

SUSTAINABILITY REPORT

20
24

*We build and protect our
clients' financial dreams*



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OUR REPORTING SUITE

Our reporting suite provides a comprehensive overview of Momentum Group Limited's (the Momentum Group or the Group) accomplishments for the financial year ending 30 June 2024 (F2024). Alongside various online publications, stakeholder communications and additional information accessible on our [website](#), these reports serve as invaluable resources for shareholders and stakeholders. They offer essential insights for a thorough evaluation of our performance – covering financial and sustainability outcomes, governance practices and remuneration policies. The suite also serves as a platform to showcase key milestones achieved.



Integrated Report

Our primary report to our providers of financial capital encapsulates our operating context, strategy, risks and opportunities and our commitment to delivering on our purpose, targets and goals.



Annual Financial Statements

Our Annual Financial Statements detail the Group's financial position and performance. They are supplemented by our Financial Results Announcement.



Sustainability Report

Targets all stakeholders seeking insights into our Sustainability Framework and key areas such as financial inclusion, social and employee well-being, climate change and environmental stewardship.



King IV™ application summary

Our application summary provides a synopsis of our application of the King IV™ principles. Additionally, it provides links to further reading relating to our governance structures, processes and policies.



Stewardship Report

Our Stewardship Report demonstrates the extent to which we have integrated responsible investment practices aligned with the UN Principles for Responsible Investment (UNPRI) and our own responsible investment policies.

FEEDBACK

Your feedback on the contents and presentation of this report is valuable and will contribute to improving the quality and relevance of our future reports. We invite all users of this report to explore our website for more information about the Momentum Group. Any feedback or additional requests for information can be directed to our [website](#).



ABOUT THIS REPORT

WELCOME TO OUR SUSTAINABILITY REPORT

We are pleased to share our F2024 Sustainability Report, a vital resource within our reporting suite, which highlights our socio-economic and environmental progress and impacts on stakeholder value over the short, medium and long term.

This report showcases our commitment to *building and protecting our clients' financial dreams* and sustainable practices. We facilitate this by helping individuals grow their savings, safeguard their assets and invest for the future. We also assist companies to nurture and reward their employees, mirroring how we treat our own team. Through comprehensive financial planning, advice, and education, we contribute to overall health and financial well-being by helping people navigate uncertainties.

SCOPE AND BOUNDARY

This Sustainability Report covers the Momentum Group and the key material inputs from our business units that drive value creation. The report covers our efforts from 1 July 2023 to 30 June 2024, and includes material events up to the date of Board approval in September 2024. It outlines our sustainability approach and the long-term success metrics shaped by a range of internal and external factors.



MATERIALITY

The Board, in its consideration of materiality for our *reporting suite*, evaluated the impact of information on the accuracy or validity of statements and stakeholder decisions. The Board believes that the content of this report provides a balanced mix of information, enabling readers to evaluate the Group's economic, environmental, social and governance (E-ESG) performance and prospects.

The Group adopts a double materiality approach when assessing materiality; this involves prioritising matters that impact us financially (inward-focused financial materiality) and their impact on our stakeholders – spanning the communities we support, broader society and the natural environment (outward-focused impact materiality). These matters reflect the unified perspective of the Board and Group Executive Committee (Exco) and address the risks and opportunities aligned with our purpose, strategy and sustainability objectives.

We categorised 19 matters into five material themes. These themes were then incorporated into our strategic planning and informed the disclosures for our reporting suite.

Material themes

Material matters

 <p>Uncertain macroeconomic and socio-political environment</p>	<ul style="list-style-type: none"> • Challenging macroeconomic environment • Rapidly evolving regulatory requirements • Government policy uncertainty • Socio-political uncertainty • Essential public infrastructure deterioration and poor service delivery
 <p>Business resilience in an increasingly competitive environment</p>	<ul style="list-style-type: none"> • Promoting sales volume growth • Achieving efficiency improvements • Optimising capital management • Protecting the business from external shocks • Embedding the new strategy
 <p>Leveraging digital innovation</p>	<ul style="list-style-type: none"> • Delivering technology capabilities • Cybersecurity and data protection
 <p>Attract and retain critical and scarce skills</p>	<ul style="list-style-type: none"> • Increased competition for critical and scarce skills • Authentic transformation through diversity and inclusion • Health and well-being of employees
 <p>Sustainable enterprise value</p>	<ul style="list-style-type: none"> • Responsible investing and corporate citizenship • Advocacy through industry bodies • Addressing social inequalities (driving financial inclusion) • Climate change and resilience

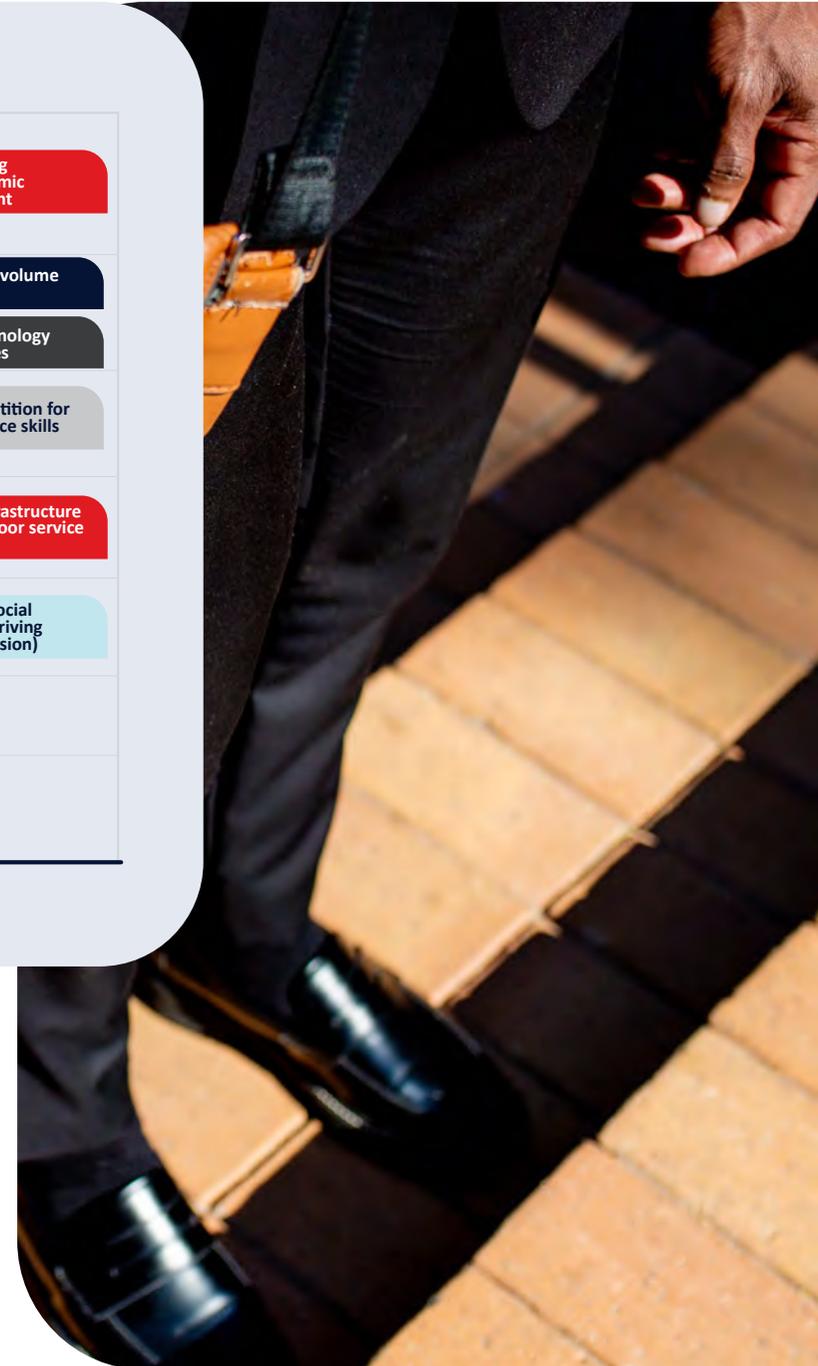


MATERIAL MATTERS MATRIX

Financial materiality focused on enterprise value creation <i>(financial and operational performance)</i>	Major		Health and well-being of employees	Embedding the new strategy	Challenging macroeconomic environment
	Significant	Protecting the business from external shocks	Rapidly evolving regulatory requirements	Achieving efficiency improvements	Promoting sales volume growth
			Socio-political uncertainty	Optimising capital management	Delivering technology capabilities
	Substantial		Responsible investing and corporate citizenship	Government policy uncertainty	Increased competition for critical and scarce skills
			Cybersecurity and data protection	Authentic transformation through diversity and inclusion	Essential public infrastructure deterioration and poor service delivery
Moderate		Advocacy through industry bodies	Climate change and resilience	Addressing social inequalities (driving financial inclusion)	
Negligible	Negligible	Moderate	Substantial	Significant	Major

Impact materiality considering key stakeholder interests
(society and environment)

Read pages 12 to 18 of our Integrated Report to learn more about our material matters.



FRAMEWORKS AND STANDARDS

Recognising the evolving nature of sustainability reporting, we remain committed to refining our approach in line with the latest frameworks, standards and best practices. We seek to comply with the voluntary JSE Sustainability Disclosure Guidance, while remaining cognisant of the sustainability reporting standards established by the IFRS Foundation. We also consider relevant United Nations Sustainable Development Goals (SDGs). Our commitment is shaped by the following diverse sources of guidance:



JSE Sustainability Disclosure Guidance

By following this framework, we aim to enhance transparency and accountability in our sustainability reporting, demonstrate our commitment to responsible business practices and contribute to building a more sustainable future for all stakeholders.



King IV Report on Corporate Governance™ for South Africa (King IV™)

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We prioritise ethical leadership, transparency, accountability and stakeholder inclusivity in our corporate governance practices. This commitment underscores our dedication to upholding the highest standards of governance and promoting long-term sustainable value creation.



United Nations SDGs

By aligning our strategies with the SDGs, we aim to contribute positively to addressing global challenges such as poverty, inequality, climate change and environmental degradation. Our commitment to the SDGs underscores our dedication to creating a more sustainable and equitable world for current and future generations.



Task Force on Climate-related Financial Disclosures (TCFD)

By following TCFD guidelines, we aim to provide investors, stakeholders and the broader market with clear and consistent information about our climate-related risks, resilience strategies and their financial implications. This commitment underscores our proactive approach to addressing climate change and promoting sustainable financial practices.



Carbon Disclosure Project (CDP)

We are a voluntary participant in the annual CDP (formerly the Carbon Disclosure Project) and achieved a B score for 2023, affirming our commitment to catalyse action towards a sustainable, decarbonised, deforestation-free and water-secure world.



We comply with the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice and have been verified as a Level 1 contributor.



Supporting signatory recommendations and commitments

We actively support the following organisations:



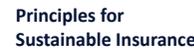
The Momentum Group is a signatory of the Climate Action 100+ initiative.



The Momentum Group supports the United Nations Principles for Responsible Investment (PRI) as alignment enables the Group to pursue our strategy of investing in assets while simultaneously contributing to positive social and environmental outcomes.



While not signatories, we are supportive of the 10 United Nations Global Compact (UNGC) principles.



While not signatories, the Momentum Group supports the Principles for Sustainable Insurance (PSI) initiative, which aims to ensure that all activities in the insurance value chain are responsible and forward-looking.



We support and endorse the Code for Responsible Investing in South Africa (CRISA).



Momentum Global Investment Management adopts the UK Code 2020's 12 principles and was recognised by the Financial Reporting Council (FRC) as a signatory to the code in July 2024.

Ratings agencies

We have received the following ratings from rating agencies:



We are rated AAA by MSCI Research LLC. This is a two-level jump from our previous BBB rating.



We achieved a 3.8/5 rating in F2023. FTSE will conduct the rating for F2024 after the release of our Sustainability Report.

The appendices to this report include references to our disclosure topics.

The following documents are available online:

- Latest CDP submission and greenhouse gas (GHG) verification opinion declaration
- Latest B-BBEE certificate and compliance report
- Sustainability-related Group policies and position statements

TIMEFRAME CLASSIFICATIONS

The timeframes used in this report differ depending on the nature of our business. For short-term operations within the Group, risk management generally follows a shorter planning horizon. In contrast, longer-term products, such as life insurance and annuities, require an extended planning horizon for effective management.

We use the following general classifications when making timeframe references in this report:

Short term

The short-term horizon is 12 months or less

Medium term

The medium-term horizon is one to three years

Long term

The long-term horizon is three years and beyond

SUSTAINABILITY REPORT ASSURANCE AND APPROVAL

The Momentum Group’s various business units prepared and provided information for this report based on the Group’s internal reporting and information systems and processes. We use a combined assurance model to ensure the information we provide is credible, and our underlying processes support the integrity of information used for internal decision-making as well as the credibility and integrity of our reporting. The Audit Committee is responsible to oversee the effectiveness of the Group’s internal control environment. It monitors the maturity of our combined assurance model, and reports to the Board and shareholders in this regard.

Management applied judgement in deciding what to report based on the principle of materiality, with oversight from the Sustainability Steering Committee (SteerCo), the Social, Ethics and Transformation Committee (SETC) and the Risk, Capital and Compliance Committee (RCCC).

The following elements are subject to external assurance:

- B-BBEE scorecard: Elements are subject to monitoring by management and AQRate provides assurance. At the time of publication, the F2024 verification was still underway. The latest B-BBEE scorecard is available on our website.
- Carbon footprint: Verify CO₂ provided limited assurance on the Group’s carbon emissions set out on page 93 and in the TCFD section.

The Board acknowledges responsibility for the integrity of this report. On behalf of the Board, the members of the SETC have carefully reviewed the report to ensure the information is reliable; accurately reflects the Group’s sustainability goals, strategy, performance and focus areas, and is aligned with the Group’s Sustainability Framework.

The Board has approved the report as recommended by the SETC.

Linda de Beer
Chair: Social, Ethics and Transformation Committee

David Park
Chair: Risk, Capital and Compliance Committee

Jeanette Marais (Cilliers)
Group Chief Executive Officer (CEO)



NAVIGATING OUR REPORT

HOW WE REPORT

This report is optimised for an enhanced digital experience and ease of use. The landscape layout ensures readability on computer screens and tablets. Additionally, the digital navigation capability enables seamless movement between different sections or topics in the report, facilitating a smoother reading experience for our stakeholders.

NAVIGATION ICONS

Interactive PDF

-  Home/Contents
-  Back
-  Forward

 This icon refers to additional information available on our website www.momentumgrouppltd.co.za

Click points of interest

Text highlighted in **blue** refers to more information in this report.

The strategic pillars of our Sustainability Framework

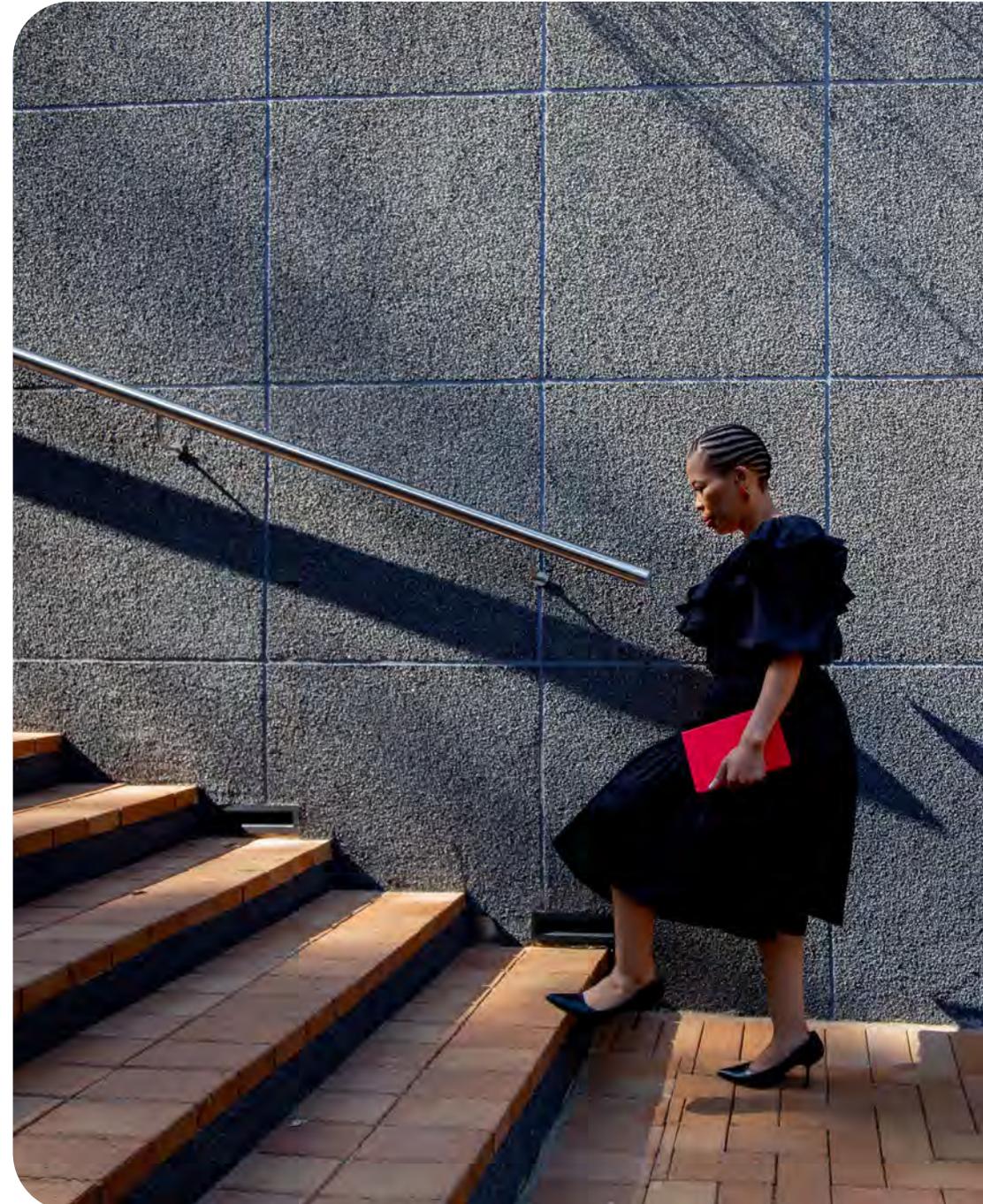
-  Make financial services more inclusive
-  Enhance financial security and health
-  Help to build the low-carbon economy

The strategic enablers of our Sustainability Framework

-  Responsible business practices, ethics and accountability
-  Diversity and future-fit skills
-  Strategic Corporate Social Investment (CSI)
-  Digital-led innovation
-  Partnerships for systemic change

Material themes

-  Uncertain macroeconomic and socio-political environment
-  Business resilience in an increasingly competitive environment
-  Attract and retain critical and scarce skills
-  Sustainable enterprise value
-  Leveraging digital innovation



GROUP OVERVIEW

WHO WE ARE

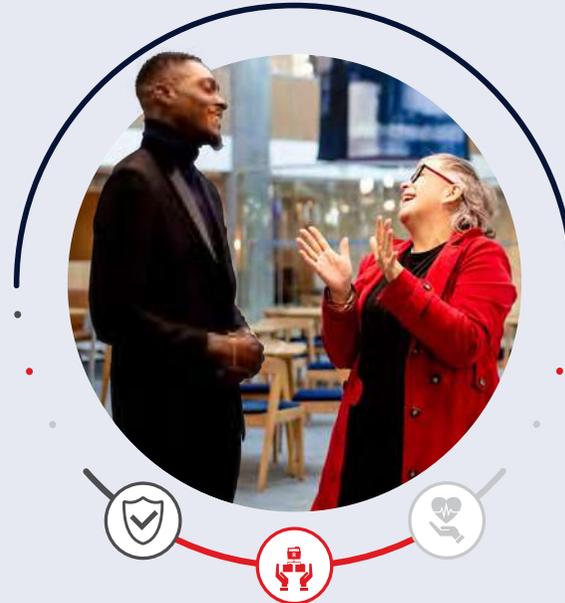
The Momentum Group is one of South Africa's largest diversified financial services companies offering a diverse range of services including protection (life and non-life), investment, long-term savings and healthcare administration through specialised and empowered businesses under the brands Momentum, Metropolitan and Guardrisk. The Group is listed on the Johannesburg Stock Exchange (JSE) with additional listings on A2X financial markets and the Namibian Stock Exchange.

WHERE WE OPERATE

Beyond South Africa, the Group extends its reach to five African countries through Momentum Africa. Momentum Investments has a presence in the United Kingdom and Guernsey in the Channel Islands, and the Group has a health insurance joint venture in India while Guardrisk has established businesses in Gibraltar and Mauritius.

WHAT WE OFFER

We create value through our synergistic portfolio of strategically aligned and sustainably managed businesses.



**Make people feel
safe and secure**

PROTECTION

- Life insurance and life cell captives
- Non-life insurance and non-life cell captives

**Make people feel
prepared**

BUILDING LONG-TERM WEALTH

- Asset management and property management
- Investments and savings
- Employee benefits including administration and consulting

**Make people feel
healthy**

HEALTHCARE SOLUTIONS

- Health administration
- Managed care and wellness services

Distribution of our branded solutions

- Momentum Advice (Momentum Financial Planning and Consult by Momentum)
- Momentum Distribution Services (MDS)
- Own agency force
- Direct sales

DELIVERING ON OUR PURPOSE

We build and protect our clients' financial dreams.

At the Momentum Group, we believe that financial dreams are more than just destinations, they are emotional journeys. We are committed to seeing the whole person in every interaction, understanding their unique stories and humanising our relationships with clients, stakeholders, communities and the environment – prioritising human connections, empathy and responsible corporate citizenship. By embedding genuine care into every action, we ensure that our stakeholders feel our sincere concern, which supports our long-term sustainability.

Our overarching purpose is strengthened by a set of goals that guide the conduct of our employees and unites our federated business model under a common mission. These goals include:

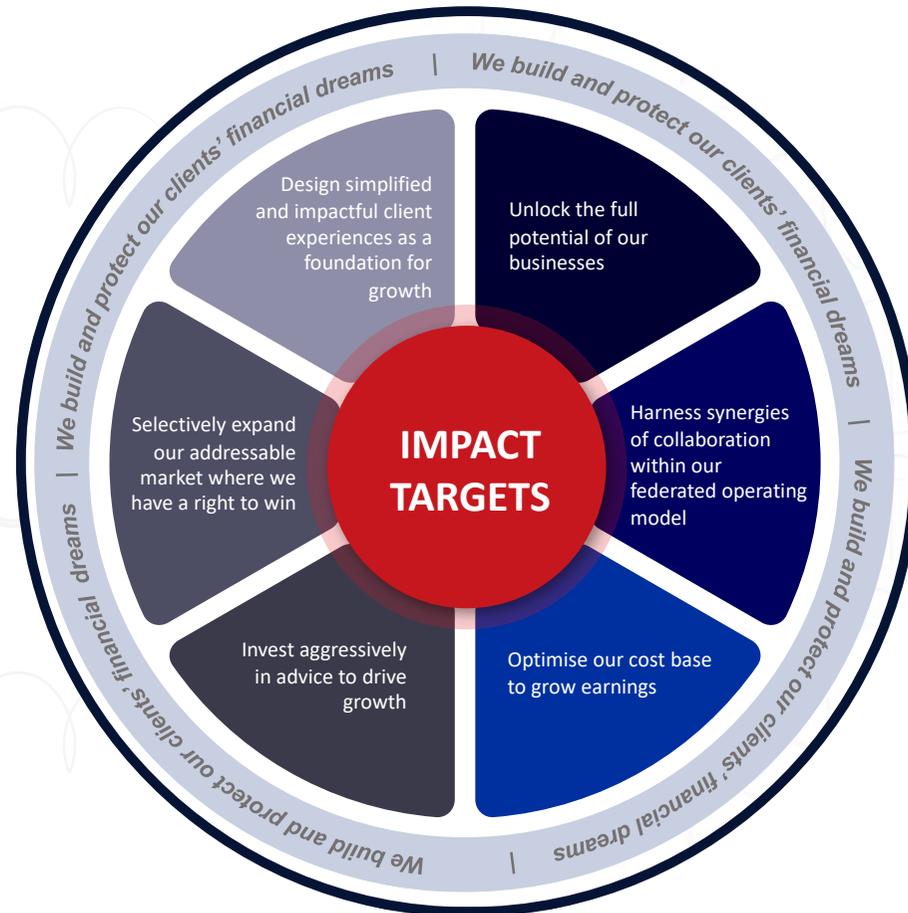
- Make people feel healthy**
It is not just about providing medical cover; it's about promoting overall health
- Make people feel safe**
We do more than merely offering comprehensive insurance; our aim is to instil a sense of safety
- Make people feel prepared**
We don't just provide investment options and products; we aim to make people feel ready for their futures
- Make people feel secure**
When it comes to life and disability insurance, our focus is on ensuring families feel protected

OUR IMPACT STRATEGY

The Group's F2025-F2027 Impact strategy builds on previous strategies, leveraging our diversified portfolio to benefit all stakeholders through a high-performance culture, strong relationships and service excellence, while aligning with our core purpose.

We have identified six strategic objectives to guide our business units in delivering impactful results and meeting Group expectations.

Read pages 23 to 24 of our Integrated Report for more information about our Impact strategy.



People | Transformation | Digital | Sustainability | Capital deployment

OUR CORE VALUES

Our core values shape the Group's culture, guiding our operations, employee behaviour and decision-making while fostering collaboration, trust, and integrity in all aspects of our business.



Accountability

We take ownership of our actions and results, keeping promises to all stakeholders and holding ourselves accountable for helping people achieve their financial dreams.



Diversity

We embrace inclusivity, celebrating the diverse perspectives and skills of our people, which enriches our thinking and actions.



Innovation

We believe in changing the world by changing our perspective, constantly challenging ourselves for smarter solutions, simpler processes and fresh ideas. This drives our growth and passion for continuous improvement and learning.



Excellence

We strive to exceed the expectations of our people and clients, making every interaction meaningful and contributing to their success by proactively implementing timely, effective solutions.



Integrity

Integrity means being sincere with our words and aligning it to our actions. We treat everyone with respect, acting transparently and always in the best interests of our clients and people.



Teamwork

We care for one another as colleagues and people by listening, sharing, collaborating and supporting the success of one another.

OUR FEDERATED OPERATING MODEL

Our federated operating model is designed to maintain proximity to the frontline, ensuring a deep understanding of our clients and advisers' needs. This approach enables us to make decisions that are grounded in the realities of our stakeholders. In adherence to this model, each business unit within the Group is accountable and responsible for its entire value chain.

While individual business units are expected to meet corporate portfolio requirements, they are also empowered to pursue strategies aligned with their specific goals, contributing to the overall strategic objectives of the Group. This operating model can present challenges to the desired unified progress in implementing corporate decisions, which is why we constantly look for ways to enhance cross-collaboration between business units. This enables us to show up as one brand with diverse offerings.

Read page 6 of our Integrated Report for more information about our federated operating model.

OUR BUSINESS UNITS

Our value creation is driven by a synergistic portfolio of strategically aligned and sustainably managed businesses.



Read pages 45 to 78 of our Integrated Report for more information about our business units and their solutions.



OUR KEY STAKEHOLDERS

We remain committed to nurturing meaningful connections with our stakeholders. These relationships are crucial for fulfilling our purpose and form the basis of our sustainability efforts.

We prioritise stakeholder relationships that promote mutual benefits and uphold our sustainability commitments. Stakeholders rely on our assertive adaptation to the changing economic, social and political landscapes. Guided by our **core values**, we undertake our efforts with responsibility and transparency, acknowledging that integrity is crucial for preserving the trust and support of our stakeholders.



Stakeholders	Stakeholder influence	How we create sustainable value
Clients	Clients engage with us to safeguard and cultivate their financial aspirations.	We enhance health and financial security to support long-term wealth creation.
Communities in which we operate	The communities in which we operate play a significant role in our operations. They generate a demand for our solutions and provide valuable human capital. They hold us to account to align our practices with public commitments.	We support financial inclusion, empowering communities and providing employment opportunities as part of our economic and social value creation.
Employees and contractors	Employees and contractors play a vital role in achieving strategic objectives and their motivation and engagement drive our success.	We prioritise creating a safe and inspirational environment to support employees whether permanent or temporary in reaching their full potential.
Investor community	Investors play a crucial role by providing the financial capital needed for our operations.	Our goals include generating earnings, fortifying the balance sheet and effectively deploying capital to drive future growth.
Intermediaries	Intermediaries serve as the connection between us and our clients, facilitating digital transformation and supporting business growth.	We provide intermediaries with access to training to provide quality advice to clients, and support them as they navigate digital transformation, empowering them to drive their own business growth.
Suppliers	Suppliers are critical to our business activities. They provide products and services that are essential for our operations.	We prioritise fair and transparent interactions with suppliers, ensuring alignment with our values. Our supplier selection policy involves ESG due diligence checks where applicable. Our enterprise and supplier development programmes supports their businesses growth and access to market through our procurement system, where possible.
Government and regulators	Government and regulators are pivotal in shaping regulatory policies that ensure financial stability and sustainability in the financial services sector. These policies establish the framework within which we operate, influencing our practices and ensuring compliance with industry standards.	We actively participate in government and regulator engagements aimed at fostering growth and stability, supporting a conducive environment for social and economic development.
Industry bodies	Industry bodies play a vital role in representing the interests of the industry and advocating for regulatory frameworks conducive to growth.	Where appropriate we contribute to industry advocacy efforts to protecting industry value and shape the regulatory environment.

For more information on our approach to stakeholder engagement and related outcomes, refer to pages 31 to 35 of our Integrated Report. For the direct economic value generated and distributed to stakeholders, please refer to the value-added statement on page 18 of this report.

OUR STRATEGIC APPROACH TO SUSTAINABILITY



OUR SUSTAINABILITY OPERATING CONTEXT

We are confronted with various economic, environmental, social and governance challenges that pose risks to the commitments made to clients and society. However, amid these challenges lie opportunities that enable us to foster inclusion and bolster financial resilience.

UNCERTAIN MACROECONOMIC AND SOCIO-POLITICAL ENVIRONMENT

Momentum Group's success depends on economic and environmental stability and GDP growth. High inflation, interest rates, fluctuating exchange rates and currency instability put pressure on profitability and consumer affordability. Economic challenges limit the number of potential clients for insurance and savings. This can be seen across the financial services sector where clients are seeking lower-cost health and insurance solutions.

South Africa's high youth unemployment, unstable power supply, deteriorating infrastructure, high crime rates and political corruption put additional strain on the country's GDP. The socio-political environment may lead to increased levels of activity fuelled by dissatisfaction, which could affect claims but also present opportunities for proactive risk management.

Environmental catastrophes exacerbate poor service delivery and upkeep of already poorly managed infrastructure, especially in water, housing, sewerage and energy. The Group has invested in internal infrastructure to ensure business continuity and self-sufficiency. It is also committed to long-term investments that stimulate employment and income growth while minimising environmental impact.

The 2024 national elections added further complexity to the socio-economic and political landscape. On 14 June 2024, the final Government of National Unity (GNU) agreement was signed. The GNU is committed to constitutional respect, non-racialism, social justice and good governance. It prioritises economic growth, poverty reduction, basic services, local government stability, education, healthcare, public service restructuring, law enforcement, parliamentary functions and social cohesion. To enhance the lives of all South Africans, the GNU must uphold the founding spirit of collaboration.

SOCIAL AND ENVIRONMENTAL RISKS ARE EVOLVING AND CONNECTED

Environmental risks are increasingly interrelated and ever evolving, presenting complex challenges globally. The World Economic Forum (WEF) listed five environmental risks as part of its top 10 risks analysis over a 10-year period – these include extreme weather events, biodiversity loss and ecosystem collapse, critical change in the Earth's systems, natural resource shortages and pollution.

All of these have disproportionate impacts on people who are already facing socio-economic challenges. In South Africa, this crisis is compounded by a multitude of factors including service delivery and housing shortages, leading to water and sanitation challenges for many people, and exacerbating societal vulnerabilities.

South Africa's persistent inequality rate is worsened by low intergenerational mobility that perpetuates the cycle of poverty. This dynamic often results in children being unable to surpass their parents' socio-economic status. As responsible corporate citizens, we hold a social and moral obligation to support communities by enhancing financial inclusion, thereby contributing to the alleviation of poverty, and limiting the impact that socio-economic status and access to resources have on how individuals experience environmental challenges.

Addressing these interconnected challenges demands holistic approaches that prioritise social and environmental justice.

SUSTAINABLE ENTERPRISE VALUE

Flooding, as a result of climate change, continues to pose significant risks which impact claims and reinsurance costs, and transition risks affect market, credit and regulatory risks. Our approach to climate change prioritises mitigating environmental impacts while enhancing resilience for our operations and the communities we serve through managing our impact.

New global non-financial standards, like the IFRS Foundation's Sustainability and Climate Disclosure Standards (IFRS S1 and S2), TCFD, Taskforce on Nature-related Financial Disclosure (TNFD) and CDP reflect a growing awareness of greenwashing, where companies claim environmental benefits without genuine action. While these standards aim to enhance transparency and comparability in sustainability reporting for investors, they may create tensions between short-term risk management and long-term sustainability goals.

We oppose all forms of greenwashing, which deceives stakeholders by presenting information about business actions and products as being environmentally friendly when they are not. We take pride in our sustainability journey and are committed to transparently disclosing accurate and balanced information.

The Group promotes sustainable business practices and advocates for improved ESG performance and transparency. Through sound investment practices, underwriting decisions and property management, we can make a positive contribution. By collaborating with industry bodies like ASISA and the South African Insurance Association (SAIA) we help to shape regulatory policies and legislative amendments. Our participation in the National Economic Development and Labour Council (Nedlac) debates also enables us to represent our businesses on health, social security and retirement reform and advocacy matters.

The Momentum Group Foundation (the Foundation) focuses on addressing social and gender inequality and youth unemployment. We invest in initiatives fostering financial inclusion and partner with local providers to promote a resilient society.

ATTRACTING AND RETAINING SCARCE SKILLS

South Africa's notable shortage of critical skills, particularly within *black communities, is exacerbated by local and international competition and emigration trends. We are committed to fostering a diverse, inclusive and equitable workplace by integrating diversity and inclusion into our human capital practices, thereby cultivating a sense of belonging among all employees.

Similar to industry trends, there is a notable rise in mental health awareness and claims post-Covid. We prioritise wellness initiatives and foster a positive, supportive environment to help our employees succeed while prioritising their well-being. Our top-tier employee assistance programme provides tools to manage well-being and proactively practise self-care to prevent burnout.

The Group also faces talent scarcity, especially in attracting and retaining actuaries, IT specialists and technical talent, which is exacerbated by changes in the working landscape. Our focus is on acquiring, nurturing and retaining critical skills through effective recruitment strategies and fostering internal career mobility. Succession and leadership planning, along with tailored learning interventions, empower our leadership.

*As per the B-BEEE codes, Black includes African, Coloured and Indian or ACI.

CHANGES IN THE REGULATORY LANDSCAPE HOLD SIGNIFICANT IMPLICATIONS FOR THE FINANCIAL SECTOR

The sustainability landscape is vast and comprises over 600 diverse standards, frameworks and guidelines worldwide – with global ESG regulatory regimes becoming more complex. Meeting these complex regulatory demands can present large reporting costs as well as time implications that hinder the ability of corporates to execute and incorporate strategic sustainability action. Therefore, benchmarking against industry and global best practice is important.

Emerging regulations and reporting standards, like IFRS 17 and S1 and S2, emphasise the need for strong compliance programmes. As a result, companies must create comprehensive plans to adhere to evolving legal and financial requirements. Challenges may arise when global companies must comply with regulations across multiple jurisdictions, potentially causing conflicts between regulatory demands. Moreover, with the increasing emphasis on Scope 3 greenhouse gas (GHG) emissions, disclosing third-party impacts is now recommended, regardless of whether those third parties are listed or not.

Changes in the climate and sustainability-related regulatory landscape hold significant implications for the financial sector, particularly with the introduction of the Climate Change Act, Biodiversity Framework and Draft Sectoral Emissions Targets (SET):

Climate Change Act

South Africa's first climate-focused legislation was introduced in February 2022, passed in October 2023, and was assented to President Cyril Ramaphosa on 23 July 2024. The Act aims to transition to a low-carbon, climate-resilient economy with frameworks for mitigation, adaptation and financing climate responses. Companies must develop and report adaptation strategies with large emitters assigned carbon budgets and higher taxes for exceeding limits.

Sectoral Emissions Targets

Seven sectors (agriculture, industry, energy, mining, human settlements, transport and the environment) will focus on developing SETs. The policies aim to reduce emissions by 27 MtCO₂e by 2030, requiring investments in non-GHG emitting technologies, shifting transport from road to rail, and increasing waste recycling.

Biodiversity Framework

At the 15th Conference of the Parties to the Convention on Biological Diversity (CBD COP15), a global deal was adopted to halt biodiversity loss by 2030. Building on the UN 2011-2020 Strategic Plan and Aichi Biodiversity Targets, it includes four long-term goals for 2050 and 23 targets for action by 2030.

These regulations require financial institutions to integrate climate risk assessments, biodiversity conservation and sustainable economic policies into their operations. Compliance will ensure environmental stewardship, influence investment strategies, risk management and corporate governance, driving the sector towards a sustainable and resilient future.

Other notable regulatory shifts impacting the financial sector that we remain cognisant of include:

The Conduct of Financial Institutions (COFI) Bill

The COFI Bill establishes a comprehensive, client-focused regulatory framework for the Financial Sector Conduct Authority (FSCA), emphasising market conduct supervision, Treating Customers Fairly (TCF) principles and a risk-based approach with activity-based licensing and Omni-Conduct of Business Returns for all institutions.

The FSCA and Prudential Authority (PA)

The FSCA and PA will set standards on IT governance, cybersecurity, and culture, with a focus on insurance, anti-money laundering, climate risks, innovation, and resolution planning.

Regulation from National Treasury and the Department of Employment and Labour

National Treasury's two-pot system for savings preservation will impact the sector. The Employment Equity Amendment Bill introduces sector-specific targets, intensifying the challenge of navigating skills shortages.

The National Health Insurance (NHI) Act

The NHI Act, signed in May 2024, aims to provide universal healthcare and signifies a major shift in the financial landscape, requiring institutions to adapt to new standards and compliance requirements.

Read pages 12 to 18 of our Integrated Report to learn more about our material matters.



OUR APPROACH TO SUSTAINABILITY

The global commitment to sustainability involves collaborative action to meet the needs of the present without compromising the ability of future generations to meet their own needs. By all sectors and civil society working together, we can build a sustainable future where all people can thrive within the limits of our planet's boundaries. Acknowledging our role, we have incorporated sustainability into our Group company strategy, enabling it to be embedded throughout the business.

Sustainability aims to achieve a fragile balance between environmental responsibility, social equity and economic prosperity. Global initiatives like the SDGs provide a framework to guide nations and stakeholders in pursuing sustainable development. Businesses play a crucial role in this effort, increasingly integrating sustainable practices into their operations such as reducing their carbon emissions, protecting biodiversity, fostering diversity and inclusion, and shifting finance in the real economy towards sustainable investments.

Growing consumer demand for sustainable products and services further drives this transformation, prompting businesses to adopt more sustainable practices. Technological advancements, particularly in renewable energy and clean technology, are pivotal in advancing sustainability globally. Ultimately, collaboration, innovation and commitment from all sectors are vital for creating a sustainable future.

At the Momentum Group, our commitment to our people, society and the environment is driven by our heartfelt mission to safeguard our clients' financial dreams while championing inclusive progress, financial access, social well-being and environmental preservation. Our mission is to close the insurance and savings gap in South Africa by offering financial solutions that uplift communities and empower individuals to reach their financial goals.

Collaboration is key, so we actively reach out to government, academia and industry partners to promote sustainable practices that align with our goals. Internally, our collaborative efforts across our federated business units drive a collective impact. In F2024, the Group strategy function supported our businesses in assessing and aligning their sustainability commitments to their impact strategies.

Read more about our partnerships and collaborative efforts on pages 57 to 58.



OUR SUSTAINABILITY FRAMEWORK

Our Sustainability Framework, developed through a dynamic strategy process and extensive consultation with our business units, represents our commitment to integrating and collaborating on all sustainability matters across the Group.

This framework outlines a comprehensive approach to identify and mitigate sustainability risks, seize opportunities and measure performance. It helps us monitor a broad set of sustainability aspects including client financial well-being, regulatory adaptation, operational optimisation, client relationships, service improvement, digital inclusivity, talent development and diversity promotion.

Sustainability as we define it, refers to an organisation's response to the constraints arising from its interaction with society and the environment. It encompasses not only the risks imposed on us by society and the environment but also the impacts we have on them. This framework structures our contributions toward the SDGs.

Ambition

Our commitment is to empower individuals, businesses and communities from diverse backgrounds to realise their financial dreams. By addressing social and environmental issues through the core business, we aim to create a positive impact that extends beyond financial success. Through this approach, we seek to foster a more inclusive and sustainable future for everyone we serve.

Strategic pillars

The strategic pillars represent the top priorities where the Group can have an impact in the long term.

-  **Make financial services more inclusive**
-  **Enhance financial security and health**
-  **Help to build the low-carbon economy**

Key themes

The key themes are interrelated sustainability initiatives that will evolve as each business unit progresses in its sustainability practices.

- Provide appropriate offerings for underserved segments such as SMMEs, low-income earners and employed but uninsured people
- Develop a custom-made advice approach to serve distinct segments and maximise client value
- Enable clients to actively direct their health and financial wellness
- Enhance client experiences to better serve their needs
- Build a decarbonisation roadmap
- Grow our portfolio of climate-positive products and services

Strategic enablers

The strategic enablers cover core expectations and represent the foundational elements that need to be in place for us to be successful.

-  **Responsible business practices, ethics, and accountability**
-  **Diversity and future-fit skills**
-  **Strategic Corporate Social Investment**
-  **Digital-led innovation**
-  **Partnerships for systemic change**

Sustainable Development Goals

Collectively the Group, along with its business units and the Momentum Group Foundation, actively contribute to eight SDGs. The business units are currently aligning their commitments and targets with specific SDGs to maximise their impact and increase their contribution to global sustainability efforts.



Our aim is to ensure long-term business growth while positively impacting the communities where we operate, and the environment. Through collaboration, we believe we can drive meaningful change and benefit all stakeholders involved.

OUR VISION FOR FUTURE FINANCIAL READINESS

Our commitment to sustainability enables us to fulfil promises made, pay claims and help clients to achieve secure retirements. By upholding sound governance within our business units and among our partners, we can help safeguard the financial dreams of our clients, businesses and communities. In line with the intention of the ISSB standards to provide a global baseline for sustainability-related disclosures and empower capital market participants with the right information to support better economic and investment decision-making, our aim is to improve our understanding of the financial impact of sustainability risks and opportunities.



BUSINESS UNIT SUSTAINABILITY COMMITMENTS

SUSTAINABILITY FRAMEWORK IMPLEMENTATION PROGRESS

Our commitment to sustainability is not just a set of actions, it is our identity. To bring this commitment to life, we've empowered our business units to embody our sustainability goals. Through a consultative, bottom-up approach, we collaborate closely with these business units to integrate sustainability into their plans, turning them into true advocates for sustainability.

Our business units followed a structured process to identify priorities and commitments aligned with the [Sustainability Framework](#) in F2023. Research done for the Group Impact strategy development process in F2024 provided an opportunity to reassess these commitments and build appropriate metrics into their business strategy execution plans. Some business units that have matured their sustainability targets have developed sustainability dashboards, while all have appointed executive owners to oversee the implementation and progress measurement of each commitment.

Business unit progress in F2024:

Review commitments to ensure relevance to the Impact strategy development process

100%

Executive committee approval of updated plans

100%

Mapping sustainability commitments to the strategic choices

80%

Incorporate qualitative and quantitative progress on metrics where available

50%

Within our federated model, each business unit operates with autonomy and accountability for its value chain while aligning with the Group's sustainability objectives.

While the Group Sustainability Framework provides clear guidance, the nature of our federated model will always require business units to invest time in crafting and refining their plans in line with this guidance.

An immediate priority for F2025 is to review the alignment with our strategic sustainability pillars, ensuring that each business unit's focus on a particular pillar is appropriate and reflective of the impact they can achieve.

The forthcoming chapter on strategic sustainability showcases key insights from business unit reflections and commitments.



OUR CONTRIBUTION TO THE SDGs

The UN SDGs provide a structured guide to address global challenges while promoting social well-being and environmental sustainability.

By addressing the SDGs, we can better meet societal needs, including poverty alleviation, health promotion, quality education and economic growth. The SDGs enable us to monitor our social well-being and environmental impacts, supporting our long-term vision of fostering a more equitable future.

Insurance plays a crucial role in the SDG agenda, acting as a protective shield against financial shocks, enhancing resilience and contributing to social safety nets and improved financial health. Additionally, aligning with the SDGs opens doors to new market opportunities and drives innovation.

Our impact priorities are:



The SDGs remain a critical focus as business units develop their metrics and targets. As this work progresses, business units will be able to track their impact on the SDGs relevant to the Group.

Momentum Investment has been a leader in the Group with its development of bespoke SDG-aligned indicators that are practical for the business to measure.

How we drive progress with the SDGs

When we initiated the bottom-up process with our business units to identify priorities and commitments aligned with the Sustainability Framework, we initially focused on five SDGs for the Group. Through discussions at various leadership forums, and driven by the sustainability commitments of our business units, we identified specific areas where we could make meaningful contributions to global sustainable development challenges. This process led us to adopt three additional SDGs.



SDG-directed actions in F2024

No poverty

The Group contributes to SDG 1 by offering affordable financial services, advancing financial literacy, providing health and wellness support, investing in community development and promoting inclusive employment practices to boost economic stability and opportunities for underserved populations.

Good health and well-being

The Group contributes to SDG 3 by offering affordable health insurance through Health4Me, wellness programmes, health education and community health investments to enhance overall health and well-being.

Quality education

Our Momentum Investments Impact Team remains dedicated to enhancing affordable and reliable access to student accommodation by strategically allocating capital and investing in the construction of new buildings to increase the number of available student beds.

Gender equality

The Group contributes to SDG 5 by implementing inclusive policies and practices that promote equal opportunities, supporting women in leadership roles and investing in programmes such as #SheOwnsHerSuccess, that empower women and address gender disparities within the workplace and community.

Clean and affordable energy

Our Momentum Investments Impact Team is intensifying its investments in clean energy sources such as solar and wind. Success metrics include the total reduction in GHG emissions, measured in tCO₂e, achieved by investing in renewables rather than fossil fuels, the number of homes powered by renewable energy and the overall investment amount.

Our Momentum Investments Portfolio Solutions Team plays a vital role through the Eris Direct Property Fund where it tracks metrics such as the number of solar sites, total renewable power generation, annual GHG emissions avoided and the investment amount.

The Group has set a target for reducing emissions from its own operations through various measures, including solar installations and reduced business travel.

Decent work and economic growth

Our Momentum Investments High Yield Credit Team is spearheading an initiative to increase the number of permanent appointments and jobs generated through the funds it invests in.

Industry, innovation and infrastructure

Our Momentum Investments Impact Team plays a crucial role in developing regional and trans-border infrastructure with a focus on enhancing affordability and accessibility. Additionally, it contributes to the information and technology infrastructure by funding expansions in fibre coverage, thereby ensuring affordable internet access for businesses and households.

Our Private Equity Team is ramping up its investments in the African infrastructure market, aiming to catalyse developments in emerging markets.

Climate action

Our Momentum Investments Hedge Fund, Private Equity and Portfolio Solutions Teams are leading efforts to promote the adoption of climate change investment policies and strategies among externally appointed investment managers and general partners. This drive for higher adoption will stem from enhanced education and awareness regarding climate change mitigation, adaptation, impact reduction and reporting, underscoring the significance of a Just Transition to a low-carbon economy.

Meanwhile, our Listed Property Team is actively greening our listed property funds by increasing the proportion of green-rated buildings in its portfolio. This initiative recognises that greening buildings represents one of the most cost-effective and impactful approaches to reducing harmful emissions that contribute to climate change.

Additionally, our Listed Equity Team is advocating for companies to disclose and align their remuneration policies with climate-specific KPIs, emphasising the importance of corporate accountability in addressing climate challenges.

Our non-life businesses are progressing their understanding of climate risk impacts and aligning their pricing, underwriting and product development practices, in addition to maturing their expertise in the use of geocoding.

OUR GROUP SUSTAINABILITY IMPACT SNAPSHOT

The implementation of our Sustainability Framework drives systemic impact that aligns with the SDGs and our overarching purpose. We remain confident that these indicators will strengthen our capacity to make an increasingly significant impact over time.

Economic impact

- ↑ **15.5%** return on equity (F2023: 12.7%)
- ↓ **12 725*** permanent employees (F2023: 12 786)
- ↑ **R7.7 billion** paid in remuneration (F2023: R7.1 billion)
- ↑ **R936 billion** assets under management and administration (F2023: R893 billion)
- ↑ **R9.3 billion** in direct and indirect taxes paid (F2023: R6.7 billion)

Environmental impact

- ↓ **R1.2 billion**** invested in renewable energy through empowerment financing (F2023: R4.1 billion)
- ↔ **10** active solar retail sites in direct property funds (F2023: 10 active sites)
- ↓ **11%***** reduction in overall GHG emissions against the 2019 baseline (2023: 22%)
- ↑ **67%***** waste produced is recycled (2023: 61%)
- ↑ **52 443***** MWh energy consumption (2023: 40 167 MWh)
- ↑ **115 212 kl***** total water withdrawal from municipal water supplies (2023: 98 408kl)
- ↔ **B** CDP score**** (2021, 2022, 2023: B)

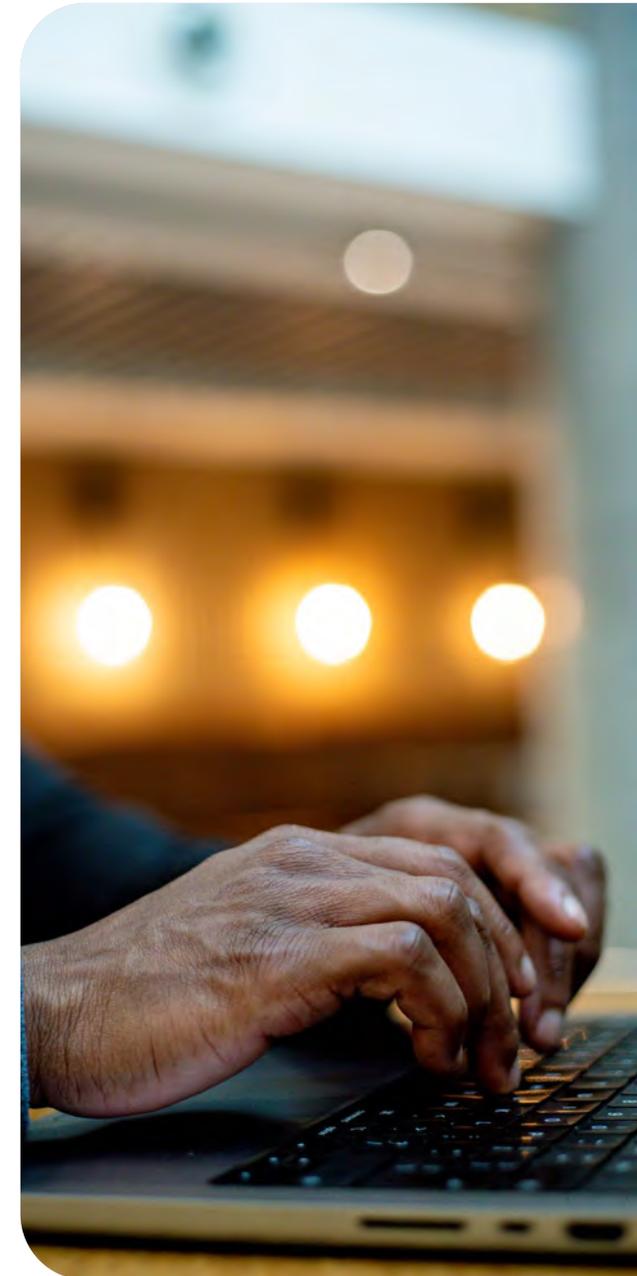
Social impact

- ↓ **R37.9 billion** claims paid on insurance products (F2023: R38.3 billion)
- ↑ **R516.6 million******* for training and skills development (F2023: R402.5 million)
- ↓ **R32 million** invested in youth employment and financial education (F2023: R41 million)
- ↑ **32 632** beneficiaries reached through our online volunteer management platform (F2023: 10 650 beneficiaries)
- ↔ **4 million** in-force policies (F2023: 4 million)
- ↑ **218 916** Health4Me low-cost health product beneficiaries (F2023: 183 000)
- ↑ **14 389** former and current employees form part of the iSabelo employee share ownership plan (F2023: 13 207 former and current employees)
- ↑ **40%** black ownership (F2023: 37%)

Governance impact

- Ranked in the **91st** percentile among global peers and **57th** percentile among local market peers for corporate governance by MSCI (F2023: 97th and 90th percentile)
- UNPRI signatory since 2006
- Included in the FTSE/JSE Responsible Investment **Top 30** Index
- Independent assessments of Group Forensic Services and Group-wide policies
- Robust governance framework and independent oversight body

* South Africa only.
 ** We await the financial close of two additional renewable energy projects which form part of the total empowerment financing for FY2024.
 *** The Group set a new target in F2024 against a 2019 baseline. The emissions performance is measured against this baseline. All GHG inventory data are for the calendar year.
 **** The 2024 score will only be released in February 2025.
 ***** Previously, salaries of employees on learnerships, professional programmes, accredited training programmes and workplace learning were excluded in the calculation. In the F2024 report these costs are included as is allowed for in terms of the B-BBEE Codes. The F2023 number has been restated to reflect this.



VALUE-ADDED STATEMENT

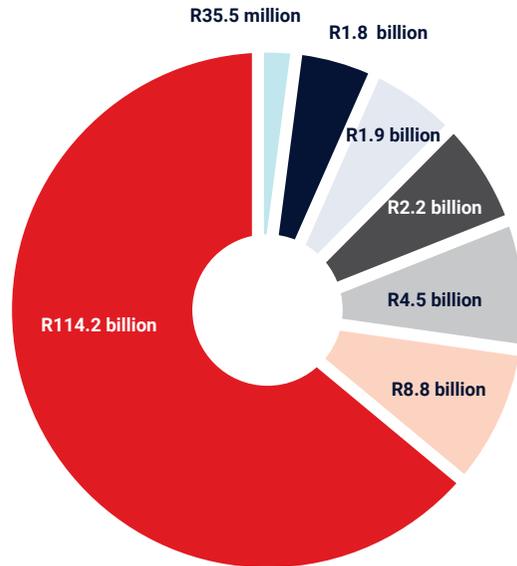
INCOME GENERATED

Our F2024 Value-Added Statement (VAS) is based on our IFRS earnings. This section details the income generated and distributed to specific stakeholder groups in F2024. To reflect the adoption of IFRS 17, F2023 values have been restated.

Insurance revenue **R58.9 billion (F2023: R56.1)** + Other revenue **R9 billion (F2023: R9 billion)** + Investment income **R65.4 billion (F2023: R71.2 billion)** = **Value created R133.3 billion (F2023: R136.4 billion).**

Distributed as follows:

- **Community investment ***
(F2023: R41 million)
- **Dividends paid to shareholders**
(F2023: R1.7 billion)
- **Finance costs**
(F2023: R2.6 billion)
- **Retention for growth**
(F2023: R1.5 billion)
- **Government (income tax)**
(F2023: R4.5 billion)
- **Employee benefit expenses****
(F2023: R7.1 billion)
- **Net operating costs*****
(F2023: R118.9 billion)



* The Foundation's budget is determined by the Company profits, with the Group allocating 1% of Net Profit After Tax (NPAT) to the Foundation. This amount varies depending on the Group's performance.

** Employee benefit expenses include remuneration and leave expenses

*** Net operating costs include insurance service expenses, allocation of insurance premiums, amounts recoverable from reinsurers for incurred claims, finance expenses from insurance contracts issued and reinsurance contracts held, fair value adjustments on investment contract and collective investment scheme liabilities, and other operating expenses.



LEADERSHIP MESSAGES

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

BUILDING AND PROTECTING FINANCIAL DREAMS

We want to be known as a business with heart, that recognises the human behind every transaction. We focus on seeing the person in every interaction, especially during emotional challenges like loss, illness or retirement.

At the Momentum Group, our purpose is to build and protect our clients' financial dreams. This purpose unites everything and acts as our North Star, guiding our daily decisions and actions. It drives our strategy execution, while our commitment to sustainability principles ensures we focus on long-term value-creating impacts for our stakeholders.

Our **Sustainability Framework** provides a structure for addressing economic, environmental, social and governance (E-ESG) challenges and ensures formalised implementation. While many of our solutions focus on sustainability, we recognise the need to accelerate our impact. The world is at a critical juncture in understanding and responding to social and economic vulnerabilities and planetary boundaries.

We are concentrating our sustainability efforts on making financial services more inclusive, enhancing financial security and health, and fostering a low-carbon economy. Although there is still much work to be done, I am enthusiastic about our direction and the collaborative energy of our Group Executive Committee (Group Exco).

GLOBAL AND LOCAL SUSTAINABILITY DEVELOPMENTS

Significant shifts in the natural world, geopolitics and regulatory landscapes have shaped our approach to enhancing social and environmental well-being.

From February 2023 to January 2024, the average temperature rise above 1.5°C marked the onset of anthropogenic climate impacts, challenging us to adapt and intensify our efforts towards a low-carbon economy.

Heightened regulatory scrutiny on greenwashing in Europe and stringent green criteria highlight the importance of authenticity in our sustainability performance. A sustainability trends analysis by the World Wildlife Fund South Africa (WWF-SA), highlighted the need for companies to develop plans to comply with intricate and often conflicting sets of legal and financial disclosure requirements across multiple jurisdictions with a focus not only on the ESG credentials of their own operations, but also those of their supply chains and broader value chains. In South Africa, regulatory guidance on climate risk practices and disclosures, the Climate Change Act and the Biodiversity Strategy Framework emphasise the expectation for clear corporate action and collaboration.

The global commitment made in 2023, to advance the UN's 2030 Agenda and SDGs, has encountered significant disruptions, highlighting the urgent need to address the cost-of-living crisis and climate action. South Africa's energy crisis, political instability, and greylisting further complicate resource allocation and compliance, requiring collaborative efforts that align with our Group's commitments and sustainability objectives.

SOCIAL WELL-BEING

Closing the savings gap

The insurance industry is critically reassessing the financial inclusion scorecard to better align listed products with financial inclusion goals, fostering collaboration among stakeholders, government and labour. While savings products are currently not included on the scorecard pending regulatory revisions, the Group is actively participating in industry efforts to address this gap.

The tough macroeconomic environment and competitive market are constraining consumer demand and their ability to meet premium obligations. A recent ASISA study highlighted a significant increase in lapsed policies and a decrease in new sales, indicating financial strain in the insurance market. In response, the Group is building new strategies to reach new markets, improve

retention, and investing in enhanced consumer financial education through the Momentum Group Foundation.

EMPLOYEE WELL-BEING

Taking care of our employees

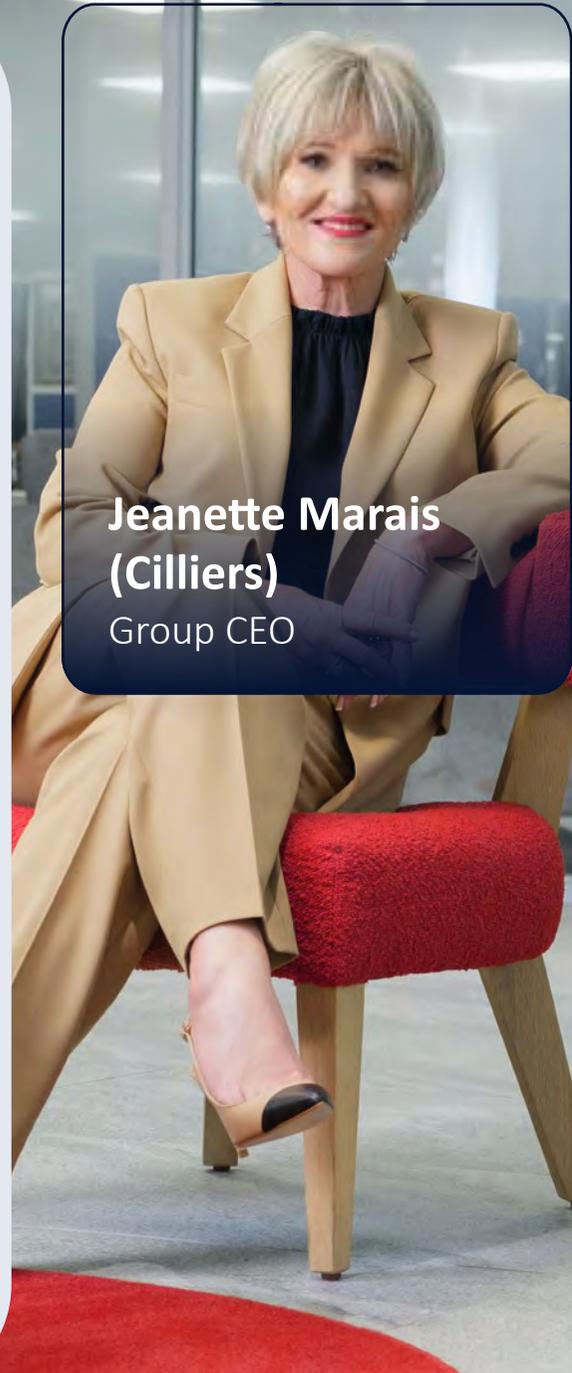
The Group's commitment to building an inclusive workplace has earned us our fourth consecutive Top Employer certification, with an improved overall rating. We scored above the South African benchmark in 65% of the Top Employer topics, including those related to our purpose, shared values and ethics, against all the other South African companies assessed and certified.

Employees seek businesses with a proactive rather than reactive approach to corporate social and environmental issues, sustainable career paths, and a culture of inclusion and belonging. At Momentum Group, we understand that every touchpoint in the employee journey is an opportunity to create a sense of belonging and foster engagement, empowering employees to excel and contribute to the success of the business while making a meaningful impact on the lives of our clients.

Group Exco tasked the human capital team to harmonise diversity, equity, inclusion and belonging efforts across the Group, establishing a unified approach and linking this directly to our culture. I am pleased with the significant progress made by the team this year and excited about the positive impact this will have on executing our Group purpose and strategy.

Attracting and retaining scarce skills

South Africa and the Group face a significant talent shortage, particularly in attracting and retaining black actuaries, IT specialists and technical talent due to increased competition and emigration, in addition to the skills supply crisis. Embracing authentic and comprehensive transformation irrespective of these challenges, is crucial, and our commitment is unwavering.



Jeanette Marais
(Cilliers)
Group CEO

Our Sustainability Framework supports the Group Transformation Strategy by aligning with specific objectives. Our ongoing efforts in financial services transformation enabled us to maintain a Level 1 B-BBEE status for five consecutive years. Our MMpowered-initiative, through which we raise the visibility of internal black talent, has grown significantly and remains a source of pride. We believe that over time, this approach will build a robust talent pipeline and leadership community with deepened organisational knowledge, enhancing our value-creating potential.

In the upcoming financial year, the Group will focus on acquiring, nurturing and retaining essential ACI skills by utilising its recruitment strategies to attract top-tier talent and fostering internal career mobility. Through careful succession and leadership planning, accompanied by deliberate development initiatives, the Group aims to strategically position itself to meet its growth trajectory.

ENVIRONMENTAL WELL-BEING

Responsible investment practices

As active shareholders, the Group influences corporate behaviour, promotes sustainable practices and advocates for better ESG performance. As a pioneering South African signatory to the UN-supported PRI, we have a history of responsible investing, aligning with clients' long-term goals. This year, the Group focused on demonstrating climate progress and building positive market relationships.

Working towards a Just Transition and ensuring that the shift to a low-carbon economy is fair and inclusive is a key pillar of our decarbonisation investment strategy. This includes supporting a managed transition and financing and investing in climate solutions.

Reducing environmental impacts

Climate change, biodiversity loss and plastic pollution present escalating risks to the planet, people and businesses. These interconnected environmental issues highlight the urgent need for action, with scientific evidence showing six of the nine planetary boundaries have already been exceeded. Biodiversity loss is a significant concern. In South Africa, we have seen a 65% decline in biodiversity since 1970.

The Group's strategy focuses on reducing environmental impacts and enhancing resilience. Our climate risk framework and solar investments are important steps towards reducing our emissions and increasing resilience. Under Group Exco's leadership, we aim to

reduce our emissions by 23% against a 2019 baseline and ensure climate action is integrated throughout the organisation. We continue to develop and implement climate targets, collaborating with industry partners to manage risks and support the transition to a low-carbon economy.

SUSTAINABILITY STRATEGY AND DEVELOPMENT PROGRESS

Despite significant socio-economic and political challenges, we are proud of our sustainability achievements. Our leaders demonstrated remarkable resilience and adaptability in navigating regulatory shifts, climate events, economic turbulence, loadshedding and service delivery failures. Internally, we managed system transitions, launched new products and prioritised employee and client support amid these demanding conditions.

Building on our *Sustainability Framework* involved careful consideration of business unit commitments and initiatives. These efforts, aimed at delivering targeted and meaningful impacts, required extensive consultation and collaboration.

Our progress made

Our sustainability strategy has advanced steadily, integrating sustainability targets with our performance reporting framework. We commend our business units for developing new strategic plans and adjusting their sustainability goals, ensuring these initiatives are embedded within our core strategy.

What we remain committed to

Establishing meaningful targets, understanding that the pace of change hinges on the ability of our business units to drive integration

Obtaining reliable, high-quality data including the development of assurance-ready systems for data delivery and reporting

Continuing the combined bottom-up and top-down approach to socialise the Sustainability Framework, identifying risks, opportunities and key performance indicators

Broadening sustainability learning opportunities for all employees and leadership teams, fostering the integration of sustainability into the fabric of our business

Acknowledging that sustainability is an inclusive journey, we will opt for fewer partners and strive for a greater impact

Progress and details

Business units will assess the alignment between their sustainability targets and key results of their strategic plans to ensure a formal, structured process for effectively tracking progress.

We are strengthening accountability with data owners on our carbon footprint input data, considering variables such as data type, format and location. This enables a unified approach, accountability and oversight on sustainability-related disclosures. Additionally, we have established a carbon footprint reporting portal for data owners.

Read more on page 93.

The business units contributed to the development of six sustainability themes through the combined bottom-up and top-down approach. This provided business units with a broad direction to integrate sustainability into their strategies from F2025 to F2027.

Groupwide employee awareness campaigns focused on biodiversity, the impact of climate change on the insurance industry and concerns about plastic pollution. We maintained knowledge partnerships with the National Business Initiative (NBI) and WWF-SA to support our efforts.

The Foundation evaluated our youth programme partners to ensure the delivery of impactful initiatives and will make strategic adjustments based on the outcomes of this research.

Read more on pages 53 to 54.

Business units oversee a variety of partnerships that encompass commercial, research, service, support, knowledge and industry needs.

Read more about these on page 57.

OUR OUTLOOK FOR EMBEDDING AND MATURING SUSTAINABILITY

At the outset of our sustainability journey, we created the Group Sustainability Maturity Plan, drawing on stakeholder expectations, industry trends and peer best practices, all aligned with our dedication to sustainable development. This plan served as our roadmap for advancing sustainability efforts across the organisation.

Since implementing our Sustainability Framework in F2022, we have transitioned from mere compliance to strategic integration of sustainability practices. Our progress has been steady and positions us for substantial growth over the next three years.



IN ACKNOWLEDGEMENT

I extend my heartfelt gratitude to the Momentum Group Board and the SET and RCC committees for their guidance and support. I also express my special appreciation to our employees, partners and suppliers who help us to build and protect our clients’ financial dreams.

Jeanette Marais (Cilliers)
Group Chief Executive Officer (CEO)



SETC AND RCCC CHAIRS' MESSAGE

Our commitment to sustainability mitigates risks, bolsters economic stability and supports the shift to a low-carbon economy.

ROLE AND MANDATE OF COMMITTEES AND GOVERNANCE OVERSIGHT

Social, Ethics and Transformation Committee (SETC)

The Board is deeply committed to fostering a sustainable future for the Group and its stakeholders by ensuring business integration of economic, environmental, social and governance considerations. The Board delegated its responsibilities to the SETC. The SETC thus exercises an oversight role in terms of the Group's management of sustainability matters and reports to the Board on socio-economic development, ethics, sustainability and transformation initiatives, as well as responsible investments and overall environmental stewardship. It reviews reporting on these matters and monitors the Group's performance as a responsible corporate citizen. The SETC oversees alignment with strategic sustainability goals and concurrent compliance with the South African Companies Act. Its mandate includes guiding the implementation of the Sustainability Framework and directing adherence to social, environmental and ethical standards.

The committee also monitors the Group's support for the eight SDGs identified for meaningful contribution, including no poverty (SDG 1), good health and well-being (SDG 3), quality education (SDG 4), gender equality (SDG 5), affordable and clean energy (SDG 7), decent work and economic growth (SDG 8), industry, innovation and infrastructure (SDG 9) and climate action (SDG 13). These SDGs are a critical focus as business units develop metrics and targets to track their impact.

In F2024, the SETC focused on strengthening its oversight role by ensuring it went beyond mere compliance, actively aligning the Group's sustainability pillars with its overall strategy. The committee concentrated on how management is integrating and setting targets for the Group's Sustainability Framework. The addition of Group CEO, Jeanette Marais, to the SETC has further enhanced its alignment with the strategic priorities of the Group's Executive Committee (Exco).

The SETC convened four times in F2024. During the year, the committee welcomed Dr Frannie Leautier and Sharoda Rapeti as new independent non-executive directors and SETC members.

Key actions and focus areas in F2024

As the Board committee is responsible for overseeing the Group's sustainability performance, the SETC focused on how management is integrating sustainability into the Group strategy. The Group's structured process led to Sustainability, People and Transformation being established as foundational elements in the new Group Impact strategy.

The SETC will continue to oversee the setting and refining of measurable sustainability targets that reflect Momentum Group's sustainability commitment and progress – ensuring alignment with industry standards and regulations.

The committee also monitors employment equity performance and oversees the implementation of draft sector targets from the Department of Employment and Labour. To this end, attracting and retaining African candidates at the middle management level remains a critical priority for the Group.

This committee's focus extends beyond the B-BBEE scorecard to investing in a society where economic advancement is inclusive, and hence the Group's social investment initiatives are of key interest to the committee.

The committee oversees and guides the business in fostering a culture where equity, diversity, inclusion and belonging is embedded in the workplace, which also supports the recruitment and retention of key black talent.

* Committee members' CVs can be viewed on pages 103 to 107 of the Integrated Report. Please refer to the Integrated Report on pages 110 to 111 for attendance of SETC meetings.

Risk, Capital and Compliance Committee (RCCC)

The RCCC ensures the quality and reliability of the Group's risk, capital and compliance framework, including oversight of climate change risks and opportunities. Its mandate is to monitor and manage risks, oversee capital adequacy, ensure regulatory compliance and guide climate risk integration.

The RCCC recognises the need to address climate crisis risks and opportunities affecting our business units and communities. Extreme weather impacts the environment, society and the Group, influencing claims, reinsurance costs and regulatory compliance. The committee supports management in mitigating environmental impacts and enhancing resilience. Global climate regulation such as the European Union's Carbon Border Adjustment Mechanism (CBAM) is driving a focus on mitigation, adaptation and green development. Owing to the impact these risks have on emerging market economies, the RCCC supports participation in initiatives to shape the outcomes. The RCCC considers participation in discussions on local regulations, like the Climate Change Act, essential for corporates operating in this environment.

In F2024, the RCCC expanded its climate role, emphasising understanding climate impacts, engaging with management, staying updated on trends and incorporating climate considerations into long-term strategies.

The committee welcomed Sharoda Rapeti as a new independent non-executive director and member during the year and held four meetings.

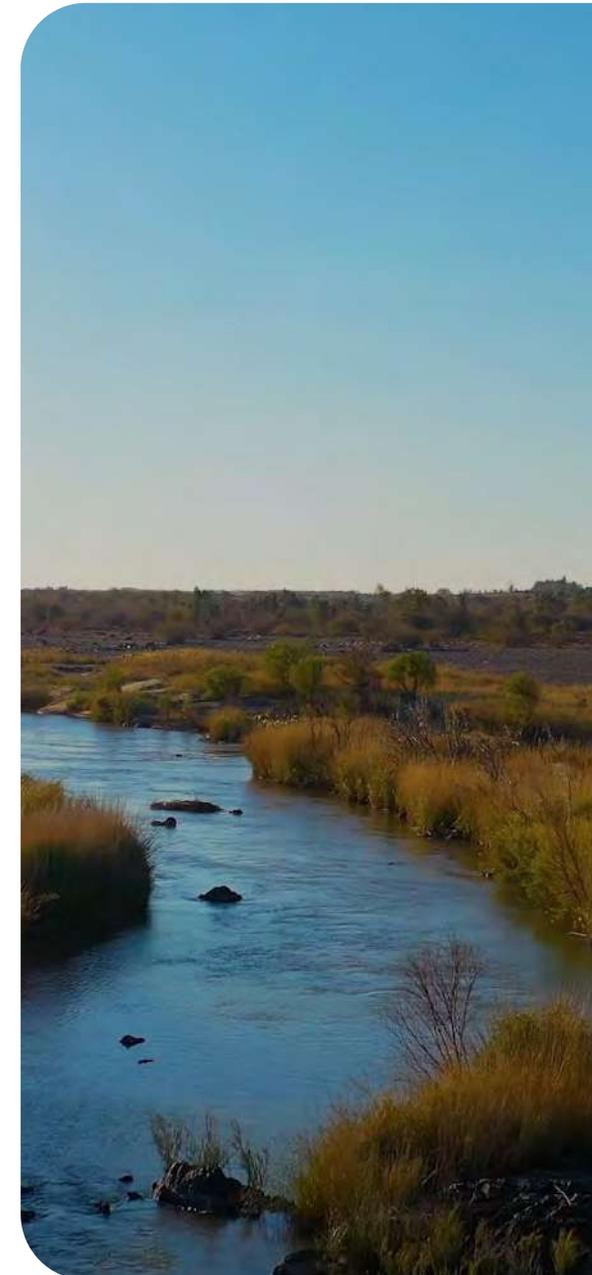
Key actions and focus areas in F2024

The RCCC provided ongoing monitoring on whether the climate change risk indicators prioritised by the Group were appropriately mitigated. The committee reviewed the Group climate change risk framework as it does annually and considered the 2023 TCFD report.

As part of its focus to oversee how the Group embeds the climate risk framework, the committee considered climate risk enhancements over the past year, the details of potential impacts on the Group, as well as the scenario analysis and stress testing that was performed.

The RCCC acknowledges its role to support the Board in balancing its mandate to serve prudently with investing in long-term solutions for economic, environmental, social and governance challenges, making decisions that are guided by good governance principles.

* Committee members' CVs can be viewed on pages 103 to 107 of the Integrated Report. Please refer to the Integrated Report on pages 110 to 111 for attendance of RCCC meetings.



OUTLOOK AND FUTURE COMMITMENTS

The Group is dedicated to a dynamic learning process for sustainability, continuously adapting to emerging trends, regulatory requirements and best practices. Areas where we will expand on existing knowledge for F2025 include themes such as climate change, resource management, including biodiversity and water risk management, social responsibility with a focus on refining how we articulate financial inclusion within the context of the different lines of business in the Group, and ethical governance.

Momentum Group has demonstrated great commitment to enhancing its knowledge on key sustainability topics and integrating them with Group priorities. We look forward to providing further guidance on setting clear, measurable goals that align with our sustainability vision to drive meaningful and lasting impact in our business and society. Both the SETC and RCCC will continue overseeing

improved adherence to disclosure frameworks, based on internal audit assessments of our sustainability and climate reporting in F2025, being cognisant of the importance of emerging assurance requirements on sustainability reporting, to enhance credibility of information.

APPRECIATION

We recognise the strong Momentum Group team, under the guidance of the Group Exco, for achieving growth and delivering against our sustainability strategy.



Linda de Beer
Chair: Social, Ethics and Transformation Committee



David Park
Chair: Risk, Capital and Compliance Committee



GOVERNANCE



GOVERNING SUSTAINABILITY AT THE MOMENTUM GROUP

GOVERNANCE STRUCTURES

Our sustainability governance structure facilitates the integration and coordination of our **Sustainability Framework** across our business units with the ultimate future goal of achieving complete integration, measurement and reporting. This also encompasses oversight of the **climate change risk framework**.

Our governance structures are robust and supported by a strong value system that guides our actions to provide services with honesty, fairness and due diligence. Ethics and accountability are integral components of our operations and are deeply rooted in our organisational values.

At the Board level, governance structures include the SETC and the Fair Practices Committee, while at the management level, oversight is provided by the Group Exco and various management committees within our business units.

Board oversight

The Board of Momentum Group Limited (previously Momentum Metropolitan Holdings Limited) and Momentum Metropolitan Life Limited, which share the same members and hold combined meetings, serve as custodians of corporate governance at the Momentum Group. They ensure that our responsibilities as a corporate citizen extend far beyond mere compliance.

Information regarding the composition of the Board and its committees can be found in the Integrated Report from pages 100 to 107.

Governance practices

Governance practices aimed at achieving responsible corporate citizenship encompass several key initiatives:

- Human capital policies and processes align with UNGC Principles 1-6; this ensures compliance with the UN Declaration of Human Rights, the International Declaration on Fundamental Principles and Rights at Work, and all relevant legal requirements.
- Oversight provided by the Transformation Steering Committee, led by the Group transformation function, which focuses on authentic transformation efforts. This includes initiatives related to equal opportunities, diversity and inclusion, skills development, youth unemployment reduction, empowerment financing, enterprise and supplier development, financial inclusion and preferential procurement.
- Establishing the Momentum Group Foundation, which is mandated to deliver on the Group's youth employment strategy, monitoring the performance of the Momentum Corporate Social Investment (CSI) team. The team reports on its progress to the SETC.

COMMITTEES RESPONSIBLE FOR SUSTAINABILITY AND CLIMATE MATTERS

Social, Ethics and Transformation Committee

Governance accountability

The SETC focuses on transformation, diversity, inclusion and sustainability reporting. Supported by our Board-approved Code of Ethics and Standards for Conduct policy (Code of Ethics), it serves as the custodian of ethical conduct and practices within our organisation, and is mandated by the Board to oversee the ethics programme and evaluate the Group's overall ethical performance.

The SETC performs its role as provided for in the Companies Act with its regulations, thus assisting the Board to fulfil its statutory obligations and other oversight responsibilities related to:

- **Transformation:** focusing on B-BBEE under the Financial Sector Code (FSC) and compliance with employment equity legislation
- **CSI:** overseeing the Group's social impact on the communities in which it operates and its performance as a good corporate citizen
- **People:** the Group's approach to promote diversity, equity, inclusion and belonging in the workplace
- **Ethics:** compliance with relevant social, ethics and legal requirements, as well as best practice codes, to foster an ethical culture within the Group
- **Sustainability:** the Group's overarching sustainability approach and practice
- **Responsible investment:** how the Group upholds its responsible investment principles and policies
- **Environment and climate risk:** the Group environmental impact which includes management of all environmental-related matters such as waste and water management. The Board delegated the SETC and RCCC to jointly oversee climate risks and opportunities with various connections to other Board committees

The SETC and RCCC reports quarterly on sustainability and/or climate matters, to the Board, while other Board committees do so as material matters arise.

Committee members

The committee members possess a diverse range of specialist skills, including expertise in transformation, diversity and inclusion, sustainability reporting and assurance. This is complemented by their actuarial and management experience within financial services with a focus on long-term insurance, risk modelling, economic capital and the integration of risk management, including climate risk management, into decision-making processes. In F2024, the Group continued Board training on sustainability and climate-related matters.

Risk, Capital and Compliance Committee

The committee ensures the quality and reliability of risk, capital and compliance management, focusing on the climate risk framework and end-to-end risk management across climate, tax, IT, digital and compliance risks.

It ensures the integration of climate-related considerations into key components of the Group's risk management. Climate-related risks are evaluated and addressed as a subset within each risk area outlined in the own risk and solvency (ORSA) policy and the Momentum Group risk taxonomy.

Other Board committees**Audit Committee**

The Audit Committee fulfils its statutory duties as outlined in the Companies Act and supervises the integrity of the Annual Financial Statements and the Integrated and Sustainability Reports. All members of the Audit Committee are elected annually in accordance with Section 94(2) of the Companies Act 71 of 2008.

The Audit Committee will monitor the development of guidelines for assuring non-financial information, including the impact of IFRS S1 and S2.

Fair Practices Committee

The Fair Practices Committee is responsible for supervising the Group's adherence to its core values of accountability, integrity and excellence in its dealings with clients, as well as ensuring compliance with the FSCA.

The committee stays informed about regulatory perspectives such as those on sustainable insurance, its potential implications for product development and its effects on ensuring the equitable treatment of clients.

Remuneration Committee

The committee ensures that the Group's remuneration policy and structures are fair and responsible and promote alignment between shareholder and employee interests. In F2024, the committee started deliberations on incorporating appropriate ESG metrics that align with the Group's overall sustainability targets into the remuneration policy. This work is still on-going.

The full Remuneration Report, included in the Integrated Report, details how fair and responsible remuneration is ensured.

Investment Committee

The committee monitors existing key strategic investments to ensure delivery against the business case and considers the impact of climate change risks on its investment strategy. It reviews investment-related climate risk policies and frameworks and approved the Group's decarbonisation investment strategy and amendments to the Group's climate change investment policy which now stipulates a commitment to not finance any direct new coal investments.

Group executive leadership**Momentum Group Exco**

The committee, chaired by the Group Chief Executive Officer, oversees the implementation of the Sustainability Framework. Any material matters are shared monthly in the CEO Board report.

Groupwide Sustainability-related management committees and forums**Sustainability Steering Committee (SteerCo)**

Throughout F2024, the forum operated as an advisory body, offering strategic counsel on all sustainability-related issues to the Group Exco and the SETC. It facilitated collaboration among business units and support functions and shared pertinent external sustainability developments with the wider Group. Chaired by the Head of Sustainability, the forum convened bi-monthly meetings preceding the SETC meetings, ensuring comprehensive feedback.

Climate Risk Steering Committee

The committee drives the climate risk assessments with the business Chief Risk Officers (CROs) and the various risk-type heads. It was formed to bring a focused effort to the execution of the Group climate change maturity plan.

Chief Risk Officer Forum

Chaired by the Group CRO, the forum debates and socialises changes and improvements to risk management, including climate change risk management, and has oversight over significant risk community-wide projects.

Responsible Investment Committee

Provides oversight of the responsible investment policies, practices and goals. This includes the climate change investment policy and the climate investment decarbonisation strategy.

Business unit climate-related forums and working groups

At business level, the responsibility for sustainability and climate risk management discussions are driven by the business sustainability leads and CROs at Exco meetings and other corporate governance structures of the business unit.

Instead of implementing a standalone climate strategy, we embed our climate performance approach within our Sustainability Framework. We recognise that collaboration across our business units is crucial for addressing climate issues and integrating climate considerations into our business strategy and decision-making processes. As a result, Group Sustainability has been incorporated into the Group risk function to strengthen our overall focus on sustainability. Business unit management teams, under the guidance of executive leadership, are encouraged to take decisive climate actions and their performance will be evaluated over time to ensure these actions are implemented throughout the organisation.

For a comprehensive overview of our Board committee structures, refer to the Integrated Report from pages 110 to 117.

CLIMATE CHANGE GOVERNANCE

Sound corporate governance practices facilitate the seamless flow of decision-critical information regarding climate risk matters among the Board, its committees, management committees and subsidiary boards where applicable, with an appropriate frequency of reporting.

Materiality assessments of climate risks and opportunities are conducted annually to understand their impacts. Using the insights gained from these assessments, we integrated climate considerations into the Group's strategic planning and operational processes to enhance long-term climate resilience and sustainability.

To uphold climate accountability, clear mechanisms are established across our business units to ensure responsibility for climate-related matters.

Management's role in our climate change response

Group management designation	Reporting line	Role and coverage of responsibility	Specific climate-related accountability matters
Group Chief Executive Officer (CEO)	Board	The Group CEO holds membership in the SET and RCC committees and bears ultimate accountability for managing the Group's performance. This includes overseeing risks, opportunities, dependencies and impacts that may either hinder or bolster our ability to achieve our strategic objectives.	<ul style="list-style-type: none"> • Integrating climate-related issues into the strategy. • As SETC and RCCC member: <ul style="list-style-type: none"> - Climate-related scenario analysis - Assessing and managing climate-related risks and opportunities - Overseeing and guiding public policy engagement on climate-related topics
Group Finance Director (FD)	Reports directly to the CEO	The Group FD holds responsibility for overseeing the Group's business performance and has oversight of all sustainability and climate change initiatives in the business. This includes managing the financial impacts of sustainability-related risks and dependencies to ensure the overall financial health and sustainability of the organisation.	<ul style="list-style-type: none"> • Assessing and managing climate-related risks and opportunities • Reviewing and guiding annual budgets • Overseeing and guiding major capital expenditures • Overseeing and guiding acquisitions, mergers and divestitures
Group Chief Risk Officer (CRO)	Reports directly to the CEO	Our CRO oversees the management function responsible for governing risks, including climate risks in the organisation. The Group risk team ensures an optimised level of risk management and governance to equip businesses with the necessary information to effectively manage risks and capitalise on opportunities.	<ul style="list-style-type: none"> • Development of a climate transition plan, including an emission reduction strategy • Integration of climate-related considerations into the corporate strategy • Climate-related scenario analysis • Monitoring progress against climate-related corporate targets • Monitoring compliance with corporate climate policies and/or commitments • Overseeing climate reporting, audit and verification processes • Assessing and managing climate-related risks and opportunities • Reviewing and guiding the assessment process for dependencies, impacts, risks and opportunities
Chief Investment Officer (CIO)	Momentum Investments CEO reporting line	Responsible for considering the sustainability risks associated with the assets we invest in as these factors are pertinent to our overarching investment objectives across all asset classes, sectors, markets and timeframes. Supporting this effort, a dedicated responsible investments team assists the CIO.	<ul style="list-style-type: none"> • Integrating climate-related considerations into the strategy • Assessing and managing climate-related risks and opportunities
Group Sustainability Head	CRO reporting line	Group Sustainability serves as the steward of all environmental concerns within the Group and aids in identifying, assessing and managing climate-related and broader sustainability risks, opportunities, impacts and dependencies. It facilitates the implementation of policies, frameworks and strategies with assistance from the Sustainability and Climate Risk Steering committees and Decarbonisation Working Group.	<ul style="list-style-type: none"> • Research on climate-related trends, regulatory and disclosure shifts • Integration of climate-related risks and opportunities into the corporate strategy • Development of a climate transition plan, including an emission reduction strategy • Monitoring of progress against climate and sustainability targets • Developing climate skills and awareness programmes • Monitoring the implementation of climate-related issues in the business strategy • Monitoring compliance with corporate climate policies and/or commitments

RESPONSIBLE BUSINESS PRACTICES, ETHICS AND ACCOUNTABILITY

ETHICAL AND EFFECTIVE LEADERSHIP

Our approach to ethics and accountability is deeply ingrained in our core values. We maintain a well-established framework, ensuring adherence to policies and their implementation through robust governance structures and processes.

Our Board upholds a set of principles to reinforce ethical leadership and governance, including leading by example, minimising risks and ensuring integrity and the highest standards of conduct. This commitment is reflected in our dedication to ethics and compliance, demonstrated through our ethical supplier engagement, active involvement in industry forums and regulatory collaborations to enhance standards and alignment.

Quarterly reports offer comprehensive insights into our progress across several key areas. These include detailed assessments of our social and environmental performance, highlighting our commitment to sustainable practices. This report also covers employee and financial inclusion initiatives, emphasising our focus on financial and employee well-being. Additionally, it provides updates on our climate change mitigation efforts, demonstrating our proactive approach to reducing environmental impacts and enhancing our overall sustainability approach. Through these reports, we ensure transparency and accountability in our ongoing efforts to create a positive impact on society and the environment.

Ethics and compliance disclosures and commitments

- Momentum Group collaborates with government structures to support social projects but refrains from making political party donations, directly or indirectly.
- In our engagements with suppliers, we uphold the Group's governance and ethical standards, ensuring compliance and avoiding involvement with suppliers associated with significant risks of child labour or forced labour. No incidents of child labour, forced labour, or compulsory labour were identified during the year.
- Throughout F2024, the Group reported no material or significant environmental, social or governance incidents. We were not subject to scrutiny by any relevant regulators or public bodies and no fines, penalties or settled claims related to sustainability incidents or breaches were incurred. It is worth noting that the Competition Commission is currently conducting an investigation involving nine large insurers for an alleged contravention of the Competition Act. As the investigation is ongoing, it remains uncertain whether the commission will proceed to formally refer a case to the Competition Tribunal for adjudication.

Responsible business practices, ethics and accountability



We are committed to being a financially sound, socially and environmentally responsible Group. We take pride in being a responsible corporate citizen and remain committed to clients, society and the environment. To uphold these principles, we ensure the implementation of robust governance policies and processes, which are overseen by mandated committees.

Read page 95 of our Integrated Report for further information.

Policy guidance

Our Code of Ethics serves as the cornerstone for cultivating an ethical culture and upholding ethical principles across the entire Group. Applicable to all employees, including those within subsidiaries and joint ventures, it outlines our core values and codes of behaviour, which are communicated internally and externally. These principles are integrated into training programmes and incorporated into all contractual agreements.

To enforce adherence, we have established robust disciplinary procedures, ensuring that transgressions are addressed fairly and transparently. Additionally, our whistleblower facilities, equipped with established protocols, enable anonymous or in-person reporting of concerns, further promoting accountability and transparency. Regular employee training on reporting unethical behaviour reinforces our commitment to ethical conduct.

In response to emerging challenges, such as the rise in fictitious claims, we continually enhance our systems to prevent and detect unethical behaviour effectively.

Compliance with statutory obligations

The Board maintains a strong focus on regulatory compliance and oversees the implementation of Board-approved policies. A comprehensive combined assurance framework and process are in place to uphold an effective control environment. It is confirmed that there were no instances of material non-compliance requiring disclosure in the reviewed year.

PREVENTING FRAUD, CORRUPTION AND CRIME

A zero-tolerance stance

We maintain a zero-tolerance policy towards all forms of commercial crime, both within the Group and against it, including corruption. Various policies and control functions are in place to effectively detect and prevent such activities. An updated anti-money laundering, counter-terrorist financing and counter proliferation financing policy was released in December 2023.

A clean track record

There have been no instances of corrupt behaviour by Board members or employees identified in the past five years through internal investigations or external processes.

Secure and confidential reporting channels

The Group offers secure channels for reporting any unethical behaviour, criminal activity, employee misconduct (including instances of discrimination) and non-compliance with legislation and policies. These reporting mechanisms are outlined in our whistleblowing policies, ensuring that whistleblowing can occur in a non-discriminatory and confidential manner. We have several business-specific fraud and ethics lines available for use by stakeholders, including employees, clients and authorities.

All reports submitted through these channels undergo independent investigation, with formal feedback provided to the reporter or the independently managed whistleblowing facility provider.

In F2024, 361 whistleblowing reports were received and formally dealt with (F2023: 387). The reports were independently investigated. The incidents are formally registered and open to scrutiny by assurance providers.

Continuous awareness and training

The Group has well-established formal grievance procedures and reporting mechanisms in place for employees and external parties. As part of the Momentum Group-wide learning initiative, Group Forensic Services (GFS) launches training campaigns every two years. All employees, both South African and international, are required to participate in each new campaign for the mandatory training modules.

These modules cover various topics, including training on the Group's Code of Ethics, fraud and whistleblowing policies. Employees are also educated on the processes to be followed and the available mechanisms for reporting any misconduct or grievances. Additionally, employees are informed of their rights to make protected disclosures in accordance with the Protected Disclosures Act, Act 26 of 2000 (PDA).

In F2021, EY conducted a fraud and risk maturity assessment, thoroughly reviewing all GFS policies and guidance notes. As a result, our Code of Ethics, and whistleblower protections were rated as advanced, while our fraud risk management training and communication were rated as established.

Additionally, GFS holds formal, quarterly engagements with our external auditors (EY) to discuss the status of Momentum Group's fraud risk and the maturity of risk mitigation structures. Any issues or concerns raised during these meetings are considered by the external auditors for further inspection.

A comprehensive list of related policies can be found in the sustainability reference tables in the appendix on page 97.

Externally reviewed and vetted practice

RESPECTING HUMAN RIGHTS

Upholding and safeguarding human rights are fundamental to sustainable development and impact social, environmental and economic dimensions. The 2030 Agenda for Sustainable Development, which is rooted in human rights principles like the Universal Declaration of Human Rights, aims to realise the human rights of all. It prioritises equality and non-discrimination, with commitments to leave no one behind and reach those furthest behind first. This is reflected in goals on gender equality (SDG 5) and reducing inequalities (SDG 10), along with a commitment to data disaggregation.

At the Momentum Group, our commitment to human rights is enshrined in our human rights policy, mandating strict compliance with relevant legislation across all regions of operation and adherence to the principles outlined in the UNGC. This commitment extends to our Code of Ethics, which emphasises treating every individual associated with the Momentum Group with dignity and respect.

To ensure widespread awareness and adherence, the human rights policy is readily available to our employees and external stakeholders. This is in line with the scope of our human rights policy in that it applies to employees, contractors, service providers, governance and oversight bodies or any legal entity acting on behalf of the Group across all its business operations and supply chains. The parties to which the human rights policy applies are expected to uphold and comply with the human rights policy and relevant laws.

Respecting human rights is integral to our Group values and guides our role as an employer, trusted partner, supplier and investor.

We take proactive and remedial steps to prevent all forms of harassment in the workplace as per the Department of Employment and the Labour Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace and our human rights policy. In F2025, we are intensifying our dedication to human rights through several key initiatives. These include inaugurating requisite human rights practices through our human capital departments to streamline the identification and management of human rights issues across the Group. The following has been identified as the most prevalent human rights issues to be monitored: respecting diversity; freedom of association; a safe, secure and healthy work environment; fair and competitive conditions of employment; human rights in procurement practices; responsible management of our environmental footprint; stakeholder engagement and collaboration; and grievance and disciplinary procedures.

Our stance on human rights, discrimination and harassment

Our human rights policy is informed by international standards, the South African Bill of Rights and our own organisational policies. It commits to ensuring that the Group and all its subsidiaries, permanent and temporary employees, service providers, governance and oversight bodies or any legal entity acting on behalf of the Group across all its business operations and supply chains, are aware of our expectations to uphold the rights and dignity of everyone we engage with. Our human rights policy, as ratified by our Group Exco, includes the six internationally recognised principles that businesses should support and respect, namely:

- Supporting and respecting the protection of internationally proclaimed human rights.
- Ensuring they are not complicit in human rights abuses.
- Upholding the freedom of association and the effective recognition of the right to collective bargaining.
- Upholding the elimination of all forms of forced and compulsory labour.
- Upholding the effective abolition of child labour.
- Upholding the elimination of discrimination in respect of employment and occupation.



RISK AND OPPORTUNITY MANAGEMENT

The Momentum Group employs a proactive risk management approach and regularly assesses and reports its risk profile to the RCCC on a quarterly basis. These assessments utilise a risk taxonomy view to ensure comprehensive coverage of risk exposure across the Group.

The committee evaluates current risk exposures and identifies emerging risks. This process provides a comprehensive view of risk, capital and solvency profiles and aims to foster sustainable value creation. Its objectives include understanding risks, assessing potential outcomes, ensuring value generation, establishing a competitive advantage, ensuring compliance, directing resources effectively and safeguarding client interests by maintaining adequate solvency and liquidity levels.

Key risks and opportunities

Our key risks are identified and rated based on their likelihood of impacting our ability to create value and achieve our strategic objectives.

- 1  **Macroeconomic and socio-political uncertainty**
- 2  **Strategy execution risk**
- 3  **Regulatory complexity and increased compliance**
- 4  **Market competitiveness and changing consumer behaviour**
- 5  **People-related risks and transformation**
- 6  **Information and cyber risk**
- 7  **Claims experience and persistency**
- 8  **Business continuity**
- 9  **Financial market volatility and liquidity risk**
- 10  **Climate-related risk**

 Increase in risk rating  No change  Decrease in risk rating

Read pages 36 to 42 of our Integrated Report for more information about our risk and opportunity management.

INCORPORATING SUSTAINABILITY INTO OUR SUPPLY CHAIN

Integrating ESG considerations into supply chains is increasingly essential due to various risks such as cybersecurity threats, extreme weather events and geopolitical conflicts.

Suppliers can adversely affect the environment through pollution and degradation, as well as impact workers negatively through poor governance and illegal practices. Consequently, there is a growing trend for all companies, not just producers and manufacturers, to evaluate and address supply chain risks and impacts.

Financial services companies do not extract and use raw materials to produce their products and services hence their primary activities are not considered as having a substantial direct impact on the environment. However, a non-material risk to financial services could be a material risk to their suppliers, therefore prompting them to incorporate ESG into their procurement processes. In addition, financial services can collectively contribute to promoting sustainability within supply chains by providing their suppliers with resources and information on key ESG topics.

As a Group we mandate our suppliers to adhere to our Code of Ethics, which includes responsible resource management and social and environmental practices. In F2023, Group Procurement developed an ESG due diligence questionnaire. To further understand materiality and ESG hotspots, we mapped our procurement expenditure in F2024, to refine the due diligence questionnaire for a more focused approach. In F2025, we plan to update our Supplier Code of Conduct to ensure it has emphasis on high-impact ESG areas.

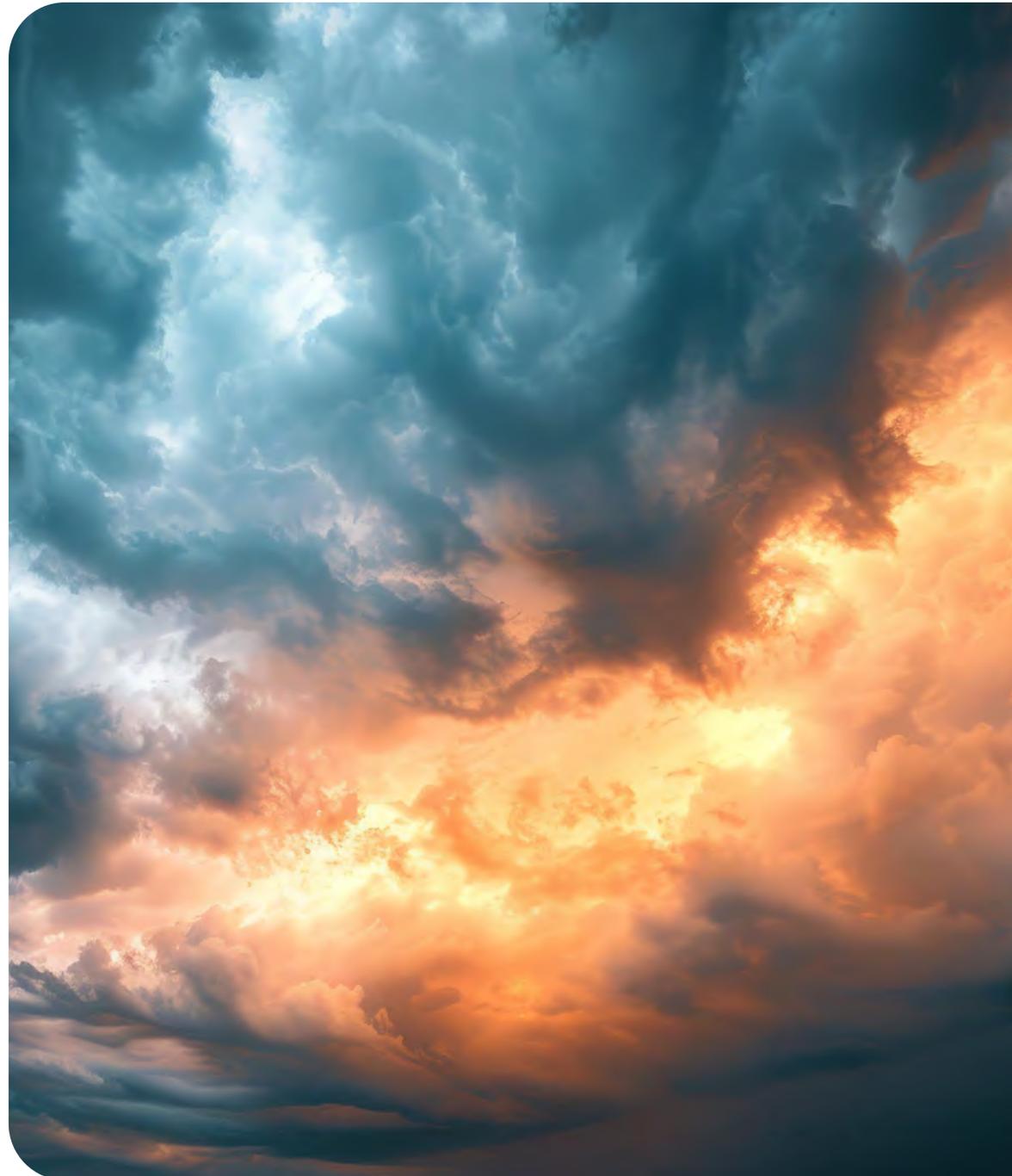
Tax responsibility and transparency

Momentum Group manages all tax risks in a manner that will ensure full compliance with all applicable tax legislation and reporting requirements to ensure that stakeholder value is created and sustained, congruent with responsible corporate citizenship. Our tax risk management policy derives its authority from the Board under the oversight and approval of the RCCC and Group Exco. The policy stipulates key principles regarding the management of tax across the Group.

These are:

- To clearly establish a guideline for effectively managing and mitigating tax risks within the Group on a continuous basis
- To adequately provide for transparency and clarity with regard to internal policies, controls and procedures relating to tax functions
- To enable the achievement of clear objectives while executing the chosen strategy
- To continuously direct the behaviour of our people in the best and correct direction
- To proactively communicate with stakeholders that taxes are properly managed

Page 180 in the Annual Financial Statements discloses the total tax paid per relevant category.



ECONOMIC IMPACT

MAKING FINANCIAL SERVICES MORE INCLUSIVE

In line with our purpose to build and protect our clients' financial dreams, we are actively working to narrow the insurance and savings gap in South Africa. Through our inclusive solutions, we aim to enhance the resilience of a wider spectrum of South Africans, their families and communities.

Matters material to making financial services more inclusive

The SDGs we contribute to through our approach to making financial services more inclusive

Strategic sustainability pillars

Strategic sustainability enabler

- Addressing social inequalities (driving financial inclusion)
- Challenging macroeconomic environment
- Socio-political uncertainty



Make financial services more inclusive



Enhance financial security and health



Responsible business practices, ethics and accountability



Digital-led innovation



Partnerships for systemic change

KEY THEMES

We offer appropriate solutions to address the needs of underserved segments such as SMMEs, low-income earners and individuals who are employed but uninsured

Expanding our range of affordable financial services is crucial to fostering inclusivity, especially among underserved segments. This involves innovating in product design, exploring new distribution channels and forging partnerships to enhance access, with a specific focus on health insurance.

Tailor advice for different segments to maximise client value

Our current and potential clients rely on financial advisers who are well-equipped to understand their needs. Clients want communication that is clear, transparent and easily understood. This includes digital advice options in addition to a large distribution network to reach markets that would otherwise not have access to a financial adviser.

OUR BUSINESS UNIT COMMITMENTS

Group view on commitments

In line with our goal of authentic transformation and enhancing access to savings and insurance solutions, we evaluate our contributions beyond the B-BBEE scorecard.

Our business units are focused on making an impact on financial inclusion while aligning with their core operations. For instance, Momentum Corporate supports SMMEs, which employ a significant portion of the target population, by offering tailored services and solutions. Recognising that employment offers individuals what could potentially be their only opportunity to grow and manage their wealth through employee benefits, Momentum Corporate continues to develop solutions that address human needs and experiences.

FINANCIAL INCLUSION

To facilitate collaboration among industry stakeholders, government and labour, the insurance industry is currently conducting a critical re-evaluation of the financial inclusion scorecard to ensure that listed products are more closely aligned with the objective of achieving financial inclusion.

One crucial aspect to address is access, particularly with the digital shift. Market presence measurement now encompasses both physical and digital footprints. Notable initiatives to promote financial inclusion include:

- Momentum Corporate's focus on reaching individuals through formal employment savings and risk mechanisms.
- Development of product features with inherent cross-subsidies to enhance value for low-income clients, such as the family protector funeral benefits and the Momentum Corporate Preservation Fund.
- Support for industry transformation through black broker development programmes, thereby enhancing access to advice and support for underserved clients.

- Advocating for industry-revised standards and targets on access to finance to improve the ecosystem and uphold our sustainability commitments.

APPROPRIATE OFFERINGS FOR UNDERSERVED SEGMENTS

We promote savings and insurance among low-to middle-income households, enabling them to achieve life goals and safeguard assets.

Affordable healthcare

In South Africa, healthcare costs are rising faster than inflation, posing challenges for consumers with limited spending power. Meanwhile, the low-income segment is expanding, yet many individuals lack access to adequate healthcare coverage. Private healthcare options such as medical schemes are often unaffordable for these individuals. There is a market need for affordable solutions.

Our Health business aims to address these issues by providing more accessible and affordable healthcare solutions. We plan to focus on primary healthcare facilities where we can offer initial triage care. In addition, through our Kalapeng pharmacy partnership, we are able to service areas we would not have been able to before, but which can benefit from our offering.

The signing of the NHI Bill in May 2024 marks a step towards providing universal healthcare in South Africa. The NHI represents a commitment to ensuring that healthcare services are accessible to all citizens, irrespective of their socio-economic status, thereby addressing longstanding disparities in healthcare access and delivery. This regulatory development signals a substantial shift in the financial landscape, necessitating institutions to adjust to new standards and compliance requirements. As institutions navigate these changes, they must embrace the principles of inclusivity, equity and sustainability to meet the evolving needs of the population and contribute to the advancement of public health in the country.

The South African National Health Insurance Bill

The South African NHI Act aims to create universal health coverage through a centralised fund and partnerships with accredited service providers to ensure comprehensive and equitable access to quality care. It focuses on improving healthcare quality, reducing disparities and establishing a sustainable financing model.

Many parties have indicated that they will litigate against the Act and some parties have already filed court papers contending that in processing the Bill, Parliament did not comply with the constitutional requirements. In addition, it is suggested that many constitutional rights are being violated by the Act.

For the Momentum Group, the NHI means adapting health insurance products to support universal health coverage goals and abide by all regulatory requirements. The transition to centralised funding and accredited providers may impact Momentum Group's partnerships and service delivery strategies. However, there are opportunities to collaborate with government to improve healthcare access and quality. Strategic adjustments will be necessary to align with the phased implementation and new regulatory framework.

We are committed to collaborating with all stakeholders, including government, to refine the NHI's implementation and celebrate this significant step towards universal health coverage access for all South Africans.



HELLO DOCTOR

South Africa has a critical shortage of doctors with less than one doctor attending to 1 000 patients. This places a tremendous burden on the healthcare system with patients spending hours queuing at community health centres (CHCs). Long queues and high patient load are an everyday reality in under-resourced CHCs.

Partnering for more health for more people for less

In line with the Department of Health's (DOH) national strategy to re-engineer the primary healthcare (PHC) system by shifting its focus from curative to preventative interventions, Hello Doctor aims to unburden the public health system. Momentum Health Solutions, a health division of the Momentum Group, has partnered with The Health Foundation to pilot a solution that brings the tele-triage service of this digital telehealth platform to community health centres (CHCs) where resources are limited.

Initially launched at select CHCs and clinics between 2017 and 2019, Hello Doctor over time expanded to additional sites, including Delft CHC, Symphony Way CHC in Cape Town and KT Motubatse CHC in Soshanguve, in response to growing demand.

Learnings from the pilot

Factors that impacted lower utilisation over the last few years include the Covid-19 pandemic and a reliance on word-of-mouth to promote the service. A patient survey in 2023 highlighted higher uptakes where brand ambassadors were present, suggesting that whilst the service was entrenched in a clinic, it still required nudging. This may be due to a lack of adequate knowledge of the service offering, patient apprehension to try novel solutions or simply a need for a face-to-face engagement. This proof of concept was based on non-emergency conditions only. However, patient feedback suggested a need for consulting beyond non-emergencies and prescriptions above Schedule 2 medication.

Key successes

- **21 000** patients made use of the Hello Doctor tele-triage service over the seven years that the initiative has been active
- **1%** of clinic capacity was saved
- **316 500** consulting hours for 21 000 patients saved, based on 15-minute consultations per patient.
- **More than R2.5 million** in salary costs saved, calculated at a conservative cost-to-company of R800 000 per annum.

Developing a sustainable funding model for triage services is an ongoing challenge. As a business, Momentum Health Solutions remains committed to initiatives that drive access to quality healthcare for all, through strategic partnerships and collaborations. We believe that the tele-triage initiative could be integral to enabling universal access to healthcare in South Africa.

The savings achieved, both monetary, as well as in time and capacity, attest to the success of this pilot. The Health Foundation will continue to build partnerships that will enable continued investment in platforms such as these that will allow more South Africans access to healthcare. We are privileged to have been part of ushering in a new era for the healthcare sector, as we continue to reinforce our purpose of providing more health for more South Africans for less.

Cost-effective cover through Health4Me

Our Health4Me product offers affordable healthcare coverage tailored for low-income earners and utilises a customisable building blocks approach. This approach allows employers to select benefit combinations that best suit their employees' needs and financial constraints.

The concept of Health4Me originated in the mid-1990s when there was a growing demand for cost-effective primary healthcare solutions, especially among those not covered by prescribed minimum benefits for medical scheme members. The aim was to develop a sustainable, low-cost product for this underserved market segment.

Through strategic acquisitions and product testing, Health4Me emerged as a leading player in the market. Integration efforts included providing unlimited general practitioner visits with pre-authorisation through Hello Doctor.

Currently, Health4Me provides coverage for 218 916 beneficiaries in South Africa, demonstrating its significant impact in addressing the healthcare needs of low-income earners.

Digital funeral plan offering

High unemployment, low savings and the cost-of-living crisis in South Africa underscore the need for affordable plans to ensure families can afford a dignified funeral. In response, Metropolitan Life enhanced its funeral plan in F2023 with additional benefits. This is in addition to offering a market-leading cashback benefit on our risk solutions and providing some of the quickest and largest payouts in the market.

With the enhanced funeral plan, clients can add or remove benefits at any time and choose their preferred service channel. For some products, clients have the flexibility to pay any amount, at any time and in any way. Our funeral plan integrates multiple payment partners, accommodating clients with no formal or regular monthly income. A paperless claims process allows us to pay up to 90% of our funeral cover claims within 24 hours, with claims submitted via WhatsApp or online.

Reaching the underserved markets for group cover

Stokvels are a system where members contribute a set amount and receive a lump sum payout at a specified time. The National Stokvel Association of South Africa estimates that the stokvel sector is worth around R50 billion, with over 800 000 groups and more than 11 million South Africans involved. In F2024, Metropolitan has experienced notable growth through its Associations and Affinity Group Channels, which cater to large stokvels, burial societies and church groups. The distribution team is dedicated to understanding community needs by engaging and building relationships with large groups such as burial societies, stokvels, religious associations and tax associations.

Mobile money partnerships

Metropolitan Botswana has integrated with Orange Money, one of the largest mobile money platforms, to facilitate premium payments. This milestone reflects our commitment to innovation and customer-centricity. Orange Money enables customers to perform secure banking transactions via cellphones without needing a bank account. This partnership is crucial for Metropolitan Botswana's financial inclusion efforts, enabling the unbanked to manage their policies and improving accessibility in remote areas of the country.

Growth in microinsurance

A R15 million capital requirement historically restricted entry into the insurance industry. Guardrisk's cell captive options, introduced in 1993, reduced this to R1 million and R250 000 for microinsurance captives, making microinsurance a key tool for sector transformation.

In F2021, Guardrisk received South Africa's first microinsurance cell captive licence, promoting black ownership and upskilling. This licence enables new entrants to offer life (up to R100 000) and non-life (up to R300 000) insurance with entrepreneurs managing their own facilities and benefiting from tailored, cost-effective products backed by a registered insurer.

A LAUNCHPAD for Insurtech

To ensure long-term sustainability of our business and those of our clients, we are expanding our digital touchpoints and investing in innovation. Guardrisk's LAUNCHPAD initiative is a R50 million corporate venturing fund designed to support Insurtech entrepreneurs with funding and access to Guardrisk expertise. Through this fund Guardrisk invests in client engagement, product innovation and technology-based ventures for insurance operations.

Guardrisk's partnership with ROOT, a low-code, API-first platform for digital insurance products supports Guardrisk strategic objectives of providing access to value-adding technologies to its clients. ROOT's platform has gained traction locally and in the UK. We remain optimistic about the prospects of our Insurtech initiatives as more clients embrace digital interaction across the insurance value chain.

Making savings accessible

Investo simplifies investing by offering an easy-to-use solution for achieving financial goals. Launched as a stand-alone business in F2018, this Momentum Life product focuses on recurring, goal-based savings with a competitive value for committed investors.

Catering to the middle market, Investo allows contributions starting from R500 a month, with features like no exit fees and payment holidays during financial distress. You can also invest R150 per month if you have another Investo contract.

With 364 000 clients and managing R57 billion, the product appeals to diverse demographics, including a notable percentage of women and younger investors.

The product team is dedicated to developing simplified savings options with lower contributions and fees. Investo's digital transformation journey enables clients to easily manage their profiles through a self-service platform.

CUSTOM-MADE ADVICE APPROACH

We aim to broaden our adviser network to tap into new and underserved markets despite challenges in expanding and training advisers under current economic conditions. Our products are distributed through tied agents and independent financial advisers. The Metropolitan Life agency force was reduced from 3 088 to 2 981 in F2024 as we refined human capital practices to ensure high service quality. This approach will help us reach more clients with reliable financial solutions. Additionally, we enhance financial literacy by providing clear, timely information through electronic formats when suitable.

Corporate connections

Momentum Corporate launched a new bot in F2023 which enables members to interact with us through WhatsApp. Members can request benefit values, download detailed benefit statements, manage contact details, learn about their benefits, request forms and more. Additionally, a live chat feature allows members to chat with a benefit counsellor.

This initiative is part of a broader communication strategy aimed at driving awareness and engagement with employee benefits members. In addition, we have delivered member education in multiple local languages across a variety of platforms including webinars, informative videos available on the Momentum Corporate Member Hub, targeted communications to employers, brokers, and advisers, as well as face-to-face worksite sessions. The use of infographics on platforms like TikTok and other social media platforms has proven effective, with significant re-shares that amplify our message and extend its reach.



Accessible financial solutions

Enhancing solution offerings through innovating products and customisation is crucial for increasing financial inclusivity, especially for SMMEs. Momentum Grow provides employers and employees with digital, convenient and personalised employee benefits solutions. This platform makes financial solutions and education more accessible to South Africa's broader employed population.

Employers can obtain quotes digitally through a streamlined online portal accessible via smartphones or laptops. For employees, the platform encourages curiosity, learning, and confidence in managing their financial success. The self-service model empowers members to take control of their finances by accessing statements, reports and educational materials through the website, an app, or WhatsApp for data-light users.

EMPOWERMENT FINANCING

Strategic financing

The Group remains committed to fostering the development of reliable and resilient infrastructure, deemed crucial for South Africa's economic recovery. Through strategic empowerment financing, we not only support infrastructure, economic growth and human well-being but also strive for affordable and equitable access for all.

We prioritise projects that align with our chosen SDGs such as solar energy, safe water or promoting female representation. Non-compliance with these criteria results in adjustments to funding costs.

In the past year, we have invested over R1.2 billion in renewable energy infrastructure to address the current energy crisis (F2023: R4.1 billion).

Equity ownership

We appreciate that the Group's empowerment shareholding is dependent on the investor market seeing value in the Group, which is influenced by mandated investments. In this regard, we have seen a positive increase in our equity ownership points to the full 27 points in F2023.

Our long-term empowerment shareholding structure is bolstered by the iSabelo Trust (iSabelo) share ownership scheme. Through iSabelo, all permanent South African-based employees benefit from an allocation of shares. This allocation of shares is weighted in favour of black employees. In F2024, iSabelo has 14 389 eligible beneficiaries who are prior and current employees.



The Momentum Group iSabelo employee share ownership plan

iSabelo shareholders received dividends in October 2023 and April 2024. Committed to its B-BBEE objectives, iSabelo ensures that at least 85% of the benefits go to black beneficiaries with a minimum of 55% directed to black women. The scheme has expanded significantly with over 14 389 current and former employees registered as beneficiaries, including 2 471 new beneficiaries who joined in April 2024.



ENHANCING FINANCIAL SECURITY AND HEALTH

While the first sustainability pillar focuses on the solutions we bring to the market to support financial inclusion, the second pillar directs the nature of our engagements to produce optimal outcomes for our clients, businesses and communities towards meeting their financial dreams.

Matters material to enhance financial security and health

The SDGs we contribute to through our approach to enhance financial security and health

Strategic sustainability pillars

Strategic sustainability enabler

- Addressing social inequalities (driving financial inclusion)
- Challenging macroeconomic environment
- Socio-political uncertainty



Make financial services more inclusive



Enhance financial security and health



Responsible business practices, ethics and accountability



Digital-led innovation



Partnerships for systemic change

KEY THEMES

Enable clients to actively direct their health and financial wellness

We are committed to empowering our clients and their communities to strengthen their financial security and well-being. This entails providing individuals with comprehensive knowledge of various financial skills such as personal financial management, budgeting and investing, along with opportunities to put these skills into practice.

Enhance client experiences to better serve their needs

We prioritise offering fair value to our clients and treating them with dignity and respect, particularly during their times of need. This commitment is evident in our approach to processing claims, where we carefully safeguard the privacy of client data and respond promptly to their queries and concerns. Moreover, we actively promote and incentivise behaviours that contribute to improving financial health outcomes for our customers, thereby contributing to the creation of a safer and healthier society overall.

ENSURING ACCESS TO SOUND AND EMPOWERING INFORMATION

According to the WEF, misinformation ranks among the top global risks. Particularly in the financial sector, misinformation can have devastating consequences for clients and broader stakeholders, potentially creating instability if not properly managed. In today's digital age, the proliferation of fake news, financial misconceptions and unregulated advice heightens this risk.

At the Momentum Group, we are committed to counteracting misinformation through financial education, transparency and fair market conduct. To address this, the Group actively engages in various client communication initiatives, ensuring that the information provided is backed by accredited professionals, thereby reinforcing our commitment to building and protecting our clients' financial dreams. F2024 brought significant changes to South Africa's financial landscape, and we are dedicated to staying at the forefront of delivering reliable and accurate information to our clients.

The two-pot retirement system

Thinking about retirement can be daunting for many South Africans, especially with financial decisions like downscaling, paying off debts and choosing between life or living annuities. Sound financial advice is crucial, particularly with new regulatory developments like the two-pot system, which divides pension savings into a retirement pot and a savings pot, allowing early access to part of the savings.

This change impacts the Momentum Group's product development, requiring adaptations to retirement and savings products to comply with the new system.

Increased client education is critical. Momentum Corporate is addressing this through a series of communications, including infographics, videos and support channels like the Member Hub, simplifying the two-pot system and its components. Additionally, Momentum Corporate's FundsAtWork team has engaged with external news platforms to share insights from an insurer's perspective, further educating the broader society on the two-pot system.

The Group has achieved a well-balanced presence in both community and national media, enhancing our strategic voice in the market. We have not only underscored the critical importance of member and client education but also established ourselves as key contributors in financial discussions that influence legislative implementation.

Financial education efforts

Our financial education efforts are comprehensive and inclusive, extending to both our clients and broader society. Through initiatives such as our Foundation's programmes aimed at youth empowerment, we strive to equip individuals with the knowledge and skills necessary to make informed financial decisions.

For more detailed information about our consumer financial education initiatives, please refer to page 52.

PROTECTING FINANCIAL DREAMS

We are dedicated to building and protecting the financial dreams of the youth through comprehensive financial literacy. We are excited to share an update on our journey, highlighting the financial literacy workshops taking place across various regions in South Africa. Over the past few months, we have actively engaged with young adults in Limpopo, North West, Gauteng, Western Cape, KwaZulu-Natal, Northern Cape and Mpumalanga. Soon, we will also reach the Free State. Our mission is to empower young adults with essential financial knowledge as they transition into employment.

Our meticulously designed programme targets 2 700 young adults who are entering the workforce or are about to do so. We recognise the critical importance of equipping this demographic with the necessary skills to navigate personal finance, budgeting, saving, investing and managing debt effectively.

OUR BUSINESS UNIT COMMITMENTS

Benefits counselling for members

When employees join a benefit scheme, it provides an opportunity to start a lifelong financial education journey with them. We offer Momentum Corporate Benefit Counselling to all Group scheme members to enhance their understanding of products and how these can serve them better. Members have access to a free professional telephone service for advice on default investment portfolios, default preservation, annuity options and more.

Our long-term goal is for every member to understand their employee benefits and have a financial plan in place, which they engage with regularly to make better financial choices for themselves and their families. Retirement benefit counselling is accessible via the client's financial adviser or employer, and we provide a dedicated email and contact number through member communications.

Accessing benefits can be difficult due to the multiple touchpoints. To further support clients and simplify the interaction, we launched a central online portal in F2023, the Momentum Corporate Member Hub, providing a seamless and engaging experience. In F2024, over 199 000 members used our benefit counselling services through the portal, a 158% increase from the 77 356 members in F2023. The high percentage of returning visitors (28%) shows that users find value and continue to engage with the platform.

ENHANCING CLIENT EXPERIENCES

We are committed to fostering interactions that lead to improved client outcomes. While our self-service solutions enhance clients' ability to engage with us, we remain mindful of the possibility of excluding certain clients through our digitisation efforts. Our rewards programmes play a vital role in building relationships and fostering loyalty within the Group.

Myriad LifeReturns rewards

Momentum Life's rewards programme incorporates a digital risk selection proposition, an innovative onboarding solution and a FastTrack underwriting proposition. This approach has revolutionised insurance-based savings by offering industry-leading digital products and processing concepts.

The rewards programme offers clients immediate personalised discounts for life insurance through an in-app screening process using a smartphone camera. Utilising the Kimi medical monitoring app, which facilitates the digital application process, LifeReturns ensures quick and accurate processing, ultimately making life insurance more accessible and affordable for clients. Kimi also plays a crucial role in predicting cardiovascular disease and promoting long-term health through the use of wearable trackers.

The Myriad LifeReturns programme streamlines the acceptance process for qualifying lives, eliminating the need for paperwork or additional requirements. This innovative feature has become a significant differentiator for Momentum Life, offering clients a seamless and efficient insurance experience.

Safety returns deliver shared value

Momentum Insure's rewards programme incentivises policyholders to take proactive steps to enhance their safety. This programme utilises points for feature registrations and engagement, including the accumulation of Safe Dayz™ based on driving behaviour, to promote safety and provide cashback rewards on premiums. Additionally, the app incorporates new functionalities such as detecting when an accident occurs, distracted driving and fatigue, all of which are available to policyholders at no additional cost.

In F2024, we continued to see a strong take-up of the Safety Returns programme, with approximately 10 200 clients registering for it since the previous year, representing an increase of more than 100%. Combined with continued take-up across all Safety CVP features, an overall increase of 11.9% in clients engaging with at least one feature was noted.



Easy and safe digital products for our clients

As the Momentum Group embraces digital transformation, we recognise both the opportunities and risks, particularly the potential for increased financial exclusion due to the digital divide. While we invest in digital capabilities, face-to-face engagement remains crucial for explaining complex insurance products. Digital options are valuable but won't fully replace traditional client interactions.

We also acknowledge that access to devices and data costs can be barriers. To address this, we remain committed to upskilling our workforce and expanding our presence across various channels. The Momentum Group continues to establish branches as key community touchpoints, ensuring all clients have access to necessary services.

Our goal is to leverage technology to streamline client experiences, ensuring that interactions with our services are easy and secure. We are committed to a thoughtful approach to digital transformation, emphasising that technology should not be adopted merely for its own sake. Instead, we focus on integrating digital solutions as strategic tools designed to support and advance our business objectives. This means deploying technology in a way that genuinely enhances our operations, improves client engagement and delivers tangible value, all while maintaining a strong commitment to cybersecurity and improved user experience.

Treating customers fairly

Treating customers fairly (TCF) represents a regulatory approach focused on achieving specific fairness outcomes for clients within financial institutions. Our Fair Practices Committee, at the Group level, plays a crucial role in overseeing our adherence to these responsibilities, ensuring the integration of the six principles governing fair client treatment across all organisational tiers.

Embedded in our culture and upheld by our Code of Ethics, the fair treatment of customers is a core value. We prioritise clear communication, the provision of suitable advice and ensuring that our products consistently deliver value to our clients.

Our Fair Practices Committee provides vigilant oversight of our product management cycle and ensures the fair treatment of customers at every stage. Governed by our Group market conduct framework, our conduct and practices are meticulously regulated to guarantee fair client outcomes, encompassing the entire client journey from product inception to fulfilment and post-sales engagement. Within our business units, executives have the responsibility of identifying, measuring, monitoring, managing and escalating conduct risks, underscoring our unwavering commitment to fostering a culture of trust and integrity.

Proactive disability management

Momentum Corporate is committed to advancing diversity, equity, inclusion and belonging with a focus on disability awareness. Its medically trained experts support members with disabilities, prioritising early intervention to minimise the impact of injuries or illnesses. This approach aids in re-skilling employees for quicker returns to work, benefiting both the employee and employer by retaining skills and reducing recruitment and training costs.

If returning to the original employer isn't feasible, Momentum Corporate assists with transitioning to alternative roles. Each claim is assessed holistically by dedicated assessors, ensuring quality decisions and empathetic support. The business unit's efforts aim to create an inclusive workplace and extend proactive disability management to underserved markets.

Customer complaints*

The Ombudsman for Short-term Insurance (OSTI) and the Ombudsman for Long-term Insurance (OLTI) published their last joint annual report for 2023 in June 2024 after being incorporated into the National Financial Ombud Scheme (NFO) for South Africa.

The OSTI received 16 086 complaints industry-wide for 2023, mainly on rejected claims for motor vehicle and homeowners' insurance. Complaints lodged with the OSTI about Momentum Insure represented 3.56% of the total OSTI complaints across the industry. Of these, 22% were resolved through consultation by parties and 0% through OSTI enforcement.

The OLTI received 13 750 complaints, a decline of 16.7%, with most of the complaints being claims declined on funeral benefits and life policies.

Metropolitan Life had a total of 453 OLTI complaints registered (2023: 465), which represents 6.75% (2023: 6.53%) of all OLTI complaints. Of these 307 (2023: 314) were considered, 196 (2023: 228) were finalised and 53 (2023: 74) were wholly or partially (w/p)* resolved in favour of the complainant. Momentum Life had 249 (2023: 280) complaints registered, representing 3.71% (2023: 3.93%) of all OLTI complaints of which 194 (2023: 220) were considered, 165 (2023: 156) finalised and 37 (2023: 51) resolved w/p. We continue to intensify efforts to enhance customer experience and service delivery.

In our Health business, known for its high-touch environment, a robust complaints management and tracking system was developed across all schemes to ensure a prompt response and to meet client expectations. Stringent governance standards have resulted in relatively fewer complaints reaching the Council for Medical Schemes (CMS), notably reducing to zero in the open-scheme environment in F2024.

Root cause analyses was conducted to identify the underlying causes of these complaints. Subsequent to the root cause analyses, action plans and initiatives were developed to address the underlying issues identified to avoid reoccurrence, improve client experience and fair outcomes to complaints as part of continuous improvement.

*A w/p classification applies whenever a case is resolved wholly or partially in favour of a complainant, whether by settlement or determination. The w/p classification is not limited to cases where the office issued a determination. The classification is also not limited to cases where a sum of money is paid to a complainant. It can apply to service complaints, reinstatement of policies and adjustment of benefits.

OUR RESPONSIBLE APPROACH TO INVESTING

Our responsible investment approach integrates governance, social and environmental considerations into our investment decisions. This involves investing in renewable energy, infrastructure projects and supporting quality education programmes.

As climate change threatens financial stability, accelerating the transition from fossil fuels to renewables is now essential. To achieve global climate goals, the private sector must play a larger role in climate finance, supported by government measures like risk-sharing mechanisms, fiscal policies and regulations to align with Nationally Determined Contributions (NDC) targets and to foster sustainability.

The Momentum Group targets a significant growth in renewable energy transition by 2050, focusing on strategic engagement in sectors with high sustainability impacts such as energy, transport and agriculture. We remain committed to scaling up climate finance through systemic transformation, collaborating with stakeholders to align financial markets with a low-carbon future, and addressing mitigation and adaptation needs. Our efforts include redirecting financing in line with the Paris Agreement, building capacity and exploring innovative funding sources.

Investing responsibly on behalf of our clients

As one of the initial South African signatories to the UN-supported PRI, we boast a lengthy history of embracing and integrating responsible investment practices within our portfolios. These practices resonate with our outcomes-based investment philosophy, aligning seamlessly with our long-term objectives to positively influence the world our clients will retire in. The significance of ESG factors that are pertinent to us and our investors are duly acknowledged in all our investments.

The Responsible Investment Committee diligently monitors the relevance and integrity of our responsible investment practices and policies, ensuring alignment with global best practices. Rather than enforcing, the committee guides and seeks to influence the Group toward responsible investment decisions. The management teams spearhead all endeavours to consistently evaluate and disclose our performance as responsible investors against global standards such as the PRI.

The responsible investment goals for F2024 have been clarified by the Responsible Investment Committee and sanctioned by the Momentum Investments Exco. These goals include showcasing progress on climate change, contributing to the Just Transition and fostering positive, impactful relationships with market participants. These objectives evolve annually in response to changing market conditions.

Our Responsible Investment team uses MSCI ESG Research as our climate data service provider with a focus on making progress on more rigorous measurements of carbon emissions across the discretionary assets managed by the Momentum Investment team.

For a detailed report on the investment climate metrics, definitions and methodology for assessment, see the [Stewardship Report](#).



Matters material to responsible investing

The SDGs we contribute to through our approach to our responsible approach to investing

Strategic sustainability pillars

Strategic sustainability enabler

- Responsible investing and corporate citizenship
- Addressing social inequalities (driving financial inclusion)
- Challenging macroeconomic environment
- Socio-political uncertainty





Make financial services more inclusive



Enhance financial security and health



Help to build the low-carbon economy

-  Responsible business practices, ethics and accountability
-  Digital-led innovation
-  Partnerships for systemic change

KEY THEMES

Investing responsibly on behalf of our clients

We have a duty to invest responsibly on behalf of our clients. We apply responsible investment and investment governance practices across all our savings and investment products. This includes considering the sustainability risk of investments, which we believe is essential to responsibly achieve our clients' investment goals.

Integrating sustainability

Integrating sustainability factors across all discretionary assets and allocating investments through a risk-focused lens is non-negotiable.

Responsible investment approach

Our responsible investing approach is guided by the following principles:

We advocate

We advocate for responsible investing by actively participating in market-related industry events. We also serve on the Responsible Investing Committee of ASISA, contributing to the development and promotion of sustainable investment practices within the industry.

We members of the Investment Consultants' Sustainability Working Group where we focus on applying the UK Stewardship Code and UNPRI principles when advising pension fund trustees.

We report on progress

We report on our progress to demonstrate our commitment to acting in our clients' best interests.

We seek disclosure

We seek disclosure and maintain a register that details our engagements with the companies we invest in, ensuring that they remain accountable.

We integrate ESG

The Responsible Investing Committee provides oversight for responsible investing practices across our investment team. We follow an integrated ESG approach across all our asset classes. Integrating sustainability factors into investment analysis and decision-making is essential for effectively managing risks and enhancing long-term investment performance.

Stewardship activities

Individual and/or collaborative activities undertaken by Momentum Investments to act on behalf of our investors include voting at shareholder meetings and engaging with investee boards. Through these actions, we exercise our rights as shareholders to advocate for responsible corporate governance, transparency and sustainable business practices. By voting on key issues and actively engaging with investee companies, we seek to promote long-term value creation, mitigate risks and align corporate behaviour with the interests of our investors in mind.

We are active owners who use our shareholder rights to help maintain a well-governed corporate South Africa. We integrate sustainability factors into our proxy voting and engagement policies and practices.

Our proxy voting and engagement policies serve as the guiding principles for our stewardship approach, ensuring that our conduct aligns with our client's best interests. These policies, along with our responsible investment policies and voting records, are readily accessible on our website. Below is a summary of our proxy voting activity* in South Africa:

- Number of shareholder meetings voted on: 213 (F2023: 243)
- Total resolutions: 3 464 (F2023: 3 749)
- Abstentions: 74 (F2023: 67)
- Votes in favour: 3 013 (F2023: 3 221)
- Votes against: 377 (F2023: 461)

* We will abstain if there are conflicts of interest.

These statistics reflect our ongoing commitment to exercising our shareholder rights responsibly and engaging with companies on relevant issues.

We keep to these rules and guidelines



How we integrate ESG

Our Responsible Investment team adopts a proactive approach to sustainability issues and aims, where possible, to manage and mitigate events before they escalate. The team incorporates ESG factors across all the discretionary assets we manage, allocating assets across sectors through a risk lens. It allocates assets to sectors where it can have an impact (such as renewable energy, telecoms and student accommodation) and engage with the management of listed companies in which it is invested throughout the year to raise and, where possible, resolve any concerns regarding sustainability matters.

Our approach to responsible investment considers ESG factors that will positively contribute to the long-term health and stability of the market for our investors. As a signatory to the UN-supported PRI and a long-time supporter of CRISA, we have a long and proud legacy of adopting and integrating responsible investing practices in our investment portfolios.

Our investment approach to climate change

We acknowledge climate change as a real risk and manage these climate-related considerations across all the assets we manage. Our aim is to contribute to a Just Transition to a low-carbon economy, aligning with the objectives of the Paris Agreement and South Africa's pathway toward low GHG emissions and climate-resilient development.

As investors, we are committed to encouraging companies to heighten their awareness of these factors and to incorporate a climate change focus into their business strategies for a sustainable and resilient future. Notable developments for F2024 include:

- Conducting a comprehensive measurement of the carbon footprint associated with our South African local equities and fixed-income exposures held within our discretionary client portfolios.
- Committing to refrain from direct investment allocation towards financing new coal-fired power stations.
- Actively seeking opportunities to invest in energy businesses that are actively transitioning to a low-carbon economy as part of our investment strategy.
- Prioritising our focus on low-emitting technologies and services with the aim of gradually replacing high-emitting technologies or services over time.
- A dedication to supporting high- and low-emitting firms to ensure the delivery of critical services. Through our stewardship efforts, we will actively work to ensure that entities have robust climate strategies in place and advocate for a Just Transition.

The Momentum Investments team recognises the tangible risks posed by climate change to the environment, people and businesses. Consequently, the Group actively integrates climate-related considerations into the management of all assets under its purview. Our climate investment decarbonisation strategy serves as a guiding framework for the various investment capabilities within our business.

Our governance team has reaffirmed its commitment to SDG 13: Climate Action, which aims to encourage targeted listed equity companies to disclose and align their remuneration policies with climate-specific KPIs.

For further details on additional climate-related commitments made by our Momentum Investments team, please refer to pages 16 and 42 respectively.

Furthermore, our proxy voting and engagement has been updated to reflect our expected climate considerations, ensuring alignment with our overarching climate-focused approach.

Please also refer to our climate change investment policy [online](#).



ESG funds key performance indicators

- 1 **42.86% climate change policy coverage of our investments in hedge funds (F2023: 15.38%)**
- 2 **45% appointed investment managers with climate policies, or climate-related policy commitments (F2023: 29%)**
- 3 **17% private equity appointees with climate investment policies currently in place (F2023: 16%)**
- 4 **34% exposure to green buildings (F2023: 39%)**
- 5 **10 solar sites in the Momentum Direct Property Fund (F2023: 10)**
- 6 **8 801 tCO₂e/per annum total emissions saved by investing in solar sites (F2023: 7 309*tCO₂e/per annum)**
- 7 **377 148.63 tCO₂e/per annum total emissions saved through solar and wind investments in the Alternative Energy Fund (F2023: 489 224 tCO₂e/per annum)**

*Restated



Global funds

Across all of Momentum Global Investment Management (MGIM)'s investments, both third-party and direct, the investment team assesses and monitors ESG integration practices and stewardship activities.

The Momentum Global Sustainable Equity Fund	Value R15.7 billion (F2023: R11 billion)	Key performance indicators
<p>The fund is Article 8 under the EU Sustainable Finance Disclosure Regulation. With varying thresholds, it excludes coal, tobacco, palm oil, firearms, UNGC breaches, and companies that have a negative impact on the UN SDGs. Specific sustainability objectives include: an ESG score at least 20% better than the MSCI World index, and 20-30% lower carbon footprint, waste generation and water consumption compared with the MSCI World benchmark.</p>		<ul style="list-style-type: none"> • 46.4% lower GHG (Scope 1 and 2) than the benchmark • 23.6% lower waste generation than the benchmark • 78.0% lower water consumption than the benchmark
The Harmony Sustainable Growth Fund	Value R239 million (F2023: R157.6 million)	Key performance indicators
<p>This fund aims to provide capital growth in US dollar terms, but with a reduced level of volatility via strategic exposures to a wide range of asset classes. With varying thresholds, the fund excludes companies where the core business activity is tobacco production, controversial weapons or coal. The fund aims for a better sustainability profile compared to relevant broad market indices for the majority of asset class exposures by integrating ESG factors. In the selection of sustainable investments, the fund will consider collective investment schemes that are classified under Article 9 or Article 8 (with a commitment to a minimum investment in sustainable investments). Any other investment classified as sustainable must be aligned with one or more of the SDGs or demonstrate a substantial reduction of 20% or more in environmental footprint versus a comparable market index. These investments must also do no significant harm from an environmental or social perspective.</p>		<ul style="list-style-type: none"> • No exposure to coal, tobacco and controversial weapons • 21% and 72% of the portfolio invested in impact and ESG integrated strategies respectively
The Momentum Africa Real Estate Fund (MAREF)	Value: R1.9 billion (F2023: R1.7 billion)	Key performance indicators
<p>An institutional real estate portfolio that finances and develops commercial real estate in sub-Saharan Africa, excluding South Africa. MAREF has a minimum standard of construction of IFC EDGE which implies a 20% minimum saving on all three of the following versus the national country average: energy consumption, water consumption and implied energy usage in materials. One of the properties, The Rose in Nairobi, will be a considerably higher standard upon completion: Leadership in Energy and Environmental Design (LEED) Silver at a minimum.</p>		<ul style="list-style-type: none"> • 100% of buildings have achieved the IFC EDGE certification or better

South African impact investment portfolios:

Momentum Impact Portfolio	Value R370 million <i>(F2023: R295 million)</i>
The portfolio invests into the three portfolios mentioned below to provide clients with a diversified exposure to various infrastructure assets and impact themes.	
Momentum Alternative Energy Fund	Value R99 million <i>(F2023: R63 million)</i>
This fund invests in equity and mezzanine debt instruments related to renewable energy infrastructure. These investments help contribute to the expansion of renewable energy capacity, reduce reliance on fossil fuels and mitigate climate change impacts.	
Momentum Diversified Infrastructure Fund	Value R188 million <i>(F2023: R175 million)</i>
This fund invests in core infrastructure, including roads, rail, telecommunications and agriculture. By focusing on these essential infrastructure areas, the fund seeks to contribute to the development and improvement of critical systems and services that support economic growth and societal well-being.	
Momentum Social Infrastructure Fund	Value R83 million <i>(F2023: R75 million)</i>
This fund invests in student accommodation and affordable housing. This investment aligns with our broader sustainable development objectives by providing accessible and affordable housing solutions to communities. Additionally, investing in student accommodation supports educational opportunities and enhances the overall quality of life for students pursuing higher education.	

Climate-aligned investing

We recognise climate change as a critical risk and incorporate climate considerations into all managed assets. Our decarbonisation strategy targets a low-carbon economy, aligned with the Paris Agreement, promoting low GHG emissions and climate-resilient development while respecting each country's unique situation.

As mentioned on page 16, Momentum Investments has committed to the below six SDG goals for a focused approach that also seeks alignment, practical integration and scale across the Momentum Group:



This framework ensures that their investments align with these goals, promoting sustainable and responsible investment practices.

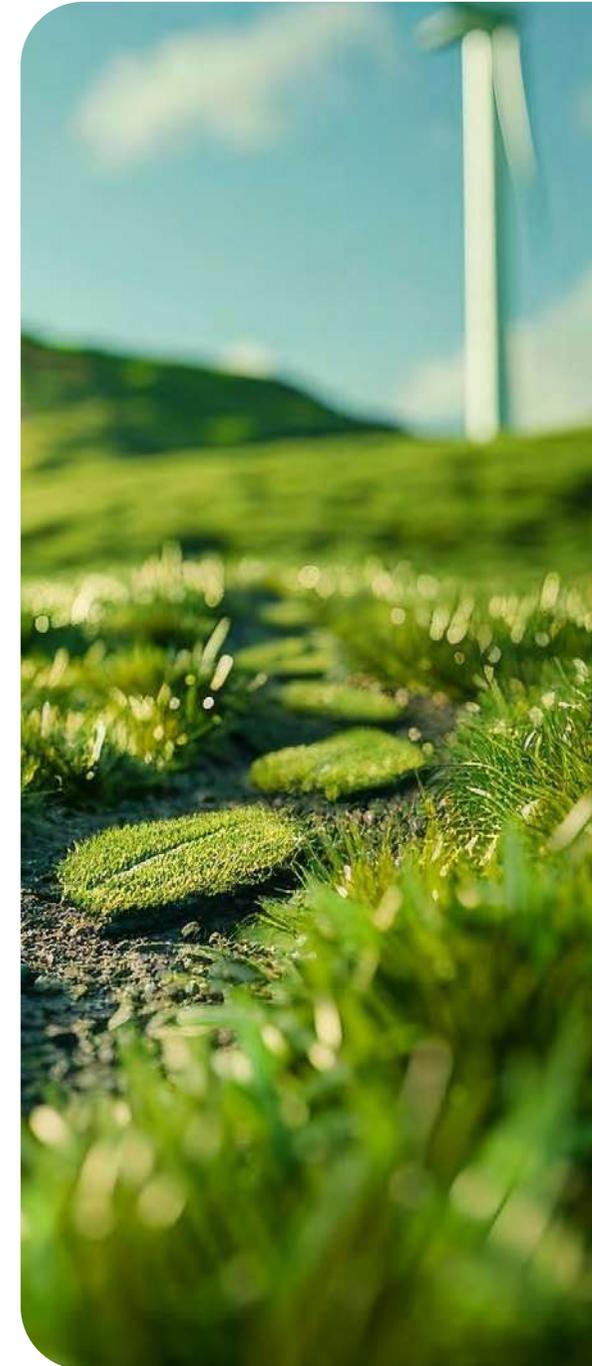


Invest capability	Target description	Performance
Hedge fund and portfolio solutions	Climate change investment policy or climate change policy commitments adopted.	Climate change policy adoption: <ul style="list-style-type: none"> • Hedge fund team’s appointees increased from 15% in F2023 to 43% in F2024. • Portfolio solution team’s appointees increased from 29% in F2023 to 45% in F2024.
Listed equity (governance)	Listed companies to disclose remuneration policies with climate-specific KPIs.	<ul style="list-style-type: none"> • For the F2024 period, we assessed the six companies where we are material investors, of which only Investec Plc/Ltd and Absa Group Ltd have adequately linked their climate change goals to their remuneration policies.
Private equity team	Climate change investment policy adoption.	<ul style="list-style-type: none"> • 17% of our appointees currently have climate investment policies in place.
Listed property team	Support green buildings.	<ul style="list-style-type: none"> • Exposure to green buildings decreased from 39% in F2023 to 34% in F2024.
Portfolio solutions team (through its direct property exposure)	Substantially increase the generation of clean and affordable energy.	Through our exposure in the Eris Direct Property Fund: <ul style="list-style-type: none"> • 10 solar sites in F2024 (F2023: 10). • Number of solar sites remained at 10 in F2023 and F2024. • Total renewable power generated by the solar sites: 9 264 129 kWh (per year). • Total emissions reduced by investing in the solar sites: 8 801 tCO₂e (per year).
Fixed income team	The underlying investments within our fixed-income portfolios will be used to finance businesses and projects promoting the selected six SDGs outlined in our framework.	<ul style="list-style-type: none"> • Increase in sustainable bonds from 0.61% in F2023 to 0.78% in F2024 across our total assets under management. • Our total exposure to sustainable bonds as of 30 June 2024 is R640 million (F2023: R510 million).

Investment portfolio carbon footprint

Our responsible investment team uses third-party research to bolster internal assessments and ratings. At the start of this year, we appointed MSCI ESG Research as our climate data service provider, focusing on making progress on a more rigorous measurement of carbon emissions. Methodologies are aligned to the GHG Protocol. The below represents the total South African discretionary asset analysis of our listed equities and listed fixed-income assets, comprising almost 80% of the total discretionary assets we manage.

DISCLAIMER: "MSCI ESG Research is our climate research data provider. Climate-related metrics for listed equity and fixed income assets were published in the annual Stewardship Report. Our climate change investment policy now prohibits direct investments in new coal-fired power stations. The updated decarbonisation strategy, also published, guides our investment capabilities. This disclosure, based on MSCI ESG Research LLC data, is provided without warranties of accuracy or completeness. It is for internal use only and cannot be reproduced or used for financial products. The ESG parties are not liable for any errors or damages from this data."

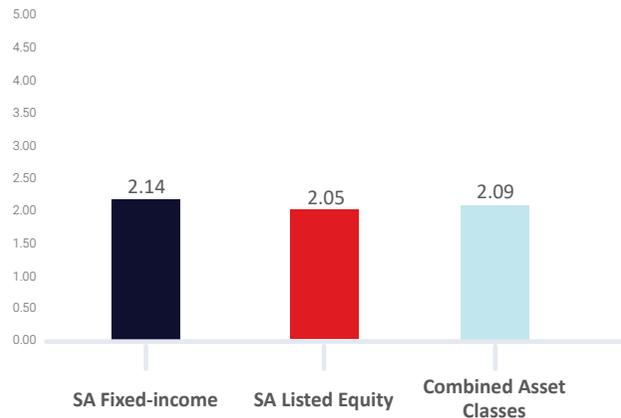


South African discretionary listed equity and listed fixed income carbon footprint

		SA fixed-income		SA Listed Equity		Combined Asset Classes	
		Momentum Group: F2024*	Momentum Investments: F2023	Momentum Group: F2024*	Momentum Investments: F2023	Momentum Group: F2024*	Momentum Investments: F2023
Financed carbon emissions (tCO ₂ e/US\$ million invested)	Scope 1 + 2	75.1	10.6	136.3	171.4	115	142.3
	Scope 3 – upstream	73	64.4	146.3	149.8	120.9	134.3
	Scope 3 – downstream	191.9	125.1	1 093.4	1 012.7	780.1	852.1
	Data coverage (%)	28.7	26.5	92.8	94.1	52.3	64
Financed carbon intensity (tonnes CO ₂ e/US\$ million sales)	Scope 1 + 2	160.1	22	249.4	299.4	220.3	255.8
	Scope 3 – upstream	154.3	133.5	270.2	261.8	232.5	241.6
	Scope 3 – downstream	407.3	259.5	2 036	1 770	1 505.8	1 532.6
	Data coverage (%)	29.1	26.5	92.8	94.1	52.5	64

*F2024 is the first year we included the shareholder portfolio

PCAF Data Quality Score F2024



PCAF Data Quality Score ranking:
Score 1 = highest data quality; score 5 = lowest data quality

Definitions used

Financed carbon emissions

Allocated emissions to all financiers (EVIC) normalised by USD million invested. Measures the carbon emissions for which an investor is responsible, per USD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalisation).

Finance carbon intensity

Allocated emissions per allocated sales. Measures the carbon efficiency of a portfolio defined as the ratio of carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their equity ownership. Emissions and sales are apportioned based on equity ownership (% market capitalisation).

Data coverage

The percentage of the portfolio value for which the stated metric is calculated.

SA discretionary assets invested

The totals represent the discretionary listed equity, carbon-related assets* managed by the Momentum Group with the unlisted exposure inclusion of Eskom and Transnet as at end June 2024

	F2024	F2023
Total carbon-related assets* (R'billion)	41.7	33.51
Total coal ** (R'billion)	5.7	4.4
Total oil and gas*** (R'000)	613	737

* Includes companies within the following ICB sectors: Beverages; Chemicals; Construction and Materials; Electricity; Electronic and Electrical Equipment; Food Producers; General Industrials; Industrial Engineering; Industrial Materials; Industrial Metals and Mining; Industrial Transportation; Oil, Gas and Coal; Personal Care, Drug and Grocery Stores; Pharmaceuticals and Biotechnology; Precious Metals and Mining.

** Includes Eskom, Thungela and Exxaro

*** Includes Efora

For a detailed report on the investment climate metrics, definitions and methodology for assessment, see the Stewardship Report.

Partnerships for Climate Action

Momentum Investments and Robeco have launched a strategic partnership in Southern Africa, giving Momentum Investments exclusive access to Robeco's quantitative equity portfolios and research support in the Southern African Development Community. This collaboration builds on five years of joint efforts, allowing Momentum Investments to integrate Robeco's quantitative strategies into its global equity funds.

The partnership aligns investment factors and weighting schemes to harmonise South African and offshore equity markets. Both firms emphasise sustainability and responsible investing, with Momentum Investments continuing to enhance its ESG profile and carbon footprint in line with its responsible investment, climate change, engagement and proxy voting policies.

For more details, visit: [Momentum Investments Enters Partnership With Robeco](#).

OUR DIGITAL JOURNEY

Advancing our digital transformation expands access to affordable financial services, improves efficiency, enhances our client experiences and helps us drive financial inclusion.

Matters material to our digital journey

The SDGs we contribute to through our approach to digital innovation

Strategic sustainability pillars

Strategic sustainability enabler

- Delivering technology capabilities at pace
- Cybersecurity and data protection



Make financial services more inclusive



Enhance financial security and health



Digital-led innovation



Partnerships for systemic change

TRANSFORMING AN ESTABLISHED BUSINESS INTO A FUTURE-FIT DIGITAL COMPETITOR

Digital tools and paperless processes

Our digitisation efforts enhanced efficiency, reduced costs and minimised our environmental impact. We streamlined processes, improved client experiences and expanded our reach with fully digital solutions, eliminating paper forms and increasing digital communication through SMS, emails and WhatsApp. Chatbots improved client satisfaction by speeding up claims processing and expanding self-service options, highlighting our commitment to digital innovation.

Connecting the advice and digital worlds through digital channel enablement

We leverage technology to create new channels, enhance client engagement and optimise acquisition and sales. By integrating technology with existing systems and introducing new digital methods, we empower advisers, improve efficiency and enhance client experiences.

Improving the sales process and client experience

Enhancing our sales processes through digital transformation supports our strategic objectives, focusing on digital channel enablement and establishing new channels like digital-led distribution, which enhance the adviser experience. Introducing new direct digital channels leverages technology to create client journeys that meet evolving expectations and preferences, ensuring competitiveness in the digital landscape.

Digitalisation and digitisation are crucial in achieving our strategic objectives

We adopt an integrative strategy, leveraging systems and capabilities across our business units to execute Group strategies. Future-proofing initiatives are developed organisation-wide and are overseen by the Group Chief Digital and Technology Officer, focusing on optimising and advancing digital objectives through collaboration and resource reuse to maximise impact and alignment across the organisation.

DIGITAL-LED INNOVATION

Our commitment to rapid technological advancement and innovation broadens access to affordable insurance, savings and financial advice. We engage fintech and Insurtech start-ups to foster collaboration and drive financial inclusion.

Our strategy includes robust IT security measures, regulatory compliance and a thorough start-up investment process involving identification, interviews, onboarding, collaboration and transparent reporting. This structured method ensures a strong investment strategy with tangible outcomes. For example, our backing of the health screening app Kimi, now integrated into the Myriad LifeReturns rewards programme, highlights how our investments drive innovation and add value to Momentum Life clients.



DISRUPTIVE INNOVATION

We invest in start-ups through our venture capital funds and develop innovative solutions for our clients. Our focus is on harnessing big data, applying machine learning and creating new client engagement models. These efforts drive innovation in client acquisition, onboarding, underwriting and fraud prevention. Our investments in fintech, Insurtech and healthtech start-ups contribute to the future-proofing of our business.

Our rigorous process of identifying, onboarding and collaborating with start-ups ensures a robust investment strategy with tangible results. This approach includes:

Enhancing our innovation ecosystem

Our partnerships focus on start-ups that offer valuable capabilities which accelerate value proposition development, boosts agility and fosters strategic growth and innovation across the Group that will also benefit the start-up growth cycle.

Exponential integration

Our objective is to disrupt and strengthen our core businesses through exponential integration by identifying and aligning assets and collaborating with Insurtech and fintech start-ups. This function is key to developing intellectual property and advanced digital technology and is essential for ensuring resilience in a rapidly evolving technological landscape.

M2X venture building

Industrialising our capability to establish new businesses through M2X venture building, which drives digital transformation and growth by leveraging new technology stacks, international start-up networks and robust processes. M2X helps integrate new features into existing offerings, showcasing our commitment to innovation and agility in the digital landscape.

We pride ourselves in providing a trusted environment for start-ups. Our partnership model ensures SMMEs gain access to higher growth opportunities in South Africa and a global network that accelerates their business and benefits the Group.

Protecting our clients' right to privacy

To comply with the Protection of Personal Information Act (POPIA) and safeguard client data privacy, we formed a Data Privacy Executive Forum. This group includes an executive member from each business unit and oversees POPIA implementation across the organisation.

*Awareness training included more than one course. To get the employee count, cybersecurity and privacy courses respectively were grouped together, and where an employee completed one or more courses in the relevant topic, they were only counted once.

**Overall total completions calculated per employee are not unique totals as one employee could have completed more than one course.

Integrating exponential start-ups with our business

Our venture capital investments create innovative value propositions and distribution channels, including:



Kimi has been crucial in the early detection of cardiovascular diseases and forms the basis for an AI-to-human intervention model. Integrated into Myriad's processes, Kimi improves the client experience and ensures comprehensive health monitoring.



Integrating with TaxTim enhances our understanding of client needs and connects them with advisers. The Tax Health Score fosters a new, interactive, user-friendly ecosystem for client-adviser interactions.



Exponential Integration has enabled new client-to-adviser connection points and seamless digital onboarding through big data and biotechnology. Our co-planning capability is strategically focused on enhancing our client onboarding processes.



Momentum Grow, our end-to-end digital product focused on enhancement of our existing FundsAtWork offering to introduce comprehensive self-service capabilities, end-to-end automation and a modular approach for adaptable solutions and channels, was officially launched to advisers, employers and members in November 2023. Momentum Grow utilises FundsAtWork's digital toolkit to provide a multi-channel service model. This approach supports our brokers, clients and their employees with seamless transitions from a digital platform to human support as needed.

CYBERSECURITY AND DATA PRIVACY

Our hybrid work approach has enabled digital enhancements for a safer environment and is supported by a robust cybersecurity strategy and technology and information governance framework. We are advancing cybersecurity with machine learning (ML), updated access and identity tools and improved security management. Mandatory training on cybersecurity and data privacy is implemented for all permanent employees and fixed term contractors, with specialised programmes for advisers.

To address common vulnerabilities like phishing, weak passwords and information security, we use cybersecurity representatives as ambassadors.

This year, we trained 4 843 employees* in data and cybersecurity (F2023: 9 651) and provided privacy-related training to 3 793 employees* (F2023: 4 449) as part of the compulsory training programme. In total for the year, 15 899** courses covering data privacy and cybersecurity training was completed by employees. Our training remains up to date with the latest fraud tactics. Additional training and webinars are hosted to targeted groups and are not included in the numbers above.

We also implement regular communication and awareness campaigns to all staff on key data privacy and cybersecurity concepts, principles and policies. These communications are distributed via digital channels, including email, WhatsApp, screensavers, pop-ups and notifications on our Intranet site, as well as through in-office activations such as posters, table talkers and restroom reads.

SOCIAL IMPACT



STRATEGIC CORPORATE SOCIAL INVESTMENT

Our mission is to future-proof communities and businesses of diverse backgrounds against societal and environmental challenges thereby ensuring sustainable economic advancement for all.

Matters material to our role in society

- Responsible investing and corporate citizenship
- Advocacy through industry bodies
- Addressing social inequalities (driving financial inclusion)
- Authentic transformation through diversity and inclusion

The SDGs we contribute to through our approach to our role in society



Strategic sustainability pillars



Strategic sustainability enabler

- Responsible business practices, ethics and accountability
- Strategic Corporate Social Investment
- Partnerships for systemic change

Key metrics for our role in society

R35.5 million total community investment (F2023: R43.5 million)

Youth employment and entrepreneurship programmes

- R17.1 million invested (F2023: R24 million)
- 52% were female (F2023: 352)
- 503 young people completed training (F2023: 545)
- 503 recruited for training opportunities (F2023: 613)

Consumer financial education

- R14.4 million invested (F2023: R17 million)
- 2 700 people received financial education (F2023: 2 689)

Employee volunteerism

- Employee participation of 2 907 (F2023: 1 968)
- R206 277 donated through payroll giving (F2023: R348 957)
- No in-kind donations in F2024 (F2023: R100 000)
- 4 720 hours volunteered (F2023: 852)

Transformation

Enterprise and Supplier Development (ESD):

- Invested R54.4 million in ASISA ESD Fund (F2023: R54 million)
- R10.4 million invested in enterprise development initiatives (F2023: R10 million)

Skills development:

- R516.6* million towards training and skills development (F2023: R402.5 million)

Preferential procurement

- Total measured Procurement spend of R6.7 billion (F2023: R6.3 billion) of which:
- R2.8 billion with black owned enterprises (F2023: R2.6 billion), exceeding the target by 11,77% (F2023: 11.4%)
 - R1.7 billion with black woman owned enterprises (F2023: R1.4 billion), exceeding the target by 15,84% (F2023: 11.9%)

Empowerment financing

- Over R17.6 billion invested in building transport systems, energy supply and connectivity, enabling service delivery and economic transformation (F2023: R13.9 billion**)
- R1.6 billion invested in providing funding to black-owned businesses (F2023: R1.3 billion)

*Previously salaries of employees on learnerships, professional programmes, accredited training programmes and workplace learning were excluded in the calculation. In the F2024 report these costs are included as is allowed for in terms of the B-BBEE codes. The F2023 number has been restated to reflect this.
**Restated to reflect the weighted amount to align to our Group's B-BBEE submission.



MOMENTUM GROUP FOUNDATION

The Momentum Group Foundation addresses youth unemployment by supporting disadvantaged youth through financial education, socio-economic development and employee volunteer programmes.

The Foundation acts as our philanthropic arm, focused on creating positive societal impact. As an independent not-for-profit entity, it is governed by a Board of independent non-executive directors and management team members.

The Foundation streamlines our CSI by directing funds to non-profits dedicated to community development and empowerment. It remains committed to executing strategic CSI initiatives that deliver significant developmental outcomes while addressing key business objectives.

The Foundation recognises that while strategic CSI supports sustainability, it is not a substitute for it. Effective CSI is distinguished by its measurable developmental impact and its alignment with the Group's needs.

Through strategic initiatives and partnerships (see pages 57 and 62 respectively), the Foundation supports diverse programmes aimed at uplifting communities, advancing financial inclusion and promoting environmental stewardship. It leverages the Group's resources to drive meaningful change, particularly through its youth employment strategy – this includes investing in quality education, supporting job placement, self-employment, career development and enhancing financial education and IT skills for female candidates.

Consumer Financial Education

Consumer Financial Education (CFE) is crucial for empowering South Africa's youth to manage their finances and build sustainable wealth. Our goal is to mentor young people in developing healthy financial habits and attitudes.

Surveys show that youth view "financial success" as "comfortable living" and financial freedom. To promote sustainable financial wellness, we enhance financial literacy through CFE programmes that equip young people to make informed decisions and share their knowledge, fostering a secure future for themselves and their families.

Our programmes target individuals aged 18 to 35, including students in universities or TVET colleges, unemployed youth not in education or training and employed youth in formal jobs, self-employment or the gig economy.

2 700
people reached

R14.4 million
spent on financial education

Socio-Economic Development

The Foundation is committed to advancing socio-economic development in South Africa by empowering young people with employment opportunities, income-generating activities and support for their future.

We partner with proven non-profit organisations (NPOs) that have strong community ties and successful job placement records to maximise our impact.

By investing in youth aspirations through strategic partnerships and targeted youth employment programmes, we address youth unemployment and create meaningful pathways to employment. Our youth employment strategy enhances access to sustainable jobs by offering life, vocational and entrepreneurial skills training, which improves work readiness, provides valuable experience and builds confidence for meaningful employment or self-employment.

503 young people trained

347 young people placed

52% female participants

99% ACI participants

Staff Volunteerism Programme

Volunteering is central to our Group values and focuses on grassroots impact and collaboration with employees, partners and organisations to enhance youth empowerment and community well-being.

Our CSI programmes, facilitated through our Staff Volunteer Programme (SVP), empower our employees to dedicate their time and effort to support internal and external initiatives. Beyond their professional roles, a substantial number of our employees independently contribute to charities and causes they care deeply about. This reflects their innate commitment to making a positive impact.

We take pride in our employees' dedication to improving the lives of others, which is why we encourage their efforts.

9 virtual volunteering campaigns

2 907 volunteers registered

51 organisations supported across all volunteer activities

4 720 hours volunteered

R206 277 donated from payroll giving

32 632 beneficiaries reached through online volunteer platform

Programmes include:

- Payroll giving
- Group-wide CSI events
- Lesedi Awards#

We celebrate those who make a difference in their communities through the Lesedi Awards, an employee volunteer recognition programme launched in 2016. These awards honour employees who go above and beyond to address community challenges, showcasing their commitment to our values of teamwork, integrity, diversity, accountability and innovation. Nominees are evaluated across eight categories for their impact and sustainability, with all receiving a contribution to their causes.

While the Foundation alone can't solve all of South Africa's challenges, we strategically target areas for maximum impact, focusing on youth unemployment, especially among young black females.

Since 2018 the Foundation's dedicated Board ensures that its activities align with its commitment to achieving the following SDGs while staying responsive to emerging issues:



Achieve gender equality and empower all women and girls.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

THE FOUNDATION'S CONTRIBUTIONS

Each year, the Group allocates over 1% of its net profit after tax to make a positive impact in South Africa. In F2024, the Foundation dedicated R35.5 million towards CSI initiatives (F2023: R43.5 million), including youth employment, financial education and employee volunteer programmes, amounting to 1% of net profit after tax for the same period (F2023: 1.28%).

Our CSI budgets for the last three years are as follows:

	F2024	F2023	F2022
Socio-economic development (R'million)	17.1	23.9	13.6
Staff volunteer programmes (R'million)	1.7	1.1	1.1
Monitoring and evaluation (R'million)	2.3	1.5	1.8
Consumer financial education (R'million)	14.4	17	8.3
TOTAL	35.5	43.5	43.5

Foundation partnerships

Through its partnerships the Foundation reaffirms its commitment to expand its social impact efforts.

Spotlight on 10 of our youth employment programmes:

Women in Agriculture	Developing agricultural and entrepreneurial skills among young women. The project's objective is to create a vertically integrated structure that offers female entrepreneurs an opportunity to be empowered within the agriculture sector.	Location: KwaZulu-Natal Investment: R3 000 000	Phase 3 commenced in July 2024, which focuses on market access and business sustainability as it marks the third year of this three-year entrepreneurship youth programme.
WeThinkCode	The WeThinkCode model promises a faster way to mint coding talent on the scale that is required to leapfrog the economy to a productive digital backbone. Coding skills are highly in demand and this is a skill that will continue to unlock employment opportunities for young South Africans and champion more female participation in this field.	Location: Gauteng Investment: R6 890 000	This is year three of three with the recruitment bootcamp for the F2024 cohorts completed in June. The Momentum Group has been hosting interns from the programme and absorbing talent from these cohorts.
Ubuntu Pathways	The Jobs Skills Training Programme (JST) was launched in 2016 under the name, Ubuntu Pathways. The programme follows a market-driven training model, training youth in various trades depending on the type of job opportunities that are available.	Location: Eastern Cape investment: R8 700 000	The ongoing partnership with the retail, hospitality and automotive sector has landed over 85 unemployed youth in permanent jobs between March and June 2024.

National Business Initiative (NBI) – Installation, Repair and Maintenance (IRM) Initiative

The NBI's IRM initiative partners with TVET colleges to implement a demand-led skills development programme aimed at unemployed youth. This initiative offers comprehensive skills training and on-the-job training opportunities, empowering participants to acquire valuable expertise and enhance their employability prospects. Through this collaboration, the programme contributes to addressing youth unemployment and fostering economic empowerment within our communities.

Location: Mpumalanga
Investment: R2 000 000

Year one of three will be completed in August 2024 with the students currently concluding the workplace experience part of the programme.

My Dough

My Dough offers a dedicated platform to empower youth-owned enterprises, providing avenues for sales opportunities, streamlined funding processes and access to a wide array of resources. By facilitating these essential elements, My Dough accelerates the growth and success of these businesses, fostering economic empowerment and entrepreneurship among young people.

Location: Gauteng
Investment: R1 550 000

The programme has commenced the second phase of enterprise incubation for 20 young entrepreneurs. There were 30 jobs created in the past 12 months from the participating businesses with one ICT-focused business recording R3.2 million in revenue.

Life Choices Academy

Life Choices gives young people from under-resourced communities in Cape Town and surrounding areas the opportunity to learn to code while undergoing personal development through a 12-month boot camp. Six months is spent in training and six in internships.

Location: Western Cape
Investment: R6 060 000

Web design and software development skills continue to be in demand and this programme continues to train and place unemployed youth from the Cape Flats and surrounding areas.

Deviare Cybersecurity Training Programme

Deviare's initiative empowers 10 young black females (F2023: 10 young black females) through specialised training in cybersecurity. The programme features a blend of online self-paced learning, live virtual classes, assessments and customised reporting. Participants will receive certificates of completion along with support for work readiness and subsequent job placements, ensuring they are well-equipped to pursue careers in cybersecurity.

Location: Gauteng
Investment: R1 176 223

This is a one-year partnership with Deviare. Students have completed their training in August 2024 and job placement is being facilitated.

Explore AI Academy

The Explore AI Academy provides customised data science and engineering qualifications, specifically tailored to address scarce and critical skills. These programmes are strategically designed to enhance the employability of youth in these fields, ultimately contributing to the development of a highly skilled workforce.

Location: Western Cape
Investment: R2 400 000

The cohort for year one of three completed their internships in various hosting companies in August 2024.

Faith Mangope Technology and Leadership Institute (FMTALI)

The Faith Mangope Technology and Leadership Institute is established to align Africa's youth, particularly women, with a working environment governed by the Fourth Industrial Revolution.

Location: Gauteng
Investment: R1 500 000

It also exposes African women to global opportunities in the ICT sector and to facilitate their participation in the sector.

The partnership started in March 2024 for a 12-month software development and AI training programme for young female IT enthusiasts.

Partnerships with civil society in other geographies

The Group strives to create a measurable impact by enhancing lives in South Africa and the countries where we operate through community investment partnerships, respecting local knowledge and delivering social value.

India

We partner with organisations like People for the Ethical Treatment of Animals India, to advocate for animal rights, and support the Social and Evangelical Association for Love in rescuing children in Mumbai. Additionally, HelpAge assists disadvantaged older persons to improve their quality of life.

Botswana

Metropolitan Botswana supports child welfare with its CEO joining the Unicef CEO Council for Children’s Rights. Metropolitan’s staff volunteers’ programmes now emphasise ongoing community engagement rather than occasional charity. Efforts include school support, collection drives for basic needs and participation in a government employment initiative. Metropolitan Botswana’s sponsorship of the Metropolitan Chess Tournament highlights its commitment to nurturing local talent and promoting critical thinking.

Lesotho

Metropolitan Lesotho is committed to broadening financial inclusion. In response to the Central Bank of Lesotho’s request to industry, it developed savings booklets for distribution to support the community’s financial awareness. Its vibrant staff volunteers programme has been supporting communities since 2016 and its employees recognised for their social impact work in the Momentum Group Lesedi Employee Volunteer Awards. With the Lesedi winnings, one organisation, the Matholeng Safe House for destitute children, has been able to support eight graduates to complete their post-school studies.



SUPPORTING YOUTH ENTREPRENEURS

The Momentum ESD Trust understands that an investment in young entrepreneurs is an investment in future resilience. To this end, the trust provides skills and business development support along various streams that prioritise youth, township economies and female-owned businesses. This provides access to critical support for businesses to strengthen their growth potential. Across its programmes, 45 jobs were created in F2024.

Enterprise Development	F2024	F2023
Momentum Group Youth entrepreneur development programme***	6	8
Momentum Group Empowerher business programme (township economy-female entrepreneurs)***	9	10
Momentum Group Post programme sustainability support***	14	15
Momentum Group Funeral Parlour Development Programme	10	*
New jobs created	45	**

*New programme started in F2024
 **Not tracked in F2023
 *** Values provided are for number of SMMEs

Enterprise and supplier development beyond compliance

Momentum Insure is keenly aware of the role it can play in helping SMMEs. It aims to merge this support with its intention to contribute to youth employment wherever possible and progress the transformation of its value chain. In F2024, Insure assisted Jozi Mobility through a once-off, non-refundable grant to enable youth candidates to participate in a 12-month development programme. Jozi Mobility is a B-BBEE Level 1 (100% black women-owned) company that provides a windscreen chip repair service. Candidates attend training courses facilitated by a key service provider to the business and will be eligible to gain permanent employment upon completion.

The business also supported a black female-owned motor body repair business with a non-refundable grant towards skills development of female employees to obtain a formal industry qualification.

Momentum Insure championed a six-month mentorship and business learning programme to support black women-owned plumbing businesses in partnership with South African Women in Plumbing (SAWIP), a non-profit organisation whose vision it is to elevate women in the traditionally male-dominated plumbing trade.

Metropolitan Collective Shapers

We are committed to fostering entrepreneurship as a viable solution to address youth unemployment and to support young people in creating economic opportunities for themselves. The Metropolitan Collective Shapers initiative was initiated in F2021 as a pilot programme in Polokwane, focusing on training and development in the agricultural sector in collaboration with AgriSA. Building on the success of the pilot, the programme expanded to Tshwane in F2023 supporting youth-owned businesses in the food and hospitality industry where the initiative was delivered in partnership with the BPO Skills Academy, an accredited education services organisation. In F2025, we will take this programme to KwaZulu-Natal where we will have a specific focus on the agriculture and farming sectors, in partnership with AgriEnterprise.

Additionally, Metropolitan has forged a partnership with Value Ed, an organisation offering online developmental programmes for aspiring leaders over 12 months. Through this collaboration, entrepreneurial skills training and soft skills development will be provided throughout an immersive SETA-accredited five-month business programme designed for start-ups and delivered through a BPO business coach and mentor. These initiatives aim to empower young entrepreneurs with the necessary skills and resources to succeed in the business world, ultimately contributing to market access, economic growth and job creation.

Polokwane

16 people supported as Collective Shapers from the farming and production industry

360 hours of learning from four facilitators and five industry mentors

R200 000 total cash business injection
16 business signage boards
12 months of R10 000 Metropolitan Funeral Plan cover

Tshwane

125 people supported as Collective Shapers from the food and hospitality industry. Through assessments, we identified the top 10 participants

R500 000 total cash business injection
12 months of R10 000 Metropolitan Funeral cover
24 months subscription through the MyDough platform in partnership with our Foundation



PARTNERSHIPS FOR SYSTEMIC IMPACT AND CHANGE

Sustainability risks and opportunities are recognised as systemic issues, highlighting the need for broad collaborative partnerships to achieve meaningful impact.

Matters material to partnerships for systemic impact and change

The SDGs we contribute to through our approach to our role in society

Strategic sustainability pillars

Strategic sustainability enabler

- Responsible investing and corporate citizenship
- Advocacy through industry bodies
- Addressing social inequalities (driving financial inclusion)
- Challenging macroeconomic environment
- Rapidly evolving regulatory requirements
- Socio-political uncertainty



Make financial services more inclusive



Enhance financial security and health



Responsible business practices, ethics and accountability



Digital-led innovation



Partnerships for systemic change

Sustainability issues are systemic, requiring broad collaborative partnerships for meaningful impact. Guided by our values and Code of Ethics, we engage in diverse partnerships across commercial, research, service, support, knowledge and industry sectors, overseen by relevant business units. These partnerships focus on building social relations, trust and consensus across society. While research and thought leadership initiatives are typically driven at the Group level, business units are empowered to seek partners that enhance their economic, environmental, social and governance impact.

Vertical integration and partnerships for low-cost health

We remain committed to vertical integration to ensure the sustainability of low-cost health insurance in South Africa and manage the rising cost of service delivery. Vertical integration entails broadening our offerings, services and collaborations into additional sectors of the value chain where we currently lack a presence such as clinics or pharmacies. By broadening our networks and partnerships and leveraging digital and physical primary care spaces, we aim to drive affordability and enhance access to basic private care for more South Africans.

Key drivers of vertical integration include Hello Doctor and Health4Me. In addition, we have established partnerships to further enable this initiative:

- We hold a minority equity interest in Kalapeng, the largest black-owned pharmacy network in South Africa, which provides access to the retail pharmacy delivery chain. This includes a pharmaceutical wholesaler that supplies 24 pharmacies.
- Collaborating with the Clinton Health Access Initiative and the Eastern Cape Department of Health, we contribute to supplying essential medical equipment and refurbishing maternal high-care facilities, which aim to reduce morbidity and mortality while improving clinical outcomes.
- Our partnership with the Department of Public Service and Administration supports the National Batho Pele Excellence Awards, fostering professionalism and excellence in the public sector.
- The Health Foundation South Africa, in collaboration with Momentum Group and the Dis-Chem Foundation, facilitated the Hello Doctor teletriage service in CHCs where resources are limited. Established in 2011, the Health Foundation specialises in bringing public and private sector stakeholders together to enhance the public health system.

Academic partnership for financial insights

The Science of Success Insights report sheds light on the lack of financial wellness among South African households, particularly noting the tendency to neglect setting and working towards financial goals. This report is the result of a longstanding research partnership between the Momentum Group and Unisa (since 2012).

The Momentum-Unisa collaboration encompasses two key components: the Household Financial Wellness Index (FWI) and the Consumer Financial Vulnerability Index (CFVI). Together, these indices serve as benchmarks for understanding the state of household finances and offer us a meaningful overview of consumer financial health. Moreover, the collaborative research effort provides policymakers with valuable insights to inform financial policy decisions aimed at enhancing household financial wellness.



Industry associations

Our membership in industry associations and international bodies serves as a platform for collaboration and broader impact, enabling us to partner with others and make meaningful contributions to important causes.

Momentum Global Investment Management

Momentum Global Investment Management, the UK-based subsidiary of Momentum Group, fully supports the UK Stewardship Code.

Chartered Financial Analyst Society SA

We collaborated with the Chartered Financial Analyst (CFA) Society SA ESG task team to respond to the CFA Institute ESG Disclosure Standards Consultation Paper. As a global not-for-profit organisation, the CFA Institute plays a crucial role in shaping industry standards and practices.



We endorse CRISA 2.0 and annually publish a statement detailing our application of the principles.



We are represented and actively participate on various ASISA technical committees and working groups.



As a member of the ICSWG, we have contributed to the development of the guide for assessing investment consultants' climate competency.



We proudly stand as signatories to the Climate Action 100+ initiative, where we constructively and practically engage with Sasol and Eskom along other major investors.



We are actively involved in the WWF-SA for Nature's Business Network, which supports the organisation's advocacy efforts and leverages its expertise.



We are a member of the NBI, a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and fostering collaboration with the private sector, government, academia and civil society.

ASISA partnership to drive enterprise and supplier development

We have invested R54.4 million in the ASISA ESD Fund (F2023: R54 million).

ASISA, the financial services industry body, facilitates the coordination of investments in SMMEs and designs innovative acceleration programmes to spur growth. Our investment is pooled with contributions from various other financial sector stakeholders. This pooled funding significantly enhances capital accessibility for black SMMEs, enabling investors to generate impactful commercial and social outcomes in the sector. The fund has delivered the following impacts since its inception:

- 71% increase in average revenue across SMEs supported (F2023: 63% increase)
- Over 1 447 ACI SMEs developed (F2023: 1 027 ACI SMEs developed)
- 8 062 jobs supported (F2023: 6 316 jobs)
- Over 3 903 jobs created (F2023: 2 376 jobs)
- R365 million in industry procurement from supported SMEs (F2023: R320 million)
- Over 144 700 hours of SME developmental support provided (F2023: 101 100 hours)

We remain committed to integrating the activities of the fund into our supply chain and actively seek opportunities to collaborate with ASISA. Additionally, we extend our efforts beyond our immediate supply chain by identifying and sharing leads with ASISA to facilitate access to funding opportunities.



EMPLOYEE IMPACTS



DIVERSITY AND FUTURE-FIT SKILLS

We create a respectful, safe environment that promotes health, well-being and career growth while fostering collaboration.

Matters material to our people

The SDGs we contribute to through our approach to our people

Strategic sustainability pillars

Strategic sustainability enabler

Key human capital metrics*

- Increased competition for critical and scarce skills
- Authentic transformation through embracing diversity and inclusion
- Health and well-being of employees



Enhance financial security and health



Responsible business practices, ethics and accountability



Diversity and future-fit skills



Strategic Corporate Social Investment



Digital-led innovation



Partnerships for systemic change

Employee profile*

12 725 permanent employees (F2023: 12 786)	863 temporary employees (F2023: 966)
Average voluntary turnover 10% (F2023: 11%)	
0.8% of employees covered by an independent union or collective bargaining agreement (F2023: 1.1%).	R7.7 billion spent on total employee remuneration (F2023: R7.1 billion)
R516.6 million towards training and skills development of 17 787 employees (F2023: R402.5 million towards training and skills development of 14 740 employees)**	86% of the 841 employees who were awarded learnerships and internships in F2024 are black (F2023: 84% of 599 employees)

6.4% of all employees are temporary employees***

R365 million spent on the training and skills development of our black employees (F2023: R298 million)**

Key human capital metrics*

Progress with authentic transformation through diversity and inclusion

81% of our employees are black (F2023: 80%)	65% of our permanent employees are women (F2023: 65%)
1.1% of our employees are people living with disabilities (F2023: 0.81%)	45% of our top management are black (F2023: 36%)
27% of our top management are women (F2023: 18%)	18% of our top management are black women (F2023: 9%)

Employee appointments and terminations

4 360 new employee appointments (F2023: 4 774)	4 400 employee terminations (F2023: 5215)
490 employee dismissals (F2023: 488)****	

Employee support through our assistance programme

33 permanent employees received health and education training in F2024 (F2023: 1 244)*****	5.8% of our employees underwent critical incident stress debriefings in F2024 (F2023: 4.2%)
100% of employees have access to Wise & Well (our wellness programme) (F2023: 100%)	12% of our employees requested individual counselling sessions in F2024 (F2023: 10%)

* The human capital metrics above relate to our South African operations.
 ** Previously salaries of employees on learnerships, professional programmes, accredited training programmes and workplace learning were excluded in the calculation. In the F2024 report these costs are included as is allowed for in terms of the B-BBEE Codes. The F2023 number has been restated to reflect this.
 *** Temporary employees are employees without any benefits and have a fixed term in their contract.
 **** Employer initiated dismissal excluding international countries.
 ***** The decline in health education and training is attributed to the removal of free training hours in the new Wise & Well contract. Previously, businesses could access these hours at no cost, but the updated contract does not offer any complimentary training hours.

Transformation strategy objectives

- Have a diverse workforce – implement employment equity (EE) targets
- Create an inclusive culture that embraces diversity
- Transformed broad-based shareholder (25% black)
- Enable inclusive economic growth

OUR PEOPLE STRATEGY AND AMBITION AS A TOP EMPLOYER

We aim to be more than just an employer; we aspire to be an organisation that views our employees as individuals, recognising their humanity, unique talents and aspirations. Our goal is to foster a workplace where every team member feels valued, inspired to grow and empowered to make meaningful contributions to our collective success story.



TOP EMPLOYER IN F2024

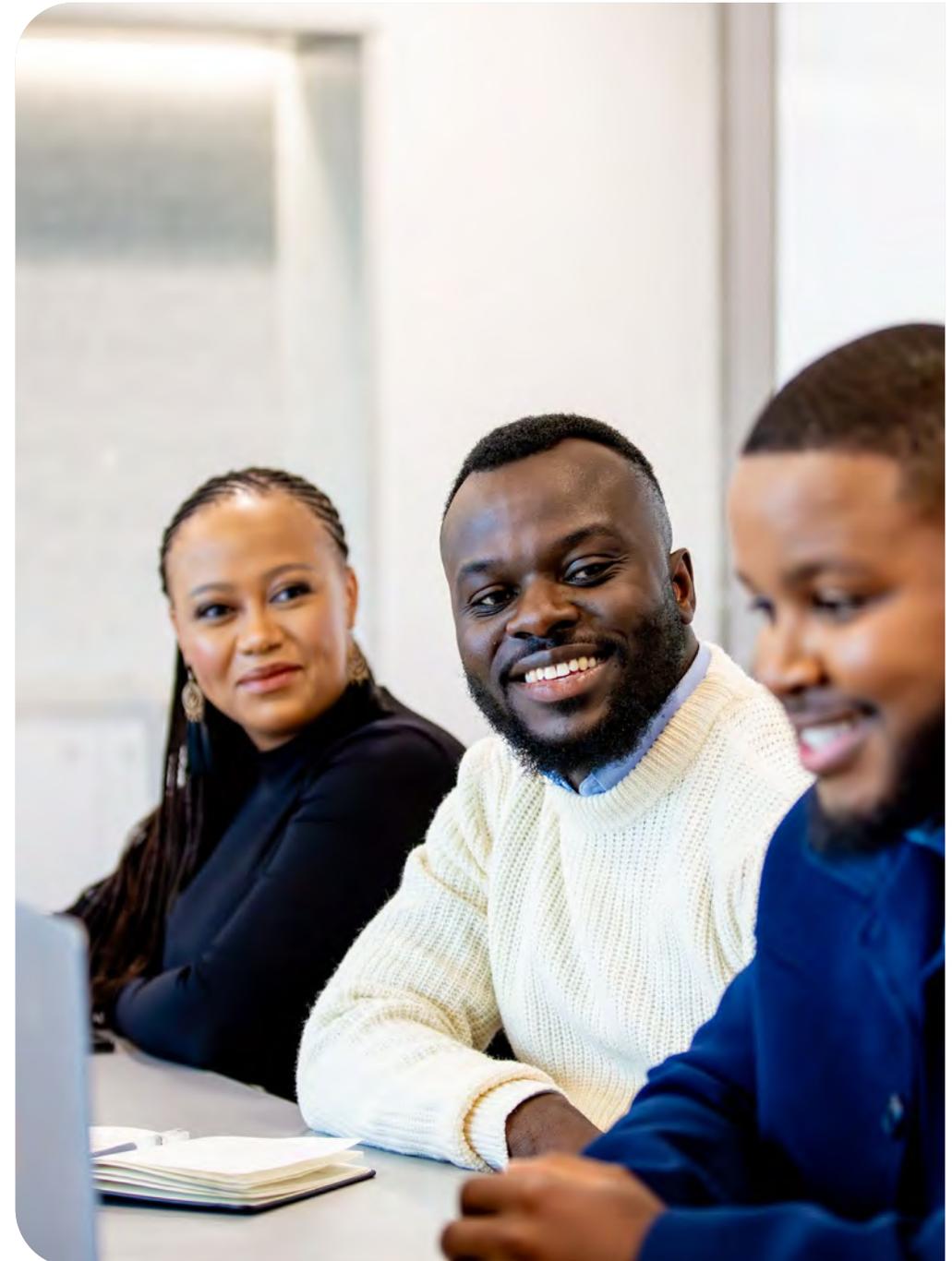


As a Top Employer in F2024 (for the fourth consecutive year), attracting, selecting, developing and retaining top talent remains a critical focus due to the flight of talent and the increasing demand for specialist and technical skills (deemed critical for the Group).

Top Employer certification enables us to:

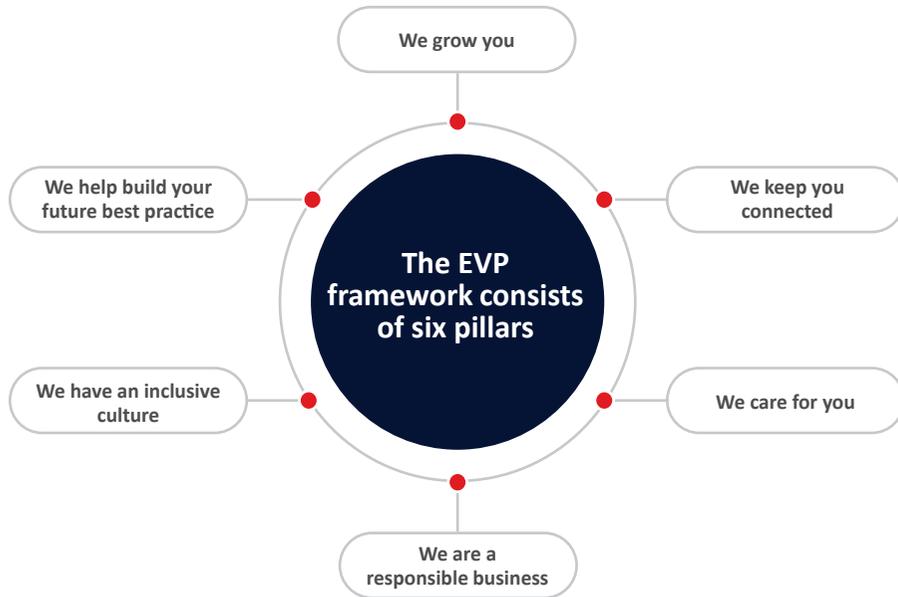
- Assess how our practices compete with other employers
- Validate our areas of strengths
- Establish an understanding of growth areas and what to focus on to move the dial
- Be an attractive employer in a competitive talent landscape

Our results improved in five of the six domains assessed in 2024. Our scores were above the South African Top Employer benchmark in the "Shape", "Attract" and "Engage" domains. Our overall scores over the last four years are as follows:



OUR EMPLOYEE VALUE PROPOSITION

We are committed to creating a working environment where employees feel valued, connected, invested in, cared for and proud to work for an employer of choice. In August 2022, we launched a revised EVP framework to clearly articulate the Employee Value Proposition (EVP) offerings and benefits available to employees and create a stronger narrative around what makes Momentum Group a great place to work.



Our EVP is multifaceted, with each aspect linked to our core values:

- Responsible business practices
- Employee well-being and support
- Facilitating connections and collaboration among colleagues
- Building a future-ready workforce through skills development
- Nurturing talent and fostering career growth

During F2024, we made significant strides towards creating awareness of our EVP. We updated the EVP portals to be more user-friendly, launched the EVP Tech Talent campaign and maintained ongoing education, awareness and information-sharing through our EVP communication platforms, including the #ThinkHumanFirst newsletter and the monthly EVP Digi Dialogue.

Feedback from the EVP Expos continues to be very positive. Survey results from our March 2024 Expo revealed a Net Promoter score of +62 for our current Momentum Group EVP offering.

Academic insights supporting employee development

A critical part of our EVP is to grow the skills of our employees so they are future-fit and resilient within a changing environment. One way we execute on this objective is to leverage academic partnerships. All our leadership development programmes are designed in alignment with our Leadership Development Framework, encompassing strategic, digital and change leadership pillars, co-created with our Group Exco. We use a set of design principles when engaging learning partners to deliver customised and fit-for-purpose programmes.

Our current learning partner institutions include:

Duke Corporate Education	Offers globally recognised programmes tailored for agility and strategic leadership
Rhodes Business School	Provides academic rigour and practical insights into leadership and organisational dynamics
Regenesys Business School	Focuses on holistic leadership development, integrating personal growth with business acumen
The Networking Company	Facilitates networking that's critical for leadership effectiveness
The Franklin Covey Institute	Specialises in leadership effectiveness and productivity, aligning with our commitment to excellence
The Diversity Institute	The Diversity Institute promotes diversity and inclusion with leadership programmes that empower under-represented groups. These initiatives focus on inclusive leadership, addressing biases and creating supportive environments, aiming to build a more inclusive workplace and ensure equal leadership opportunities for all.
Learn to Lead	Grounds leadership training in ethical principles and effective management practices
Leader Lab Citizen	The Group proudly participates in the Partners for Possibility programme by Leader Lab Citizen, empowering leaders to collaborate with under-resourced South African school principals. This 12-month initiative includes formal training and practical support, benefiting over 1 700 participants who have positively impacted 1.35 million learners and 42 400 teachers and underscores our commitment to fostering leadership and educational excellence in our communities.



EMPOWERING OUR PEOPLE

We have a high-performance, inclusive culture that is driven by excellence, accountability, integrity, responsibility, respect, fairness, teamwork, innovation and diversity. We ask our employees to live our purpose and values to promote an ethical corporate culture and deliver on the objectives of the Group's strategic pillars.

We value and advance diversity and inclusion in the workplace. We are committed to equal opportunity and are intolerant of discrimination in our workplace in terms of race, gender, occupation and reward. We take proactive and remedial steps to prevent all forms of harassment in the workplace as per the Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace.

We uphold our employees' right to freedom of association and recognise their right to collective bargaining. To this end, we respect our employees' right to join, form or not to join a trade union without fear of reprisal, intimidation or harassment. Where required, we are committed to establishing a constructive dialogue with the trade unions' freely chosen representatives and are committed to bargaining in good faith with such representatives.

ENGAGING WITH OUR EMPLOYEES

We are committed to creating a collaborative and engaging work environment, motivating employees to embrace sustainable practices and enhancing performance and client experiences. Frequent employee engagement helps us to identify needs, seize opportunities, mitigate risks and close skills gaps.

We recognise the importance of every touchpoint in the employee journey. Short "voice of the employee" (VOE) surveys at key points like recruitment, onboarding, performance and offboarding provide a continuous measurement of satisfaction and engagement.

Engagement is primarily measured at the business unit level, with insights shared to optimise engagement. Each business area strategises and implements plans using our central measurement platform. While we aim to run a comprehensive engagement survey every two years, additional measures are encouraged. In F2024, a customised culture survey with an 84% participation rate provided insights into our purpose, people, business and clients, providing us with an opportunity to continuously improve on our culture.



AUTHENTIC TRANSFORMATION THROUGH DIVERISTY, EQUITY, INCLUSION AND BELONGING

The **Sustainability Framework** supports the transformation strategy's objectives to:

- Have a diverse workforce by implementing our employment equity plan targets
- Create an inclusive culture that embraces diversity

We make it possible for everyone to feel like they belong

Belief

We foster a work environment where we celebrate diversity and enable inclusivity, treating one another with respect and dignity.

We are always fair and consistent. We are unapologetically authentic, and we act with sincerity. We do not tolerate disrespectful behaviour, even from top performers. We are not afraid to speak the truth.

We know it is the diversity of our human talent that makes us who we are, that brings richness to our thinking and empathy to our actions.

Our ambition is to be a company that is authentically transformed and one that embraces diversity and inclusion. Our focus on transformation is essential for the future sustainability of our business as we require diverse thinking to navigate the world's complex sustainability challenges.

Creating opportunities and developing black talent is a significant driver for transformation at Momentum Group and in the broader industry. We have been on a comprehensive transformation journey since F2020 and are making good progress with our authentic transformation. We have a strong bench strength of senior leaders and intend to create bench strength in junior talent by introducing them to our DNA and processes while strengthening academic and industry partnerships that provide access to pools of talent.

During the year, we launched an internal campaign to improve disability awareness and provided information on the disclosure process.

We hosted our Employment Equity Day with the Employment Equity Forum to improve the understanding of EE requirements among our employees. Other initiatives already in practice across the Group include:

- Sexual harassment policy and campaigns
- Gender-based violence campaigns
- Women empowerment campaigns (#SheOwnsHerSuccess)
- Celebration of the LGBTQIA+ community with several awareness campaigns

According to the Department of Labour statistics, only 1% of the registered workforce in financial services have declared a disability. In Momentum Group, only 1.1% of our total workforce declared a disability. We know this is potentially not a true reflection of reality and realise much more must be done to encourage disclosure and have started a focused campaign to automate the disclosure process and create safety for employees to share their status.

Key achievements and strategic direction

This update outlines our recent achievements and strategic direction in diversity, equity, inclusion and belonging (DEIB) practices within the Group for F2024. These initiatives underscore our dedication to embedding DEIB principles throughout our organisation, fostering an inclusive culture and contributing to broader social and economic transformation goals.

DEIB landscape mapping

In F2024, we positioned a comprehensive DEIB practice to reinforce our commitment to transformation. This initiative included conducting Group-wide focus groups to fine-tune our approach. We also conducted a diagnosis across our business units to assess current efforts, revealing the need for additional DEIB solutions.

Consultations with business units and Human Capital Executives have enabled us to map the DEIB landscape across the Group. While some units have integrated DEIB into their transformation, culture and purpose programmes, others are in the early stages and are collaborating with our Group human capital team to develop scalable solutions.

Policy enhancement

We have engaged a specialist vendor to review and update our people practices with DEIB best practices, ensuring comprehensive inclusion across all aspects.

Top employer recognition

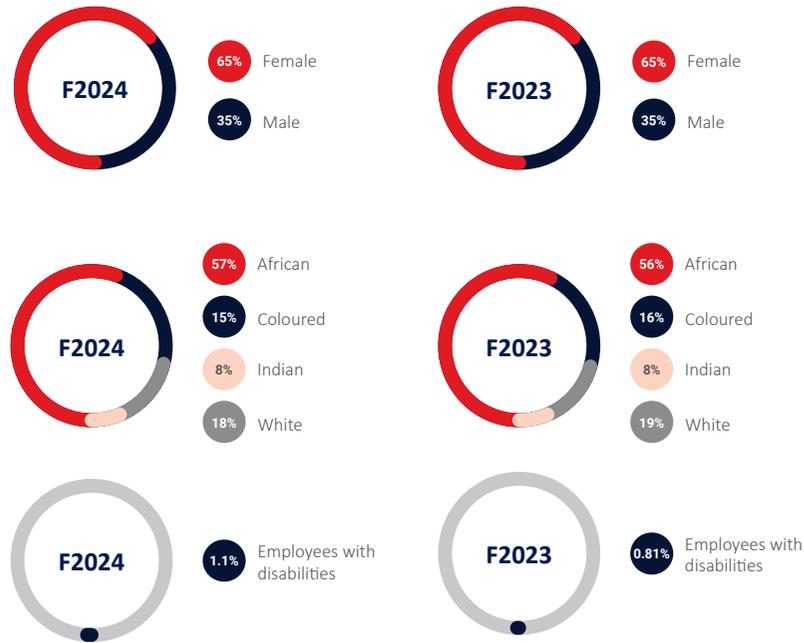
Our proposed DEIB practices received a commendation in the Top Employer 25 accreditation, which is recognised as exemplary.



Our stated transformation ambition F2024

"We want to be an authentically transformed insurer with a strong Level 1 B-BBEE scorecard."

Workforce composition



Year	Top management		Senior management		Middle management		Junior management	
	Black %	Black female %	Black %	Black female %	Black %	Black female %	Black %	Black female %
F2020	36	18	36	13	40	22	82	52
F2021	36	18	37	15	44	23	84	54
F2022	36	9	39	18	45	24	85	54
F2023	36	9	44	20	47	27	84	55
F2024	46	18	43	19	49	28	86	56

Transformation focus areas and progress

Employment equity

Financial sector transformation council (FSTC) reporting

Enterprise and supplier development/preferential procurement

Transformation story

Skills development

Drafting Group and divisional EE plans aligned to new regulations.

Prepare for separate reporting at a business level and plan for FSTC engagement.

Obtained B-BBEE status for all brokerages in preparation for setting targets for broker commission spend.

Created awareness about barriers and the purpose of transformation through coordinated efforts and the TransformAction campaign, our communication plan to share transformation initiatives and stories, successes and challenges and win the hearts of stakeholders.

Secured Insurance Sector Education and Training Authority (INSETA) funding of R16 million.

- Employed learnerships – R2.9 million
- Unemployed learnerships – R2.8 million
- Internships – R5.6 million
- Skills programmes – R1.1 million
- Employed bursaries – R1.2 million
- Unemployed bursaries – R2.1 million
- Rural development – R411 000

Key initiatives

Retaining key black talent in strategic roles remains our primary transformation challenge. To tackle this, our talent bench strength initiative, **MMPowered**, focuses on four key areas:

- Visibility
We make our internal talent pool visible across business units, role families and skills
- Retention
We retain talent by increasing senior-level representation
- Opportunity
We create opportunities for Group Exco to meet our talent pool regularly
- Environment
We promote inclusive diversity

Our black broker development programmes support industry transformation and have the potential to strengthen financial inclusion efforts, promoting access to advice and support for underserved clients. Efforts to influence industry-revised standards and targets on Access to Finance will improve the ecosystem and support the business' sustainability commitments to make financial services more inclusive.

Our investment in leadership development programmes targets emerging leaders across all levels with R13.7 million (out of a total spend of R18.7 million) of our intake spend this year being on black employees. A total of R9.5 million was spent on female leaders. We continue to track our investment in these leaders over time to determine how many leaders were promoted, took on more responsibilities, moved across the Group, remained in their current role or left the organisation.

Recruiting learners with disabilities is a strong focus area. We embarked on engagements with business units to create awareness and provide support to practically implement this.

SUCCESSION PLANNING AND TALENT PIPELINE

We use talent management to balance the demand and supply of key organisational capabilities while supporting talent to deliver on these capabilities. We have tools to ensure the successful management of our talent pipeline as we prepare them to be ready to take on future roles.

Key principles that underpin our talent management practice:

- Ensuring our talent supply meets our talent demands
- Taking unique business realities into account
- Prioritising and aligning with the Group talent strategy
- Informing and underpinning insights through data and metrics
- Using talent segmentation to gain access to key skills at a particular point in time

Business units implement their own talent management and succession planning to ensure an in-depth understanding of the strategy, business objectives, operating reality and markets as part of the talent management process.

The talent management process involves the following steps:

1

Understanding the strategic intent and what we should be good at

2

Understanding the skills needed to deliver on our strategic intent and required capabilities

3

Identifying the skills that we have internally and where the gaps are

4

Identifying appropriate talent strategies to address the gaps

Momentum Investments growing its own pipeline

Momentum Investments launched the Phambili Programme in 2021 to cultivate emerging investment talent and stimulate industry growth. This initiative includes two key components: the Bursary Programme and the Internship Programme.

The Bursary Programme provides support for learners pursuing commercial qualifications at public and private tertiary institutions, paired with mentorship from seasoned employees, achieving a 100% success rate since its inception.

The Internship Programme offers specialised internships in investment, aligned with South African Institute of Stockbrokers (SAIS) and ASISA-accredited financial markets qualifications and has similarly achieved a 100% success and placement rate within Momentum Investments.

ATTRACTING AND RETAINING CRITICAL TALENT

The Group is committed to robust recruitment, succession planning and leadership development. Our data-driven talent management ensures alignment in workforce planning, people development and organisational design. We foster a work environment where employees feel valued and proud to be part of the Momentum Group.

Our EVP outlines our offerings, reinforcing our status as an employer of choice. We prioritise the employee experience, consistently delivering on our #ThinkHumanFirst commitment.

Our digital recruitment platform streamlines job access, enhancing the candidate experience and attracting top talent. Our competitive value proposition attracts and retains employees, while our digital skills development programme and leadership initiatives – focusing on black females – foster diversity and inclusion.

Regarding work arrangements, our hybrid approach combines the benefits of in-person collaboration with remote work flexibility.

An evolving workplace

Our guidelines for the hybrid way of work demonstrates our commitment to balancing flexibility with operational needs. These guidelines outline three working models: office-based, hybrid and fully remote. Business units can adopt their preferred model based on business and operational needs. Clarity on our hybrid working model was driven by several factors:

- Business units began recalling employees to offices
- We aimed to establish hybrid and remote working to retain talent and foster a culture of connection and collaboration across the Group
- Our goal was to position the Group as an appealing employer in a changing talent landscape
- Leaders and human capital received ad hoc requests from employees to work from alternative locations, necessitating guidance on handling such requests

Given the complexities of working across borders, remote work outside South Africa is approached cautiously and is reserved for exceptional cases due to legal and regulatory complexities, including compliance with various country laws and tax agreements. We also introduced a guideline on remote work from international locations from October 2022. This guideline outlines the process for obtaining approval for South African employees working from locations outside South Africa on a temporary basis. A Remote Review Committee assesses all requests and associated risks with approvals limited to six months subject to divisional approval.



Skills turnover mitigation

In F2024, our employee turnover rate was mainly caused by employees seeking enhanced opportunities elsewhere. Semi-skilled employees remain the greatest flight risk.

877 exits (F2023: 966* exits)

10% voluntary turnover rate (F2023: 11%)

5.10 average years of service (F2023: 4.9* average years)

* The F2023 statistics have been restated, following the implementation of a new standardised methodology that more accurately reflects voluntary exits.

The emigration of skilled professionals poses a significant challenge for insurance businesses. It represents a loss of intellectual capital and deep organisational understanding. While companies grapple with evolving work dynamics, emigration adds to the talent retention challenge. We are cognisant of the need to foster an organisational culture that mitigates the factors that drive emigration.

In October 2022, we established guidelines for remote work from international locations, outlining processes and considerations. From November 2022 to June 2024, 35 requests were submitted, resulting in 19 employees working from abroad as of June 2024, primarily for periods under six months.

Enhanced digital offboarding has provided deeper insights into employee movements and exits. In F2024, 61% of departing employees cited better opportunities elsewhere. When asked how we could have retained them, 23% cited role or department changes and 21% would have considered remaining with the Group if there were other growth and development opportunities.

To address these findings, we introduced a career portal focused on internal mobility and skills development. This platform guides employees through career orientation, exploration and personalised growth initiatives, continually evolving through a design-thinking approach to support comprehensive employee development.

Our EVP growth opportunities in the larger Group and talent development remain key levers for talent retention. Retention initiatives differ across business units, but they all aim to create a conducive culture where employees can thrive and be rewarded fairly and transparently.

Appointments

Race	F2024	F2023
African	3 647	3 844
Coloured	335	489
Foreign	26	30
Indian	145	174
White	207	237
Grand Total	4 360	4 774

Gender	F2024	F2023
Female	2 820	3 055
Male	1 540	1 719
Grand Total	4 360	4 744

Age	F2024	F2023
16-19	33	21
20-29	1 795	1 928
30-39	1 764	1 944
40-49	529	614
50-55	106	117
56-59	30	48
60 and older	103	102
Grand Total	4 360	4 774

Terminations

Race	F2024	F2023
African	3 476	4 175
Coloured	419	482
Foreign	29	182
Indian	165	351
White	311	25
Grand Total	4 400	5 215



Gender	F2024	F2023
Female	2 854	3 272
Male	1 546	1 943
Grand Total	4 400	5 215

Age	F2024	F2023
16-19	5	7
20-29	1 421	1 654
30-39	1 825	2 240
40-49	677	819
50-55	168	203
56-59	64	73
60 and older	240	219
Grand Total	4 400	5 215

Employee skills development and building a talent pipeline

Our Group's skills development and learnership programmes, with an investment of R516.6 million in F2024, are designed to enhance workforce skills and future readiness. We focus on reducing unemployment among youth, women and people with disabilities, including a R205.6 million investment in skills development for black women.

To build an internal leadership pipeline, we conduct annual reviews to identify and nurture potential successors, supported by our MMPowered initiative, which hosted 27 top black leaders in F2024.

Our Tech Talent Incubator addresses tech talent shortages by offering courses in data science, DevOps and IT systems development. Since March 2023, we have invested R4.5 million to boost digital capabilities and collaborate with industry leaders.

Talent retention

We recognise that cultivating internal talent is the most sustainable approach. This necessitates ongoing long-term investment, complemented by short- to medium-term solutions involving outsourced resources, including off- and near-shore technology talent. Skills attraction and retention focus areas include:

- Remuneration benchmarking to create more tailored rewards and guidelines that empower leaders to respond to reward and recognition challenges.
- Flexibility around how talent is obtained and enabling talent to move across business units, including non-South African talent.
- Mobility pertaining to internal visibility of roles in the Group and career growth.
- Creating a talent pool with feeder pipelines.

Technology and digital expertise remain paramount in our business strategy, given the industry's high demand for these skills, which often leads to a significant turnover.

Developing future skills

The Group human capital team launched a project to design and develop a more scientific toolkit and process to identify scarce and critical skills in the various business units. This will inform a plan to manage Group-wide scarce and critical skills from a recruitment, retention, development and reward perspective.

A formal approach has been designed and tabled to assist business units to identify critical and scarce skills in a structured and cohesive manner.

Our top four skills requirements are:

Solving problems, including evaluating problems, investigating issues and creating innovation.

Adapting approaches, including showing resilience, adjusting to change and giving support.

Influencing people, including building relationships, communicating information and providing leadership.

Delivering results, including processing details, structuring tasks and driving success.

Driving a digital focus

Driving digital transformation is a strategic objective of the human capital team to prepare and enable our people to work in an evolving workplace and enable efficiency through automation and self-service. A key strategic element is to leverage a data-driven approach to enable strategic workforce planning and management. By leveraging predictive analytics, we can anticipate workforce challenges and opportunities in attracting and retaining talent, identifying potential skills gaps and making informed decisions to optimise the workforce.

Technology and digital talent skills are in high demand, thus driving high churn in the industry. We believe that acquiring and developing internal talent is the right solution for our business. This requires sustained investment in skills development and talent management. Further to this, our partnership with Momentum Group Services, in the captive solution context, has proved to be highly beneficial in gaining access to much-needed skills, which are available in the Indian market.

The Learning Hub

The Group is actively advancing digital transformation through enhanced systems, processes and employee upskilling for the digital age. In September 2022, we introduced the Learning Hub, a centralised platform for all company learning initiatives.

The Learning Hub integrates diverse content catalogues, including regulatory training, leadership resources and business unit-specific modules. It enables employees to track and complete assigned training, enrol in courses and bookmark materials for future reference. Features such as social learning, gamification, discussion boards, course ratings and rewards such as points and badges enhance engagement.

Integrated with Microsoft Teams, the Learning Hub provides seamless access, desktop notifications and attendance tracking for virtual sessions. Employees can easily access learning materials, share insights and receive notifications directly through Teams. Facilitators can monitor attendance and participation during live sessions.

This system empowers business units to deliver on-demand digital learning experiences, fostering a culture of continuous learning, development and operational efficiency.

Our investment in training and skills development

Skills development investment*	F2024	F2023
Total training spend (R'million)	516.6	402.5
Number of employees trained	17 787	14 740
Training spend for black employees (R'million)	365	298
Training spend for black female employees (R'million)	225	181
Training spend for female employees (R'million)	292	222
Training spend for employees living with disabilities (R'million)	19	2

*Previously the salaries of employees on Learnerships, professional development programmes, accredited training programmes and workplace learning were excluded. In the FY2024 report these costs are included in order to align with what is regarded as skills development spend in terms of the Financial Sector Charter.

Investment per skills development category	F2024	F2023
Bursaries	1.92%	3.56%
Learnerships and internships	95%	85%
Workplace learning	1.70%	9.56%
Informal training	0.75%	1.63%
Skills programmes	0.14%	0.25%

Investing in skills development for unemployed youth in South Africa is crucial for corporates, as it not only addresses the poverty crisis but also builds a more skilled and productive workforce for the future.

Bursaries to unemployed youth**	F2024	F2023
Spend on unemployed youth (R'million)	14.4	14.1
Spend on black people (R'million)	12.7	12.2
Spend on females (R'million)	7	7

** Funding provided to students who are at academic institutions and are not employed in any capacity

Bespoke leadership development programmes

Our bespoke leadership development programmes at Momentum Group cater to essential leadership skills across organisational levels. The Foundational Leadership Programme focuses on self-leadership, while the Junior Leadership Programme enhances skills in leading others. Transitioning leaders advance through the Middle Leadership Programme aimed at Leader of Leaders, and those in such roles benefit from the Senior Leadership Programme.

At the Leader of Function level, we offer the Executive Leadership Programme and the Partners for Possibility Programme. Specialised programmes support women in leadership and specialists in their fields, all underpinned by robust coaching and mentoring.

These programmes are tailored to cultivate leadership skills necessary for various levels within the organisation, emphasising continuous development and strategic leadership capabilities.

The Group's strategic partnerships are instrumental in enhancing our leadership development initiatives, contributing to our social and societal impact. These partnerships are selected for their contributions to values-based leadership, cutting-edge methodologies and world-class faculty.

Our flagship programmes include the following:

- Foundational Leadership Programme (FLP)
- Junior Leadership Programme (JLP)
- Middle Leadership Programme (MLP)
- Senior Leadership Programme (SLP)
- Executive Leadership Programme (ELP)
- Women in Leadership Programme (WLP)
- Leader as Specialist Programme (LSP)
- Advanced Management Programme (AMP)



Programme	Total Spend F2024 (R'million)	Total Spend F2023 (R'million)	Total ACI % F2024	Total ACI % F2023	% Women F2024	% Women F2023	% of Staff living with disabilities F2024	% of Staff living with disabilities F2023
FLP	1.8	1.5	96	87	71	60	3.3	*
JLP	3.8	3.6	84	85	55	68	2.5	*
MLP	5.6	5.3	85	76	40	58	*	*
SLP	3.2	2.5	57	59	68	53	19	*
ELP	*	5.7	*	56	*	20	*	*
WLP	1.3	1.3	68	79	100	100	6	*
LSP	1.2	1	54	53	37	68	*	4
AMP	1.6	3.5	33	50	*	*	*	*
Total	18.7	24	<i>*No intake was done for this year</i>					

REWARD AND RECOGNITION

The Group aims to create an environment where employees are motivated, engaged and rewarded, attracting and retaining high-calibre individuals and fostering a culture of excellence and success. Our work environment promotes high performance and entrepreneurial thinking. Our remuneration policy incentivises employees to exceed their approved performance targets, driving mutual value creation for the Group and our stakeholders. This is supported by a robust performance management system that offers competitive remuneration packages and performance-based incentives.

Our total reward is based on the following fundamental principles:



THE YEAR AHEAD

We will continue to drive digital learning to enable employees to upskill themselves and develop their careers, with a specific focus on career management and personal development solutions. We use insights gathered from engagement data and well-being usage data when formulating our employee training and well-being interventions based on gaps and needs identified. A Group-wide culture survey is planned to measure the progress of our culture journey across Momentum Group. This will provide us with a benchmark for the future to continuously evaluate and shape our culture.

Employee volunteerism

Our employee volunteerism programme encourages sustained engagement with non-profit partners to create a meaningful impact in our communities. Our leave policy includes one day of volunteer leave a year to support registered organisations. Employees have the flexibility to choose from our partner organisations for their volunteer activities. Additionally, employees can opt for payroll giving, where they decide on an amount to donate, with deductions automatically made from their monthly salary.

We encourage employees to volunteer their skills to organisations that cannot afford professional services – offering a lasting impact. Our Lesedi Awards recognise these efforts, including the contributions of our active International Volunteers' Corps.

FINANCIAL WELLNESS

The financial wellness portal was launched in September 2022 to support employees to achieve their financial goals and life aspirations through education and/or advice from a financial adviser. Employees can access the portal at any time and from any device. The portal portrays a financial wellness map that provides access to information regarding starting a career, buying an asset, parenting and much more. We are currently looking at how we can gain further insights from the use of predictive analytics.

EMPLOYEE HEALTH AND WELL-BEING



We prioritise a safe and supportive work environment where every employee can thrive and contribute effectively. Our efforts in Occupational Health and Safety and Employee Wellness reflect this commitment:

Occupational health and safety

We adhere to strict safety and health regulations, continuously improving workplace safety based on employee feedback. Our initiatives include monthly health and safety communications, comprehensive first aid training, online evacuation planning and emergency procedures.

In F2024, we addressed 52 reported injuries with thorough investigations and mitigation measures. Trained first aiders handled 36 medical, 21 first aid and five maternity incidents. In addition, 288 officials received training in firefighting, first aid and health and safety protocols.

Employee wellness

Through our Wise & Well programme, we provide telephonic and face-to-face counselling, managerial consultations and trauma debriefings to support employees and their households. Usage of counselling services rose by 23.4%, addressing issues like trauma, relationships and family concerns. Critical incident stress debriefings increased by 30.2%, focusing on grief and adapting to work-related changes. Our WhatsApp channel offers immediate support and referrals, complemented by the Wise & Well Grief Support Group and Mental Health Support Group, which provide safe spaces for healing and coping. Champions and clinicians undergo regular training updates, including gender-based violence response and wellness practices. Our training sessions cover resilience, financial planning, leadership skills and fostering a collaborative culture. Regular well-being updates are shared through the #ThinkHumanFirst newsletter.

These initiatives underscore our holistic approach to well-being, ensuring we support our employees through the diverse challenges they may encounter.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL MANAGEMENT

As a responsible corporate citizen, we prioritise environmental responsibility and encourage sustainability awareness.

Matters material to help build the low-carbon economy

The SDGs we contribute to through our approach to our people

Strategic sustainability pillars

Strategic sustainability enabler

Key metrics*

- Responsible investing and corporate citizenship
- Climate change and resilience



Help build the low-carbon economy



**Digital-led innovation
Partnerships for systemic change**

- 115 212kl total water withdrawal from municipal water supplies (2022: 98 408kl)
- Four waste management programmes (one at each main campus)
- 67% waste produced recycled (2022: 61%)
- 52 443 MWh total energy consumption (2022: 40 167 MWh)
- R1.2 billion invested in renewable energy projects (F2023: R4.1 billion)

Environmental responsibility has become a critical consideration for all sectors, irrespective of their direct impact. Addressing challenges like climate change and biodiversity loss requires an integrated approach across industries. To demonstrate our commitment to the environment, we prioritise sustainable changes within our operational control. These initiatives encompass:

Responsible consumption

We prioritise responsible consumption of water, electricity and waste management in our sustainability efforts. We minimise water usage through efficient fixtures, utilise energy-efficient sources for electricity and implement waste reduction and recycling initiatives. These practices mitigate our environmental impact and contribute to sustainability.

Read pages 73 to 75 for more information.

Reducing emissions

Efforts to reduce emissions in our distribution channels, client acquisition and policy management phase include remote health assessments in Momentum Life and robotics process automation enabling straight-through processing in sales and services.

Read pages 35, 36 and 40 for more information.

Responsible investment

Our responsible investment commitments integrate environmental considerations into our investment decisions and investments in renewable energy and infrastructure projects which improve the delivery of basic services.

Read pages 41 to 47 for more information.

Development of products and services

Products and services we develop to address emerging environmental risks include the Guardrisk mining rehabilitation product and Momentum Corporate's pension-backed solar installations.

Read pages 95 to 96 for more information.

* Please note that to comply with the requirements of the DFFE/SAGERS reporting, our emissions data is for the 2023 calendar year.

OUR APPROACH TO ENVIRONMENTAL MANAGEMENT



Our environmental, sustainability and climate-related policies govern our approach to the sustainability of our business.

We have adopted a precautionary approach to environmental management and comply with all applicable environmental legislation and regulations. We also adhere to requirements by the Department of Forestry, Fisheries and the Environment for JSE-listed companies that have stationary combustion activities with a combined capacity that exceeds 10 MW(th) to report on the annual carbon emissions from these facilities.

We are responsible for mitigating our direct impact on the environment and encourage our employees to reduce their impact on their own environments.

EXPANDING OUR SYSTEMIC VIEW

Dealing with complex environmental and broader sustainability issues requires problem-solving techniques such as systems thinking to allow for multisectoral, interdisciplinary scenarios outside of the business-as-usual to drive meaningful and impactful change. This has been an underlying theme in global discussions. We aim to stay at the forefront of these conversations by keeping global meetings and their outcomes in view and joining national business network meetings on important sustainability topics.

MEASURING OUR PERFORMANCE

Within our operational boundary, we measure our environmental performance by assessing water usage, energy consumption and waste management practices.

Our various business units recognise the opportunity to influence emission reductions throughout the value chain and are developing products and services to address emerging environmental risks. In F2024, we continued to refine our methods for measuring performance in these areas. Where metrics are already established, we report on them.

Water management

We recognise the importance and impact of water scarcity. By adopting water-efficient technologies and initiatives such as backup tanks, hands-free, sensor-smart taps, and air-cooling HVAC systems, we can reduce our water reliance and consumption.

The following initiatives have been implemented at our various offices:

- Waterwise plants have been selected such as: african iris, tulbaghia, aloes, agapanthus africanus and spekboom.
- Due to current water restrictions and shortages in the City of Tshwane, we have reduced the irrigation cycles from seven days per week to two days per week.
- Timers ensure the irrigation systems are active during the early hours of the morning and rainwater sensors limit unnecessary use.
- Harvested rainwater systems provide an alternative reused water source.

Water usage is measured using on-site data from the LiveWire meter monitoring and data management system and municipal account reports. Our total water withdrawal increased from 98 408kl in 2022 to 115 212kl in 2023. Based on the Group facilities assessment, reasons for the increase include:

- Office occupancy increasing from 2022 to 2023 (the Centurion head office had approximately 16% more employees enter the building in 2023 compared to 2022).
- The full utilisation of all office kitchens and bathrooms, and additional cleaning services were required due to increased occupancy.
- Data capturing improvements from 2022-2023 versus 2021-2022.

For the year ahead, the Group will continue to measure and monitor water usage. This will entail engaging with the relevant service providers, investigating online meter calibration and accuracy and introducing employee awareness campaigns to encourage sustainable water usage practices.

Waste management

We make every effort to avoid sending waste to landfill. Office waste is managed by an external service provider who collects, measures and disposes our waste, providing detailed monthly reports on waste types and quantities.

Monitoring of waste management currently takes place at our four main campuses (Parc du Cap, The MARC, Centurion and Cornubia), with 67% of the waste produced in 2023 recycled (2022: 61%). The Group responsibly disposed of up to 18 tonnes of ICT e-waste in F2024.



Reducing plastic waste

Plastic pollution is a global crisis, with production surging in the past two decades, overwhelming waste management systems and threatening the environment and human health. Plastic waste contaminates water streams, soil and oceans, endangering biodiversity and human well-being.

The Group is committed to responsible waste management. In 2023, 35 676kg of plastic was recycled across our four main campuses, a 74% increase from 2022's 20 545kg, accounting for 6.8% of total waste. Despite there being a positive increase in recycling and decrease in landfill waste, we are cognisant that recycling is still a lower-tier waste management strategy to reduce plastic use, particularly single-use plastics (straws and plastic bags) as it remains a significant contributor towards plastic pollution.

Below is a breakdown of the types of plastic recycled across the four main campuses, of which single use plastics falls within. In the next reporting cycle, we will be able to present the consumed plastic in comparison to the recycled plastic:

- High-density polyethylene (HDPE): 6 680 (2023: 4 947kg)
- Polyethylene terephthalate (PET Mixed): 8 273 (2023: 5 299kg)
- Coloured plastic: 4 612 (2023: 4 450kg)
- Plastic clear: 9 854 (2023: 1 874kg)
- Low-density polyethylene (LDPE): 4 663 (2023: 2 804kg)
- Polystyrene (PS): 234 (2023: 82kg)
- Polypropylene (PP): 1 361 (2023: 1 089kg)

To continue our efforts to reduce single-use plastic in our waste, the Group has intensified employee awareness campaigns on waste reduction and implemented internal initiatives:

Earth Day Campaign

The week-long campaign aimed to spotlight the plastic crisis and promote evidence-based practices for reusing, reducing and recycling waste.

International Day for the Protection of the Mangroves

We highlighted the importance of mangroves and raised awareness about their conservation.

Food waste from our Centurion, Parc du Cap and Cornubia canteens is now processed through **Bokashi composting**, which uses fermentation by specialist bacteria to transform organic material into a nutrient-rich soil amendment, enhancing soil quality. Since implementation (February 2024), we have diverted 1 852kg of food waste from landfill.

We replaced all **polystyrene** containers in canteens with biodegradable and home-compostable alternatives.

In our employee kitchenettes at our main campuses, plastic spoons have been swapped for **wooden spoons**, which are collected separately and sent for composting.

EVP Day

We engaged directly with employees to educate them on waste reduction, reusing materials and proper recycling practices.

By engaging all stakeholders, the Group aims to play its part in mitigating plastic pollution and encouraging everyone towards better environmental practices in their own operations.

Energy management

Our facilities management team prioritises energy efficiency and sustainability in all our buildings. Energy usage is measured using on-site data from LiveWire and municipal account reports.

We integrate and enhance energy efficiency and sustainable technologies into the design of new buildings and existing infrastructure upgrades. These efforts have led to a reduction in our GHG emissions and were facilitated by several initiatives:

- A capital investment of over R150 million into solar facilities at our Centurion and Cape Town's Parc du Cap properties commenced in 2023. This project involves installing solar panels on roofs and parking lots along with a battery energy storage system providing eight hours of backup battery storage for data centres. The new equipment will also enable us to extend our generator diesel reserves.
- From October 2023, a total of 70 Metropolitan branches were also upgraded with non-solar inverter backup systems. Backup power is included for all new branches, enhancing operational continuity and customer service.
- Major upgrades to our data centres in F2018 resulted in greener, cleaner and more energy-efficient facilities, improving power utilisation efficiency (PUE). Upgrades in IT equipment, including replacing uninterrupted power supply (UPS) units with new UPS frames and installing telemetry equipment for accurate measurement and recording of consumption. *Read more about our Green IT Strategy on page 75*
- We aim to further reduce energy usage by transitioning data centres from power-intensive devices like servers and storage, to energy-efficient points of delivery through ICT kit power.
- Eris Property Group, a subsidiary of the Momentum Group, has installed 10 solar plants at 10 retail properties, generating 9 264 MWh (F2023: 7 694 MWh) of energy. This initiative not only reduced energy consumption but also avoided 8 801 tonnes of CO₂ emissions (F2023: 7 309 tonnes of CO₂). See details below:

	Generated MWh	Tonnes of CO ₂ emissions avoided	Cost of generated solar electricity (R'million)
Emala Mall	1 121	1 064	1.9
King Williams Town	1 607	1 527	2.8
Platteklouf: Metlife Shopping Centre	479	455	0.8
Riverwalk	2 280	2 166	4.1
Sechaba Mall	544	517	1.1
Silver Mall	582	553	0.9
Taung Square Mall	800	760	1.3
The Oval Ladysmith	772	733	1.3
Tsumeb Mall	586	557	0.8
Cape Town Afcol	494	469	0.7
TOTAL	9 264	8 801	16

Our Green IT Strategy

According to the United Nations Environment Programme, 54 million metric tons of e-waste (equivalent to 7kg per person globally) are produced annually. Shockingly, only 17% of this e-waste is recycled while the remainder ends up in landfills, posing significant health risks, particularly in low- and middle-income countries where informal workers often extract materials. If left unaddressed, the amount of e-waste is expected to double by 2050.

Digital innovation offers significant global benefits such as creating faster, more efficient services, connecting people across distances and transforming healthcare to save lives. These advancements have also greatly improved how we serve clients, streamlining business processes, reducing paper use and minimising reliance on physical mail. Importantly, digital innovation helps us reach underserved populations.

The intersection of digital innovation and sustainability is vital as it enables us to serve more people while supporting our organisation's success. To contribute to this synergy, the Group migrated from power-intensive devices to energy-efficient infrastructure last year, responsibly disposing of 17 tonnes of ICT equipment in a POPIA-compliant manner. Reusable parts were salvaged to prevent landfill waste and the remaining materials were sent to a green IT disposal facility where precious minerals were extracted and recycled.



In F2024, the data centres continued the trend of a reduction:

Reducing in load

Site	kW	Hours in a year	kWh per year	Period
Centurion	36	8 760	315 360	Annual as measured on December 2023
Parc du Cap	19	8 760	166 440	Annual as measured on December 2023
TOTAL	55	17 520	481 800	Annual as measured on December 2023

Forecast for 2024

Group-wide	kW	Hours in a year	kWh per year	Period
Planned Reduction	30	8 760	262 800	Annual for 2024

Performance

The data is based on calendar-year performance to align with audit and project cycles.

The PUE for Centurion and Parc du Cap reduced from F2019 to F2021, thereafter it remained unchanged. The PUE will be re-measured only once there have been substantial changes to the data centre.

Parc du Cap and Centurion PUE



PUE	Level of efficiency
3.0	Very inefficient
2.5	Inefficient
2.0	Average
1.5	Efficient
1.2	Very efficient

Operational efficiencies

✓ **27.2kW** reduction in power load following the implementation of various energy efficiency projects. The centres migrated from power-intensive devices such as servers and storage to energy-efficient infrastructure solutions (ICT kit power efficiency).

✓ **61 devices** were physically removed (F2023: 135).

Decommissioning

✓ In Centurion and Parc du Cap respectively, 16 and 13 racks were decommissioned.

Building management

The Group collaborated with the various business units to assess occupancy levels across its various properties. The aim was to optimise the space utilisation by the Group. This led to the selling of unrequired spaces such as the Doringkloof, Mispel and Lakefield properties. Vacant spaces in the Meersig, Cornubia and buildings on the Parc du Cap campus were rented out to external tenants. This initiative led to an internal cost avoidance of around R29 million.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

HELPING TO BUILD A LOW-CARBON ECONOMY

We take a long-term view in our dedication to combating climate change and its impacts and we remain committed to contributing to a Just Transition and to a low-carbon economy.

In South Africa, significant social inequality results in the most vulnerable populations being disproportionately impacted by climate change. This sustainability pillar directs our initiatives to minimise our environmental footprint, assess climate-related risks for our business and clients and seize opportunities to facilitate the transition to a low-carbon economy.

Matters material to help build the low-carbon economy

- Responsible investing and corporate citizenship
- Climate change and resilience



The SDGs we contribute to through our approach to our people



Help to build the low-carbon economy

Strategic sustainability pillars



Digital-led innovation



Partnerships for systemic change

Strategic sustainability enabler

Key metrics

- B score achieved for our voluntary CDP climate change disclosure (2023: B score)
- R1.2 billion invested in renewable energy projects (F2023: R4.1 billion)
- 52 443 MWh total energy consumption (2022: 40 167 MWh)
- 63 780tCO₂e total GHG emissions (2022: 55 518tCO₂e)
- 11% reduction in overall GHG emissions against the 2019 baseline (2022: -22%)
- 2.49tCO₂e emissions per employee (2022: 2.66tCO₂e)
- 4 396tCO₂e Scope 1 emissions (2022: 3 568tCO₂e)
- 35 366tCO₂e Scope 2 emissions (2022: 40 437tCO₂e)

KEY THEMES

Build a decarbonisation roadmap

We have begun assessing areas where we have direct operational control and the ability to measure our environmental impact. Energy security has emerged as a key motivator for our investments in solar technology.

Grow our portfolio of climate-positive products and services

Our responsible investment commitments incorporate environmental factors into our decision-making processes. We actively pursue investments in renewable energy and infrastructure projects which are aimed at enhancing the provision of essential services, such as ensuring water security. In addition, we expand our portfolio through investments in enterprise supplier development initiatives and by providing products and services that mitigate climate-related risks.



* Please note that to comply with the requirements of the DFFE/SAGERS reporting, our emissions data is for the 2023 calendar year.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



Climate change is a significant crisis, and financial institutions are particularly vulnerable to its economic impact. As environmental concerns grow, our climate initiatives face increased scrutiny from investors, rating agencies, governments and clients.

For the first time, global warming has exceeded 1.5°C for an entire year, highlighting the urgent need for action to limit long-term temperature rises, according to the European Union's Copernicus Climate Change Service¹. Interpretability in climate and environmental science remains crucial to enable scientists and policymakers to understand complex systems, validate predictions and foster trust for informed decision-making.

TCFD FRAMEWORK

The TCFD has provided a robust framework for effective disclosure and the improved management of climate-related risks and opportunities. Its widespread international adoption, along with its mandatory classification in some jurisdictions and alignment with reporting frameworks like CDP, has contributed to a consistent global approach to climate risk disclosure.

Governance

Purpose

To disclose the Group's governance around climate-related risks and opportunities, including the role of the Board and management.

Strategy

Purpose

To disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Risk management

Purpose

To disclose how the organisation identifies, assesses and manages climate-related risks.

Metrics and targets

Purpose

To disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

OUR TCFD JOURNEY

The Momentum Group has supported the TCFD since June 2021.

We welcome the convergence resulting from the transfer of climate-related disclosure responsibilities from TCFD to the IFRS Foundation in 2024. The endorsement of IFRS S1 and S2 by IOSCO represents a key step towards unified reporting standards. The Group Sustainability and Climate Risk Steering Committees reviewed the IFRS Foundation's comparison of IFRS S2 and TCFD recommendations to plan our future disclosures, ensuring alignment with international standards and best practices for enhanced transparency and accountability. Group Internal Audit also conducted an effectiveness review of our sustainability and climate reporting, its alignment with the JSE Disclosure Guidelines and TCFD and its readiness to adapt to IFRS S1 and S2.

We support the intent to create a unified climate reporting approach for South Africa that aligns with global standards, as demonstrated in the CDP updates that now align with ISSB standards, especially S1 and S2, as IFRS S2 Climate-related Disclosures enable more accurate data reporting. We also support the partial alignment with the Taskforce on Nature-related Financial Disclosures (TNFD), which underscores the connection between climate disclosures and emphasises clarity for stakeholders. The TNFD and the Global Biodiversity Framework from COP15 provide a solid foundation for our policy and regulatory developments, enhancing our stewardship and climate leadership.

¹ The Copernicus Climate Change Service supports society by providing authoritative information about the past, present and future climate in Europe and the rest of the world.



THE CONTEXT FRAMING OUR RESPONSE

The climate crisis, driven by global commitments, geopolitical shifts and resource constraints, intensifies local challenges. At Momentum Group, we factor in these interconnected elements to shape our strategy, ensuring our responses to climate risks and opportunities are globally informed and locally relevant.

The breaching of a 1.5°C world

According to the United Nations, February 2023 to January 2024 was the first 12-month period to exceed a 1.5°C temperature average (due to natural variability and human-caused climate change). A large contributor to the breaching of 1.5°C is El Niño, a naturally occurring climate pattern which describes the warming of the sea surface temperature that typically occurs every few years. The Climate Copernicus stresses that the 1.5°C and 2°C limits set in the Paris Climate Agreement are average targets set for over a 20-to-30-year period. Mean temperature rises above the 1.5°C limit can cause serious effects and is an indicator of how quickly we are closing in on long-term thresholds.

Greenwashing has become a trend when it comes to sustainability and climate claims, causing heightened awareness among consumers, regulators and governments on what constitutes “green”.

There has been a global resurgence and expansion in green finance in the financial services industry. According to S&P Global, a modest growth of 4.3% in global bond issuance was estimated for 2024.

With the rise in demand for green finance and the apparentness of sustainability (including climate) claims throughout the insurance life cycle, greenwashing has become more relevant for financial services actors. Illustrating the seriousness of greenwashing, the Members of the European Parliament in the European Union approved a new law to ban greenwashing and related claims at the beginning of 2024. In addition, the European Insurance and Occupational Pensions Authority (EIOPA)¹ released a report on advice to the European Commission on greenwashing risks and the supervision of sustainable finance policies.

AI has been gaining greater traction globally with Chat GPT and other machine learning capabilities that have brought a range of benefits such as boosting work efficiency and playing a role in medical advances. According to the WEF², the capabilities from generative AI for natural language processing, data synthesis and downscaling and product prototyping can produce practical tools for climate leaders. AI can provide insights on how to improve predictive models according to the UN's World Meteorological Organisation³. The groundbreaking UN secretary-general's Early Warnings for All initiative, which aims to protect people from hazardous weather, water and climate events, recognises the importance of leveraging AI for early warning systems. However, the running of AI systems requires large amounts of computing power and electricity. This will further contribute to global emissions and needs to be carefully weighed against the other emission benefits from AI usage.

Greenwashing in the financial services industry

Artificial intelligence (AI) and climate

Geopolitical factors

Geopolitical tensions do not leave the environment untouched. Climate change exacerbates the implications from geopolitical tensions on nations. The WEF⁴ argues that geopolitical tensions are increasing carbon emissions. They recognised four geopolitical issues that will impact carbon emissions in 2024. The Red Sea conflict and the avoidance of the Suez Canal results in a detour that requires seven to 10 extra days, thus amplifying the carbon footprint of the industry. Furthermore, closure of the airspace over Russia and Ukraine is causing extended air travel for alternative routes which intensifies the aviation sector's carbon footprint and fuel consumption. Air space tensions further hamper the sector's ability to play its role in addressing climate change.

Another key priority in 2024 was to advance the discussions on the Global Plastic Treaty, which aims to implement a legally binding document by 2025.

Global Plastic Treaty

Plastic pollution severely impacts the environment and human health – the treaty's objectives include creating universal standards by establishing consistent global regulations for plastic production, use and disposal and encouraging international cooperation to reduce plastic waste. It seeks to implement a regulatory structure covering the entire life cycle of plastics and set goals to minimise single-use plastics. The treaty also addresses the environmental and health consequences of plastic pollution, promotes awareness and sustainable behaviours and supports developing nations by providing financial aid and technology transfer for effective waste management.

¹ The European Insurance and Occupational Pensions Authority (EIOPA) is a regulatory body that oversees the insurance and pensions sectors in Europe, ensuring stability, consumer protection and effective supervision across member states.

² World Economic Forum: Post breakthrough: How AI can lift climate research out of the lab and into the real world.

³ The UN's World Meteorological Organisation (WMO) provides global leadership and expertise in meteorology, climatology and hydrology to enhance weather, climate, and water services worldwide.

⁴ The World Economic Forum: 4 ways geopolitical tensions are increasing carbon emissions.



JUST TRANSITION FOR SOUTH AFRICA

Achieving zero GHG emissions by 2050 (as mandated by the Paris Agreement) requires urgent and comprehensive action from all nations. However, these efforts must not come at the expense of the people they aim to support. Climate change disproportionately affects low-income households, the unemployed and those lacking adequate housing, infrastructure and healthcare. In South Africa, historical inequalities amplify these challenges, making it crucial to mitigate and adapt to climate change.

A common misconception is that the responsibility for a Just Transition rests solely with governmental or intergovernmental bodies. In reality, achieving this transition requires collective efforts across all sectors, including the private sector. According to the UNGC, the financial services industry can play a pivotal role in advancing a Just Transition and enhancing the climate action agenda by:

- Including factors beyond the environment and climate – such as labour standards, social dialogue and consensus-building – to enable finance to lead in the Just Transition.
- Partnering with other sectors, allocating capital, managing related risks and seizing opportunities while contributing to a robust informational infrastructure.
- Working with policymakers to create an enabling environment, particularly regarding fiscal policies, financial regulations and transition plans.
- Momentum Group supports these initiatives, as well as the Presidential Climate Commission (PCC) Framework on the Just Transition principles. Our corporate and investment businesses are already evaluating their potential contributions and impact on the Just Transition.

Global dialogue on Just Transition

The first dialogue on the Just Transition Work Programme occurred in Germany in June 2024. Established at COP27 in 2022 and with objectives adopted at COP28, this session gathered 170 attendees to discuss Just Transition pathways. Key points included the need to integrate Just Transition elements into climate plans such as Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and Long-term Low-Emission Development Strategies (LT-LEDS). The dialogue emphasised the importance of involving affected groups and addressing challenges like financial barriers, capacity-building and socio-economic impacts. The session concluded that international cooperation, knowledge exchange and regional coordination are crucial for accelerating a successful Just Transition.

Global summits

Past highlights and key upcoming issues

COP28

The anticipated Loss and Damage Fund was launched at COP28, which showed the commitment of nations to assisting developing countries with the impacts of climate change. COP further held its first health day showing the interconnectedness between climate change and health outcomes and highlighting the need for strengthening the climate resilience of health systems.

Decarbonisation charter

The Oil and Gas Decarbonisation Charter was launched as a global industry charter dedicated to speeding up climate action and achieving high-scale impact across the oil and gas sectors. A total of 50 companies, representing more than 40% of global oil production, signed the charter. The signatories committed to having net-zero operations by 2050, ending routine flaring by 2030 and having near-zero upstream methane emissions.

A definitive commitment to a full phase-out was not made despite an agreement to transition away from fossil fuels. The lack of clarity regarding the transition fuels and the specific timeline for shifting to renewable energy sources could result in policy uncertainty for financial institutions.

COP29: What to expect

COP29 will take place in November 2024. It is expected that it will advance the commitments made under the Paris Agreement and scaling of finance for climate transitions.

Climate finance

The World Research Institute recognises that COP29 will be one of the last big opportunities for countries to show their intention for climate action in their NDCs. The NDCs are at the centre of the Paris Agreement and illustrate a country's effort in reducing its national emissions.

Real economy investments are a critical component of climate action. According to the UN, to avoid the worst impacts of climate change, an estimated \$4.3 trillion a year will be needed by 2030. This therefore requires a flow of private and public investment in climate action.

The efficient and proper investment of climate finance can be seen as a pathway to climate justice. There is a need for an equitable distribution of funds between countries towards climate action, making this an important conversation for nations to continue having at future COP events.

Environmental impacts on climate change

Biodiversity loss

Reversing biodiversity loss is a crucial global agenda item requiring action from all sectors. Biodiversity maintains ecosystem balance, which regulates the climate. A loss of biodiversity disrupts these processes, increasing GHG emissions and reducing carbon sequestration potential.

COP16 will be significant as it marks the first Conference of the Parties since adopting the Kunming-Montreal Global Biodiversity Framework. This framework sets ambitious targets to halt and reverse biodiversity loss by 2030, focusing on habitat protection, species conservation, sustainable resource use, pollution reduction and mobilising financial resources.

CLIMATE CHANGE GOVERNANCE

Governments are expected to review and assess the framework's implementation, ensuring policy adjustments, reporting progress and enhancing cooperation. Addressing biodiversity loss alongside climate change can create a resilient and sustainable future, ensuring that ecosystems continue providing essential services for human well-being and the planet's health. Financial Institutions play a vital role in providing funding opportunities for protecting biodiversity through conservation and enhancement projects.

As climate change impacts escalate, the role of corporate boards is increasingly vital. With intensifying global disclosure frameworks and regulatory pressures, understanding the effects of climate risk on business operations and society is crucial. Integrating climate change into our governance framework is key to ensuring long-term resilience amid evolving compliance obligations. We are committed to proactively addressing climate challenges, positioning ourselves as leaders in sustainability while adhering to regulations and positively contributing to the environment and society.

BOARD OVERSIGHT OF CLIMATE CHANGE

The TCFD recommendations provide a crucial framework for managing and monitoring our climate strategy, improving transparency and trust in our climate risk and opportunity reporting. We support the goals of sustainability reporting standards to boost corporate accountability and stakeholder confidence.

The Board is dedicated to guiding the Group through the growing challenges of climate change and adheres to the WEF Principles on Effective Climate Governance for Corporate Boards.

Principle 1	Climate accountability	Establishing clear accountability mechanisms for climate-related matters across business units.
Principle 2	Command of the (climate) subject	Ensuring that Board members possess sufficient knowledge and understanding of climate-related issues.
Principle 3	An effective Board structure to integrate climate considerations into its committees	Structuring the Board and its committees in a way that facilitates the integration of climate considerations in decision-making processes.
Principle 4	Ensuring materiality assessment of climate risks and opportunities	Conducting thorough assessments to determine the materiality of climate risks and opportunities to the organisation.
Principle 5	Ensuring strategic and organisational integration of climate considerations	Integrating climate considerations into the organisation's strategic planning and operational processes.
Principle 6	Ensure incentives are aligned to promote long-term prosperity	Aligning incentives and compensation structures to encourage actions that support long-term climate resilience and prosperity.
Principle 7	Support reporting and disclosure	Supporting transparent and comprehensive reporting and disclosure of climate-related information to stakeholders.
Principle 8	Maintain exchanges and dialogues with peers, policymakers and other stakeholders	Engaging in ongoing dialogue and collaboration with peers, policymakers and stakeholders to address climate-related challenges effectively.

CLIMATE SKILLS AND TRAINING

Climate-related training and skills development are integral to our developmental vision as they directly influence our response to climate change and strategy formulation.

In F2024, we conducted training sessions on the GHG Protocol Corporate Accounting and Reporting Standard methodology (GHG Protocol), which is recognised as the international best practice guide for carbon footprints. These sessions involved relevant data owners across the Group and were also presented at the CFO Forum and the Decarbonisation Working Group. This enabled us to make informed decisions regarding our carbon footprint assessment approach and to update our baseline emissions.

We provide informal training to various management teams including the Sustainability SteerCo, CRO Forum, Climate Risk SteerCo, Board and Group Exco. These sessions cover a wide range of topics, from climate change strategy and carbon footprints to the impacts of biodiversity on the financial sector and climate change reporting/risk disclosures. In F2024 a key focus was staff engagement campaigns.



CLIMATE CHANGE STRATEGY

OUR APPROACH TO CLIMATE CHANGE

The Group embraces continuous learning and improvement. We have intentionally included our climate response in our Sustainability Framework to ensure we focus on building a low-carbon economy.

In line with our F2022 commitment, the Group is in the process of developing its decarbonisation targets. Any effective emission reduction strategy necessitates an overarching Climate Transition Action Plan (CTAP) accompanied by a forward-looking list of immediate actions. These efforts are aimed at aligning internal strategies with broader climate objectives. Furthermore, they are designed to support external climate and energy policy advocacy to reduce GHG emissions in accordance with a 1.5°C pathway and to achieve a Just Transition, as advocated by the global non-profit grouping, We Mean Business Coalition (WMBC).

By embedding our climate response within our broader sustainability initiatives and collaborating with key external stakeholders, we aim to not only reduce our carbon footprint but also contribute meaningfully to the global transition towards a sustainable, low-carbon future.

Process for CTAP

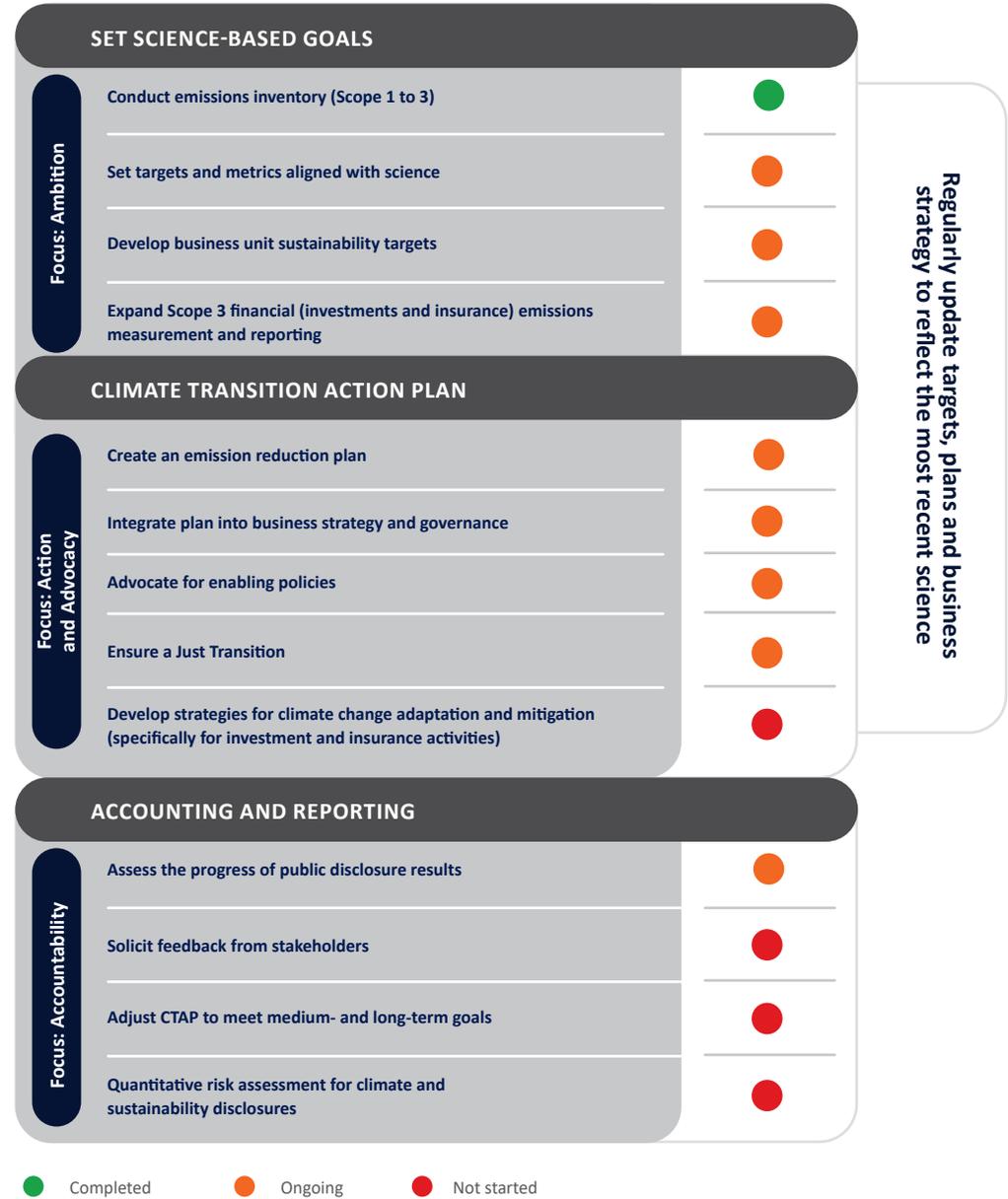
Developing a CTAP is a complex and iterative process. The Group is actively engaged across multiple domains to address the necessary actions. The TCFD recommendations offer a structured framework for advancing an organisation's climate change response, aligning seamlessly with the CTAP framework.

The Climate Risk SteerCo has devised a climate risk maturity plan, which has received approval from the RCCC. This plan outlines our expected progress through two key phases: beyond compliance and strategic integration from fiscal year 2022 to fiscal year 2025 across the four domains of TCFD.

Our climate strategy will continue to be guided by scientific research, environmental changes and stakeholder engagement. Internally, our advocacy efforts are increasingly focused on involving employees, service providers and partners in initiatives to raise awareness and develop climate-related skills.



CTAP phases

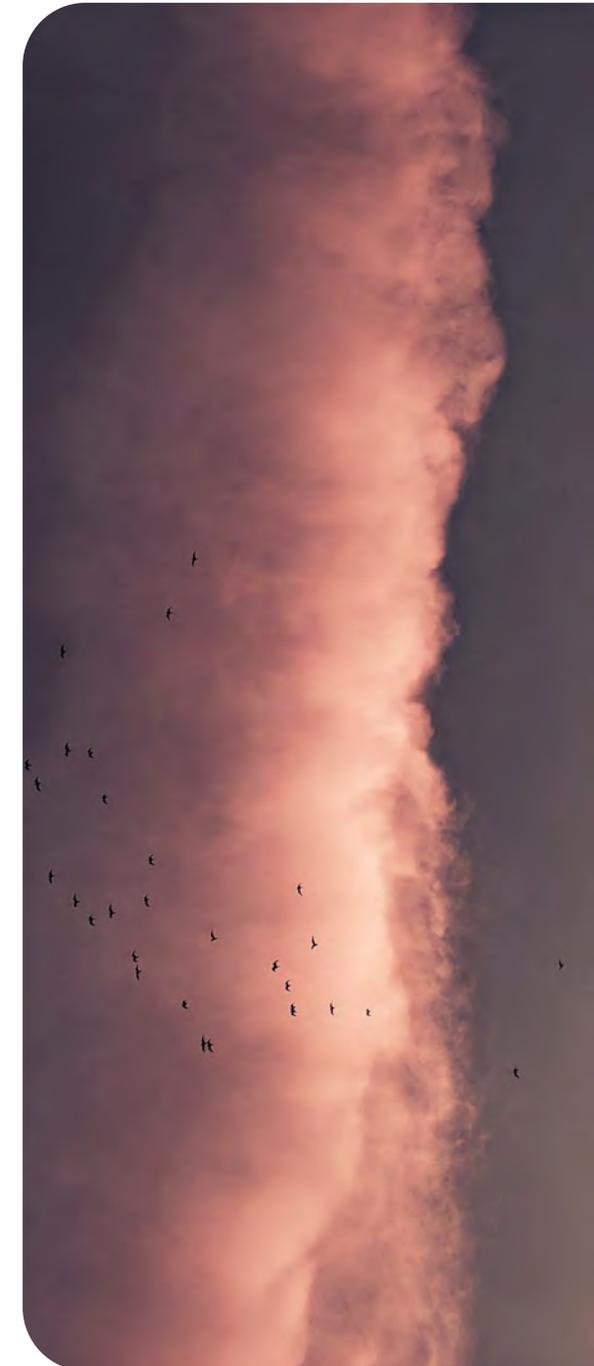


How our climate management has progressed

	2021	2022	2023	2024
Governance	<ul style="list-style-type: none"> Board approved adoption of TCFD Establishment of Sustainability SteerCo 	<ul style="list-style-type: none"> Group Climate Risk Steering Committee formed Board and Exco training on climate-related risks and opportunities 	<ul style="list-style-type: none"> Develop climate change framework Define roles, responsibilities and mandates in terms of climate risk management Working groups established for specific climate initiatives, e.g. formulating the Group decarbonisation plan Develop and publish a Group investment decarbonisation strategy 	<ul style="list-style-type: none"> Separate working group on financed emissions started Integrate climate change into governance practices and policies including business unit-level Excos, Boards, risk management and business planning processes Integrate climate change risks and opportunities into oversight committees' responsibilities
Strategy		<ul style="list-style-type: none"> Group formulated a Green IT strategy and reported on metrics Elevate climate change as a strategic risk driver of other principal risk types 	<ul style="list-style-type: none"> The Momentum Group's decarbonisation investment strategy was approved, which includes the commitment to avoid direct investment in new coal assets Decarbonisation approach and new baseline confirmed 	<ul style="list-style-type: none"> Perform a stakeholder needs analysis and establishment of the relevant technical partnerships Review baseline and establish 2019 as base year
Risk Management	<ul style="list-style-type: none"> Development of Group climate risk framework started 	<ul style="list-style-type: none"> Identify climate scenarios to inform the Group's assessment of climate change materiality Business unit CRO assigned to climate risk as risk-type head Perform climate change qualitative impact on the Group Perform a climate change principal risk type materiality assessment to enable risk type prioritisation 	<ul style="list-style-type: none"> Climate risk impacts were expanded to include the Health business, in addition to life, non-life and Investments Define and document the process for identifying, prioritising and managing climate-related risks Incorporate climate change risk elements in the enterprise risk management (ERM) methodologies, frameworks, taxonomy and processes 	<ul style="list-style-type: none"> Mapped climate risk impacts against transitional planning requirements Using a risk-based approach, commence with the climate change modelling process using heat mapping and geo-mapping tools to perform sector, product and portfolio vulnerability, exposure and risk prioritisation assessments in the non-life portfolio
Metrics and targets		<ul style="list-style-type: none"> Establish baseline for the Momentum Group's operational carbon footprint Business units followed a structured process to identify sustainability-related risks and opportunities, including climate risks and opportunities Group started reporting on climate-positive products and services 	<ul style="list-style-type: none"> The business units finalised sustainability commitments including climate commitments The South African discretionary listed equity and fixed income client assets' carbon footprint was measured 	<ul style="list-style-type: none"> Ongoing development of business units' sustainability targets Established new emission reduction target of 23% by 2030 Commenced development of business unit travel targets

F2025 intended priorities:

- Continue integrating Group climate change strategy into investment and insurance activities, including pricing and performance measurement
- Consider climate goals and targets in remuneration models (i.e. performance measurement and remuneration) to drive a culture of rewarding sustainable value creation
- Finalise business unit flight targets and enable integration into relevant strategies
- Increase scope of asset classes assessed as reliable data and methodologies become available
- Monitor and report actual vs targeted performance per metric



APPLICATION OF TCFD FRAMEWORK

The TCFD Framework has played a crucial role in promoting effective disclosure and improving climate risk and opportunity management. Its widespread adoption, mandatory classification in some jurisdictions and alignment with reporting frameworks like CDP have contributed to a consistent approach to climate risk disclosure on a global scale.

Building corporate climate credibility is an ongoing journey for us. While we have always been committed to responsibility and responsiveness regarding our impact on natural systems, we continue to actively learn and evolve. We have integrated our climate response into our **Sustainability Framework** under the strategic pillar, contributing to the development of a low-carbon economy.

SCENARIO ANALYSIS

Scenario analysis is essential for testing strategy resilience, but climate scenario analysis is complex, with more dimensions than traditional stress testing. The TCFD, however, recognises the need for further guidance on climate-related scenario analysis at a sector or industry level.

Our use of climate change scenarios in understanding risk and opportunity

Climate scenarios and modelling draw on expertise from climate science, macroeconomics and environmental economics, leading to inherent uncertainties, especially regarding policy changes and technological advances. These scenarios often under-represent severe climate impacts and tipping points, such as the melting of ice sheets, which can trigger irreversible changes.

Despite these limitations, climate scenarios provide valuable insights into potential impacts and help organisations prepare for various futures. Recent updates to the Network for Greening the Financial System (NGFS) scenarios incorporate the latest economic and climate data to improve their accuracy and relevance:

Nationally determined contributions (NDCs)

The latest NDCs, population pathways and country-level climate commitments have been incorporated into the input assumptions.

Orderly scenarios

Reflect climate policy delays and the energy crisis following the war in Ukraine.

Discontinued scenario

The Divergent Net Zero scenario has been discontinued.

Physical risk impacts

Enhancement of the modelling of acute physical risks to include two more hazards (droughts and heatwaves) and increased geographical granularity.

New scenarios

Two new scenarios have been developed:

- Too-little-too-late fragmented world: illustrates the consequences of delayed and divergent climate policy ambitions globally.
- Orderly low demand: Paris-aligned transition driven by substantial behavioural changes where global warming is limited to 1.5°C.

The NGFS scenarios commonly used by financial institutions encompass four main categories:

Orderly

These scenarios assume the early implementation of climate policies, gradually increasing in stringency over time.

Disorderly

In contrast, disorderly scenarios involve higher transition risks due to delayed or divergent progress in implementing climate policies across countries and sectors.

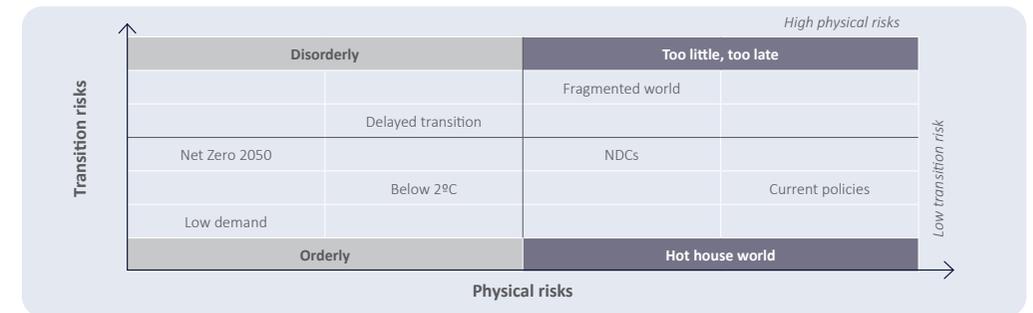
Hot house world

These scenarios envision partial implementation of climate policies in some jurisdictions, but global efforts are insufficient to prevent significant global warming, leading to temperatures exceeding critical threshold levels.

Too little, too late

Scenarios reflect delays and differing international climate policies, leading to increased transition risks in some countries and high physical risks globally due to overall ineffective transitions.

The NGFS presents seven scenarios showcasing diverse warming outputs and climate risk impacts, spanning a spectrum from orderly to disorderly transitions. These scenarios are depicted graphically by the NGFS.



For our climate risk analysis, we utilised two NGFS scenarios: the Net Zero 2050 scenario and the Current Policies scenario. These scenarios serve as impact predictors for our selected metrics and indicators. Each business unit uses these values to inform their risk impact assessments and to update their strategies and resilience measures.

Net Zero 2050



Policy ambition
1.4°C



Policy reaction
Immediate and smooth



Technology change
Fast change



Carbon Dioxide Removal
Medium-high use



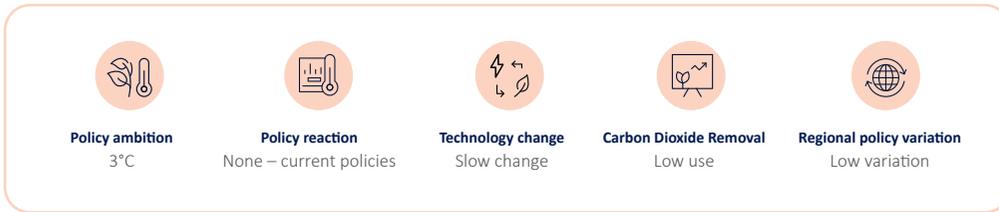
Regional policy variation
Medium variation

In this scenario, ambitious climate policies are implemented immediately to achieve Net Zero emissions by 2050. While physical risks are relatively low, transitional risks are high, stemming from increased emission costs, business changes and shifts in consumer preferences. Mitigation measures help to keep physical risks low.

Extensive decarbonisation efforts in the power sector are necessary, including transitioning electricity supply, enhancing energy efficiency and developing new technologies to address hard-to-abate emissions.

Above from NGFS: <https://www.ngfs.net/ngfs-scenarios-portal/explore>

Current policies



In this scenario, only the existing climate policies of the country are maintained without further development. Consequently, there will be a 3°C warming by 2100, leading to high physical risks and irreversible climate impacts. Notable physical impacts and natural disasters such as floods and cyclones will increase, along with associated economic damages.

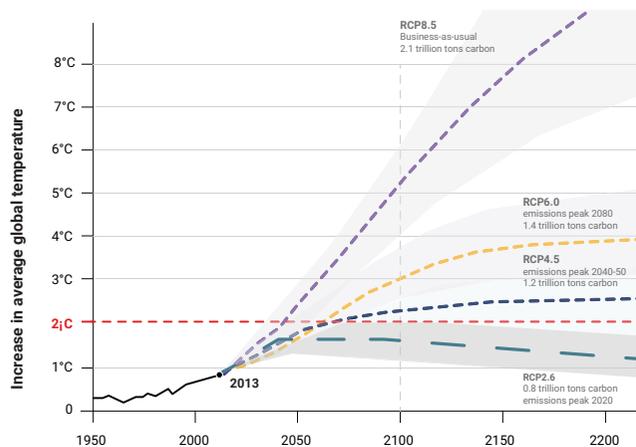
The economy will be impacted by disruptions in ecosystems, health, infrastructure and supply chains. However, transitional risks will be low due to the absence of policy action and mitigation efforts.

Above from NGFS: <https://www.ngfs.net/ngfs-scenarios-portal/explore>

Climate modelling scenarios include:

- Representative Concentration Pathways (RCPs) and Shared Socio-economic Pathways (SSPs).
- RCPs show different climate futures based on GHG concentration trajectories, representing radiative forcing in 2100 and assessing climate goals' feasibility.
- SSPs add socio-economic factors, comparing societal choices and climate change outcomes, exploring world evolutions without climate policies and varying mitigation levels.
- NGFS scenarios are based on the SSP2 "middle of the road" scenario, assuming historic socio-economic trends with medium mitigation and adaptation challenges.

Increase in average global temperature



Global temperature projections for various RCP scenarios
Source: Architecture 2030: Adapted from IPCC Fifth Assessment Report 2013
Representative Concentration Pathways (RCP), temperature projections for SRES scenarios and the RCPs.

*RCP2.6 aligns with immediate GHG reductions, aiming for warming below 2°C by 2100, similar to the Net Zero 2050 scenario.
RCP4.5 and RCP6 align with the Current Policies scenario, with emissions peaking around 2040 and 2080, leading to temperature rises between 1.5°C and 3.1°C by 2100.*

CLIMATE RISKS AND OPPORTUNITIES

Climate risks and threats, which have been steadily increasing in frequency and magnitude, present significant challenges to our operations.

As the impacts of climate change are felt globally, our financial and strategic responses to the external environment are inevitably influenced, emphasising the critical need for robust climate risk management processes. To effectively address these challenges and safeguard our operations, we have implemented comprehensive climate risk management strategies to enhance our long-term resilience and sustainability.

By accurately assessing these risks and contributing to societal resilience, we ensure the protection of our business interests while supporting efforts to build a resilient and sustainable society.

The Group has considered climate risk impacts over the short-, medium- and long-term horizons, specifically up to 2030, 2050 and 2100, respectively.

HOW WE IDENTIFY AND ASSESS CLIMATE RISK

The Group employs the ORSA process for climate change risk management. Within the ORSA process, a top-down and bottom-up approach are utilised to identify and assess climate change-related risks.

Each business unit within the Group is tasked with identifying its current relevant risks, including those related to climate change. These identified risks are then reported to the CRO Forum, which comprises all the CROs from our various businesses. This forum is responsible for evaluating climate-related risks and overseeing the Group-wide or business unit-specific risk response.

To enhance climate-related risk identification, a dedicated Climate Risk Steering Committee was established to conduct scenario analyses. These analyses aim to bolster the identification and understanding of climate-related risks.

Additionally, the CRO Forum has developed a comprehensive climate risk framework. This framework enables the effective assessment of physical and transitional climate risks from a materiality perspective across various risk types such as market, regulatory, operational and reputational risks. Furthermore, business unit-specific factors are carefully considered during the materiality assessment, including potential claims, geographic distribution shifts of natural hazards, adequacy of reinsurance cover and technological investments for the low-carbon economic transition.

HOW WE MANAGE CLIMATE RISK

Business unit-specific climate-related risks are rigorously assessed for severity and materiality after which they are continuously monitored and managed as part of our ongoing risk evaluation activities. The severity and materiality scores inform the prioritisation of these risks and guide their management strategies.

Each climate-related risk is managed and evaluated based on its unique characteristics, the level of exposure across the business units and the overall risk appetite of the organisation. Once identified, business units develop and implement tailored risk responses aligned with the agreed risk appetite.

These response actions are executed and overseen at business unit and Group levels to ensure comprehensive risk mitigation efforts. Regular reporting on climate risks and opportunities, at the individual business and Group-wide levels, is provided to the RCCC.

HOW WE INTEGRATE CLIMATE RISK INTO OUR GROUP ENTERPRISE RISK MANAGEMENT PROCESSES

Climate change has been identified as one of the top risks for the Group, as outlined in the **Integrated Report**. These climate-related risks have the potential to significantly impact the business units' service and product offerings, thereby affecting their ability to achieve the Group's strategic objectives and ensure long-term business viability.

The Group-wide ORSA process mandates the consideration of all material risks that could affect our ability to fulfil stakeholders' obligations. This risk assessment process utilises our risk classification system to ensure that relevant exposures are accurately reflected through our appropriate risk taxonomy. Each main risk category is supported by corresponding policies, methodologies and frameworks designed to provide insights into the application of risk identification, assessment, monitoring, management and reporting.

Integrating climate risk into our Group enterprise risk management processes

Integrating climate change risk into our Group's risk management process is a fundamental management design principle. We leveraged the existing risk taxonomy's risk types to incorporate climate risks. During our assessment of potential climate change impacts, we evaluated whether they would introduce additional risk in each risk type or escalate the likelihood or severity of existing risks.

Risk identification	Application	<p>The risk identification process relies on robust mechanisms tailored to each risk type to identify potential sources of risks and their associated consequences. This comprehensive approach encompasses events that could enhance, degrade, accelerate or delay the achievement of objectives. By systematically evaluating these factors, we ensure a thorough understanding of the risk landscape and its potential impacts on our operations and strategic goals.</p> <p>Implemented:</p> <ul style="list-style-type: none"> Identify a comprehensive list of climate risk issues that the Group could be exposed to while providing insurance and other financial services to various stakeholders. Source climate change-related data points from sources such as NGFS, NASA and IPCC to form the basis for financial and non-financial impact assessments. <p>In progress:</p> <ul style="list-style-type: none"> Continuously monitor enhancements to climate change indicator data and promptly update the risk assessment matrix and models.
Risk assessment	Application	<p>The likelihood and consequence of a risk event, along with the nature and level of exposure relative to the Group's risk appetite and strategy, are assessed. Controls and management actions, including their effectiveness and efficiency, are evaluated to determine the residual risk exposure.</p> <p>Implemented:</p> <ul style="list-style-type: none"> Conduct qualitative risk assessment, including likelihood and impact sensitivity assessment, of the physical and transitional climate indicators for selected climate scenarios across various time horizons. Perform materiality impact assessment on other principal risk types. <p>In progress:</p> <ul style="list-style-type: none"> Conduct quantitative risk assessments by mapping business line activities to industry sectors and scoring them based on their known climate risk profiles in a portfolio heat map. Refine the Group's risk appetite framework to include climate-related elements. Identify metrics and targets for key climate change risk indicators. Define transitional action plans to reduce climate risk exposure to an acceptable level.
Risk management and monitoring	Application	<p>Risk is continuously monitored and managed as an integral part of our day-to-day operations. Management remains vigilant in considering and implementing appropriate risk responses in alignment with our agreed risk appetite.</p> <p>Implemented:</p> <ul style="list-style-type: none"> Document the identified climate risk issues relevant to the Group. Discuss the findings at various Divisional Executive Committees to gather more details and agree on any enhancements required. <p>In progress:</p> <ul style="list-style-type: none"> Develop an approach, based on the Group's risk appetite and risk exposure, to include climate risk factors in the current risk management process used for underwriting and investing purposes. Monitor the progress of transitional action plans to bring residual risks to an acceptable level.
Risk reporting	Application	<p>Regular risk reporting is provided to relevant stakeholders, detailing risk exposures, proposed responses to the risks and the outlook on the development of the risks.</p> <p>Implemented:</p> <ul style="list-style-type: none"> Reporting of relevant climate change risk indicator results, risk exposure levels, outlook and management responses is provided to stakeholders at various governance structures.



Using technology to improve climate risk management

Guardrisk CatNet geo mapping

Guardrisk uses CatNet, a geo-mapping tool developed by SwissRe, for risk management and quantitative analysis of physical risks and their financial implications. Initially used to model flood and drought scenarios for stress tests, CatNet's insights have informed the Group's physical risk assessment.

The Group plans to explore expanding CatNet's use to other business units and risk types, leveraging its insights to define the Group's climate risk appetite and enhance underwriting processes. This tool has become a key strategic asset in the non-life business.

Momentum Insure understanding geographical exposure

In line with industry standards, Momentum Insure's technology partner Lightstone, enables it to geo-code (method of assigning a longitude and latitude to a risk) 100% of risks on its platform, with nearly 75% geo-coded to the exact erf (also called front-door) and the worst granularity being the postal code area.

In F2024 this platform was used to start gaining an understanding of their geographical exposure. In the beginning of June 2024, a large cut-off low weather system developed that caused widespread rain and two tornados in KwaZulu-Natal. With this tool, Momentum Insure could determine the exposure to these events and estimate the potential size of the damage expected within two days of the event happening in comparison to normal actuarial methods which require a few weeks of claims being reported before it can estimate events with any level of accuracy. This enables Momentum Insure to be at an advantage when it comes to tracking the impact of storms.

CLIMATE CHANGE RISK MITIGATION

The Group has assessed climate risk impacts over the short-, medium- and long-term horizons, up to 2030, 2050 and 2100, respectively.

Climate risk types

Climate change poses risks to financial institutions through two main channels: physical and transitional risks. Physical risks stem from climate-related events and their direct impacts such as floods, storms, wildfires and droughts. These events can damage property and infrastructure and disrupt business operations, leading to financial losses.

On the other hand, transitional risks arise from the transition to a low-carbon economy. This includes shifts in policy, markets and technology adoption aimed at reducing GHG emissions and mitigating climate change. Transitional risks can manifest as changes in market demand, regulatory requirements and shifts in consumer preferences. They may also involve financial impacts from investments in carbon-intensive assets becoming stranded or the need to adapt to new regulations and standards.

Overall, financial institutions must consider physical and transitional risks associated with climate change when assessing their exposure and developing risk management strategies.

PHYSICAL CLIMATE RISKS

Acute risk

Risk from once-off severe physical events, for example, floods, droughts and hailstorms.

Chronic risk

Risk from changing climate patterns, for example, continued warming, increased average annual rainfall and increased frequency and severity of extreme rainfall events.

TRANSITION CLIMATE RISKS

Policy and regulatory

Risk from changing climate policy, including international and national GHG reduction targets, energy efficiency regulations and carbon taxation.

Technology

Risk associated with technology developments by not adopting new technologies or supporting new but quickly redundant technologies.

Market

Risks associated with change in market share, consumer behaviour choice, new products and services and carbon trade barriers.

Reputation

Reputational damage from non-alignment with the climate response is required at global, national or sectoral levels.

Physical and transitional risk assessment

Our risk assessment highlights the potential for climate change to reduce or eliminate the insurance industry's willingness to cover certain activities or assets. To manage this risk and explore opportunities, we must implement mitigating actions. The assessment provides a view of physical and transitional risks over the short, medium and long term (up to 2100) before additional management actions are taken. Given the uncertainties in climate science and modelling, these risks will be reassessed annually.

Each business unit has evaluated relevant physical risk indicators with impact ratings based on criteria specific to their operations, such as claim frequency and severity for non-life and life insurance, and morbidity and mortality rates for health and life insurance.

Momentum Investments assessed the physical climate scenarios of their discretionary listed equity and fixed income assets under management at the end of the 2023 financial year. This was achieved through the recent adoption of the MSCI One climate analysis tool. The physical climate Value at Risk (VaR) financial metric helps investors better assess potential future costs and/or profits relating to their portfolio's exposure to future climate change impacts. Extreme heat was the main contributor to physical climate risk, followed by coastal flooding to a lesser extent. Over the next decades, the expectation is for revenue losses and asset damage for companies exposed to physical climate risks. Reducing GHG emissions and keeping global warming to 1.5°C, as prescribed by the Paris Agreement, could decrease the physical climate risk impact.

The Group's physical and transitional risk impacts

Summary of the Group's physical risk impacts

Two NGFS scenarios (Net Zero 2050 and current policies) were used to assess the potential impact of physical climate risks on the Group's operations. The following risk indicators were assessed:

- Temperature
- Relative change in annual maximum river flood depth
- Change in fraction of population annually exposed to heatwaves
- Relative change in labour productivity due to heat stress
- Rainfall
- Air pollution (volatile organic compound)
- Sea level rise
- Land fraction annually exposed to wildfires
- Soil moisture
- Wind speed

Physical risk qualitative impact assessment

Life, non-life and Health used the predictive values produced by the scenarios to inform their risk impact assessments and to update their strategies and resilience measures. The risk indicators seen to have the highest risk impact are:

- **Temperature**

Hotter, drier weather is expected to significantly impact insurance risk for agriculture insurance products. Higher temperatures could increase the risk of fires and decrease soil moisture, influencing droughts and water availability. Morbidity and mortality are not expected to be significantly impacted, but certain chronic conditions could be exacerbated. The biggest impacts are expected to be seen in the non-life and Health businesses.

- **Rainfall**

Increased rainfall can result in higher insurance claims due to more motor vehicle accidents and property damages. Business risks may arise from the need to adjust insurance products and underwriting principles, potentially reducing the pool of insurable assets. The biggest impacts are expected to be seen in the non-life business.

- **Flooding**

Increased frequency and severity of flooding events could lead to higher claims, affecting profitability and reinsurance rates. Some insurance products could become less applicable or unaffordable, reducing the pool of insurable assets. Significant increases in river flood depth could cause floods, contaminating the water supply. This could have an impact on morbidity and mortality in isolated areas, especially in the lower retail market. The biggest impacts are expected to be seen in the non-life and Health businesses.

- **Air pollution**

Poor air quality can negatively affect human respiratory and cardiovascular systems. It is anticipated that air pollution will moderately impact disability and mortality claims in certain areas that are exposed to hazardous organic chemicals. The biggest impacts are expected to be seen in the Health business.

For more detailed information about the physical risk indicators we selected to assess the impact on the Group, see page 90.

Summary of the transitional risk impacts

Policy and legal

- The effects of compliance obligations, regulations and policy requirements vary across industries and countries, contingent upon the emissions scenario.
- In a Net Zero 2050 scenario, the carbon-intensive industry, along with its workers and communities, will face adverse impacts due to the transition away from high-carbon energy sources. This transition will result in higher electricity prices and significant increases in carbon tax rates and penalties for exceeding carbon budgets. The failure to meet heightened disclosure and regulatory reporting requirements could lead to a loss of investor support.
- In contrast, under the Current Policies scenario, the transition to green energies will occur at a slower pace and carbon prices are expected to remain relatively stable.

Technology

- In the Net Zero 2050 scenario, the transition to renewable energy sources will be significantly accelerated, leading to increased costs and the necessity for further technological advancements. However, this transition will mitigate the impact of national power shortages and bolster GDP growth.
- The reduced cost of borrowing may help offset the expenses associated with technological shifts. Additionally, there could be an uptick in investment opportunities such as green bonds, venture capital funding and other lending avenues. Conversely, there may be a decrease in commercial insurance and underwriting prospects for carbon-intensive industries.
- Under the Current Policies scenario, the adoption of renewable energies will proceed at a slower pace with coal continuing to play a substantial role in the economy. This reliance on carbon-intensive energy sources may diminish South Africa's appeal to foreign investors.

Market

- Both scenarios anticipate a reduction in GDP and an increase in unemployment rates. This economic downturn could decrease the affordability of our products and shrink the pool of insurable assets. Additionally, assets such as fossil fuel reserves, land and securities may undergo repricing. Job losses may lead to civil unrest, impacting claims and potentially disrupting operations.
- In the Net Zero 2050 scenario, the implementation of the CBAM may penalise companies exporting high-carbon goods. This could result in a loss of market share for industries that fail to sufficiently decarbonize, impacting the Group through our investment portfolio.
- Risk of stranding assets remains an important point and might not be fully reflected in the value of companies that extract, distribute or rely heavily on fossil fuels. If this risk was priced in, a sudden drop in value could result, presenting a risk to investors and shareholders.

Reputation

- In the Net Zero 2050 scenario, stakeholders will exert significant pressure on companies to decarbonise and set ambitious emission reduction targets – hence the updated target set by the Group. A failure to meet these demands could tarnish reputations and result in a loss of market share.
- Under the Current Policies scenario, companies risk reputational damage and market share loss if their products fail to align with appropriate climate action. Similar consequences may arise from decisions to underwrite or invest in carbon-intensive projects or properties exposed to high physical risk. Thus, the implementation of a robust crisis management plan to address reputational damage swiftly is a potential mitigation action.
- The use of carbon offsets may be perceived as greenwashing, potentially undermining efforts to address climate change.

Transitional risk qualitative impact assessment

Further analysis was done to determine the impact of transitional risks on the Group's operating costs, revenues, supply chain and business operations.

The highest risk impacts are expected to occur in the policy and legal, technology and market elements. The Life and Health businesses are expected to see fewer impacts in these areas due to their type of service offering. The non-life and Investments businesses are anticipating a medium to high impact, primarily due to shifts in fossil fuel demands and heightened policy requirements.

As a standard practice, the regulatory landscape is continuously scrutinised by the Group, as reflected in our material matters, to keep track of these transitional risk impacts.

The key management actions the Group identified related to transitional risks are summarised below:

RISK ELEMENT	KEY MANAGEMENT ACTIONS IDENTIFIED
<p>Policy and legal</p>	<ul style="list-style-type: none"> • Additional resources and costs for meeting the required regulatory requirements (consider anti-greenwashing regulations). • Provide ongoing training for staff on new regulations and compliance requirements. • Improve policy wording by clearly defining terms and conditions related to climate risks in insurance policies to minimise legal ambiguities.
<p>Technology shifts</p>	<ul style="list-style-type: none"> • Regularly assess and mitigate risks associated with new technologies. • Support high- and low-emitting firms to ensure delivery of critical services and ensure entities have a robust climate strategy and support a Just Transition. • Shift to digital, which includes higher costs as cloud-based solutions are more expensive than on-premise solutions.
<p>Market shifts</p>	<ul style="list-style-type: none"> • Diversify energy sources and suppliers to manage price volatility in energy markets. • Progress on commitment to not directly invest in any new coal fire power stations.
<p>Reputation</p>	<ul style="list-style-type: none"> • Robust crisis management plan to address reputational damage swiftly. • Invest in sustainability initiatives to enhance reputation and reduce long-term costs. • Engage with stakeholders to understand their concerns and expectations regarding sustainability (internal and external). • Continue memberships of ASISA, United Nations PRI, TCFD and Code for Responsible Investing in South Africa to uphold reputation.



Summary of climate risk indicators identified

Physical risk implications for the Net Zero 2050 and Current Policies scenarios

Physical Indicator	Short-term time horizon (present-2035)		Medium-term time horizon (2040-2060)		Sources
	Net Zero 2050	Current Policies	Net Zero 2050	Current Policies	
Relative change in annual maximum river flood depth (flood depth during most severe flood of the year – annual maximum discharge exceeds local protection standard)	44.9% increase across South Africa. KwaZulu-Natal (KZN) will see a 434.2% increase.	44.9% increase across South Africa. KZN will see an increase of 434.2%.	44.9% increase across South Africa. KZN will see an increase of 842%.	*5.3% increase across South Africa. KZN will see an increase of 230.5%.	Climate Analytics, NGFS
Land fraction annually exposed to wildfires (land area fraction burnt on average at least once a year)	Increase by an average of 0.4% points across South Africa. The largest change: Limpopo with 0.4% points increase.	Increase by an average of 0.4% points across South Africa. The largest change: Limpopo with 0.4% points increase.	Increase by an average of 0.4% points across South Africa. The largest change: Limpopo with 0.4% points increase.	Increase by an average of 0.5% points across South Africa. The largest change: Limpopo with 0.8% points increase.	Climate Analytics, NGFS
Change in fraction of population annually exposed to heatwaves (population which experiences a heatwave on average every year – air temperature and humidity exceed exceptionally high values)	0.5% increase across South Africa. The largest change: Mpumalanga with a 1.6% change.	0.5% increase across South Africa. The largest change: Mpumalanga with a 1.6% change.	0.5% increase across South Africa. The largest change: Mpumalanga with a 1.6% change.	0.9% increase across South Africa. The largest change: Mpumalanga with a 3.1% change.	Climate Analytics, NGFS
Relative change in labour productivity due to heat stress (percentage decrease in efficiency during regular working hours under hot and humid climate conditions)	Decrease by an average of 2.1% points in South Africa.	Decrease by an average of 2.1% points in South Africa.	Decrease by an average of 2.1% points in South Africa.	Decrease by an average of 3.3% points in South Africa.	Climate Analytics, NGFS
Wind speed (velocity of air mass 10 metres above ground)	Average increase of 1.1% across South Africa. The largest change: Limpopo with a 2.6% increase.	Average increase of 1.1% across South Africa. The largest change: Limpopo with a 2.6% increase.	Average increase of 1.1% across South Africa. The largest change: Limpopo with a 2.6% increase.	Average increase of 1.8% across South Africa. The largest change: Limpopo with a 3.5% increase.	Climate Analytics, NGFS
Mean air temperature (average temperature of air masses two metres above ground)	Average warming of 1.1°C across South Africa. Gauteng: higher temperature change (0.3°C) than coastal provinces of KZN and Western Cape (WC).	Average warming of 1.1°C across South Africa. Gauteng: higher temperature change (0.3°C) than coastal provinces of KZN and WC.	Average warming of 1.1°C across South Africa. Gauteng: higher temperature change (0.3°C) than coastal provinces of KZN and WC.	Average warming of 1.6°C across South Africa. Gauteng: higher temperature change (0.3°C- 0.4°C) than coastal provinces of KZN and WC.	Climate Analytics, NGFS
Rainfall (mass of rainfall and snowfall on the Earth's surface, per unit area and time)	0.3% decrease across South Africa. WC: 4.5% decrease KZN: 3.7% increase	0.3% decrease across South Africa. WC: 4.5% decrease KZN: 3.7% increase	0.3% decrease across South Africa. WC: 4.5% decrease KZN: 3.7% increase	0.9% decrease across South Africa. WC: 7.6% decrease KZN: 2.9% increase	Climate Analytics, NGFS
Sea-level rise (median projections of global and regional sea-level rise for Port Nolloth, Cape Town, Simons Bay (Simon's Town), Mossel Bay, Knysna, Port Elizabeth and Durban)	0.104m rise across coastal areas of South Africa. The biggest increase: Knysna by 0.12m.	0.103m rise across coastal areas of South Africa. The biggest increase: Knysna by 0.12m.	0.196m rise across coastal areas of South Africa. The biggest increase: Knysna, Mossel Bay and Simons Bay (Simon's Town) by 0.21m.	0.221m rise across coastal areas of South Africa. The biggest increase: Knysna by 0.24m.	NASA
Soil moisture (water stored in soil of one-metre depth per unit area)	Decrease of 0.3% across South Africa. WC: 2.2% decrease in soil moisture	Decrease of 0.3% across South Africa. WC: 2.2% decrease in soil moisture.	Decrease of 0.3% across South Africa. WC: 2.2% decrease in soil moisture	Decrease of 1.3% across South Africa. WC: 3.9% decrease in soil moisture.	Climate Analytics, NGFS
Air pollution Volatile organic compounds (VOCs) are local air pollutants emitted from certain organic compounds in fuels and chemicals in paints, varnishes and cleaning products	Global VOC levels: increase to 166.65 million tonnes by 2030.	Global VOC levels: increase to 174.53 million tonnes by 2030.	Global VOC levels: increase to 137.76 million tonnes by 2050.	Global VOC levels: increase to 158.91 million tonnes by 2050.	IPCC

*For certain indicators it's important to acknowledge the uncertainties inherent in climate projections. Results were obtained using limited established models that are being depicted simply, which results in imperfect representation. It is also important to note that short-term fluctuations can reflect the influence of natural climate variability rather than the response to anthropogenic climate change. Certain indicators also have lower confidence intervals thus making the differences in their projection under different scenarios not statistically significant. Furthermore, it is important to note that under the Net-Zero scenario, temperature still increase up to a certain point (around 2050) and then only starts reducing. It also takes time for certain physical risks to develop and become more severe - thus for the majority of the risk indicators the long-term (2100) current policies impact is worse than the net-zero impacts.

CLIMATE CHANGE OPPORTUNITIES

Climate change brings both risks and opportunities. While it can lead to environmental and societal challenges, it also offers chances for green technologies, energy efficiency and market growth. Embracing these opportunities can drive innovation and establish companies as sustainability leaders.

In recent years, our Group has focused on integrating climate risks into our risk management. Going forward, we'll emphasise identifying and seizing opportunities that support South Africa's equitable decarbonisation efforts.

Our business units use a structured process to pinpoint sustainability risks and opportunities with our TCFD climate risk assessment validating these commitments.

TCFD OPPORTUNITY TYPE	DESCRIPTION AND EXAMPLES	THE MOMENTUM GROUP'S RESPONSE IN 2023
Resource efficiency	<ul style="list-style-type: none"> Reduced operating costs due to resource efficiency measures. Increased value of sustainable fixed assets, particularly green buildings. 	<ul style="list-style-type: none"> The Group is driving a reduction of paper usage across its operations, moving towards a more digital approach and better management of plastic usage. See pages 48 and 74 for details. We are endeavouring to undergo a water efficiency assessment. This will potentially include regular meter checks and calibrations, as well as implementing deviation alerts.
Energy source	<ul style="list-style-type: none"> Utilising lower emission sources and energy-efficient equipment to minimise carbon footprint and environmental impact. 	<ul style="list-style-type: none"> We embarked on a R150 million capital investment project to install solar facilities at our Centurion and Parc du Cap properties. The project commenced in February 2024 and involved the installation of solar panels on rooftops and parking lots, accompanied by a battery energy storage system for our data centres. For more information on the solar project, see page 74. Upgrading data centres and advancing the Group's green IT strategy. Refer to page 75 for more information.
Products and services	<ul style="list-style-type: none"> Exploring opportunities to provide credit to new renewable energy suppliers, supporting the growth of sustainable energy sources. Launching impact investment funds aimed at increasing portfolio resilience over the long term while promoting sustainable development initiatives. 	<p>Products:</p> <ul style="list-style-type: none"> Guardrisk is pursuing a 10% increase in products supporting renewable energy guarantees, mining rehabilitation and agriculture resilience products. <p>Services:</p> <ul style="list-style-type: none"> Strongly pursuing digital transformation initiatives that promote efficiencies and reduce emissions such as remote health assessments and policy underwriting. See pages 48 to 49 for details.
Markets	<ul style="list-style-type: none"> Access to new markets that support the green economy and Just Transition (e.g. green bonds). 	<ul style="list-style-type: none"> Actively pursuing opportunities to support the transition, as demonstrated by Momentum Investments' alignment with SDG 13 (Climate Action). Supporting high emitters through a managed transition as evidenced in the the Momentum Group's decarbonisation investment strategy.
Reputation	<ul style="list-style-type: none"> Gain stakeholder confidence through behavioural changes and commitments to sustainability initiatives. Use influence to educate clients and employees and build sustainable partnerships. 	<ul style="list-style-type: none"> Actively seeking opportunities to support the transition as evidenced by Momentum Investments' support of SDG 13 (Climate Action). Using our influence where we have discretion to motivate investee companies to climate action as evidenced in our Responsible Investments engagement policy.

* See the appendix for a timeline of our climate journey.

Digital and paperless processes

At the Momentum Group, embracing digital tools has been instrumental in transforming insurance operations. This digital journey has led to improved efficiency, streamlined processes and better client experiences, all while reducing our environmental impact.

Key achievements include transitioning to entirely digital solutions, eliminating paper forms and facilitating digital communication channels like email and WhatsApp. This shift has not only improved convenience for clients, but also resulted in significant cost savings with an estimated R5.9 million (F2023: R5.8 million) saved on printing expenses.

While prioritising digital interactions, we remain flexible in accommodating clients' preferences for physical paperwork, ensuring support even in cases of connectivity challenges. Moreover, the implementation of robotic process automation has boosted productivity and reduced manual efforts, particularly in sales and services.

By leveraging digital tools like chatbots, we have also enhanced claims processing efficiency and increased client satisfaction through expanded self-service options. Overall, Momentum Group's commitment to digital transformation underscores our dedication to efficiency, sustainability and superior client service in the insurance industry.

METRICS AND TARGETS

CLIMATE CHANGE METRICS AND TARGETS

In line with our F2023 commitments, the Group is developing decarbonisation targets and a comprehensive CTAP. This plan will detail actionable steps to align our internal strategies with climate and energy policy goals. Guided by the WMBC, we are committed to reducing GHG emissions. Through our CTAP, we aim to minimise our environmental impact and support broader climate change efforts, contributing to a sustainable and resilient future.

The Group has taken the decision to develop targets aligned to South Africa's NDC commitment. Climate Action Tracker, an independent scientific programme monitoring government emissions reductions against global commitments, emphasises the need for more ambitious NDCs. We are cognisant of the importance to balance global commitments and benchmarks with South Africa's critical need for a Just Transition to a low carbon economy, and regard the country's new Climate Change Act as a positive step forward.

DETERMINING OUR CARBON FOOTPRINT

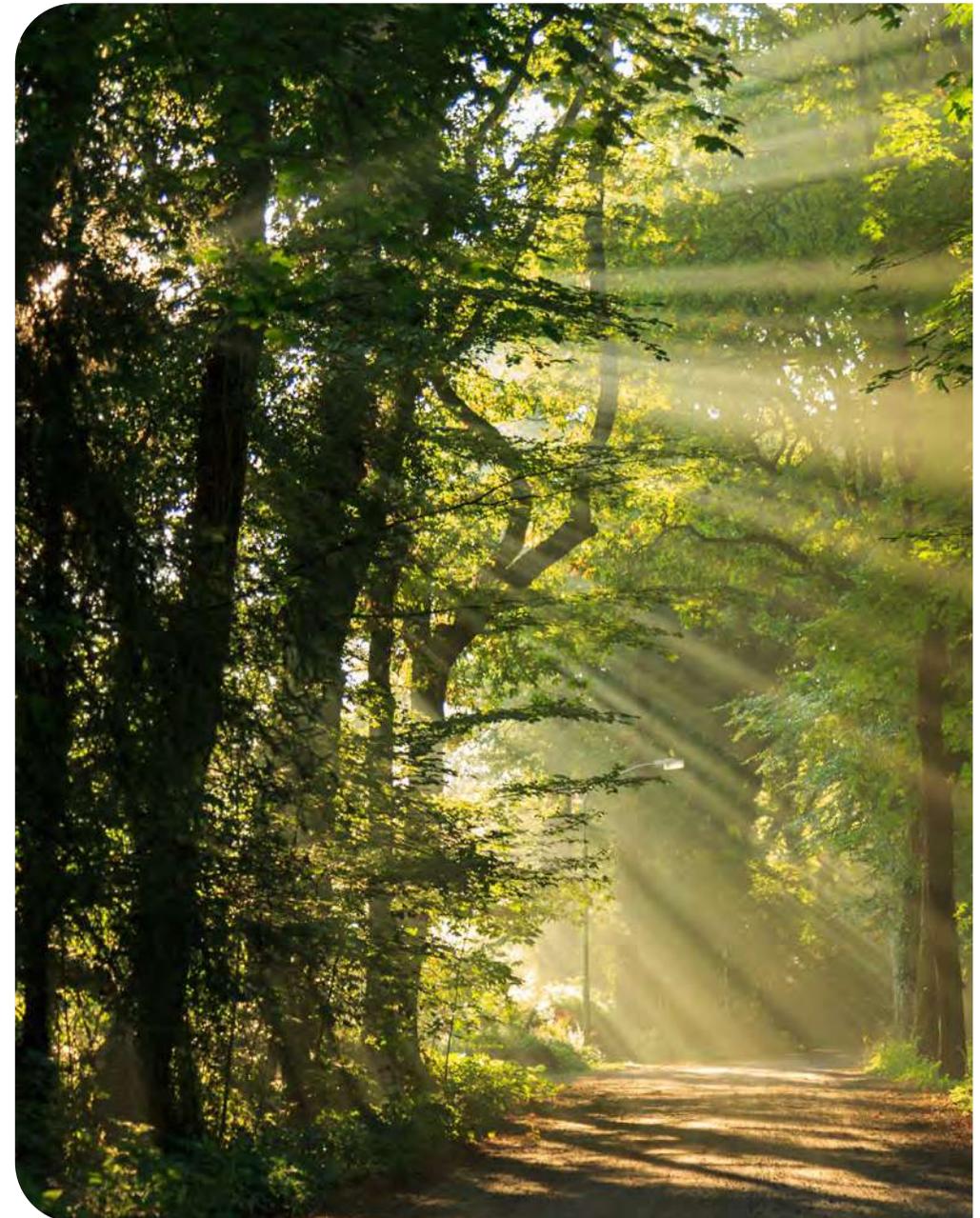
While our carbon emissions may be relatively small on a global scale, they still contribute to the overall carbon footprint, particularly through electricity consumption. South Africa's reliance on coal-derived energy further highlights the significance of our electricity-related emissions.

Our carbon footprint enables us to track and monitor our environmental impact and the effectiveness of any emissions, energy and water reduction initiatives. We calculate and report total GHG emissions annually using the GHG Protocol Standard. This standard is compatible with international GHG reporting standards like ISO 14064. Our 2023 Carbon Verification Opinion Declaration is available online.

We currently report on all direct operational emissions (Scope 1) and selected indirect emissions (all Scope 2 but only specific Scope 3 categories). Certain Scope 3 emissions categories are excluded due to data and resource availability. These include: capital goods, upstream and downstream transportation and distribution, employee commuting, and upstream and downstream leased assets. We have plans to include more categories over time to comply fully with the GHG Scope 3 Standard. In 2023, we achieved a significant 11% reduction in overall GHG emissions (Scope 1, 2 and 3) from our 2019 baseline.

We also participate in the CDP, consistently achieving a B score since 2017, which demonstrates our dedication to transparency and environmental stewardship. Our latest CDP submission is available on its website.

Our carbon footprint assessment is based on data gathered and analysed in-house and is later verified by a third-party agency. Due to incomplete datasets and missing data points, certain estimations were applied. While there will always be some level of data inaccuracy due to the nature of data measurement and recording, these inaccuracies are minimised through the verification process.



	1 January to 31 December 2023 (tCO ₂ e)	1 January to 31 December 2022 (tCO ₂ e)	1 January to 31 December 2019 (tCO ₂ e)	Change from 2019 to 2023	Change from 2022 to 2023
Scope 1					
Stationary fuels (generator diesel/petrol)	3 696	2 572	504	633%	44%
Product use: refrigerant gases (Kyoto Protocol)	186	515	1 042	(82)%	(64)%
Mobile fuels (owned cars)	515	481	590	(13)%	7%
Total Scope 1 emissions	4 396	3 568	2 136	106%	23%
Scope 2¹					
Purchased electricity – location-based	35 366	40 437	50 802	(30)%	(13)%
Total Scope 2 emissions	35 366	40 437	50 802	(30)%	(13)%
Scope 3					
Category 1: purchased goods and services – paper	380	379	665	(43)%	0%
Category 1: purchased goods and services – water	106	94	130	(18)%	13%
Category 3: fuel and energy-related activities – T&D losses	4 184	4 830	4 766	(12)%	(13)%
Category 3: fuel and energy-related activities – WTT-fuel	10 280	720	267	3 751	1 328%
Category 5: waste generated in operations	300	276	106	184	9%
Category 6: business travel – flights	7 125	4 677	12 388	(42)%	52%
Category 6: business travel – car hire	637	537	323	97%	19%
Category 6: business travel – accommodation	1 006	24 ³	Not measured	Not measured	N/A
Total Scope 3 emissions	24 018	11 513	18 644	29%	109%
Total Scopes 1 and 2	39 762	44 005	52 937	(25)%	(10)%
Total Scopes 1, 2 and 3	63 780	55 518	71 581	(11)%	15%
Total number of employees	15 991	16 558	15 885	1%	(3)%
Total emissions (\$1&2) per employee (tCO ₂ e/FTE) ²	2.49	2.66	3.33	(25)%	(6)%

¹ Momentum Group does not use any renewable energy non-fossil sources currently, but solar farms will be installed at two offices in 2024.

² The full time equivalent (FTE) denominator value included all permanent office and field staff but excluded all temporary staff.

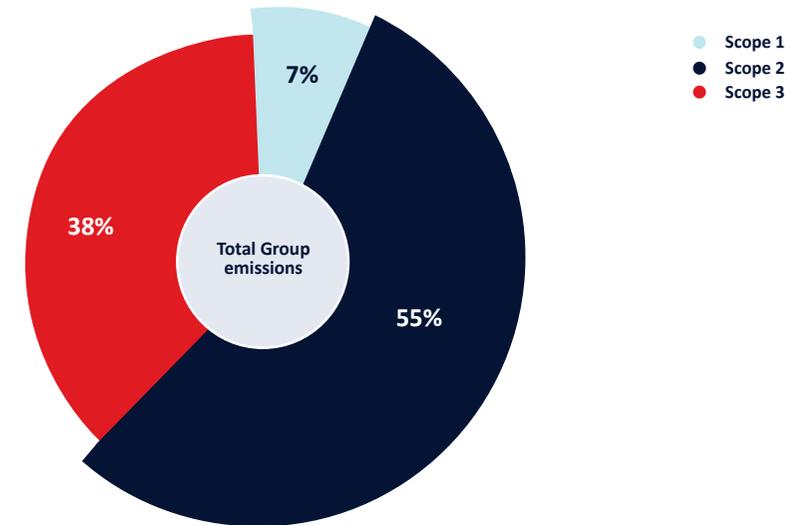
³ Only a small portion of travel accommodation was measured and included in 2022. Full travel accommodation was measured and reported on from 2023.

* NOTE: The Eskom Grid Emission Factor was used for South African electricity emissions calculations. All other emissions were determined using the Department of Environment, Food and Rural Affairs (DEFRA) emission factors. The baseline was updated from 2014 to 2019 to reflect updated business as usual operations. Thus the 2023 carbon footprint progress is now being compared to 2019.

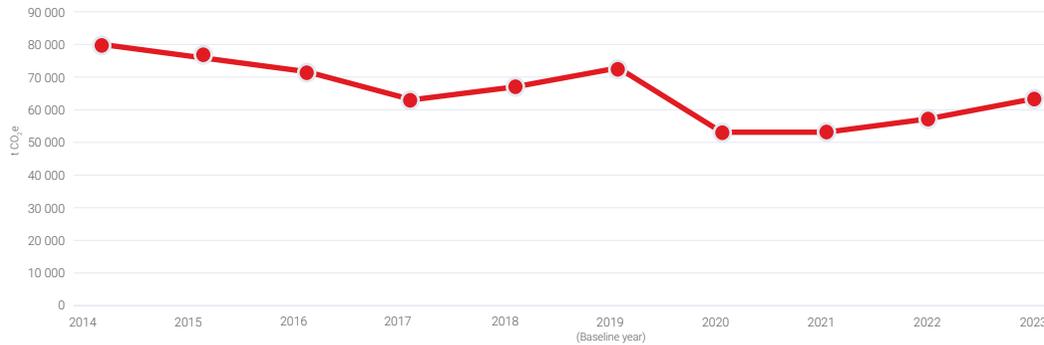
Key points of our 2023 carbon footprint performance:

- Stationary fuel emissions increased due to higher diesel generator use during frequent load shedding.
- Well-to-tank emissions increased significantly due to the inclusion of electricity emissions which were previously not included.
- Business travel, in particular flights, increased by more than 50% since 2022. Emissions are, however, still below pre-Covid levels but seem to be increasing every year.
- Electricity usage is continuously showing a downward trend since the base year, primarily due to the energy efficiency initiatives rolled out by the Group over the years and due to the impact of load shedding.
- The Group's total emissions (Scopes 1, 2 and 3) have increased compared to the previous year, mainly due to an increase in business travel and the inclusion of electricity usage in the well-to-tank emissions.

Total Group emissions



Group Historic Emissions



Estimation of financial impacts of climate change

Internal carbon price

At this stage, a tailored internal carbon price is not used across the Group. The current Carbon Tax Act rate is used to assess our potential carbon tax impact based on diesel and petrol usage.

We conducted an estimated calculation of our indirect carbon tax exposure. As per Phase 1 of the Carbon Tax Act, diesel and petrol are currently taxed at the consumer salespoint. This means that when we purchase these fuels, we pay a carbon tax levy of R0.10 and R0.09 per litre for diesel and petrol, respectively.

The Groups' exposure to carbon taxes* in 2023 were:

- Diesel = R157 676
- Petrol = R25 213

* Based on the Group's fuel consumption of 1 433 421 litres for diesel and 252 132 litres for petrol.

Additionally, the Carbon Tax Act has a mechanism to provide tax relief to electricity producers (Eskom). They are exempt from paying carbon taxes in the first phase. However, this neutrality on the electricity price is set to expire at the end of 2025. In 2023, the Group consumed 36 852 930 kWh of electricity. If we assume Eskom's full carbon tax liability will be passed onto its customers, the Group would have paid an additional R2.04 million on electricity for 2023, if this regime was already implemented.

EMISSION REDUCTION TARGETS

Determining an approach and target level

Our timeline commitment

F2023	The Momentum Group Broad approved commitment to set climate targets and discloses intention.
F2024	Workgroup reassesses boundary, baseline and target-setting approach for own operations for Group Exco and Board approval. Partnership for Carbon Accounting (PCAF) established as measurement approach for financed emissions. Expanded the coverage of data provider used to measure financed emissions. Advanced work to determine the boundary for financed emissions.
F2025	Establish baseline for financed emissions and start measuring trend.

Approaches to determining the boundary

The GHG Protocol Standard provides two main approaches for companies to define their organisational boundary for GHG reporting: the Equity Share Approach and the Control Approach (financial or operational).

EQUITY SHARE APPROACH	<p>Determination: Based on the percentage of ownership or economic interest in an operation.</p> <p>GHG measurement: The company includes emissions across all scopes (1, 2 and 3) proportional to its equity share.</p>
CONTROL APPROACH - FINANCIAL	<p>Determination: Based on whether the company controls financial and operating policies.</p> <p>GHG measurement: The company accounts for 100% of the emissions from the operation as if it belongs entirely to the reporting entity, even with less than 50% equity.</p>
CONTROL APPROACH - OPERATIONAL	<p>Determination: Based on whether the company or one of its subsidiaries controls operations or operating policies.</p> <p>GHG measurement: The company accounts for 100% of the emissions from operations it controls, regardless of equity ownership. It excludes emissions from operations it owns equity in but does not control.</p> <p>The operational control approach is the most commonly used approach because it typically aligns with an organisation's sense of responsibility for emissions. However, this approach can lead to omissions if relevant emissions data are unavailable. The Momentum Group uses the operational consolidation approach to measure its carbon footprint.</p>

The Momentum Group follows the GHG Protocol Standard, making it mandatory to report Scope 1 and Scope 2 emissions. While Scope 3 emissions reporting is voluntary under this standard, it becomes mandatory under IFRS S2. The Group currently reports on 4 of the 11 applicable Scope 3 categories.

Aligned with the NDCs, we have targeted an overall 23% reduction across Scope 1, 2 and operational-related Scope 3 emissions by 2030 using a 2019 baseline. Initially a 2022 baseline was identified, but as we progressed our target-setting work, a pre-Covid baseline was determined to be a more reliable reflection of business activities.

To achieve the 23% target level, we assessed initiatives like water and electricity efficiencies, reviewed GHG categories for impactful reductions, evaluated peer approaches to decarbonisation and considered whether to set an absolute or intensity target based on our GHG measurement maturity. Group Exco and the Board approved a 23% emission reduction target and identified reducing electricity and business travel emissions as a key priority to close the gap and meet our goals.

Group Sustainability will track emissions quarterly against an internal carbon budget. We will reassess the impact of incentive trips in future, while being mindful of keeping a compelling recognition programme. Clarifying business-critical travel and supporting initiatives to reduce emissions from Scope 3 categories, like waste management and paper use, will also be a focus.

Empowering business units to drive climate commitment

Solar installations are expected to reduce emissions by 11.6%, leaving another 11.4% to be reduced across other categories. Business travel, particularly flights, is the second-largest emissions contributor and specific reduction targets are being developed with relevant business units.

In line with our federated model, we provided each business unit with its unique baseline based on its flight activities. Each business will manage the setting of its own 2027 milestone and 2030 target to support the Group target. Business evaluated their areas of highest activity and their management practices to develop their plans.

Climate-related performance targets are currently not integrated into the Group's remuneration policies, but the Remuneration Committee is in the process of considering sustainability-linked KPIs.

Overview of Momentum Group's decarbonisation approach

Financed emissions		Actions	Operations		Suppliers					
Insurance-associated emissions	Investments and lending emissions		Direct emissions	Indirect emissions	ESG due diligence on new suppliers					
Measure the exposure of our underwriting activities. <i>In progress</i>	Measure the exposure of our investment activities. <i>In progress</i>	Review the carbon footprint boundary and set a new Group emissions baseline. <i>Completed</i>	Advocacy with suppliers to improve climate actions. <i>In progress</i>	Site-specific actions to reduce tCO ₂ e using renewables. <i>Completed</i>	Measure leased assets and investments. <i>Not started</i>	Considering target for new suppliers to meet ESG due diligence and target for supplier engagement. <i>Not started</i>				
Take a solutions approach to decarbonisation (invest in the green economy, develop climate-positive products). <i>In progress</i>	Support climate at-risk clients and clients impacted by the Just Transition. <i>In progress</i>						Completed	In progress	Not started	Not started
No targets in place yet.							Considering the target for reducing Scope 1 and 2 combined by 2030. <i>Completed</i>	Considering target for Scope 3 by 2030. Prioritise waste, water and business travel. <i>In progress</i>		
The decarbonisation plan will be Paris Agreement-aligned and supportive of national commitments to Net Zero.		Global alignment and commitment	Decarbonisation plan will be Paris Agreement-aligned and supportive of national commitments to Net Zero.							

CLIMATE-ALIGNED PRODUCTS AND SERVICES

By incorporating climate factors into investments and management practices, we can manage risks and leverage opportunities to benefit the climate. Read more about our metrics on page 92 and responsible investing on pages 41 to 47.

Product offering to support a green economy

We aim to collaborate with our suppliers to reduce emissions and conserve natural resources. To achieve this, we are updating our supplier selection criteria to include environmental considerations and data. Additionally, we offer products that help clients achieve low-carbon outcomes in their value chains.

We support the Green Finance Taxonomy for South Africa, which aligns with international best practices and helps prevent greenwashing. In response to the National Treasury's draft of the taxonomy in June 2022, we plan to label our activities according to these guidelines in the future.

Our mining rehabilitation product provides guarantees to ensure post-mined landscape restoration in compliance with the National Environmental Management Act 107 of 1998. Furthermore, we offer renewable energy guarantees to contractors and subcontractors, supporting the transition to a resource-efficient future and enabling small businesses to access related economic opportunities.

Product	Guarantee value 2024	Guarantee value 2023
<i>Mining rehabilitation guarantee</i>	R22.6 billion	R8.4 billion
<i>Renewable energy guarantee (solar and wind)</i>	R499.8 million	R5.2 billion

Agnovate's Soil Moisture Insurance

Agricultural input finance in South Africa is evolving from traditional collateral-based lending to off-balance sheet lending, which uses the crop and its income stream as collateral. This form of finance typically involves short-term loans spanning a crop cycle or season, necessitating new insurance solutions as traditional insurance becomes inadequate.

Agnovate's Soil Moisture Insurance offers a high-tech insurance solution utilising satellite data which is well-suited for off-balance sheet loans. Instead of covering actual losses, this insurance covers the probability of predefined events such as drought, based on the correlation between soil moisture and plant performance.

The insurance protects farmers from climate-related events by triggering claims when soil moisture levels drop below a specified threshold. Agnovate's quoting mechanism offers flexibility in coverage levels, risk periods and affordability. The entire insurance administration process leverages real-time technology to facilitate quick and efficient loss payments

Agnovate Soil Moisture Insurance	Gross written premiums
June 2022	R5.2 million
June 2023	R4.7 million
June 2024	R16.99 million

Pension-backed solar installations

Momentum Corporate supports clients in financing solar installations through pension-backed home loans. Clients can leverage their home loan to install solar power, or a professionally installed inverter integrated into the house. The pension-backed home loan is a members-only employee benefit to reduce the risks associated with load shedding.

June 2023	R34.1 million*
June 2024	R40.6 million*

* The values represent the financing provided for home improvements and renovations which includes solar installation. It is not possible to extract the proportion of data related to only the solar installations with 100% accuracy.

Investing in the energy transition

In a landmark move, the Momentum Group and Rand Merchant Bank invested in two 140 MW wind energy projects, Umsinde Emoyeni and Khangela Emoyeni, starting construction in June 2024. These projects will supply renewable energy to Sibanye-Stillwater and Richards Bay Minerals through separate 20-year power purchase agreements via the Eskom grid. Located on the border of Northern and Western Cape provinces, the projects will expand the Gamma Main Transmission Substation with a new 500MVA transformer.

Key project metrics:

900 jobs expected to be created
R52 million to be dedicated to qualifying small enterprises and exempted micro-enterprises, including R8.6 million to women owned businesses
R9.6 billion in debt and equity investment into solving South Africa's energy crisis
1 million tCO₂e* expected emissions saving p/a on average over 20 years.

*The Eskom grid emissions factor of 1.01 as taken from their 2023 Integrated Report was used to calculate potential savings. The real impact will be measurable when the project has been implemented and completed.

Read more about climate-aligned investing in our responsible investing pages 41 to 47.

FUTURE OUTLOOK AND COMMITMENT

Business-unit low-carbon economy commitments

During our business-unit sustainability commitments development process, certain potential opportunities were also identified that the Group will continue to investigate. Some of these include:

	Opportunity/Commitment	Progress achieved to date
Guardrisk	Partner to enhance the resilience of climate-at-risk clients.	<ul style="list-style-type: none"> Targeting a 10% growth in green products, Guardrisk achieved 12% growth in its mining rehabilitation and 8% in renewable energy guarantees. The initiative to support 52 municipalities with risk mitigation and mitigation is 70% complete.
Momentum Insure	Use digital platforms and other tech enablers to reduce GHG emissions across the value chain (e.g. cloud solutions, business travel).	<ul style="list-style-type: none"> Moved more applications to the cloud that will further reduce energy requirements. Business is assessing the best way to quantify, baseline and measure this impact.
Momentum Corporate	Explore options that adapt the Safety Value proposition to promote low carbon choices.	<ul style="list-style-type: none"> Continuing to promote non-travelling SafeDayz which has a client carbon footprint impact, while encouraging and rewarding responsible behaviour when clients drive.
	Ensure our investment mandates align with our transformation goals and ESG ambitions.	<ul style="list-style-type: none"> One of the key results the business intends focusing on is to baseline green assets in their portfolio and set targets in addition to setting targets for black asset managers in each portfolio.



APPENDICES



REFERENCE TABLES

ESG REFERENCE TABLE

We have considered the metrics required by the JSE guidelines and other stakeholder expectations, and are disclosing the ones currently measured while we continue to assess the inclusion of a broader set of metrics.

Key

IR Integrated Report
 SR Sustainability Report
 P Related policy
 S Statement
 ToR Terms of Reference
 CW Corporate website
 AFS Annual Financial Statement

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
GOVERNANCE METRICS REFERENCES		
BOARD		
Board diversity, competence, independence	Composition of the Board by race and gender, tenure, independence and description of specific sustainability-related skill	IR Our diverse and independent Board, page 100 SR Committees responsible for sustainability and climate matters, page 26
	Remuneration practice	IR Remuneration report, pages 119 to 136
ETHICAL BEHAVIOUR		
Anti-corruption	Coverage of training on the organisation's governance policies, including anti-bribery, anti-corruption and anti-money laundering	SR Preventing fraud, corruption and crime Continuous awareness and training, pages 29 to 30 P <i>Code of Ethics and Standard for Conduct policy; Fraud risk management policy on managing commercial crime, bribery, corruption, employee misconduct and money laundering; Gift Policy; Whistleblowing Policy (RSA), Whistleblowing Policy (International)</i>
	Number and nature of incidents of corruption or unethical behaviour, and actions taken.	IR An ethical culture, page 95 SR Ethics and compliance disclosures and commitments, page 29
	Grievance mechanisms for reporting unethical or unlawful behaviour	CW <i>Ethics and fraud lines</i>
	Initiatives and stakeholder engagement to improve the broader operating environment and culture, to combat corruption	IR Stakeholder engagement, pages 31 to 35 SR Sustainable enterprise value, page 11, Industry associations, page 58
Political contributions	Total monetary value of financial and in-kind political contributions made.	SR Ethics and compliance disclosures and commitments, page 29
Lobbying	Significant issues that are the focus of the company's participation in public policy development including within any business association	IR Stakeholder engagement, pages 31 to 35
		SR Financial inclusion, page 34, The South African Health Insurance Bill, page 35

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
COMPLIANCE AND RISK MANAGEMENT		
Incidence	Number of significant ESG-related incidents of legal non-compliance	SR NONE (F2023: NONE)
Fines and monetary loss	Fines, settlements, penalties, and other monetary loss suffered in relation to ESG incidents or breaches.	
TAX TRANSPARENCY		
Tax paid and estimated tax gap	A description of the organisation's approach to tax, including its tax strategy, as well as the governance who formally reviews and approves this strategy	IR Tax governance, page 99 SR Tax transparency, page 32 AFS Note 26 Tax rate reconciliation, page 180
Approach and resourcing	Responsible investment approach including ESG integration in the investment process, disclosure of company engagement and available resourcing to manage ESG matters	IR Our approach to responsible investing, pages 84 to 86
		SR Our responsible approach to investing, pages 41 to 47 P <i>CRISA 2.0; Proxy Voting Policy; Responsible Investment policy, Engagement policy, Climate Change Investment Policy; Climate change position statement</i>

Key

IR Integrated Report
 SR Sustainability Report
 P Related policy
 S Statement
 ToR Terms of Reference
 CW Corporate website
 AFS Annual Financial Statement

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
SOCIAL METRICS REFERENCES		
LABOUR STANDARDS		
Diversity and Inclusion	Percentage of employees per employee category by race, gender and, where relevant, other diversity indicators	SR Workforce composition, page 65
	Number of allegations and confirmed incidents of discrimination and/or human rights incidents relating to workers or any of its operations	NONE (F2023: NONE) P Human rights policy
Pay equality	Remuneration policies and approach to minimum wage level	IR Ensuring fair equitable and responsible remuneration, page 128 P Remuneration Policy
Freedom of Association and Collective Bargaining	Management of freedom of association and collective bargaining, and percentage of total employees covered under collective bargaining agreements.	SR Empowering our people, page 63 P Labour relations policy
	Extent of major work stoppages (including strikes and lockouts)	SR NONE (F2023: NONE)
	Supply chain engagement to ensure ethical conduct and fair labour practices including preventing child labour or forced labour	IR Stakeholder engagement, Suppliers, page 34 SR When we engage with suppliers, we expect them to comply with our governance and ethical standards. We do not have operations, nor engage suppliers with a significant risk of child labour, forced or compulsory labour.
COMMUNITY DEVELOPMENT		
Community human rights	Total number and percentage of operations that have been subject to a human right's due diligence process, engagement with affected communities and number of sites where access to land is contested.	NONE (F2023: NONE)
Skills for the future	Employee and external skills development programmes aimed at improving future mobility and/or income earning potential and supporting the organisation's talent pipeline strategy.	SR Employee skills development and building a talent pipeline, page 68. Bespoke leadership development programmes, page 69.
	Research partnerships with educational institutions to deliver improved employee training and development.	SR Academic insights supporting skills development, page 62.
Retention	Total number and rate of employee turnover	SR Skills turnover mitigation page 67
	Organisational strategy to retain critical skills	

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
Economic contribution	Direct economic value generated and distributed (EVG&D) on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by:	IR Our role in society, page 81 to 82 SR Value added statement, page 18, Social Impact, Strategic Corporate Social Investment, page 51, Momentum Group Foundation, page 52 to 54
	(i) Revenue	
	(ii) Operating costs	
	(iii) Employee wages and benefits	
	(iv) Payments to providers of capital	
	(v) Payments to government (taxes, royalties, levies, etc.)	
	(vi) Community investment (including charitable giving and employee volunteering)	
	Initiatives to support the small businesses sector, black, black woman-owned and youth-owned businesses.	IR Enterprise and supplier development, page 82 SR Supporting youth entrepreneurs, page 55, ASISA partnership to drive enterprise and supplier development, page 58
	Description (quantitative and qualitative) of the extent of significant infrastructure investment and services supported	SR Empowerment financing, page 37. Investing in the energy transition, page 96
	Total monetary value of financial assistance received by the organisation from any government during the reporting period	NONE (F2023: NONE)
HEALTH AND SAFETY		
Workplace health and safety	Number of fatalities and workplace related injuries	NO FATALITIES (F2023: NONE) Injuries on duty: 52 (F2023: 31) SR Occupational health and safety, page 70 P Occupational Health and Safety Policy
	How the organisation facilitates access to nonoccupational medical and healthcare services including voluntary wellness services	IR Employee health and well-being, page 88 SR Employee health and well-being, page 70
CUSTOMER RESPONSIBILITY		
High risk products and services	Description of products and services that present specific risks to individuals, communities, or the environment	NONE (F2023: NONE)
	Number and nature of any product recalls	
Product innovation	Products and services designed to deliver specific social or environmental benefits or to address specific sustainability challenges	SR Appropriate offerings for underserved segments, page 34, Our investment approach to climate change, page 42 to 46
Customer data and privacy	Mechanisms and steps taken to ensure privacy of consumer data	IR Delivery against our strategy, Technology and information governance support, page 97 P Privacy policy which covers the privacy of data subjects, including the rights of data subjects to change information
	Employees trained in data privacy and cybersecurity	SR Cybersecurity and data privacy, protecting our clients' right to privacy, page 49
	Data incidents reported to the Information Regulator	SR Number of reported incidents*: 14 (F2023: 9) Number of significant incidents: None (F2023: None) <small>*Includes any incident reported to the Information Regulator, even if a single data subject is impacted.</small>

Key

IR Integrated Report **SR** Sustainability Report **P** Related policy **S** Statement **ToR** Terms of Reference **CW** Corporate website **AFS** Annual Financial Statement

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
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ENVIRONMENTAL REFERENCES

CLIMATE CHANGE

GHG Emissions	Greenhouse gas emissions measured in accordance with the Greenhouse Gas Protocol (Scope 1, 2 and 3)	63 780tCO ₂ e (2022: 55 518tCO ₂ e) SR Determining our carbon footprint, page 93)
	GHG emissions intensity	2.49 (2022: 2.66)
Energy Mix	Total energy use and share of energy usage by generation type noting use of energy from renewable non-fossil sources	52 443 MWh total energy consumption (2022: 40 167 MWh)
Science-based targets	Progress against time-bound short-, medium-, and long-term science-based GHG emissions targets	NONE in the reporting period. SR Emission reduction targets, page 32
Just Transition	Existence and nature of a 'transition plan'.	We are aligned to the three pillars of the Just Transition: distributive, restorative and procedural justice. As our business units formalise their climate commitments we will develop our transition plans. SR How our climate management has progressed, page 83 P <i>Momentum Investments climate investment decarbonisation strategy</i>
	Nature of climate-related lobbying activities, and those of relevant associations and membership groups	SR Industry associations, page 52

WATER SECURITY

Water usage	Water consumption from all areas including those areas with water stress and water risk management efforts.	SR Water management page 73
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Topic and sub-topic	Required disclosure	Report name, page reference or explanation
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BIODIVERSITY AND LAND USE

Biodiversity footprint (ecosystems)	Describe and report results of any processes aimed at identifying, assessing and/or managing the biodiversity footprint of the organisation including mechanism aimed at enhancing management of biodiversity and ecosystem impacts across the value chain.	We do not directly impact any high value biodiversity areas, but we do support the broader conservation agenda through our participation in the WWF Business Partner Network and remain conscious of the growing demands to report on biodiversity impacts through for example the Taskforce for Nature-related Financial Disclosure (TNFD) and CDP
Solid waste	Total weight of waste generated with a breakdown between % directed to disposal and % diverted from disposal (e.g., recycling)	SR Waste management, page 73 to 74
Single use plastic	Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed and share (%) of single-use plastic weight of total plastic weight.	SR Reducing plastic waste, page 74

SUPPLY CHAINS AND MATERIALS

Supply chain (environmental)	Mechanisms to identify and address significant actual and potential negative environmental impacts and measures to address these.	SR Incorporating sustainability into the supply chain, page 32
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TCFD REFERENCE TABLE

Pillar	Disclosure	Detail	Page reference
Governance	Describe the Board's oversight of climate-related risks and opportunities	Processes and frequency by which the Board and/or Board committees are informed about climate-related issues	23, 26 and 81
		Whether the Board and/or Board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets and business plans	27 and 28
		How the Board monitors and oversees progress against goals and targets for addressing climate-related issues	26
	Describe management's role in assessing and managing climate-related risks and opportunities	Whether the organisation has assigned climate-related responsibilities to management-level positions or committees	28
		A description of the associated organisational structure	8
		Processes by which management is informed about climate-related issues	27
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	A description of short-, medium- and long-term time horizons	85
		Description of the specific climate-related issues potentially arising in each time horizon (short, medium and long term)	87 to 90
		Description of the process(es) used to determine which risks and opportunities could have a material financial impact	85 and 86
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	How have identified climate-related issues affected businesses, strategy and financial planning?	82, 83 and 88
		Organisations should describe the impact of climate-related issues on their financial performance and financial position (describe climate-related scenarios used)	Financial performance not yet measured. We endeavour to do so in future. Potential impacts = 88
		Describe how climate-related issues serve as an input to financial planning process, the time period(s) used and how these risks and opportunities are prioritised.	Opportunities = 91
		Describe plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities	Emission reduction plans = 89 and 91 GHG target = 94
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a two-degree or lower, scenario	Describe how resilient strategies are to climate-related risks and opportunities, taking scenarios into consideration	86, 88 and 89
		The climate-related scenarios and associated time horizon(s) considered	84 and 85
		Where strategies may be affected by climate-related risks and opportunities; including how these might change and the financial performance	Financial performance not yet measured. We endeavour to do so in future.
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Describe the processes for identifying and assessing climate-related risks	83 to 85
		Describe whether existing and emerging regulatory requirements related to climate change are considered	79 and 80
		Processes for assessing the potential size and scope of identified climate-related risks	Materiality process = 1, 2 and 85
	Describe the organisation's processes for managing climate-related risks	Definitions of risk terminology used or references to existing risk classification frameworks used	82 and 85
		Describe processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept or control risks	85 and 86
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Describe processes for prioritising climate-related risks, including how materiality determinations are made within their organisations	1, 2, 85 and 86
Describe how processes for identifying, assessing and managing climate-related risks are integrated into overall risk management		86	
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Organisations should provide the key metrics used to measure and manage climate-related risks and opportunities	Water, energy and waste metrics = 72
		Describe whether and how related performance metrics are incorporated into remuneration policies	83 and 95
		Provide internal carbon price	94
		Climate-related opportunity metrics	Revenue from products and services designed for a low-carbon economy = 95
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and related risks	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions	77 and 93
		Associated metrics should be provided for historical periods	93 and 94
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Describe their key climate-related targets: – whether the target is absolute or intensity-based – timeframes – base year from which progress is measured – key performance indicators used to assess progress against targets	94 to 96	

LIST OF ABBREVIATIONS, ACRONYMS AND DEFINITIONS

ACI	African, Coloured and Indian	PA	Prudential Authority
ACWA	African Cities Water Adaptation Fund	Paris Agreement	A legally binding international treaty on climate change. It was adopted by 196 nations (also called parties to the treaty), including South Africa, in December 2015 at COP21 in Paris.
ASISA	Association for Savings and Investment South Africa	PCC	Presidential Climate Commission
B-BBEE	Broad-based Black Economic Empowerment	PRI	Principles for Responsible Investment
CDP	A non-profit originally known as the Carbon Disclosure Project is now referred to as CDP. It runs a global environmental disclosure system for investors, companies, cities and governments to assess their impact and take action to build sustainable economies.	PUE	Power Utilisation Efficiency
Climate Action 100+	An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take the necessary action on climate change.	RCP	Representative Concentrated Pathway. A GHG concentration trajectory adopted by the IPCC. There are different RCPs, each describing a climate future based on a set of assumptions regarding economic activity.
COP	COP, or Conference of the Parties, is the supreme decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC). It meets annually to decide on the global steps against climate change. The 27th COP was held in Egypt in 2022 and the 28th was held in Dubai. The UNFCCC is an environmental treaty that nations joined in 1992.	RCCC	Risk, Capital and Compliance Committee
CRISA	Code for Responsible Investing in South Africa	SARB	South African Reserve Bank
CRO	Chief Risk Officer	SDGs	Sustainable Development Goals. A collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.
CTAP	Climate Transition Action Plan	SED	Socio-Economic Development
ESG	Environmental, Social and Governance	SETC	Social, Ethics and Transformation Committee
FSCA	Financial Sector Conduct Authority	SMME	Small, Medium and Micro Enterprises
GBCSA	Green Building Council of South Africa	SVP	Staff Volunteer Programme
GBF	Global Biodiversity Framework	TCFD	Task Force on Climate-related Financial Disclosures
GDP	Gross domestic product	tCO₂e	Tonnes of carbon dioxide equivalent
GHG	Greenhouse gas	UNGC	United Nations Global Compact
GNU	Government of National Unity	OHCHR	UN Office for the High Commissioner for Human Rights
IPCC	Intergovernmental Panel on Climate Change. First set up in 1988, it surveys the research on climate change happening all around the world and reports on the current state of our scientific knowledge through assessment reports.	WEF	World Economic Forum
JSE	Johannesburg Stock Exchange	WWF	Worldwide Fund for Nature
MGIM	Momentum Global Investment Management	WRI	The World Resource Institute
Mitigation and adaptation	Mitigation refers to an action that will reduce or prevent GHG emissions, such as using renewable wind and solar energies. Adaptation refers to actions that help us cope with the effects of climate change such as projects to improve the resilience of infrastructure during extreme weather events.	WMO	World Meteorological Organisation
NBI	National Business Initiative	WMBC	We Mean Business Coalition
NDC	Nationally Determined Contributions are commitments that each country makes to reduce emissions and adapt to the impacts of climate change. Countries submitted their NDCs in 2020 and committed to do so every five years from then on.		
NGFS	The Network for Greening the Financial System is a network of 114 central banks and financial supervisors that aims to accelerate the scaling-up of green finance and develop recommendations for central banks' role in climate change. The South African Reserve Bank is a member of the NGFS.		
NHI	National Health Insurance		
ORSA	Own Risk and Solvency Assessment		

ANNEXURES

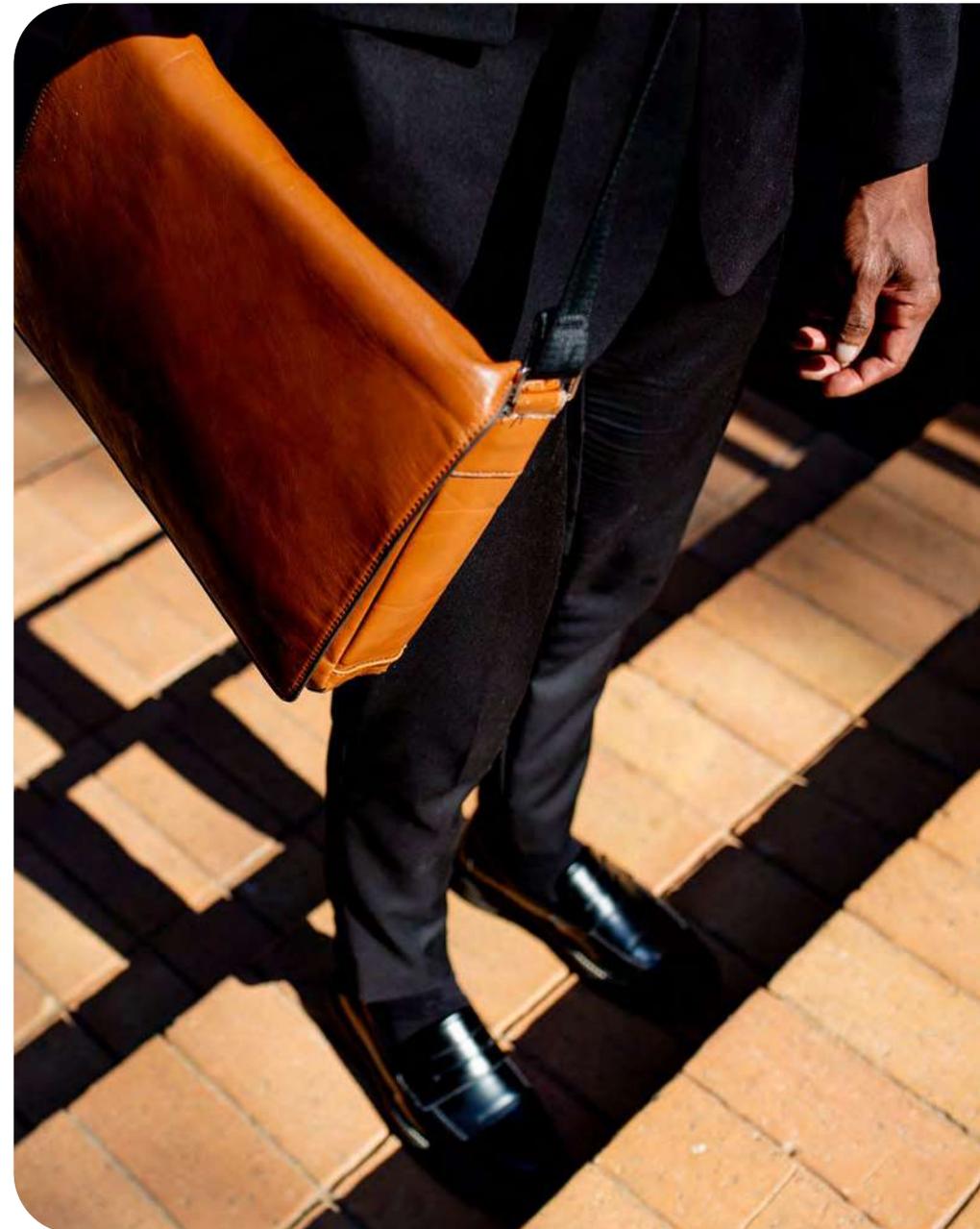
TIMELINE OF CLIMATE JOURNEY

Policies, frameworks and partnerships

2004	Momentum Group becomes a signatory to the UN-supported PRI.
2013	Submitted our first voluntary CDP response on climate change, which we continue to date We conducted our first carbon footprint analysis.
2014	Set carbon emission reduction targets.
2019	<ul style="list-style-type: none"> Adopted the Momentum Group climate change position statement. Adopted the Momentum Group climate change investment policy. Adopted a responsible investment policy.
2020	<ul style="list-style-type: none"> Signed the PRI-led international statement of investor commitment to support a Just Transition on climate change. Affirmed support for the CRISA. Affirmed support for the UK Stewardship Code.
2021	<ul style="list-style-type: none"> Joined the WWF for Nature Business Network. Adopted the Group climate risk framework.
2022	<ul style="list-style-type: none"> Joined Climate Action 100+ The Exco and Board-mandated SETC approved the Strategic Sustainability Framework.

Green milestones for our buildings

2017	Cornubia office in Durban receives a four-star Green Rating from the Green Building Council South Africa.
2018	Boreholes were installed in Cape Town's Parc du Cap office in addition to the borehole at the Centurion head office. Other water management initiatives include reduced water pressure in taps, replacing water-cooled systems with air-cooled chiller plants and installing boreholes and backup tanks.
2019	The Marc in Sandton receives a five-star Green Rating from the Green Building Council South Africa.
2020	Upgrades in IT equipment improved PUE at the main data centres (Centurion and Parc du Cap).
2021	More than R400 million was invested in upgrading the Parc du Cap and Centurion main office buildings, which includes retrofitting energy-efficient air-conditioner chillers and lighting and reducing water and energy consumption.
2022	Cornubia and Parc du Cap offices receive an Energy Performance Certificate (EPC) in terms of the SANS 10400-XA2021 standard.
2023	EPC preparations for Centurion Campus concluded in 2023.
2024	Solar installations at two main offices commences.



CORPORATE INFORMATION

SHAREHOLDERS' DIARY

Financial year end: 30 June each year
Interim period end: 31 December each year

COMPANY REGISTERED OFFICE

Momentum Group Limited
Incorporated in the Republic of South Africa
Registration number: 2000/031756/06
268 West Avenue
Centurion
0157

JSE share code: MTM
A2X share code: MTM
NSX share code: MMT
ISIN code: SAE000269890
(The Momentum Group or the Group)
Momentum Metropolitan Life Limited
Incorporated in the Republic of South Africa
Registration number: 1904/002186/06
Company code: MMIG

COMPANY SECRETARY

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Email: Gcobisa.Tyusha@mmltd.co.za
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2194

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Windhoek Namibia

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Sandhurst
2196

DEBT SPONSOR

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Rivonia Road
Sandton
2196

NAMIBIA SPONSOR

Simonis Storm Securities Proprietary Limited
4 Koch Street
Klein Windhoek
Namibia