a living landscape with a healthy waterscape. The crucial work done by this partnership will go a long way towards ensuring that our natural water resources are protected, enabling us to grow a sustainable economy that meets the needs and aspirations of all South Africans.

ENABLING BETTER PRODUCTION AND COLLECTIVE ACTION THROUGH WATER STEWARDSHIP

Water stewardship is one of the newest WWF freshwater programmes established in the second phase of the WWF and Sanlam Partnership.

WWF South Africa has contributed to the development of an international standard for water stewardship and is now leading water stewardship partnerships in South Africa with the private and public sectors in the Pongola basin, the Eerste River, the George area and Ceres. We have brought together very diverse actors, including retailers, wine farmers, emerging farmers

and local government, who all recognise that they cannot achieve water security alone and need to act collectively to address the threats in their catchments.



Water stewardship for business is a progression of increased improvement of water use and a reduction in the water-related impacts of internal and value chain operations. More importantly, it is a commitment to the sustainable management of shared water resources in the public interest through collective action with other businesses, governments, NGOs and communities.

One of the major successes of this programme comes from the Upper Breede catchment in the Western Cape, where WWF South Africa, WWF United Kingdom, Marks & Spencer (M&S), Woolworths and the Alliance for Water Stewardship (AWS) have worked with volunteer stone fruit farmers to implement water stewardship in the Ceres area. The farmers found the interaction valuable, each implementing some forms of water stewardship into their farm practices. The AWS saw their water stewardship standard tested and this international standard is now launched and awaits further momentum internationally and in Southern Africa. WWF has developed a basin water stewardship strategy for the Breede catchment and in 2015 the project will continue and expand with the help of funds from M&S, Woolworths and GIZ, focusing on the implementation of broader collective action projects geared to address key water issues in the upper Breede that were identified by the project stakeholders the previous year.

WORKING WITH INVESTORS TO SUPPORT WATER SECURITY

> **60 000**
FACILITIES
AND FARMS
WORLDWIDE HAVE
BEEN ASSESSED
USING THE GLOBAL
WATER RISK TOOL

Water risk is felt through every sector of our economy: insurance is exposed to flood risk; the agricultural sector is vulnerable to drought; large scale water users are concerned about regulatory risk; and those closer to consumers, such as retailers, are concerned about reputational risk.

Beyond these specific risks, brand South Africa is vulnerable to risks posed by failing infrastructure, especially sewage works that are struggling to treat our waste and meet effluent standards. This risk at a local government level could undermine global consumer trust in our exported agricultural produce.

The World Economic Forum (WEF) global risk survey this year showed that water crises are recognised internationally as being the highest impact risk threatening global business. WWF has developed a global water risk tool (www.waterriskfilter.panda.org) that enables companies or individuals to assess the water risk to different economic activities in different river basins. The assessment tells the user the relative threat to this activity, and guides farmers and facility managers on how to better mitigate their risk in different areas, and how to become water stewards.

Over 60 000 facilities and farms worldwide have been assessed using this tool, with more than 16 000 in South Africa. Now Sanlam and WWF are assessing how to bring finer resolution South African data sets into the assessment framework to improve the analysis for users in South Africa.

A corporate water risk index is also being developed to help South African investors assess whether JSE Top 40 listed companies carry higher or lower water risks compared to their competitors.

HELPING INVESTORS UNDERSTAND WATER RISK



Malango Mughogho,
Former Sustainable Finance Programme Manager at WWF-SA

In the investment management sector, more and more investors are taking environmental, social and governance (ESG) risks into consideration in their decision-

making processes. Certain asset owners are seeking out investment managers who follow responsible investment practices and focus on how companies address and manage ESG on an on-going basis.

As a signatory to the United Nations Principles for Responsible Investment (PRI) and subscribing to the Code for Responsible Investing in South Africa (CRISA), Sanlam is clearly cognisant of the ultimate impact of its investment products and activities on ESG issues. Its subsidiary, Santam, is a founding signatory to the United Nations Principles for Sustainable Insurance (PSI).

Water is one of the key ESG risks facing South Africa. However, an understanding of how water risk impacts the valuation of companies – and how asset owners can drive better practice for water security – is currently limited. WWF and Sanlam are working with investors, fund managers and trustees to understand how to mitigate water risks and to ask the right questions of listed companies in relation to their activities and impacts on water security. This programme of work aims to reconnect asset owners – all of us with investments and pension funds – with their capital for responsible investment.

Going forward, the partnership between Sanlam and WWF will provide further leadership and guidance to investors on the understanding of water risk, better measurement of good water governance and how to drive change for the future water security of South Africa using a model of active ownership.

Ultimately, water risk will have to be factored into the valuations of top JSE-listed companies. Investors need robust information that will allow them to hold companies' water practices and impacts to account. Investors and investment managers must be able to ask the right questions in order to drive better corporate water governance.

Asset managers must be equipped with tools to appropriately interrogate company management on their water risk management and reporting. We need to identify those who degrade our shared resources and recognise those who are adding shared value to their catchment areas and the economy.

THE VALUE OF INTEGRATED REPORTING IN THE BUSINESS WORLD

Sanlam is widely considered an industry leader in integrated reporting, which provides a succinct view of how our company is creating value through both its financial performance and its sustainability practices. But for us integrated

reporting is not about ticking all the right boxes simply to meet compliance requirements.



Wikus Olivier,
*head of group finance
at Sanlam*

Our approach has always been to make responsible decisions for the long-term benefit of society, while ensuring the financial health of our business. Our contribution to environmental sustainability, for example, is part of what we do as a responsible corporate citizen – for us, it is the right thing to do.

Integrated reporting starts with integrated thinking, which is part of our DNA at Sanlam. A sustainability mindset has always guided our corporate culture and is implicit in our business model. We are acutely aware that value creation requires a focus that goes far beyond short-term profitability – we also recognise and manage broader economic, social and environmental factors as part of our business strategy. For instance, by reducing the direct and indirect impact our operations have on the environment, we create a more sustainable operating environment. And externally, our partnership with WWF – aimed at protecting South Africa against water scarcity and its negative impacts – is not only vital for our business, but also for the broader sector and society in which we operate.

South Africa has some of the best governance and reporting standards in the world, recognised by global investors. Integrated reporting is crucial to give investors and shareholders a complete picture of a company's performance. It provides an accurate assessment of a company's ability to continue creating value over the long term. But it also influences the attitude of clients, who are increasingly demanding evidence of responsible corporate citizenship. And for companies to attract the best employees – our human capital – sustainability issues need to be embedded in an organisation's way of doing business. For Sanlam, it is about encouraging more and more people to become part of a business model that creates a virtuous cycle for all levels and segments of the economy. In this way, Sanlam positively impacts the lives of not only the company's shareholders, clients and employees, but all South Africans.

CATALYSING CATCHMENT SECURITY THROUGH CORPORATE FUNDING

WWF urges South African businesses to take ownership of the country's common water supply challenge by going beyond reducing their own water demand to making an investment back into water provisioning ecosystems in relation to the size of the water user.

WWF facilitates this process through its Water Balance programme, which urges forward-thinking corporates to become active water stewards, recognising their dependency on water and their responsibility to ensure its future supply.

Through corporates committing to the R³ steps (review, reduce, replenish) over several years, this programme can achieve tangible on-the-ground outcomes in some of the highest water yield ecosystems in the country.

Review: Participants are required to accurately measure their operational water usage.

Reduce: Participants are required to develop and implement a water reduction and efficiency strategy.

Replenish: Participants are required to invest in projects that will make available 'new water' into freshwater ecosystems in relation to their operational water use. Currently, the Water Balance Programme focuses on replenishing water through alien clearing projects.

Since its inception in 2010 (following a two-year pilot phase), the programme has cleared over 1 200 hectares of invasive alien plants, allowing over 2 490 000kl of water to remain in our priority freshwater ecosystems annually. In the process over 32 600 person days of work were created and over 300 tons of charcoal and over 880 tons of white wood were produced.

Sanlam will participate in the programme from 2015 – joining several other forward thinking corporates in South Africa who are investing in the health of priority catchments. The group's involvement in this programme will not only have a positive environmental impact, but it will offer added economic and social benefits to local communities.



>1 200 HA
OF INVASIVE ALIEN
PLANTS HAVE
BEEN CLEARED
SINCE 2010

EMPOWERING LOCAL GOVERNMENT TO INTEGRATE FRESHWATER PROTECTION INTO PLANS

Between 2003 and 2008, the Eden District Municipality experienced several severe storm events resulting in more than US\$250 million worth of damage (RADAR 2010), with losses distributed across different segments of society.

The second phase of this project aims to move into a far more high profile and action-oriented approach and to address the key drivers identified in Phase 1.

Santam was the first in the insurance sector to recognise the impact this was having on underwriting performance and undertook exploratory research with WWF, the CSIR and the University of Cape Town to understand both the systemic drivers of this emerging risk and potential response strategies, within the context of the unique demands and challenges of local government and climate change. The first phase emerged with significant findings:

- Changes in climate meant increased risk exposure for all three relevant environmental risks studied (wild-fires, floods and sea-storms), especially in winter months;
- Local changes to the ecological buffering capacity of the landscape were having an equal or greater impact on risk exposure for all three risks studied;
- Improved landscape management could reduce these risks.

Building on the success of the research of Eden Phase I, the second phase of this project aims to move into a far more high profile and action-oriented approach and to address the key drivers identified in Phase 1. Since the inception of Phase II, WWF in partnership with SANTAM, have hosted high-level engagements with representatives from dairy, agriculture, tourism, forestry, LED and the local George business chamber. With the partners in these engagements we are now designing a process to engage both the private sector and various state entities to explore what the partnership could achieve to improve resilience within the District. This will include looking at Green Economy projects that address risk, create job opportunities and ultimately contribute to building resilience within the Eden District Municipality. Within Phase II this partnership aims to develop new and strengthen current governance structures that allow for public-private cooperation around issues of disaster risk reduction within the District and assist at least two local authorities with the development of Level 3 disaster management plans.

CREATING A MOVEMENT FOR WATER – THE JOURNEY OF WATER CAMPAIGN

People take tap water for granted. Most water consumers don't understand the long and difficult journey water takes to get to our homes. WWF's Journey of Water Campaign aimed to raise awareness about the importance of water,

by reconnecting urban water users with the ultimate source of water – healthy catchments.



8%
**OF SOUTH
AFRICA'S LAND
AREA GENERATES
MORE THAN HALF
OUR RIVER FLOW**

In particular, WWF wanted the South African public to recognise that “water doesn't come from a tap”.

Nature plays a critical role in water security and our entire economy is dependent on living landscapes and healthy catchments.

By highlighting the important role that catchments play in providing the water that runs through our taps, we envision a society where we all understand where our water comes from and how we can better manage this natural resource for current and future generations. We especially wanted to reconnect South Africans to their strategic water sources areas – the 8% land area of South Africa that generates more than half of our river flow.

The first Journey of Water Campaign comprised five key phases, namely:

- The in-store phase, where restaurants and retailers carried Journey of Water messages on various platforms, from water bottles to plasma screens to table talkers.
- The launch of the mobisite and website (www.journeyofwater.co.za) which informs users, wherever they are in the country, about the source of their water and what they can do to save water.
- An 85 km *Journey of Water* walk with celebrities, technical experts and influencers, from the Berg River into Cape Town.
- The design of an installation depicting the Journey of Water. This has been exhibited at Kirstenbosch Gardens and the V&A Waterfront.
- The production of the television advert filmed during the 85km walk
- A glossy report highlighting South Africa's 22 Water Source Areas

THE REACH OF THE CAMPAIGN

MEDIA

From 01 October 2013 until 26 March 2014, the Journey of Water campaign (and related water topics), accumulated a total of 78 media hits (print, online articles and broadcast coverage), worth nearly R11 million. A huge percentage of this coverage was received during the month of November, when the campaign was officially launched and the JoW walk took place, as well as in March 2014, during International Water Day and SA National Water Week. Impressive coverage was also received from the eNCA two-part series on the Journey of Water which was compiled by Derek van Dam and ran during National Water Week, as well as the series of JoW articles that were written by Theresa Taylor of *The Star* newspaper who joined us on the walk. Both Theresa Taylor and Adrian de Kock won journalist of the year and photographer of the year respectively, for their coverage of the first Journey of Water walk at this year's SAB Environmental Journalist of the Year awards held in October 2014.

MAIL & GUARDIAN GREENING THE FUTURE AWARD

In June 2014, the Journey of Water Campaign won the "Best Water Management and Efficiency Award" at the 2014 *Mail & Guardian* Greening the Future Awards.

LOERIE NOMINATION

The Loeries are the most prestigious brand communication awards in the African continent and the Middle East region. For the 2014 awards, the Journey of Water campaign was shortlisted for the category "Integrated campaign", which is the most sought after category as it looks at all aspects of the campaign in a holistic manner. The campaign was shortlisted along well-known brands with huge advertising spend.

Our Journey of Water Partners and Supporters

- | | | |
|---|------------------------------------|------------------------------------|
| 1. CSIR | 12. Europcar | 23. ACSA |
| 2. Department of Water Affairs and Sanitation | 13. National Geographic TV channel | 24. Kirstenbosch Botanical Gardens |
| 3. City of Cape Town | 14. Ster Kinekor | 25. V&A Waterfront |
| 4. CapeNature | 15. Nu Metro | 26. Gingko |
| 5. Sanlam | 16. Ocean Basket | 27. Spier |
| 6. Ogilvy Cape Town | 17. Moyo | 28. Le Franschhoek |
| 7. Consol | 18. John Dory's | 29. Rusthof Guest House |
| 8. Woolworths | 19. Societi Bistro | 30. Hotel Verde |
| 9. Pick n Pay | 20. The Brasserie | 31. Thingking |
| 10. Clicks | 21. Jonkershuis | |
| 11. Spar | 22. Distell | |

EVERY DROP COUNTS: WATER CONSERVATION BEGINS AT HOME

While Sanlam is not a water-intensive business, we understand the importance of this resource to the South African economy.

Our strategic partnership with WWF helps us to contribute to water conservation efforts and encourage greater awareness of the water scarcity challenges

facing our country – to the long-term benefit of all South Africans. We aim to lead by example so as to ensure the preservation of water for future generations.

The focus on the protection of water as a precious and scarce resource was a natural choice for us. Besides our broader responsibility as corporate citizens to engage in the national water dialogue, this is an area where we can make a difference within our organisation – by changing our own consumption and wastage patterns as a group and as individual employees.

Our partnership with WWF has gone a long way towards assisting us in mitigating our day-to-day water impacts and risks. We work to reduce our water consumption on a number of levels at our head office in Cape Town as well as our offices in Johannesburg. These efforts include retrofitting water systems with more water-efficient fittings, continued harvesting of rainwater for irrigation, as well as recycling our unused drinking water. We also have grey water systems to reduce potable water usage. In support of WWF's stance on discouraging the use of bottled water, we have rolled out a water filter tap retrofitting programme at all our offices.

Much of our water usage can be attributed to our air-conditioning system and we are currently investigating how to reduce our electricity consumption so as to impact our water usage. There appears to be a positive relationship in this respect.

Based on our current municipal data, these water-saving initiatives have resulted in a significant reduction – a total of 41% during 2014 compared with the 2010 baseline. This would not have been possible, of course, without the full support of our more than 12 500 staff members, who play a crucial role in our ability to reduce our impact on the country's water supplies. Communicating to our large staff base the importance of acting in an environmentally responsible way is a top priority – we educate and raise awareness among employees through our monthly internal magazines, corporate social investment forums and other communication tools. We realise the value in creating environmental ambassadors out of our staff members.

The second phase of Sanlam's partnership with WWF has seen significant sustainability gains within our organisation. The next phase of the partnership needs to focus on moving beyond operational sustainability to a more complete understanding of how Sanlam can use its leverage as one of South Africa's leading corporations to drive change on national environmental issues, with a particular focus on water.



Francois Adriaan,
head of corporate affairs,
Sanlam Group

VISION OF THE WWF SANLAM PARTNERSHIP

Government, civil society and the private sector work together to build a future in which healthy freshwater ecosystems underpin the sustainable development of South Africa and enhance the quality of life of all its people.



LOOKING FORWARD: THE NEXT PHASE OF THE PARTNERSHIP

The nature of business is changing as sustainability is being integrated into everything a business does. There is now less room for simple sustainability initiatives undertaken as extensions of corporate social responsibility. Responses to limited

natural resources, increasing societal pressures and growing competition are now demanding new models of business; models that recognise that short-term successes are framed on a long-term sustainable outlook.

Businesses are custodians of much of our natural resources and are active role players within society. As such, the cost of so-called externalities needs to be included within the total-cost-of-ownership of all business products, services and strategies. These are the fundamental drivers of the WWF South Africa and Sanlam Partnership. Acknowledging these drivers and making these statements may be easy, but holding these ideals is challenging.

*It is only
in working
together that
we can be
sustainable.*

The radical shift towards integrated business sustainability is ultimately a story of transformation. This requires us both as a driver of sustainability and a business to share, co-develop and establish a more authentic narrative and accurate strategies for sustainable business success.

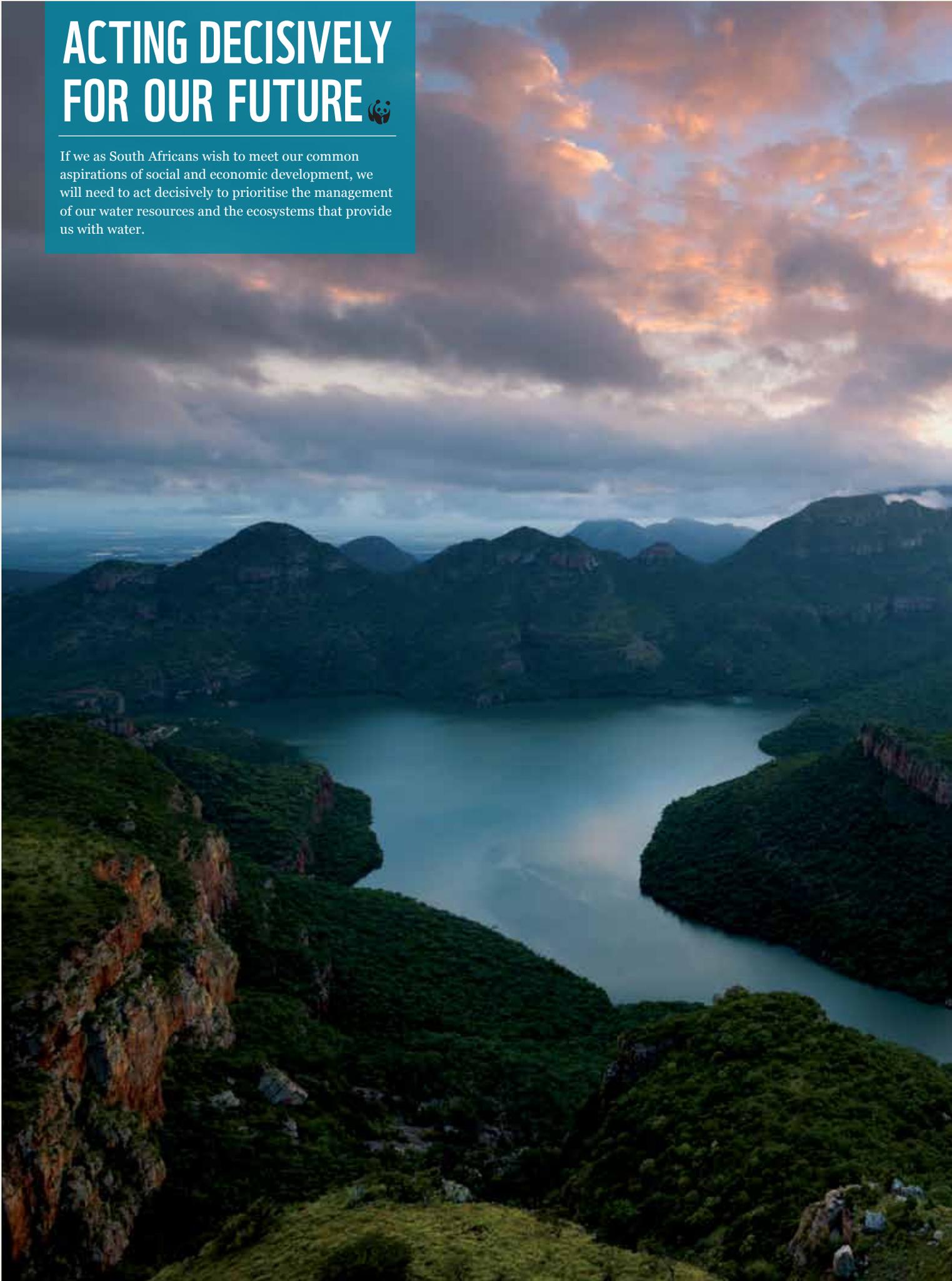
As our partnership has matured over the past seven years, so too has our shared impact. Rather than self-seeking and profit maximising, Sanlam is choosing to look more and more outward, exploring how its unique capabilities and investments can be turned to good use.

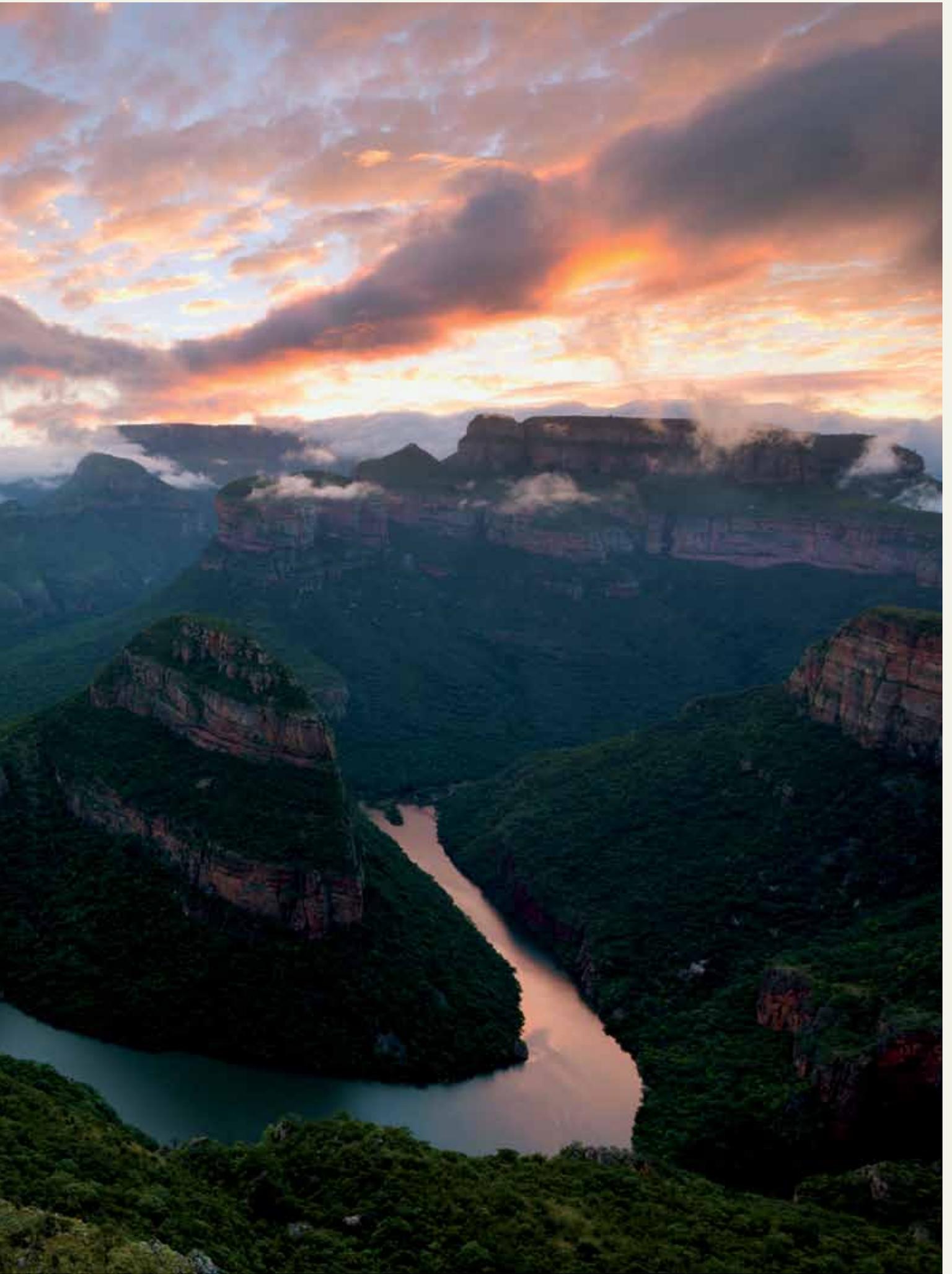
Together we ask, what is Sanlam's unique contribution to solving the challenges of our time? In answering this, we will be integrating science and economics through collective research and action, driven by Sanlam's Higher Purpose Sustainability Platform. This is aimed at accessing appropriate national sustainability trajectories and informing Sanlam business strategies so as to better identify and align its future growth plan to be both responsible and achievable.

As partners we know that this is to reach beyond incremental improvements. This is a space to create transformative business solutions, to connect customer needs and consumer habits with sustainable service and product options, and to ensure positive human, economic and environmental impact. It is only in working together that we can be sustainable; together we want to inspire others to think differently and respond collectively in meeting and overcoming the national challenges for a sustainable future. We are all connected.

ACTING DECISIVELY FOR OUR FUTURE

If we as South Africans wish to meet our common aspirations of social and economic development, we will need to act decisively to prioritise the management of our water resources and the ecosystems that provide us with water.





The Partnership at a glance

100%
RECYCLED



2007

WWF and Sanlam enter into the first year of partnership

2

Number of *Mail & Guardian* Greening the Future Awards that the partnership has won since inception



5

Number of key areas under the WWF Freshwater Programmes

30

Number of partners and supporters who collaborated with WWF and Sanlam on the first Journey of Water campaign which ran in 2013.



Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

www.wwf.org.za