

SUSTAINABILITY REPORT

2023



ABOUT THIS REPORT



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People know our business for what we do and what we sell.

Who we are as a collective is a much deeper question and brings us to our purpose. This is our true calling and reflects our commitment to co-create a sustainable planet and future.

Reports are typically about the things we do and how we perform. Although we know this is important, we invite you to read this report to get to know who we are, and why sustainability is important to us.

Sustainability is not what we do – it's who we are.

Our second sustainability report tracks progress with the implementation of our Sustainability Framework against evolving climate science and global sustainability best practice. It marks the steps taken towards enabling businesses and people from all walks of life to achieve their financial goals and life aspirations. This is our reason for being and guides everything we do, including contributing to good sustainability practices.

WHY AND HOW WE REPORT

At Momentum Metropolitan Holdings Limited (Momentum Metropolitan or the Group), we have a role to play in building a resilient future for our stakeholders. We want to be transparent and truthful about our business, impact and practices. We are ambitious and future-focused, which means that we are clear about targets and report on plans for the long term. We are stakeholder-inclusive in determining what is material for our report and consider a range of perspectives and requirements in how we make sense of and communicate about sustainability.

We help people grow their savings, protect what matters to them, and invest for the future. We help companies and organisations to nurture and reward their employees, just as we do our own. We provide financial planning, advice, and education to enhance inclusive economic progress. Ultimately, we contribute to health and financial well-being by helping people cope with the unforeseen in an unpredictable world.

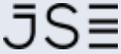
WHAT WE REPORT

We report about the financial year from 1 July 2022 to 30 June 2023 (F2023). Our report provides an overview of our approach to sustainability, the framework that guides us, and the steps we take concerning sustainability for long-term success. It details the specific actions and initiatives we have taken towards driving financial inclusion, promoting a healthier and more resilient society, and our progress in helping to build a low-carbon economy, among others.

The scope of this Sustainability Report includes Momentum Metropolitan and the combined material input from the respective business units through which we create value, as set out on page 5.

As a South African-based financial services group with a primary listing on the Johannesburg Stock Exchange (JSE), we seek to comply with the voluntary JSE Sustainability Disclosure Guidance published in June 2022. We also consider the United Nations Sustainable Development Goals (SDGs) that are relevant to our purpose and to which we can make the most meaningful contribution in our reporting. Read more about the SDGs on page 16.

In preparing this report, we also considered the following:

<p>Sustainable Insurance Practices</p> <p>Momentum Metropolitan is supportive of the Principles for Sustainable Insurance (PSI) initiative, which aims to ensure that all activities in the insurance value chain are responsible and forward-looking.</p>	 <p>We became a signatory of the United Nations-supported Principles for Responsible Investment (UN PRI) in 2006 and report annually on our progress against these principles.</p>	 <p>We are a voluntary participant in the annual CDP (formerly the Carbon Disclosure Project) and achieved a B score for 2022.</p>
 <p>Momentum Metropolitan is included in the 2023 FTSE/JSE Responsible Investment Top 30 Index, which acknowledges our environmental, social and governance (ESG) achievements.</p>	<p>FTSE RUSSELL ESG RATING</p> <p>We achieved a 3.8/5 rating in 2023.</p>	<p>Principle-based Approach to doing Business</p> <p>We are supportive of the 10 United Nations Global Compact (UNGC) principles</p>
 <p>We are a signatory to the PRI-led global Statement of Investor Commitment to Support a Just Transition on Climate Change, building on our commitment to address climate change risk.</p>	 <p>We are rated AA on the MSCI ESG Index, which assists institutional investors in effectively benchmarking ESG investment performance. This is a two-level jump from our previous BBB rating.</p>	 <p>We comply with the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice and have been verified as a Level 1 contributor.</p>

OUR REPORTING SUITE

This report should be read in conjunction with the other year-end reporting elements available on our [website](#).



Integrated Report

Our primary report to stakeholders including detailed information on the Group, strategy, performance governance and outlook.



Annual Financial Statements

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



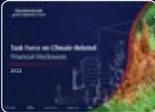
Application of KING IV Summary Report

The summary report explains the outcomes of our application of the 17 governance principles of the King IV Report on Corporate Governance in South Africa, 2016 (King IV[™])¹.



Stewardship Report

This report demonstrates how we integrate responsible investment practices aligned with the UN PRI.



Task Force on Climate-related Financial Disclosures (TCFD) Report

The report is published annually in November and provides information on our climate-related activities, opportunities and risks.

The appendices to this report include references per disclosure topic. We also provide a glossary with terms and definitions used in this report on page 68.

The following documents are available online:

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











MOMENTUM METROPOLITAN SUSTAINABILITY REPORT 2023

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TIMEFRAME CLASSIFICATIONS

Timeframe classifications used in this report can vary depending on the nature of the business. For the short-term business of the Group, the planning horizon for risk management is shorter. Conversely, for products that fall into a longer-term horizon, such as life products and annuities, the planning horizon is longer.

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

Momentum Metropolitan'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, and our underlying processes, support the integrity of information used for internal decision-making and the credibility and integrity of our reporting. The Audit Committee is responsible for assessing Momentum Metropolitan's internal control environment. It monitors the execution of our combined assurance plan and reports to the Board quarterly and to shareholders annually. Management applied judgement in deciding what to report based on the principle of materiality and with oversight from the Sustainability Forum and the Social, Ethics and Transformation Committee (SETC).

The following elements are subject to external assurance:

- B-BBEE scorecard: Elements are subject to monitoring by management, and AQRate provided assurance.
- Carbon footprint: Verify CO₂ provided limited assurance on the Group's carbon emissions set out on page 31 and in the TCFD report.

The Board acknowledges responsibility for the integrity of this report. The members of the SETC, on behalf of the Board, have applied their minds to the report to consider whether the information is reliable and a fair reflection of the Group's sustainability, aspirations, strategy, performance and focus areas, aligned with Momentum Metropolitan's Sustainability Framework. The Board approved the report recommended to it by the SETC.

Linda de Beer

Chair: Momentum Metropolitan Social, Ethics and Transformation Committee

Hillie Meyer

Group Chief Executive Officer (CEO)

Sustainability is the unifying principle across all economic, social, and environmental goals, collectively urging us to take steps towards transforming the world.

ABOUT MOMENTUM METROPOLITAN HOLDINGS

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Our purpose and values

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Our businesses and their solutions

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Our stakeholders



OUR PURPOSE AND VALUES



Our purpose is to enable businesses and people from all walks of life to achieve their financial goals and life aspirations.

This purpose is supported by a set of values that reflect the priorities and beliefs by which we conduct ourselves. These shape the culture of the Group and the behaviour of our employees.

THE VALUES UNDERPINNING OUR PURPOSE



Accountability

We own up to our actions.

What this means to us

We take ownership of our responsibilities, our actions, and their results.



Integrity

We do the right thing.

What this means to us

We believe in doing the right thing, being true to our word and treating all people with the same amount of sincere, generous respect.



Innovation

We are innovators first.

What this means to us

We challenge each other and ourselves to look for smarter solutions, simpler processes, and fresh ideas.



Diversity

We are truly proud of our diversity.

What this means to us

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



Excellence

We strive for excellence.

What this means to us

We believe that our people and clients deserve the best. Every interaction is memorable, meaningful and contributes to their success.



Teamwork

We are one team with one dream.

What this means to us

We care about each other, as colleagues and as people. We take ownership for one another's success and always put forward our best effort to making it happen.

OUR PROFILE

Momentum Metropolitan is one of South Africa's largest diversified financial services companies, with its primary listing on the JSE and secondary listings on A2X Financial Markets and the Namibian Stock Exchange. Our business is about protection (life and non-life), investments and long-term savings, and we conduct it through the Momentum, Metropolitan and Guardrisk brands.

Outside South Africa, we operate in five African countries through Momentum Metropolitan Africa, which includes Botswana, Ghana, Lesotho, Mozambique and Namibia. Momentum Investments has operations in the United Kingdom and Guernsey. The Group has a health insurance joint venture in India, and Guardrisk has businesses in Gibraltar and Mauritius.

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



OUR BUSINESSES AND THEIR SOLUTIONS

momentum life

Our purpose is to enable businesses and people from all walks of life to achieve their financial goals and life aspirations

Our solutions

- Protection through our Myriad life insurance product
- Savings through Investo and traditional product ranges
- Traditional products administration (closed life book)
- Financial planning and advice through Momentum Financial Planning
- Direct-to-client offerings and distribution through our client digital team and Velocity Club
- Estate administration and estate liquidity benefits through Momentum Trust

Our clients

Lifetime value propositions for clients in the middle, upper and high-net-worth markets.

Our distribution

Our distribution capability includes our own agency force, digital platforms and independent financial advisers (IFAs).

momentum investments

We provide investment solutions and advice that is personal

Our solutions

- Retail investments (local and offshore investment platform products, guaranteed investments, annuities, structured products, collective investments, discretionary fund management)
- Institutional investments (multi-asset solutions, single-asset class funds, alternative investments, administrative platform)
- Global investments (multi-asset and single-asset class solutions, and investment consulting for South African, United Kingdom and expat markets)
- Eris, a fully integrated property services company, manages shareholder and policyholder direct property exposures

Our clients

Helping individuals, businesses and retirement funds invest with confidence, and stay invested.

Our distribution

Our distribution capability includes our own agency force and IFAs in the retail segment and a direct distribution team focusing on the institutional market.

METROPOLITAN Together we can

Helping clients achieve their financial goals and creating value for all our stakeholders

Our solutions

- Funeral solutions
- Life and disability cover
- Retirement savings solutions
- Discretionary savings solutions
- Annuities and capital protection solutions
- Customisable discretionary savings for life goals
- Hospital cashback solutions

Our clients

Needs-based solutions for our clients in the emerging and middle-income markets.

Our distribution

Our solutions are distributed through a combination of tied agents, supporting IFAs, an outbound call centre and digital distribution.

momentum corporate

Providing engagement-rich solutions in employee benefits to clients

Our solutions

- FundsAtWork umbrella fund
- Group insurance
- Structured investments and annuities
- Discretionary savings
- Advice and administration
- Member solutions

Our clients

We provide holistic solutions for the needs of employees and employers across various corporate and public sector entities.

Our distribution

Our solutions are distributed through large specialist actuarial consultants, employee benefits brokers and smaller intermediaries in the small and medium enterprise (SME) space.

Momentum Metropolitan health business

Providing more health for more people for less

Our solutions

- Integrated health administration and managed care and wellness services
- Wellness and reward programmes to incentivise healthy behaviour
- Multiply

Our clients

We manage the health of more than 2.5 million South African beneficiaries.

Our distribution

Our solutions are distributed through advisers as well as directly. Medical schemes and employer group contracts are secured through tenders.

GUARDRISK TAILORED RISK SOLUTIONS

Creating value beyond traditional cell captive insurance

Our solutions

- Cell captives (life and non-life cell captives, and alternative risk solutions)
- General insurance (corporate, specialist and commercial underwriting solutions)
- Microinsurance (economic inclusion using our cell captive expertise)

Our clients

Corporate and commercial entities.

Our distribution

Corporate and commercial insurance brokers and underwriting managers in niche sectors.

momentum Insure

Keeping what matters most to the people in South Africa safe, so they have the freedom to live

Our solutions

- Car, home, contents, and portable possession cover for individuals
- Bespoke cover for high-net-worth individuals
- Tailored cover for individuals older than 55
- Comprehensive business insurance solutions for the small, medium and micro-enterprise (SMME) market

Our clients

We provide retail non-life insurance to middle, upper, and high-net-worth market segments.

Our distribution

Non-life retail insurance solutions are distributed through tied agents and IFAs and direct-to-consumer marketing campaigns.

Momentum Metropolitan Africa

(Ghana, Namibia, Botswana, Lesotho, Mozambique)

Meeting our clients' needs by providing fit-for-purpose solutions

Our solutions

- Life insurance
- Non-life insurance
- Healthcare
- Asset management
- Pension administration

Our clients

Our insurance solutions are mostly targeted at the retail mass segment, as well as public and private employee groups across our six chosen markets on the continent.

Our distribution

The distribution models in each country are tailored to the needs of the local market across tied agents, brokers, IFAs, call centres, and bancassurance.

OUR STAKEHOLDERS



Quality relationships are built on understanding who we are, and why we do what we do. We strive to engage and develop relationships of trust that are mutually beneficial and support our sustainability commitments.

Many of our stakeholders rely on our sustainability for a secure future, and this requires that we continually respond to changing economic, social, and political environments in ways that meet their different interests and expectations responsibly and transparently.

For more information on our approach to stakeholder engagement and related outcomes, refer to the Integrated Report 2023, and for the direct economic value generated and distributed to stakeholders, please refer to the value-added statement on page 19 of this report.



LEADERSHIP MESSAGE

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Progress summary





Hillie Meyer

Linda de Beer

Leaders from all parts of our business stepped up during a very challenging year. From an external perspective, we faced sweeping regulatory changes, harrowing climate events and the economic consequences of geopolitical tensions while load shedding continued hampering everyday life. Internally we steered the business through system changes and new product launches while supporting our employees and clients in a tough environment.

We are proud of what we achieved as a Group, given these circumstances. We made significant progress on our plans to move towards renewable energy, like solar, skills development and saw real impact in youth employment through the Momentum Metropolitan Foundation. We invite you to read about our full portfolio of strategic sustainability impacts and initiatives in the rest of this report.

GLOBAL AND LOCAL SUSTAINABILITY DEVELOPMENTS

The publication of new global non-financial standards, such as the IFRS Foundation's Sustainability and Climate Disclosure Standards (IFRS S1 and S2), supports the heightened awareness of greenwashing, where companies claim to have positive impacts on the environment, but in practice, their actions show otherwise. Implementation of the new standards aims to better address investors' need for more transparent, comparable and consistent reporting of sustainability matters, but is likely to create tension between managing short-term risk and making meaningful progress with longer-term sustainability goals.

It is already evident that overall progress towards the United Nations' 2030 Agenda and the SDGs has been severely disrupted in the last three years.

The World Economic Forum's Global Risks Report 2023 indicates that the cost-of-living crisis will be dominating global risks in the next two years while climate action failure dictates the next decade. Indications are that global inflation might have peaked, but low and middle-income countries such as South Africa are unlikely to see relief soon. In South Africa, we face further trade-offs in resource allocation due to the energy crisis.

In February 2023, South Africa was greylisted by the Financial Action Task Force (FATF). We are only starting to see the indirect impact of the greylisting, for example through increased pricing in international reinsurance programmes and due diligence requirements, which implies an increase in the cost of compliance.

The nature and scale of these challenges are a call for companies and stakeholders to collaborate – a call that echoes our Group commitments and sustainability intent.

SUSTAINABILITY GOVERNANCE AND OVERSIGHT

The role of the Board's Social Ethics and Transformation Committee (SETC) is not limited to overseeing the Group's compliance with the legal duties bestowed upon such committees by the South African Companies Act. This year, in particular, the Committee intensified its oversight focus to enhance the strategic intent of the Group in aligning the strategic sustainability pillars with the overall strategy of the Group and its various business units.

The SETC faced a number of challenges, underwent changes and had to increase the urgency of its oversight responsibilities in 2023. The Committee had a change in chair and new members were appointed to strengthen our focus. We were also conscious of the potential impact the change in leadership at the Group CEO level, from Hillie Meyer to Jeanette Marais, could have and the importance of consistency and continuity. We are confident that we are retaining our long-term vision for sustainability with these leadership changes.

Foremost, the Committee invested time with management this year to unpack the Group's recently approved Sustainability Framework. It is important for the Board that this Framework is operationalised and integrated into the business strategies of the various business units and the Group collectively.

Implementing the Group's strategic sustainability pillars and tracking performance through quantitative measures that drive behaviour and enhance long-term impact is not an easy task. It will take time to establish and mature. We aim to integrate and enable the collaboration that will support sustainability efforts across the Group to make financial services more inclusive, enhance financial security and health, and help build the low-carbon economy – the strategic pillars of our efforts as set out in our Sustainability Framework.

Furthermore, the SETC focused on transformation, especially at middle management level, which is the most testing in the current environment where there are significant skills challenges. Attracting and retaining such skills is an important enabler to meet our sustainability objectives. So too, is our success in respect of responsible investment and social development efforts, which therefore also attracts special oversight attention by the SETC. In addition, our eye is constantly on ethics.

Each of these is addressed in more detail below.

Transformation in action

We ensured that the Sustainability Framework supported the Reinvent and Grow strategy in terms of the specific transformation objectives. Our efforts over the years to continuously drive transformation in financial services have seen us maintain our Level 1 B-BBEE status for three consecutive years.

The requirements of the new Employment Equity Amendment Act 4 of 2022 will no doubt present some challenges, but we remain committed to becoming an authentically transformed organisation.

As evidence of this commitment, we continued building what we have termed our MMPowered Community – which raises the visibility of our internal black talent – and made solid progress with the Momentum Metropolitan Foundation Youth Entrepreneurship Programme and the Momentum Metropolitan Enterprise and Supplier Development Trust Intermediary Development programmes.

Responsible investment

Through our investment practices, we can direct money flows towards more stable, well-governed social, environmental, and economic systems, that in turn, enable sustainable returns for business.

Momentum Metropolitan was one of the first South African signatories to the UN-supported PRI. We have a long history of adopting and integrating responsible investing practices in support of our outcome-based investment philosophy and the alignment of our clients' long-term goals to positively influence the world they will retire in. Our focus this year was, and continues to be, to:

- Demonstrate progress on climate change
- Contribute towards the Just Transition
- Build positive impactful relationships with market participants

Taking care of our employees

Our employees want to work for a responsible business that sees itself as part of the social and environmental systems within which it operates and where they have the opportunity to participate in developing resilient, and sustainable career journeys. We recognise that their participation depends on being included and having a sense of belonging.

We launched a formal process to scope a diversity, inclusion, equity and belonging practice this year. Work is being done to formulate a framework, roadmap, and implementation plan to be rolled out in the next financial year.

We have been certified as a Top Employer for the third consecutive year and significantly improved our overall rating from 66.15% in 2021 to 75.98% in 2022 and to 82.44% in 2023. We scored particularly high on engagement and in the domains that consider our purpose and shared values, ethics and integrity, diversity and inclusion and sustainability.

Closing the savings gap

According to the recent Life and Disability Insurance Gap study done by the Association for Savings and Investment South Africa (ASISA), 8.4 million recurring long-term insurance policies lapsed in 2022, a million more than in 2021. Almost 1.2 million fewer policies were sold. This is clear evidence of financial distress in the formal insurance market. For those outside of the net, the situation is even more dire.

In this context, our clients face a trade-off once the proposed "two-pot" retirement system is implemented. With clients having the option to access a portion of their retirement funds annually, this could lead to higher fund outflows, and a loss in savings overall.

This highlights the importance of consumer financial education and equipping people to make informed and sustainable decisions. The Momentum Metropolitan Foundation continued its critical work in this regard. This year the Foundation recalibrated its Consumer Financial Education strategy to focus on youth aged 18 to 35, who are either in institutions of higher learning or are about to enter the world of work. For younger fund members, investing more of their contributions will be a positive outcome under the "two-pot" system.

Climate impacts

In South Africa, our ESG priorities are people centred. We recognise the need for a just transition and to support the commitment between government and business to drive interventions in energy and transport and to address crime and corruption.

Science shows that extreme weather events are exacerbated by climate change, thus posing ever-increasing risks. This was evident from extended wetter weather in South Africa, which impacted claims and reinsurance costs in 2023. We have adopted a Climate Risk Framework which will be implemented to ensure the impact of climate change on all risk types is appropriately mitigated.

Evidence of stewardship was prominent in our decision to invest in the installation of solar solutions at our Centurion and Parc du Cap campuses. We expect substantial benefits in relation to lowering emissions and increasing operational resilience. We also established an ad-hoc load shedding Steering Committee to monitor and mitigate the impact on our business.

OUTLOOK AND COMMITMENTS

Work has already started on a new strategy cycle for the Group, and we intend to ensure that sustainability remains at the core of the business and that our Framework supports our long-term objectives.

Momentum Metropolitan's new CEO, Jeanette Marais, joined the SETC as a member from 1 August 2023. We look forward to working with her on our sustainability priorities for 2024. These include tracking progress on the business unit commitments via formal key indicators to be approved by the business unit Exco teams. We will also provide oversight for the decarbonisation roadmap of which the scope and implementation plan is in development.

CEO farewell note

My time at Momentum Metropolitan was made impactful by the people I worked with, including Board members, the SETC members, our leadership teams and all employees. I am proud of the culture we created and the strides we made in living our purpose. I wish our people, clients and all stakeholders the best in achieving our shared financial goals and life aspirations.



Hillie Meyer

Group Chief Executive Officer (CEO) up to 31 July 2023



Linda de Beer

Chair: Momentum Metropolitan Social, Ethics and Transformation Committee

PROGRESS SUMMARY

In the past year, we chose slow and steady above fast and cursory. It took time to build on the foundation of our Sustainability Framework. Our building blocks had to be shaped by the business unit commitments and initiatives, which had to be targeted, impactful and appropriate. We consulted, collaborated and reflected on these during many working sessions. We summarise the progress on promises made in our previous report below.

Promises made

- Future decisions will be based on a foundation of scientific rigour that is able to deliver data that is reliable and valid.
- We need reliable, quality data, which will be a major focus area in the short to medium term, including developing assurance-ready systems to deliver and report data.
- We want to set meaningful targets and make carbon commitments where we have considered all the relevant trade-offs. We recognise that the pace of change will rely on our business units and their ability to drive integration.
- As we socialise the framework in the next year, we will be combining a bottom-up and top-down approach to identify risks, opportunities and key performance indicators. This will enable business units to integrate sustainability into their F2025-F2027 strategies.
- We plan to extend sustainability learning opportunities to all our employees and leadership teams, so we can embed sustainability in the DNA of the business.
- Recognising that sustainability is an inclusive journey, we will be selecting fewer partners and aiming for more impact. We will focus resources and remain agile to respond when the environment and our stakeholder needs change.

Progress and detail

The business units are following a formal and structured process to develop effective metrics that will enable them to track progress. Read more on page 15.



As part of our decarbonisation roadmap, we will focus on mapping carbon footprint input data according to data type, format and location. Read more on page 30.



We developed six sustainability themes based on the bottom-up process followed by the business units this year. The themes are based on sustainability commitments, risks and opportunities identified by the business units. Read more on page 13.



Three Sustainability Forum members completed training with the Cambridge Institute for Sustainability Leadership. The forum received several presentations from experts, including the National Business Initiative (NBI) and World Wildlife Fund South Africa (WWF-SA). Topics included sustainability trends and climate policy developments. This will be a continuing focus. We also ran various employee awareness campaigns.



The Momentum Metropolitan Foundation evaluated its youth programme partners this year to ensure that we are delivering impactful programmes. Read more on page 54.



Business units manage a range of partnerships based on commercial, research, service, support, knowledge, and industry requirements. Read more about these on page 50.



Achieved



In progress

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OUR SUSTAINABILITY CONTEXT AND MATERIAL THEMES

Our unique South African context poses environmental, economic, social and governance challenges that could put the promises that we make to our clients and the broader society at risk. However, these factors also offer opportunities for us to make a difference in terms of inclusion and financial resilience.

The Group Strategy function's research and planning activities consider key national events and trends that inform the strategy development process. As such, they consider regulatory, social and environmental factors that might require a deliberate strategic response, and will ensure the sustainability of our businesses, society and our planet. Their insights ensure that the Group has a common understanding and set of assumptions regarding future dynamics. We highlight some of the key sustainability risks below.

SIGNIFICANT CHANGES IN THE REGULATORY LANDSCAPE

The Conduct of Financial Institutions (COFI) Bill will be the primary legislation for the Financial Sector Conduct Authority (FSCA) creating a holistic, cross-sectoral, client-focused regulatory framework within which financial institutions must operate. It will create the regulatory foundation for market conduct supervision and enforcement and embed the Treating Customers Fairly (TCF) principles into law. COFI is principles-based, outcomes-focused, pre-emptive and risk-based. Furthermore, COFI will create an activity-based licensing model requiring financial institutions to apply to be licensed by the FSCA for the respective financial activities they perform. Along with COFI comes the development of Omni-Conduct of Business Returns where all financial institutions licensed under COFI, and not just insurers, will be required to complete conduct of business returns. The FSCA continues to issue subordinate legislation in the form of conduct standards (regulation) and, in some cases, joint standards together with the Prudential Authority (PA) covering insurers, financial advisers, collective investment schemes and retirement funds.

The FSCA and the PA will release crosscutting sectoral standards including:

- The regulation of Information Technology governance and risk management
- Cyber security and cyber resilience
- Culture and governance-related standards
- The establishment of a centralised database for reporting unclaimed assets and the proposed transfer to a centralised unclaimed asset fund
- Joint Standard on Third Party Cell Captive Insurers
- Outsourcing of control functions by an insurer

The Prudential Authority's regulatory strategy lists the following priorities:

- Enhancing and strengthening regulatory frameworks for insurers and significant owners
- Strengthening anti-money laundering and counter-terrorist financing and responding to the FATF Mutual Evaluation Review (MER) findings
- Developing plans to guide how financial institutions need to account for climate risk within their own risk and solvency assessments and how to report on it
- Supporting innovation and financial technologies through the development of tools allowing experimentation outside the regulatory net
- Monitoring and supervision of transformation plans
- Resolution planning for institutions considered Too Big to Fail

National Treasury's retirement industry reforms, first released in mid-2022, include a proposed two-pot retirement system to encourage South Africans to preserve their retirement savings.

The Employment Equity Amendment Bill of 2020 was signed into law in April 2023 and will set sectoral targets with higher compliance requirements, associated penalties for non-compliance, and strengthened enforcement mechanisms against unfair discrimination in the workplace.

The National Health Insurance (NHI) Bill will set out to provide quality universal healthcare for all, thus bridging inequalities. Medical schemes will not be able to provide cover for services that are paid for by the NHI.

We also remain close to developments related to the Climate Change Bill and the FSCA position statements on transformation and sustainable finance.

SOCIAL AND ENVIRONMENTAL CHALLENGES ARE DYNAMIC AND CONNECTED

Consumers globally are facing a cost-of-living crisis that limits their ability to achieve their financial goals. In South Africa, this is intensified by a combination of the following:

- **Human rights concerns** including widespread unemployment, inequality, poverty, violence against women and children, and a lack of access to basic service delivery.
- **Poor service delivery and inadequate housing** including insufficient potable water, shortages and poor water quality. Many South Africans continue to live in structures not fit for human habitation.
- **The impacts of climate change** which contributes to food insecurity and the displacement of people.
- **A high and persistent inequality rate** exacerbated by low intergenerational mobility, where children are unable to achieve higher social status or better prospects than their parents to end the poverty cycle.

AREAS OF MATERIAL IMPACT

The Sustainability Framework articulates our journey towards strategic integration, enabling us to explore, scale and implement opportunities to solve environmental, social and governance challenges through the core business. We apply an internally developed Sustainability Maturity Model to determine the shift from a risk-focused approach to an enabling environment, and will be using this in our new strategy development cycle. On our sustainability leadership journey, we considered a range of themes that highlight the areas where we can have the most material impact given the risks and opportunities in our external context.

- Innovating to mitigate our clients' income challenges by making insurance, savings and investments more accessible to more people
- Understanding, responding to and embedding regulatory changes
- Developing highly lean and fully automated operations to reduce expense ratios
- Broadening and deepening client relationships to gain trust and cater for underserved markets
- Significantly improving client service levels across the Group
- Ensuring our digital transformation initiatives are inclusive in their design and execution
- Constantly recruiting and developing talent by crafting employee value propositions and establishing partnerships with vendors that can provide additional skills and capacity
- Sourcing external black talent and progressing internal black talent

"Things are more positive than a year ago, but the external environment is getting worse. Regulatory changes are radical, and we need to know more about our clients. Post-Covid, we're seeing more awareness about the need for insurance globally. But how we show up is key."

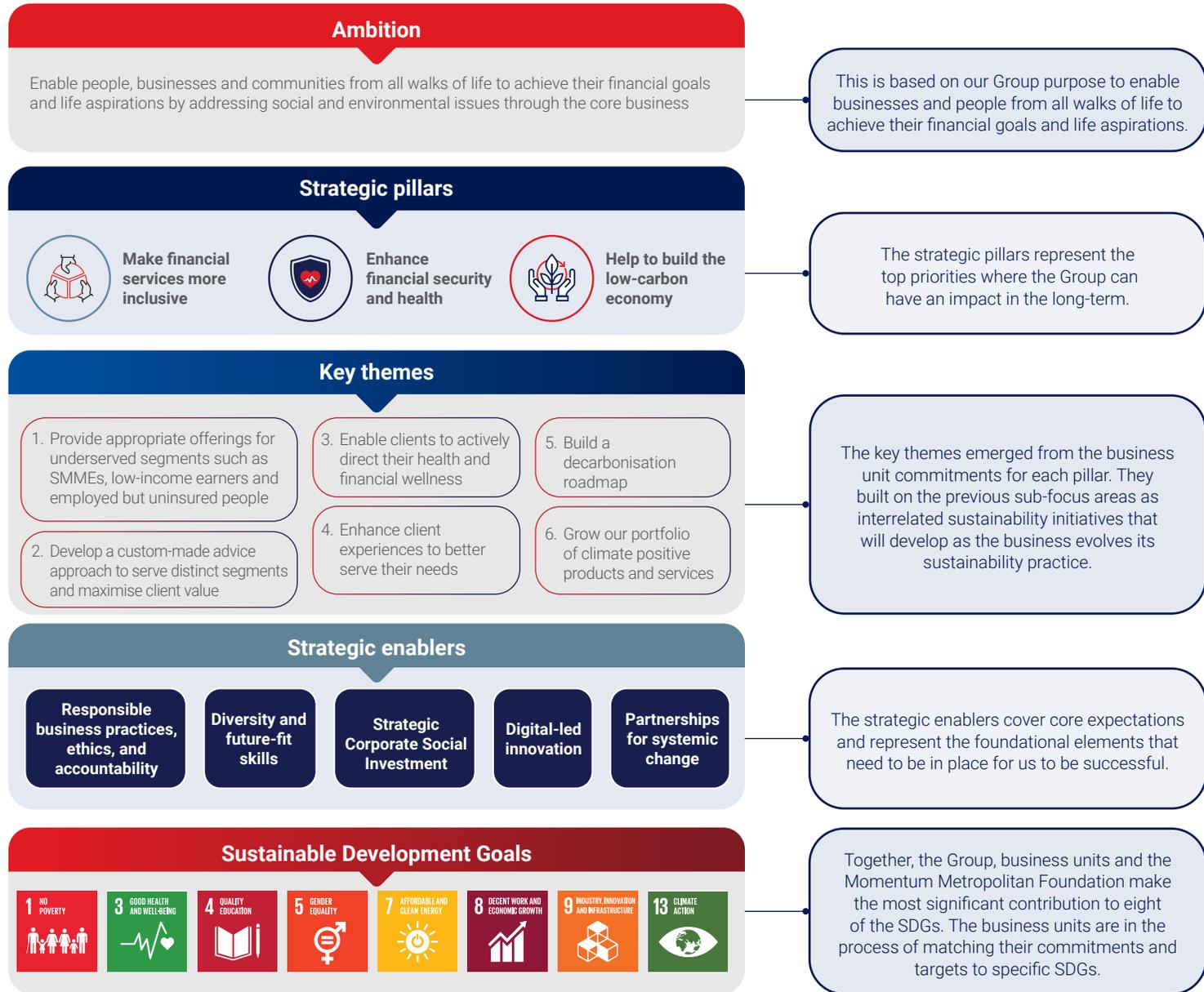
– Johann le Roux, CEO Momentum Life

OUR SUSTAINABILITY FRAMEWORK

In 2022, we introduced a new Sustainability Framework with three pillars, four enablers, including a corporate social investment foundation. The Framework was the outcome of a dynamic formal process started in 2021 and based on research and trend analysis, a view of the insurance and banking landscape and our value chain. The Framework represents our commitment to integrate and collaborate on all sustainability matters across the Group.

In our annual review of the Sustainability Framework in 2023, we made one change by including strategic corporate social investment as one of our enablers. We also introduced key themes to replace the sub-focus areas. The themes encompass broader definitions that emerged during the Sustainability Framework review and business unit processes.

Our commitment to sustainability aims to future-proof communities and businesses from all walks of life by addressing societal and environmental factors while enabling economic progress.



OUR SUSTAINABILITY ENABLERS LINK GROUP EFFORTS

Integration and collaboration are key drivers to achieve our sustainability ambition. As we mature our understanding of systemic impacts and connections, we are able to better orchestrate our collective efforts.

STRATEGIC ENABLERS

Enablers with established Group strategies and central ownership

Responsible business practices, ethics, and accountability

Responsible investments

Responsible investment principles:

- We advocate
- We report on progress
- We seek disclosure
- We integrate ESG
- We are active owners
- We keep to rules and regulation

Responsible investment sub-goals align to the targets for SDG 4, 7, 8, 9, 13 and link to Group initiatives implemented by Momentum Investments (see page 17).

Annual thematic goals are established through self-assessment, market trends and PRI guidance.

Ethics and accountability

We have a well-established and defined approach rooted in our values. Policy compliance and application are actively managed by various governance structures and processes. Policies are listed on page 64.

Diversity and future-fit skills

Diversity, equity, inclusion and belonging practices combined with the right talent are core assets of the sustainability programme, with focus areas:

- People strategy
- Employee value proposition
- Talent management

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

Strategic Corporate Social Investment (CSI)

The Momentum Metropolitan Foundation's stated purpose is to enable the life aspirations and sustainable earning potential of disadvantaged young people in South Africa. Read more on page 54.

Strategic CSI is not equal to sustainability but can support the sustainability strategy. CSI is regarded as strategic when it has a measurable developmental impact. Within the Group, an additional consideration is whether it meets a business need or seeks to address it.

Enablers where the Group provides guidance with implementation in the business units

Digital-led innovation

The digital strategies are owned and executed by the business units, guided by the following Group principles (see page 48).

While ensuring convenience, greater accessibility and inclusion, our digital offerings are also evaluated in the context of differing levels of digital literacy and access to infrastructure.

Partnerships for systemic change

Sustainability issues are systemic, and broad collaborative partnerships are critical for impact. Engagement is guided by our values and the code of ethics and standards for conduct policy.

Sustainability leadership will require an extended investment in social relations between all parts of society to generate and enhance trust and consensus, hence recognised in the framework.

Research and thought leadership partnerships will mostly be initiated at Group level. Business units are not obliged to form partnerships but are empowered to seek partners that support their economic, environmental, social and governance impact.

Read more on page 50.

Our definition of future resilience

- We are responsible for remaining sustainable, ensuring we stay in the business of paying claims and delivering on our promises, helping people to retire, and contributing to South Africa's growth.
- Helping clients invest in the future also means promoting the existence of a world they want to retire in, which meets their life-long aspirations.
- Promoting sound governance in our own business and that of partners as it protects the aspirations of people, businesses and communities.



BUSINESS UNIT SUSTAINABILITY COMMITMENTS

For us, sustainability is in the first place who we are, and not only what we do. This is why we are taking a more considered route in defining what it means for the Group. We have set our ambition and have elected to use the business units as our vehicle to make this ambition real. This means taking a consultative, bottom-up approach, working with the business units to integrate sustainability into their plans before taking action. They will provide our future proof points and will be our true champions for sustainability.

This year, the business units embarked on a structured process to identify priorities and commitments aligned with the Sustainability Framework.

Business units considered the following questions:

- How do we currently create value?
- What are our impacts and dependencies?
- Where is our greatest potential sustainability impact and influence?
- What are our main sustainability risks and opportunities?
- What are our stakeholders' concerns and expectations?

The business units' strategic sense-making process

In line with our federated operating model, each business unit remains empowered, accountable, and responsible for its full value chains, while still being expected to perform according to the Group's strategic objectives for corporate performance, including the objectives set for sustainability performance. While the Group Sustainability Framework provided clear guidance to the business, staying true to our federated operating model required business units to invest the time to develop their own plans aligned to this Group guidance. Executive teams committed to a series of workshops, consultations and approvals before all plans were tabled at the Group Exco.

SUSTAINABILITY PILLAR IMPLEMENTATION PROGRESS

Our seven business units made solid progress towards formulating their sustainability commitments and agreeing to related metrics and targets.

2023 process

Step 1: Introduce and align on sustainability context

100%

Step 2: Business model analysis

100%

Step 3: Determine the sustainability opportunity envelope

100%

Step 4: Present priority opportunities as strategic commitments

100%

Step 5: Exco review and approval

100%

Step 6: Integrate into business planning and assign business unit owner

60%

Next steps

Step 7: Develop effective metrics

20%

Step 8: Exco approval of metrics

20%

Most business units are in the process of assigning owners to each commitment and integrating commitments into their business planning for 2024. Some have developed sustainability dashboards to track progress. They will now unpack the initiatives that will support each of their commitments and develop metrics to track and report on their progress. Once the process is complete, we plan to set Group targets per pillar.

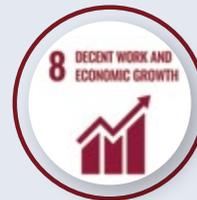
The reporting for each strategic sustainability pillar in the next chapter includes highlights from the business unit reflections and commitments.

OUR CONTRIBUTION TO THE SDGs

When we started the bottom-up process with the business units to identify priorities and commitments aligned with the Sustainability Framework, we focused on five SDGs for the Group. Through discussions at various leadership forums, we were able to identify specific areas where we can help address global development challenges. The process guided us to adopt three additional SDGs. This outcome was supported by the Access to Insurance Initiative in their March 2021 policy note, which highlighted the role of the insurance sector:

- Insurance protects against unexpected financial shocks that set back development progress.
- Insurance builds resilience by acting as a buffer against unforeseen financial events.
- Insurance can plug gaps in social safety nets, provide better working conditions and build financial health.

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 already considered this and developed bespoke SDG-aligned indicators that are practical for the business to measure.

Momentum Investments is a strong driver for progress with the SDGs

The Momentum Responsible Investments team created an SDG Framework that uses the team's strengths and capabilities to identify sound ESG investment opportunities.



- The impact team is driving affordable and reliable access to student accommodation by increasing the number of student beds through capital allocation and investing in new buildings.



- The impact team is increasing its investments in clean energy sources such as solar and wind. Success is measured through total greenhouse gas (GHG) emissions saved, expressed as tCO₂e, by investing in renewables instead of fossil fuel investments, the number of houses powered by renewable energy, and the amount invested.
- The portfolio solutions team contributes through the Eris Direct Property Fund, where they measure the number of solar sites, total renewable power production, annual avoided GHG emissions for the year and investment amount.



- The high yield credit team is driving an increase in the number of permanent appointments and jobs created through the funds in which they invest. The funds have to formally report on progress.



- The impact team contributes to developing regional and trans-border infrastructure by improving affordability and access.
- The impact team also contributes to information and technology infrastructure that provides affordable internet access by funding an increase in the kilometres covered to service businesses and households with fibre.
- The private equity team is increasing their investment in the African infrastructure market to facilitate development in developing markets.



- The hedge fund, private equity and portfolio solutions teams are driving the adoption of climate change investment policies and strategies at externally appointed investment managers and general partners. Higher adoption will result from improved education and awareness about climate change mitigation, adaptation, impact reduction and reporting. It will reflect the importance of a Just Transition to a low-carbon economy.
- The listed property team is greening our listed property funds by increasing the percentage of green-rated buildings in their portfolio. Greening buildings is one of the lowest cost, highest impact ways of reducing harmful emissions that contribute to climate change.
- The listed equity team advocates the importance of companies to disclose and link their remuneration policies with their climate-specific KPIs.



OUR GROUP SUSTAINABILITY IMPACT SNAPSHOT

Implementing our Sustainability Framework drives systemic impact that contributes to the SDGs and our purpose. We believe that these indicators assist in developing the capacity for greater impact over time.

Economic impact

- 
22.3% return on equity (F2022: 22.7%)
- 
12 786* permanent employees (F2022: 13 356)
- 
R7.1 billion paid in remuneration (F2022: R6.7 billion)
- 
R974 billion assets under management and administration (F2022: R859.3 billion)
- 
R6.7 billion in direct and indirect taxes paid (F2022: R6.5 billion)

Environmental impact

- 
R4.1 billion invested in renewable energy through empowerment financing (F2022: R2.3 billion)
- 
10 active solar retail sites in direct property fund (F2022: 9 active sites)
- 
-26% reduction** in overall GHG emissions against the 2014 baseline (2021: 34%)
- 
61% waste** produced recycled (2021: 47%)
- 
40 167 MWh energy consumption (2021: 45 082 MWh**)
- 
112 727kl total water withdrawal from municipal water supplies (2022: 106 727kl)
- 
B CDP score** (2022: B**)

Social impact

- 
R38.3 billion claims paid on insurance products (F2022: R40.3 billion)
- 
R282.4 million for training and skills development (F2022: R297 million)
- 
R41 million invested in youth employment and financial education (F2022: R27.5 million)
- 
10 650 beneficiaries** reached through our online volunteer management platform (F2022: 10 369 852 beneficiaries)
- 
4 million in-force policies (F2022: 4 million)
- 
183 000 Health4Me low-cost health product members (F2022: 162 000)
- 
13 200 employees form part of the iSabelo employee share ownership plan (F2022: 13 000)
- 40.2%** black ownership (F2022: 37.08%)

Governance impact

- Ranked in the **97th** percentile among global peers and 90th percentile among local market peers for corporate governance by MSCI (F2022: 97th and 91st percentile)
- UNPRI signatory** since 2006
- Included in the FTSE/JSE Responsible Investment **Top 30 Index**
- Independent assessments** of group forensic services group-wide policies
- Robust** governance framework and independent oversight body

* South Africa only.

** The significant decrease is due to a change in methodology to measure people impacted by our volunteer efforts. During Covid, we strongly drove virtual volunteering and campaigns on social media to remain connected to communities. We have shifted our approach and only account for volunteering activities for which the impact can be quantified in monetary terms as an economic benefit to the beneficiaries.

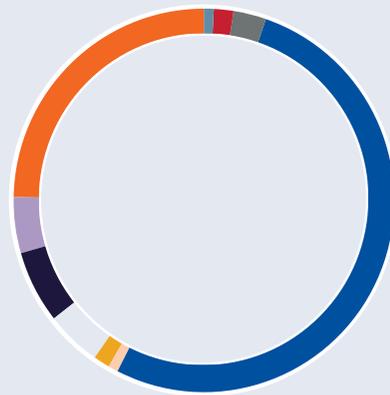
VALUE-ADDED STATEMENT

Our stakeholders gain value from our business, engagements and shared initiatives. In the previous section we highlighted some of the positive impacts achieved in the past year. This section illustrates the income generated and distributed to specific stakeholder groups in F2023.

INCOME GENERATED:



Distributed as follows:



- Dividends paid to shareholders
R1.7 billion
 (F2022: R1.5 billion)
- Retention for growth
R2.7 billion
 (F2022: R2.3 billion)
- Government (income tax)
R4.8 billion
 (F2022: R3.7 billion)
- Client benefits
R86.4 billion*
 (F2022: R35.5 billion)
- Depreciation, amortisation and impairment expenses
R1.5 billion
 (F2022: R1.7 billion)
- Finance costs
R2.6 billion
 (F2022: R2.3 billion)
- Employee benefit expenses
R7.9 billion
 (F2022: R7.2 billion)
- Operating costs*
R9.9 billion
 (F2022: R43.8 billion)
- Sales remuneration paid to advisers
R7.8 billion
 (F2022: R7.7 billion)
- Community investment
R41 million
 (F2022: R27.5 million)

* Client benefits, consisting of benefits paid to clients during the financial period, as well as changes in the value of client benefits expected to be paid in future, were included in "Operating costs" for the F2022 comparative period.



SUSTAINABILITY PILLARS

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

MAKE FINANCIAL SERVICES MORE INCLUSIVE

Strategic pillars



Make financial services more inclusive



Enhance financial security and health



Help build the low-carbon economy

Strategic enablers

Responsible business practices, ethics, and accountability

Diversity and future-fit skills

Digital-led innovation

Partnerships for systemic change

Strategic corporate social investment

In line with our purpose to enable people's life aspirations, we are contributing to bridging the insurance and savings gap in South Africa. By offering more inclusive solutions, we help improve the resilience of a broader group of South Africans, their households, and communities.

KEY THEMES

Provide appropriate offerings for underserved segments such as SMMEs, low-income earners and employed but uninsured people

To make financial services more inclusive, we need to expand our current basket of low-cost offerings to attract underserved market segments, including the youth. This requires innovation in product design, new distribution channels, and partnerships to drive access, with particular emphasis on health insurance.

Develop a custom-made advice approach to serve distinct segments and 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

Make financial services more accessible



- Support and grow Momentum Life's network of young, black advisers through the Red Practice Academy
- Increase the representation of black and female professionals in our adviser networks through Velocity Club
- Make saving more affordable through Investo
- Develop the skills of Momentum financial planners and other individual partners



- Target young, emerging consumers with solutions oriented to their particular needs
- Focus on simple, digital products and services to enhance scale and accessibility
- Create fit-for-purpose financial solutions for SMMEs
- Develop fit-for-purpose solutions for traditional, non-digital consumers



- Enhance solution offering through product innovation/customisation to increase financial inclusivity
- Design digital enhancement solutions for ease of access to products and advice in vernacular to service a multicultural member base



- Reach the low-income market within employer groups through affordable healthcare cover for the employed and uninsured
- Reduce the burden on public health facilities through public-private partnerships



- Deepen our investment and efforts in developing our enterprise, supplier and skills development initiatives
- Create an insurtech ecosystem through LAUNCHPAD
- Make microinsurance licences more accessible and create access to insurance for the lower end of the market



- Expand the network of employed advisers delivering direct customer support on non-life insurance
- Through Momentum Insure's enterprise and supplier development efforts, develop skills that support the non-life insurance market, with a focus on the claims value chain
- Innovate to enhance SMME access to non-life insurance

APPROPRIATE OFFERINGS FOR UNDERSERVED SEGMENTS

We encourage savings and insurance as far as possible for low to middle-income households to reach their life goals, protect their assets and contribute to sustainable economic growth.

Vertical integration and partnerships for low-cost health

We are committed to vertical integration to ensure the sustainability of low-cost health insurance in South Africa and to manage the escalating cost of service delivery. Vertical integration means extending our products, services and partnerships into other areas of the value chain where we are currently not present, for example in clinics or pharmacies. We are thus expanding our networks and partnerships while leveraging digital and physical primary care spaces. This will drive affordability and improve access to basic private care for more South Africans.

Hello Doctor and Health4Me, are core drivers of vertical integration. Read more about these below. We have the following partnerships as further enablers:

- We have a minority equity interest in Kalapeng, the largest black-owned pharmacy network in South Africa, which enables access to the retail pharmacy delivery chain. The Kalapeng investment includes a pharmaceutical wholesaler which supplies 23 pharmacies.
- We partnered with the Clinton Health Access Initiative and the Eastern Cape Department of Health to supply essential medical equipment and refurbish the maternal high-care facility. This will reduce morbidity and mortality while improving clinical outcomes.
- We partnered with the Department of Public Service and Administration on the National Batho Pele Excellence Awards. The awards encourage professionalism and excellence in the public sector.
- The Health Foundation South Africa has partnered with Momentum Metropolitan and the Dis-Chem Foundation in bringing the Hello Doctor triage service to community health centres (CHC) 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.

Hello Doctor triage for affordable healthcare

In South Africa, healthcare costs are escalating faster than inflation, while consumers have lower spending power. At the same time, the low-income segment is the only expanding market segment. Many lives remain uncovered in terms of healthcare, and private healthcare solutions like medical schemes are unaffordable.

Our Health business wants to supply More Health, for More People, for Less. To achieve this, we want to become more involved in providing solutions at primary healthcare facilities where we can provide the first point of triage care.

South Africa has a critical shortage of doctors, with less than one doctor attending to 1 000 patients. This places undue pressure on the healthcare system, with patients spending hours queuing at public primary care facilities. This often means missing work and thus losing income for a consultation that could have been virtual, quick and from the privacy of their homes.

Hello Doctor

Hello Doctor is a digital health platform that aims to reduce the burden on the public health system by eliminating long queues and reducing high patient load at clinics, thus supporting the Department of Health's national strategy to shift the focus from curative to preventative interventions.

We launched Hello Doctor at a CHC and a clinic between 2017 and 2019. We have since expanded the service based on growing demand at the Delft CHC, Symphony Way CHC in Cape Town, and KT Motubatse CHC in Soshanguve.

The concept of Hello Doctor is well established and has alleviated and reduced the patient load in the selected public clinics. As such, it was personally recommended by the Minister of Health and relaunched at the Delft CHC in 2022 to reinforce the need for tele-triage intervention.

Per the Department of Health's recommendations, sites are identified based on the needs of the local healthcare centre and informed by factors such as shortage of healthcare personnel in relation to high patient headcount at the facilities.

We are in the process of making Hello Doctor available to the public sector and have a pilot running based on a QR code that can be scanned and link patients to a doctor. Our next challenge will be developing a sustainable triage services funding model.

We are also linking Hello Doctor with seven Kalapeng pharmacies, leveraging our investment in the black-owned network to improve outcomes at a lower cost and enable the delivery of the medicines our Hello Doctor doctors prescribe.

Since the relaunch in June 2022, we achieved:

1 976
total registrations

2 476
total engagements

75%
of users are female

54%
non-essential cases were identified during the pilot phase.
After the pilot, non-essential cases reduced to 31% thus
alleviating the high patient load in public healthcare facilities

Challenges include registering different users where patients share a cell phone. We also want to strengthen our working relationship with clinic management to better integrate the service within the facility. Ideally clinic staff should promote the service so we can make it more accessible in a cost-effective way.

Our Hello Doctor service has been pivotal in reducing unnecessary clinic visits, limiting waiting time and lessening the burden on public health facilities. The innovation links patients to doctors via a USSD platform, facilitating virtual consultation with users while they queue at the facility or from home. We recently started providing teleconsultations and authorisations as well.

Cost-effective cover through Health4Me

Momentum Health4Me provides access to affordable healthcare cover for low-income earners. It is based on a building blocks approach where employers can choose the combination of benefits most suitable to their employees' needs and available budget.

We started developing the building blocks approach in the mid-1990s. At the time, we wanted to address the need for general low-cost primary healthcare options as prescribed minimum benefits only applied to medical scheme members. We intended to create a low-cost product that would be sustainable for an underserved market segment.

As we acquired businesses and tested healthcare products under an insurance licence, Health4Me emerged as a market leader. We also integrated Health4Me with our other offerings by providing unlimited general practitioner visits with a Hello Doctor pre-authorisation.

Health4Me currently covers 183 000 beneficiaries in South Africa.

Digital funeral plan offering

High unemployment, low savings and the cost-of-living crisis in South Africa all underline the need for affordable funeral plans for families to pay for a dignified funeral.

To meet client needs, Metropolitan Life enhanced its funeral plan with additional benefits this year. This comes on top of offering a market-leading cashback benefit on our risk solutions. We provide 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 can be serviced on their channel of choice. For some products, clients can pay any amount, any time of the month, in any way. Our funeral plan integrates multiple payment partners thus catering for the unique needs of our market. This includes 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, while clients can claim via WhatsApp or online.

Growth in microinsurance

A regulated minimum capital requirement of R15 million has been the most significant barrier to entry into the insurance industry. The introduction of life and non-life cell captive options, pioneered by Guardrisk in 1993, reduced the required capital to R1 million and for cells in a microinsurance cell captive licence to R250 000. As such, microinsurance is the ideal vehicle to fast-track transformation in the insurance sector.

Guardrisk is South Africa's largest cell captive insurer. We were awarded South Africa's first microinsurance cell captive licence in 2021. These cells serve as incubators for black ownership and upskilling. Our licence further includes support initiatives to create deal flow via reinsurance relationships and joint marketing efforts with life and non-life business units.

Microinsurance offers innovative, no-frills insurance products in dedicated segments and markets. It enables entrepreneurs to own, control and manage their own insurance facility under the guidance of Guardrisk, with the economic benefits of the insurance business in the cell flowing directly to the cell owner. At the same time, clients can access custom-designed insurance products that offer value for money backed by a registered and financially sound insurer.

A LAUNCHPAD for insurtech

To be sustainable in the long term, we have to expand our digital touchpoints, solutions and partnerships. We invest in innovation to identify new products, novel ways to engage clients and technology-based business models. Guardrisk introduced its LAUNCHPAD initiative this year, targeting entrepreneurs needing help with their concepts.

A dedicated selection team has been created, and R50 million has been set aside to support insurtech entrepreneurs to fund new digital-led innovation initiatives. We believe that our technology-enabled ecosystem can unlock opportunities to develop relevant solutions that will create value for clients, the selected entrepreneurs, partners and Guardrisk. We welcome solutions from areas covering client engagement, underwriting, pricing, the claims process and payments. Selected entrepreneurs will receive tailored support, including funding and technical mentorship.

LAUNCHPAD entrepreneurs can expect access to our insurance expertise and our intermediary network to test their concepts. We also have a diverse client base from mining, motor, manufacturing and retail to explore. The response to the launch has been overwhelming, indicating a gap in the market among entrepreneurs that want to scale their insurtech businesses.

Our current insurtech initiatives include ROOT, a new start-up focusing on client engagement in the intermediated life insurance value chain. ROOT is a low-code, API-first, end-to-end insurance platform powering universally programmable insurance products, any digital sales channel, digital insurance operations, and the ecosystem around this. The Group co-funded the ROOT insurance start-up, born out of Exponential Ventures and the 4Di Capital start-up system. ROOT expanded its footprint and now operates in the UK, where it has gained good traction. We have been able to introduce ROOT's innovative and disruptive abilities across the Group. In Guardrisk, it has enabled the provision of microinsurance products and digitally available life insurance products that advance financial inclusion.

We remain positive about the prospects of our insurtech initiatives as more clients embrace digital interaction across the insurance value chain.

A CUSTOM-MADE ADVICE APPROACH

We want to expand our adviser network to build client relationships in new and underserved markets. The challenge is to grow the pool of advisers in the industry and equip them with the relevant skills. Current economic conditions limit growth opportunities, making it hard to attract new and retain current advisers.

Our products are marketed through tied agents and independent financial advisers. The Metropolitan Life agency force decreased from 3 547 in 2022 to 3 088 as we strengthened our human capital practices to ensure our clients continue to receive quality service. This will enable us to continue reaching more people with trusted, practical financial solutions.

We consider the reality that financial literacy is a concern in South Africa. Therefore, we focus on providing information that is easy to understand, offered to members at the right time, and in electronic formats when relevant.

Momentum alternative distribution channel

Momentum Financial Planning launched a new tied agency distribution channel, known as the Red Channel, in 2021 as part of a new national channel-led structure. The latter is set to grow our footprint and provide advisers with the right knowledge, skills, tools and solutions, ultimately placing more financial advisers in front of more clients.

Since the launch, we appointed a Red Channel management team and 340 advisers. New advisers are paid a guaranteed salary for a set period and receive a set-up cost contribution. As adviser retention and a sustainable commission model are priorities, we continue optimising our support while closely monitoring exits.

Red-Channel advisers are segmented and managed in three main categories according to where they are in their journey:

- Apprenticeship Programme: Classroom learning is for advisers who are with us from month one to six
- Apprenticeship Programme: On-the-ground/practical learning is for advisers who are with us for seven to 12 months
- Able to advise and sell: This category identifies advisers who have been with us for more than a year

We are optimising our model by focusing on additional support, adjusting remuneration contracts to drive sales, and using a robust activity management tool and tracker to generate more leads for advisers. We continue to invest in the Red Channel to increase our footprint.

Corporate connections

Momentum Corporate launched a new bot this year to enable members to engage with us through WhatsApp. They can request benefit values, download a detailed benefit statement, manage their contact details, learn about their benefits, request a form, and more. A live chat feature allows members to chat with a benefit counsellor.

This forms part of a communication strategy to drive awareness and engagement with our members. We also hosted member events across the three Momentum Metropolitan campuses and rolled out #CoffeeConversations to FundsAtWork members.

Benefits counselling for members

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

Our long-term ambition is that every member understands their employee benefits and has a financial plan in place, with which they engage regularly to make better financial choices for themselves and their families. Retirement benefit counselling can be accessed via the client's financial adviser or employer. We also include a dedicated email and contact number via member communication.

Over 66 004 members have used the benefits counselling in F2023 (F2022: 25 605), representing an increase of 85%.

Momentum Corporate's new Member Hub

Members of employee benefit schemes are often not familiar with all their benefits, and find it hard to access information. Although the information might be available, we realised that too many touchpoints complicate their journey and that there was unnecessary friction in the engagement process.

"I know very little about my benefits so I am unable to make informed decisions about my future. In my company nobody explains my benefits clearly, so I never know if my future is safe." – FundsAtWork Mine Worker

Our mission this year was to create a central online destination for members to easily find important information about their employee benefits. We wanted to make it smooth, simple and enjoyable for them to engage with information, and create new opportunities for us to engage with them.

To demystify the complex world of employee benefits, we created the Momentum Corporate employee benefits Member Hub. Developed as a pre-login site, we decided to make the information available to all employed South Africans. There are three main sections relating to benefits education, self-service and providing users with a link to talk to a benefits counsellor.

The success of the Member Hub is evident from our Member Solutions' engagement rate which is up over 150% in F2023 compared to F2022. Our goal of engaging with 45 000 members and seeing strong business growth, has been met and surpassed.

The Member Hub created further business value as it increased brand awareness, and facilitated sustainable direct interaction between Momentum Corporate and members. Previously our engagement was primarily with employers.

A high percentage of returning visitors (42%) indicates that we achieved the desired outcome: people are discovering value and returning to find out more.

ENHANCE FINANCIAL SECURITY AND HEALTH

Strategic pillars



Make financial services more inclusive



Enhance financial security and health



Help build the low-carbon economy

Strategic enablers

Responsible business practices, ethics, and accountability

Diversity and future-fit skills

Digital-led innovation

Partnerships for systemic change

Strategic corporate social investment

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 goals and life aspirations.

KEY THEMES

Enable clients to actively direct their health and financial wellness

We want to empower clients and their communities to enhance their financial security and health through improved education and the right solutions. This involves equipping people with knowledge about various financial skills, including personal financial management, budgeting, and investing, and the opportunity to practice those skills.

Enhance client experiences to better serve their needs

We ensure that our products offer fair value to clients and that we treat them with dignity and respect, especially when they need us most. This is reflected in how we process claims, taking care to ensure the privacy of client data and responding timeously to clients' queries and concerns. We also encourage and reward behaviours that will improve financial health outcomes for customers, creating a safer and healthier society.



OUR BUSINESS UNIT COMMITMENTS

Enhance financial security and health

momentum
life

- Use tech to support earlier detection of insurance-related risks through, for example, Kimi
- Improve financial literacy through effective service integration and online access

METROPOLITAN
Together we can

- Actively keep customers informed about how their products can help them reach their goals
- Build an adviser network that works hand-in-hand with our clients to address their urgent, ongoing and longer-term needs
- Use chatbots and self-service technologies to assist clients in choosing their own financial support options

momentum
corporate

- Improve financial literacy and education through member engagement efforts that appeal to a multigenerational member base
- Increase member's financial security through value-added services aimed at preserving the members' income-earning capabilities

Momentum
Metropolitan
health business

- Build omnichannel service for continuous member engagement with health and financial wellness
- Develop and implement an integrated solution inclusive of our Multiply offering to improve member health and financial well-being

GUARDRISK
TAILORED RISK SOLUTIONS

- Enhance value and service proposition to our policyholders and financial resilience of the family unit
- Support our clients by enabling them to offer products best suited to their target market

momentum
Insure

- Use incentives and digital technology to encourage active client engagement in the Momentum Insure Safety Value proposition
- Explore opportunities in Momentum Insure's core business capabilities to grow youth employment impact and focus

ACTIVELY DRIVING FINANCIAL HEALTH AND WELLNESS

Well-informed and financially empowered consumers and communities contribute to the demand for financial products and aid sustainable and effective financial inclusion. We support consumers through financial education initiatives, transparency, and fair market conduct.

Our financial education efforts are extensive. It includes our clients as well as reaching broader society through the Momentum Metropolitan Foundation's programmes aimed at youth empowerment. Read more about our consumer financial education initiatives from page 56.

Uber for job interviews

Young people can achieve their financial goals and life aspirations if they can find jobs. For the second year running, Metropolitan Life collaborated with Uber during Youth Month to help transport young job seekers to job interviews for free. For many of them, the struggle of looking for a job is compounded by factors such as the high cost of data to conduct online job searches and transport to get to interviews.

The Met4You(th) campaign enabled 1 300 young candidates to commute to and from job interviews through Uber vouchers.

In addition, Metropolitan partnered with a life coach to host a series of masterclasses on Twitter Spaces to help young people navigate the mental and emotional aspects associated with job seeking. Co-hosted by a Metropolitan Human Capital expert, the masterclasses provided job seekers with real tips and advice to excel at interviews.

ENHANCING CLIENT EXPERIENCES

We strive to have interactions that contribute to better client outcomes. Our self-service solutions improve clients' ability to interact, but we are also mindful of the potential to exclude clients in our digitisation efforts. The Group's reward programmes are key to establishing relationships and nurturing loyalty.

New Myriad LifeReturns rewards

A new Momentum Life rewards programme launched towards the end of 2022 uses a digital risk selection proposition with an innovative onboarding solution and a FastTrack underwriting proposition. Combined, these aspects deliver an industry-leading digital product and processing concept to drive insurance-based savings.

The rewards programme invites clients to receive immediate personalised discounts for life insurance based on in-app screening

via a smartphone camera. Kimi is a medical monitoring app that facilitates the digital application process. This makes LifeReturns quick and accurate, saving clients and financial advisers time and effort while keeping life insurance affordable. Kimi can predict cardiovascular disease and promotes long-term health using a wearable tracker.

Myriad LifeReturns' programme enables immediate acceptance to qualifying lives without paperwork or further requirements. This is expected to be a significant differentiator for Momentum Life.

Safety returns deliver shared value

Momentum Insure launched a first-of-its-kind rewards programme in February 2023 that pays policyholders for taking simple steps to help ensure their safety. The programme uses safety scores, including the number of Safe Dayz™ earned based on driving behaviour and other app features to promote safety and offer cash back on premiums. The app also features new distracted driving and fatigue detection functionalities – all free to policyholders.

Since the programme's launch, we had 15 307 clients registering by the end of June 2023, resulting in a 36.1% year-on-year improvement in clients engaging with at least one aspect of our safety value proposition. Engaged clients continue displaying the desired behaviour, delivering better retention and lower claims frequency.

Metropolitan Collective Shapers

We want to encourage entrepreneurship as a solution for youth unemployment and support young people to create economic activity. The Metropolitan Collective Shapers initiative was piloted in 2021 in Polokwane as a training and development programme with a focus on developing skills in the agricultural sector in partnership with AgriSA. The programme launched in Tshwane in the past year, focusing on youth-owned businesses in the food and hospitality sector. The initiative is offered in conjunction with BPO Skills Academy, an accredited education services organisation.

Metropolitan also partnered with Value Ed, an organisation offering online developmental programmes for future leaders. They will provide entrepreneurial skills training and soft and mindset skills throughout the immersive five-month business programme for start-ups.

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

Tshwane

125 people supported as Collective Shapers from the food and hospitality industry

R500 000 total cash business injection



Ensuring digital equity

The shift towards digital poses opportunities as well as risks for the Group. Financial exclusion will become an increasing risk premised on inequality and the “digital divide”.

While we invest in digital transformation, we believe clients will continue requiring face-to-face engagement. Insurance is complex in nature and for some, explanations in person are preferred. Therefore, digital options will never fully replace our client engagement models. We also recognise that their ability to access an appropriate device and the cost of data and storage space might be prohibitive for many clients.

We are committed to investing in upskilling people and points of presence to engage with clients while offering them a choice of channel. Momentum Metropolitan, for example, continues to open branches as critical points of presence in communities. The nature of branches might evolve in future, but they will remain anchors where our clients live and work.

Proactive disability management

Our focus on diversity, equity, inclusion and belonging extends to improving disability awareness internally and in our clients’ workplaces. Momentum Corporate has a dedicated team of multi-skilled, medically trained experts to assist members with disabilities.

We believe that early intervention minimises the impact of an injury or illness. For an employee, it means being able to return to work sooner. For an employer, an early intervention minimises disruption and is good for productivity while assisting with skills retention and reducing the costs of recruiting and training new employees.

Momentum Corporate encourages early notification because it helps optimise the claims process for all stakeholders. The team assesses claims’ medical and contractual validity according to our disability policies and related rehabilitation benefits. We offer different programmes, including rehabilitation, reskilling and return to work. Where it is not feasible for a member to return to their employer, we assist in returning the member to the open labour market in an alternative occupation.

Our assessors approach claims holistically to ensure quality decisions. As medical professionals, we empathise with employees going through a difficult time and recognise the challenges this poses for an employer.

Every claim is assessed on its own merit and the frequency of reviews is determined by the information received. Every client has a dedicated assessor who can assist with general queries regarding their scheme.

Treating our customers fairly

Fair treatment of customers is embedded in our culture and code of ethics and standards for conduct policy. We strive to communicate clearly, provide suitable advice, and ensure that our products deliver value.

The Board’s Fair Practices Committee provides oversight of our product management cycle and fair treatment of customers at all levels. The Group market conduct framework governs conduct and practices to ensure fair client outcomes in terms of the client experience, from the inception of product design through to fulfilment and post-sales experience. Business unit executives are responsible for identifying, measuring, monitoring, managing, and escalating conduct risks.

Customer complaints

In South Africa, policyholders have access to a free, efficient and fair dispute resolution mechanism through the Ombudsman for Long Term Insurance (OLTI) and the Ombudsman for Short Term Insurance (OSTI). Both use an alternative dispute resolution process to apply the law and principles of customer fairness and equity.

The past year saw particularly high claim volumes due to load shedding and extreme weather events, including the floods in April 2022, which were the most catastrophic yet recorded in KwaZulu-Natal. Most of these claims were logged during the period when Momentum Insure was implementing an integration process following the acquisition of the Alexander Forbes business. As such, we faced significant complexity due to the challenges related to the duplication in systems, service providers and teams.

With the integration process completed, we can now deliver what clients expect: reliable outcomes from a trusted brand where their queries are dealt with quickly, in full and with care.

Complaints received by the OSTI about Momentum Insure increased from 207 in 2021 to 283 in 2022.

Of the claims received by the OSTI, 2.82% were from Momentum Insure policyholders. Of these complaints, 20% were resolved through reconciliation by the parties and 0.43% through the OSTI enforcement. According to the report, declined claims remained the biggest cause of complaints in the industry, accounting for 45% of the total number of complaints in 2022.

Metropolitan Life policyholders constituted 6.53% of the complaints received by the OLTI. Of the 314 cases considered, 74 were resolved in favour of the complainant. Of the total complaints, 99 related to poor communications, documents, or information not supplied, or poor service. From this type of complaint, 39 were resolved in favour of the complainant.

Our Health business operates in a high-touch environment where response time is critical. To meet this demand, the Health business developed a detailed complaints management and tracking system across all the schemes to meet client needs and expectations. Performance on our service level agreements is reported to clients monthly.

Due to our stringent governance requirements for the Health business’ complaints process, we have a relatively low proportion of complaints that follow through to the Council for Medical Schemes (CMS). In our open scheme environment the CMS complaints reduced from 37 (F2022) to none (F2023). In the public sector environment, which has seen strong membership growth, there has been a small proportionate increase in CMS complaints from 160 (F2022) to 229 (F2023).

Momentum Life (Myriad, Investo and the traditional books) complaints as a percentage off all the complaints received by the OLTI in F2023 were at 3.9% (F2022: 3.6%). The 206 complaints received about Momentum Life in F2023 is a 7% increase from F2022.



HELP BUILD THE LOW-CARBON ECONOMY



We take a long-term view in our dedication to combating climate change and its impacts, and our commitment to contribute to a Just Transition to a low-carbon economy. In South Africa, high levels of social inequality mean those already most vulnerable will be disproportionately affected by climate change impacts. This pillar guides our contribution to managing our impact on the environment, identifying the risks inherent to climate change for our business and the clients we serve and pursuing the opportunities to support the transition to a low-carbon economy. We do not have a separate climate strategy but integrate our approach to climate performance through our Sustainability Framework.

KEY THEMES

Build a decarbonisation roadmap

We are building a decarbonisation roadmap by starting with areas where we have operational control and where we can measure our environmental performance. Energy efficiency is a key consideration driving our investment in solar.

Grow our portfolio of climate positive products and services

Our responsible investment commitments integrate environmental considerations into our investment decisions. We drive investments in renewable energy and infrastructure projects to improve the delivery of basic services, for example, water security. We also grow our portfolio by investing in enterprise supplier development and offering products and services that address climate risks.



OUR BUSINESS UNIT COMMITMENTS

Help build the low-carbon economy

momentum
life

- Use digital and other technologies to reduce the environmental impact of in-person transactions across the value chain

METROPOLITAN
Together we can

- Accelerate our digital channels for both sales and service
- Transition to a digital core by reducing paper use and waste generation

momentum
corporate

- Accelerate digital transformation to automate core processes and reduce our carbon footprint
- Ensure our investment mandates align to our transformation goals and ESG ambition

Momentum
Metropolitan
health business

- Build digital strategy initiatives to support carbon reduction objectives

GUARDRISK
TAILORED RISK SOLUTIONS

- Enhance our internal and external disclosure of our progress in implementing climate change management principles
- Collaborate with clients and partners to raise awareness and develop resiliency solutions
- Use digital solutions to embed climate change factors in business decision-making activities

momentum
Insure

- Explore options that adapt Momentum Insure's Safety Value proposition to promote low-carbon choices, for example, through telematics adaptation, electric vehicles and solar installation
- Use digital platforms and other tech enablers to reduce GHG emissions across our value chain, for example, cloud solutions, virtual advisors, business travel and motor-body assessments

Our climate change position statement is a public commitment to:

- Voluntarily mitigate carbon emissions from our operations and simultaneously disclose our climate-related risks
- Manage our environmental footprint by reducing energy and water consumption, managing waste in line with the waste management hierarchy as well as considering the use of renewable energy in both owned and occupied properties
- Comply with future and existing climate-related legislation
- Continue research and investment into understanding climate-related risks and opportunities
- Consider climate change risks and opportunities regarding products and investments
- Invest in clean energy efficiency projects that contribute to the transition to a low-carbon economy and maintain investment portfolios that have factored in ESG matters

OUR DECARBONISATION APPROACH

Momentum Metropolitan is considered to have a low direct environmental impact because of the nature of our business, including our office and data infrastructure. However, the responsible management of our impact on the environment is key for the sustainability of our business and an important consideration for our clients, employees and communities.

We have a precautionary environmental management approach and comply with all applicable environmental legislation and regulations. We are responsible for mitigating our direct environmental impact and encouraging employees to do the same. We also ensure the responsible disposal of information technology (IT) hardware and are moving our data centres to the cloud.

We adhere to requirements by the Department of Environment, Forestry and Fisheries for JSE-listed companies with stationary combustion activities with a combined capacity exceeding 10MW(Th) to report on the annual carbon emissions from these facilities.

Strengthening our commitment to counter climate change

Our existing Climate Change Investment Policy was reviewed and updated to incorporate our commitment that we will make no direct investment allocation towards financing any new coal power stations. This will apply to all investment decisions for the Group, including greenfield investments mostly executed through our asset origination team and the alternative investment team of Momentum Investments.

As signatories to the UNPRI, we are required to have a climate investment decarbonisation strategy in place and demonstrate alignment with the objectives of the Paris Agreement.

Key commitments of the strategy are:

- Reducing our carbon footprint
- Working towards a Just Transition
- Promoting climate-aligned investing
- Demonstrating our progress

Our Group decarbonisation plan

The Group has adopted a Climate Risk Framework, which will be implemented to ensure the impact of climate change on all risk types is appropriately mitigated. The Board and Group Exco set the direction towards understanding, scoping, and implementing a decarbonisation plan. As a result, we developed a phased pre-target-setting plan towards the first quarter of the 2024 financial year.



Read more about our carbon footprint and climate-related risks and opportunities in the TCFD report which will be published online in November.

OUR CURRENT CARBON FOOTPRINT

A carbon footprint assessment is undertaken annually to determine the total GHG emissions emitted by the Group. This includes all direct operational emissions (Scope 1) and selected indirect emissions (all Scope 2 but only specific Scope 3 categories). These emissions are calculated and reported per the GHG Protocol Standard and verified by an external agency. The GHG Protocol is the most widely used standard for mandatory and voluntary corporate GHG reports and is compatible with other international GHG reporting standards such as ISO 14064.

	1 January to 31 December 2022 (tCO ₂ e)	1 January to 31 December 2021 (tCO ₂ e)	Baseline year 2014 (tCO ₂ e)	Change from 2014 to 2022	Change from 2021 to 2022
Scope 1					
Stationary fuels (generator diesel/petrol)	2 572	697	71	3 523%	269%
Product use: refrigerant gases (Kyoto Protocol)	515	599	381	35%	-14%
Mobile fuels (owned cars)	481	427	992	-52%	13%
Total Scope 1 emissions	3 568	1 722	1 444	147%	107%
Scope 2¹					
Purchased electricity – location-based	40 437	42 027	58 209	-31%	-4%
Total Scope 2 emissions	40 437	42 027	58 209	-30.53%	-3.78%
Scope 3					
Category 1: purchased goods and services – paper	379	1 531	901	-58%	-75%
Category 1: purchased goods and services – water	94	98	212	-56%	-4%
Category 3: fuel and energy-related activities – T&D losses	4 830	4 962	6 556	-26%	-3%
Category 3: fuel and energy-related activities – WTT-fuel	720	269			168%
Category 5: waste generated in operations	276	136			103%
Category 6: business travel – flights	4 677	1 096	10 545	-56%	327%
Category 6: business travel – car hire	537	113	269	100%	375%
Total Scope 3 emissions	11 513	8 206	18 483	-38%	40%
Total Scopes 1 and 2	44 005	43 749	59 653	-26.23%	0.59%
Total Scopes 1, 2 and 3	55 518	51 955	78 137	-29%	6.86%
Total number of employees	16 558	16 483	17 422	-5%	
Total emissions per employee (tCO ₂ e/FTE) ²	2.66	2.65	3.42	-22%	0.29%

¹ Momentum Metropolitan does not make use of 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.

In 2018, we set a target to achieve a 25% reduction in our combined Scope 1 and 2 emissions by 2030, compared to a 2014 baseline. In the 2021 calendar year, we achieved a 34% reduction (2020: 32.59%) in our overall GHG emissions (Scopes 1, 2 and 3). We achieved a 27% reduction (2020: 26.20%) in our Scope 1 and Scope 2 GHG emissions, thus exceeding our target.

We are committed to setting new targets, but we are prioritising improving our carbon footprint. We understand the importance of carbon footprint assessments for identifying potential emission hotspots for operational and cost improvements. A complete, reliable carbon footprint is critical for target-setting purposes. We are exploring ways to automate certain aspects of the footprint to improve efficiency and accuracy, reporting fully on all relevant emission categories and activities.

Scope 3 categories included or excluded are listed in the appendix. [The Verification Opinion Declaration for the 2022 Carbon Footprint](#) can be viewed online.

Year-on-year changes

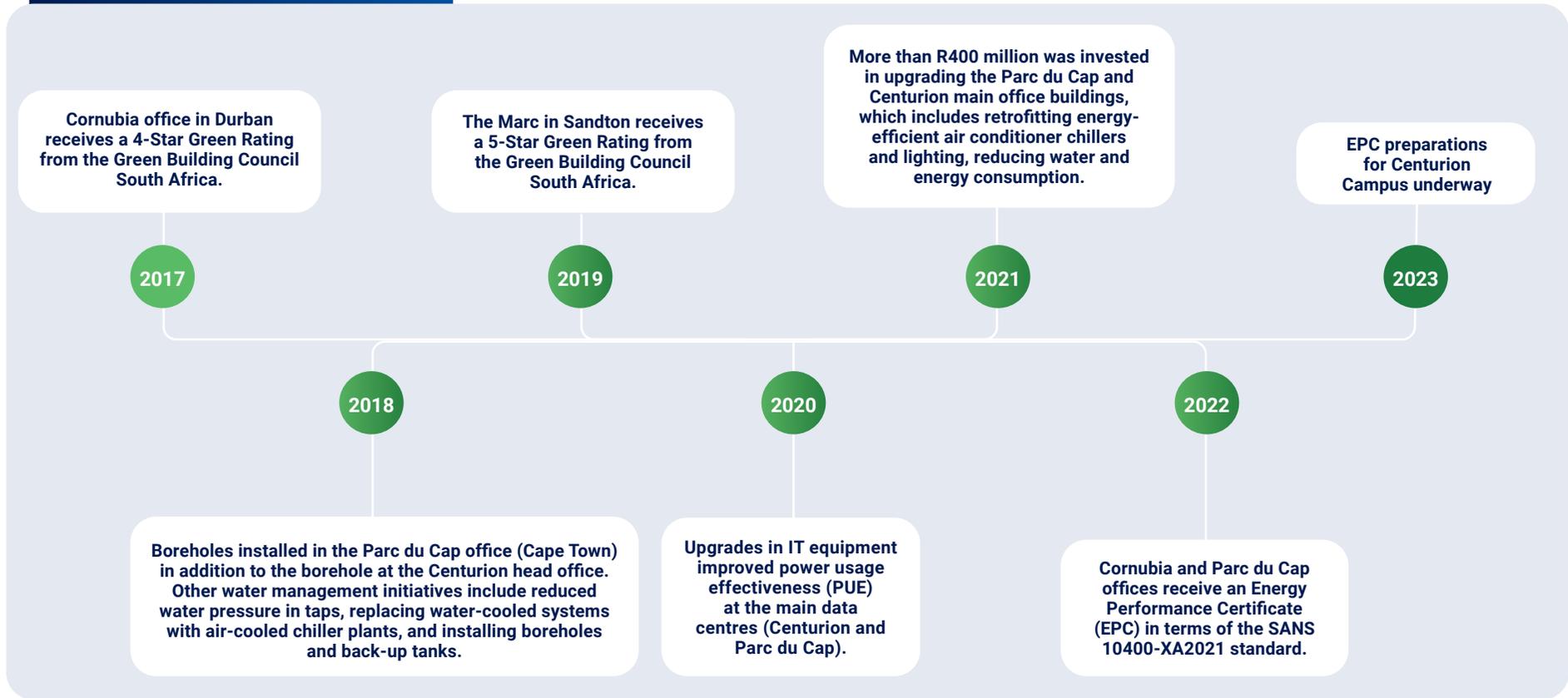
- A significant increase in stationary fuel emissions was due to an increase in the use of diesel generators as a result of higher levels of load shedding.
- Water and electricity emissions decreased due to the various efficiency initiatives that were implemented in recent years.
- Business travel normalised but is still below pre-Covid levels.

Expanding our systemic view

More and more stakeholders are looking for broader commitments beyond carbon reductions. This includes commitments on biodiversity, water and the protection of forests. These shifts in expectations are echoed by global disclosure initiatives such as CDP and the Taskforce for Nature-related Financial Disclosures (TNFD). The UN Biodiversity COP15, held towards the end of 2022, underscored this growing realisation of biodiversity and healthy ecosystems as powerful mitigants against climate change. In the context of these global developments, we constantly engage on how to incorporate biodiversity into our overall assessment of sustainability risks and opportunities.



Green milestones for our buildings



Going solar at our offices and data centres

We have transitioned from a position where the payback period on solar investments was regarded as too long, with the urgency low, to a position where we are investing with high urgency to mitigate data centre risks due to national energy security issues and to lower our emissions.

We are making a R150 million capital investment in solar facilities at our Centurion and Parc du Cap properties to be completed before the end of 2024. The project will entail the installation of solar panels on roofs and parking lots with a battery energy storage system for the data centres, providing eight hours of backup battery storage. In addition to improving data centre resilience, the new equipment will also enable us to extend our diesel reserves, reducing our reliance on Eskom and energy costs.

We use local expertise and assembly capability where possible. This is a deliberate move to support the South African construction sector as one of the key drivers of the green economy, thus enabling more inclusive economic pathways through job creation.

A total of 50 Metropolitan branches will be upgraded with non-solar inverter backup systems before the end of 2023. Backup power is included for all new branches.

Digital tools and paperless processes

Digital tools in an insurance business can improve efficiency, streamline processes and enhance client experiences while reaching a wider client base. At Momentum Metropolitan, we made significant strides in digitising processes, thus reducing

our carbon footprint and delivering solid cost savings. Robotics process automation, for example, enabled straight-through processing in sales and services.

All new solutions developed are now entirely digital with no paper application forms, and a large portion of client communication is sent by digital means, whether as emails or WhatsApp. Momentum Corporate achieved an estimated R5.8 million saving on printing as large numbers of clients opted for digital engagement. We can still process physical paperwork where this is a client preference or where load shedding or connectivity challenges demand this.

Chatbots reduced claims processing time and delivered client satisfaction through expanded self-service options.

Plastic consciousness

Globally, plastic pollution is a crisis that all sectors must actively play a role in addressing. Plastic production has drastically increased in the last two decades, creating extended pressure on countries' and sectors' waste management systems and infrastructures. A lack of adequate and appropriate measures to recycle plastic waste can result in toxic and persistent plastic entering our landfills and the environment.

When larger pieces of plastic are broken down into tiny pieces (known as "microplastics"), they enter our water streams, contaminate our drinking water, leach into our soil, and end up in our oceans. Not only does this infiltration pose immense risks to biodiversity, but equally to human health.

Considering this array of adverse outcomes of unmanaged plastic waste, the Group makes a conscious effort to do the right thing and do it well. In 2022, 20 544.75 kg plastic was collected at four main campuses (Parc du Cap, The MARC, Centurion and Cornubia), comprising 4% of our total waste. Below is a breakdown of the types of plastic recycled across the four main campuses:

- **High-density polyethylene (HDPE):** 4 947 kg
- **Polyethylene terephthalate (PET Mixed):** 5 299 kg
- **Coloured plastic:** 4 450 kg
- **Plastic clear:** 1 874 kg
- **Low-density polyethylene (LDPE):** 2 804 kg
- **Polystyrene (PS):** 82 kg
- **Polypropylene (PP):** 1 089 kg

Some plastics are known as "single-use plastics". These are of concern as, according to the UN, they are generally used once before being disposed of or recycled. Single-use plastics include straws, plastic bags, water and cooldrink bottles.

Recognising that we all have a role to play in addressing plastic pollution, in the upcoming year, Group Sustainability will roll out an awareness campaign in the "pause-areas" (office kitchens) to encourage employees to reduce their waste, avoid single-use plastics and show them how to properly dispose of empty plastic containers or bottles in the recycling bins.

GROWING A CLIMATE-POSITIVE PORTFOLIO

In 2023, the Group's balance sheet management asset origination team invested R4.1 billion (F2022: R2.3 billion) in renewable energy infrastructure projects to address South Africa's energy crisis. The investment included R300 million in funding for B-BBEE partners and community participation in these projects, which qualifies as Black Business Growth Funding (BBGF). This includes the Tsitsikamma Community Wind Farm which is a 95.325 MW onshore wind power project located in the Eastern Cape.

Winning deal for climate and communities

Momentum Metropolitan was appointed co-mandated lead arranger and lender to three Koruson 1 projects. This entails constructing three wind farms with 420 MW installed capacity, 26 wind turbines on each and a total capital investment of R11 billion in South Africa. The low-carbon renewable electricity produced will help meet the electricity needs of approximately 193 000 households and will provide more than 590 full-time jobs for South Africans during the two-year construction period. During the 20-year operation period 50 full-time jobs will be created.

Approximately 40% of the project value will comprise local content, and 1.2% of revenue generated by the projects will be applied to local community development.

This transaction won the Renewable Energy Deal of the year at the 2023 Bonds, Loans & ESG Capital Markets Africa Conference.

Momentum Investments' Alternative Energy Fund also continued supporting the development of solar and wind renewable energy infrastructure. The value of the fund decreased slightly from R96.4 million in F2022 to R93.2 million in F2023.

The investment in these projects contributes to the Group's commitment to SDG 13 (climate action) and SDG 7 (affordable and clean energy). It further supports our commitment to invest in critical infrastructure to enable inclusive economic growth in South Africa.

Read more about Momentum Investments' integration of ESG into investment activities in the Momentum Investments annual Stewardship Report. The report highlights progress through impact and global ESG funds and tracks key indicators.

Through our stewardship efforts, we engage with the companies we invest in and ensure that management considers climate-change risks while ESG is directly linked (at least 5%) to CEO's remuneration.

ESG funds key indicators

- 
15.38% climate change policy coverage of our investments in hedge funds (F2022: 21.55%)
- 
29% appointed investment managers with climate policies (F2022: 23%)
- 
16% private equity appointees with climate investment policies currently in place (F2022: 10.53%)
- 
39% exposure to green buildings (F2022: 28%)
- 
10 solar sites in the Momentum Direct Property Fund (F2022: 9)
- 
17 700 tCO₂eq/per annum total emissions saved by investing in solar sites (F2022: 12 329 tCO₂eq/per annum)
- 
489 224 tCO₂eq/per annum total emissions saved through solar and wind investments in the Alternative Energy Fund (F2022: 559 954 tCO₂eq/per annum)

Momentum Global Sustainable Equity Fund (Value: R11 billion)

The fund is a US dollar denominated global equity portfolio giving clients exposure to a diversified basket of developed market equities selected based on ESG criteria. It aims to have a better overall ESG rating and environmental footprint than its benchmark. The portfolio is Financial Sector Conduct Authority approved in South Africa. The strategy incorporates sustainability objectives which include maintaining greenhouse gas emissions (GHGs), waste generation and water consumption at levels 22%, 42% and 22% lower, respectively, than those of the MSCI World benchmark. The strategy also achieves a greater than 20% sustainability profile as measured by the RobecoSAM Smart ESG Score.

How do we achieve this?

The ESG score improvement is largely achieved through the bottom-up stock selection process, where environmental footprint is explicitly considered alongside the risk premia factors. The strategy leans on ESG integration rather than exclusion.

The Harmony Sustainable Growth Fund (Value: R157.6 million)

The Harmony Sustainable Growth 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. The fund aims for a better sustainability profile than relevant broad market indices for most asset class exposures by integrating ESG factors.

The Momentum Africa Real Estate Fund (MAREF) (Value: R1.7 billion)

This fund has an impact investment platform committed to building a strong portfolio of purpose-built student accommodation. MAREF's developments have been recognised for leadership in energy and environmental design (LEED).

Pension-backed solar installations

South African homeowners are increasingly considering investing in solar installations to mitigate the impact of load shedding and increase their property value. Momentum Corporate is supporting 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 that is integrated into the house. The pension-backed home loan is a members-only employee benefit to reduce the risks associated with load shedding.

There was a surge in interest from members after the campaign's launch. Pension-backed home loan sales of R52.3 million in F2023 showed a 34% increase compared to R39 million in F2022.

Reinsurance and regulators driving climate action

In the past two years, reinsurance rates for South African companies increased by more than 10% year-on-year on the back of record natural catastrophes and significant secondary perils. Whereas the southern hemisphere used to enjoy more affordable reinsurance cover based on a perceived lower catastrophe risk, recent events highlighted uncorrelated pricing, leading to a correction during renewals. Reinsurers are also implementing structural changes to their cover.

In South Africa, uninsured properties are often most vulnerable to the impact of climate events. This leads to higher systemic risk and highlights the need for a collaborative response to a complex challenge. We, therefore, welcomed the communication from the Prudential Authority (PA) in 2022 on climate-related risks and their potential impact on the financial institutions supervised by the PA. Momentum Metropolitan publishes a TCFD report as recommended by the PA and awaits further regulatory guidance on the PA's expectations on how climate risks should be integrated into our risk management, governance and reporting processes.

Product offerings to support a green economy

We want to work with suppliers in our value chain to help reduce their emissions and preserve natural resources. To facilitate this, we are currently updating our supplier selection criteria to include environmental aspects and data. We also offer a variety of products to clients that facilitate low-carbon economy outcomes in their value chains.

We support and welcome the Green Finance Taxonomy for South Africa. This will help all players in the industry to align to international best practice and curb greenwashing. We responded to National Treasury's draft of the Green Finance Taxonomy in June 2022 and will apply the taxonomy to label our activities in future.

Our mining rehabilitation product provides the required guarantee that ensures the restoration of the post-mined landscape in line with the National Environmental Management Act 107 of 1998. Through renewable energy guarantees to contractors and subcontractors we support the transition to a resource-efficient future and the ability of small businesses to access the economic opportunities they provide.

Product	Guarantee value 2023	Guarantee value 2022
Mining rehabilitation guarantee	R8.4 billion	R8.6 billion
Renewable energy guarantee (solar and wind)	R5.2 billion	R5.3 billion

Agnovate's Soil Moisture Insurance

Agricultural input finance in South Africa is changing from traditional collateral-based to off-balance sheet lending. The latter does not use fixed cost as collateral but relies on the crop, including its associated income stream.

Input finance takes the form of short-term loans, which usually span a crop cycle or season. Due to the changing nature of input finance, traditional insurance is also no longer adequate.

Agnovate's Soil Moisture Insurance offers high-tech insurance utilising satellite data, a fairly new development in insurance, and is well suited to covering off-balance sheet loans. High-tech insurance utilising satellite data covers the probability of a predefined event happening rather than covering an actual loss incurred. This is typically relevant to crops; in this case, the solution is based on the high correlation between soil moisture and plant performance.

Agnovate's Soil Moisture Insurance protects farming clients against events such as drought, which may be triggered by volatile climatic conditions. The Agnovate quoting mechanism provides extreme flexibility to meet client needs in terms of levels of cover, risk period and affordability. A claim will trigger when the average soil moisture level for a risk period drops below the agreed trigger point.

We ensure that the entire insurance administration process is based on real-time technology, which supports a quick and easy loss payment process.

Agnovate Soil Moisture Insurance	Gross written premiums
June 2022	R5.2 million
June 2023	R4.7 million



SUSTAINABILITY ENABLERS

36 Responsible business practices, ethics, and accountability

40 Diversity and future-fit skills

48 Digital-led innovation

50 Partnerships for systemic change

53 Strategic corporate social investment



RESPONSIBLE BUSINESS PRACTICES, ETHICS, AND ACCOUNTABILITY



Strategic pillars



Make financial services more inclusive



Enhance financial security and health



Help build the low-carbon economy

Strategic enablers

Responsible business practices, ethics, and accountability

Diversity and future-fit skills

Digital-led innovation

Partnerships for systemic change

Strategic corporate social investment

ENSURING GOOD CORPORATE CITIZENSHIP AND ETHICAL BEHAVIOUR

We are committed to being a financially sound, socially and environmentally responsible Group. We take being a good corporate citizen and our responsibility to our clients and society seriously.

Governance structures

We have robust governance structures and an entrenched value system to ensure we render our services honestly, fairly and with due diligence. Our well-established and defined approach to ethics and accountability is rooted in our values.

Governance accountability

The SETC is the custodian of ethical behaviour and practices and provides oversight of the ethics programme and the overall ethics performance of the Group. The SETC is mandated by the Board, which approved our set of subject-specific ethical conduct policies and guidance notes.

Policy guidance

The code of ethics and standards for conduct policy was reviewed and approved by the SETC in the first quarter of F2023 as part of our annual review process. The policy articulates the overarching framework of a culture of ethics and the ethical principles that govern the Group. It applies to all employees, including majority-owned subsidiaries and joint ventures. Read more about good governance and ethics in the Integrated Report 2023.

Ethics and compliance disclosures and commitments

- Momentum Metropolitan works with government structures to support social projects. However, we do not make political party donations, directly or indirectly.
- When we engage with suppliers, we expect them to comply with Momentum Metropolitan's governance and ethical standards. We do not have operations, nor engage suppliers with a significant risk of child labour, forced or compulsory labour. No cases of child, forced or compulsory labour incidents were identified in the year.
- We engage with industry regulators and industry bodies, for example, ASISA, to ensure industry alignment and improvements of standards.
- During F2023, the Group reported no material or significant environmental, social or governance incidents, and we were under no scrutiny from any relevant regulators or public bodies. No fines were issued against the Group, and there were no penalties or settled claims relating to ESG incidents or breaches. The Competition Commission is conducting an investigation among nine large insurers for an alleged contravention of the Competition Act. As the Commission is still investigating the matter it is unclear whether the Commission will find reason to formally refer a case to the Competition Tribunal for adjudication.

Tax responsibility and transparency

Momentum Metropolitan 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 Risk, Capital and Compliance Committee (RCC) and the Momentum Metropolitan Executive Committee. The policy stipulates key principles regarding the management of tax across the Group and was reviewed in September 2023. 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 118 in the Annual Financial Statements discloses the total tax paid per relevant category.

PREVENTING FRAUD, CORRUPTION, AND CRIME

A zero-tolerance stance

We have a zero-tolerance stance against all commercial crime, in and against the Group, including corruption, with various policies and control functions ensuring such activities are detected and prevented. An updated Anti-money Laundering, Counter Terrorist Financing and Counter Proliferation Financing Policy will be published in December following governance approvals.

A clean track record

No incidents of corrupt behaviour by Board members or employees have been identified during the past five years, either through internal or external processes.

Secure and confidential reporting channels

The Group provides secure channels for reporting any unethical behaviour, criminal activity, employee misconduct (including instances of discrimination) and non-compliance with legislation and policies. The mechanisms for reporting are set out in our whistleblowing policies. We ensure that whistleblowing can take place in a non-discriminatory and confidential manner. The Group has several business-specific fraud and ethics lines for use by stakeholders, including employees, clients and authorities.

All reports submitted through these facilities are independently investigated, with formal feedback provided to the reporter or the independently managed whistleblowing facility provider.

In F2023, 387 whistleblowing reports were received and formally dealt with. The reports were independently investigated. The incidents are formally registered and open to scrutiny by assurance providers. The ethics line numbers for reporting unethical behaviour are listed in the appendices on page 68.

Continuous awareness and training

The Group has well-established formal grievance procedures and reporting mechanisms for employees and external parties. Group Forensic Services launches a training campaign every two years as part of the Momentum Metropolitan group-wide learning initiative. All employees (South African and international) form part of each new campaign for the mandatory training modules, which include training on the Group's code of ethics and standards of conduct, fraud and whistleblowing policies. It also includes processes to be followed and the available mechanisms for employees to use. In these campaigns, employees are also informed of their rights to make protected disclosures as per the Protected Disclosures Act, Act 26 of 2000 (PDA).

Externally reviewed and vetted practice

In 2021, EY performed a fraud and risk maturity assessment. All Group Forensic policies and guidance notes were reevaluated. Our code of ethics and standards for conduct policy and our whistleblower policies affording whistleblowers protection from retaliation, were rated as advanced. Our training programme and communication of fraud risk management were rated as established. A list of related policies is available in the ESG reference tables in the appendix on page 64.

GOVERNING SUSTAINABILITY AT MOMENTUM METROPOLITAN

Our sustainability governance structure supports the integration and coordination of our Sustainability Framework across the business, with the ultimate future goal of ensuring full integration, measurement, and reporting. This includes oversight of the Climate Change Risk Framework.

BOARD OVERSIGHT

The Board of Momentum Metropolitan Life Limited and the Board of Momentum Metropolitan Holdings Limited, which have the same Board members and combined meetings, are the custodians of corporate governance at Momentum Metropolitan, ensuring that our role as responsible corporate citizen goes well beyond compliance.

The Board provides oversight of sustainability through mandated Board committees. Find information about Board and Committee composition in the Integrated Report, pages 92 to 96.

COMMITTEES RESPONSIBLE FOR SUSTAINABILITY MATTERS

Social, Ethics and Transformation Committee

The SETC's mandate is to assist the Board in fulfilling its statutory and other oversight responsibilities regarding:

- Transformation, focusing on B-BBEE under the Financial Sector Code and employment equity legislation
- Compliance with relevant social, ethics and legal requirements and best practice codes to promote an ethical culture within the Group
- Diversity and inclusion
- Environmental sustainability
- Corporate social investment
- Good corporate citizenship
- The Group's overarching sustainability approach and practice

Below is a summary of the SETC key focus areas and outcomes for F2023.

Focus Area	Outcome
Implementation of the Group transformation strategy with particular focus on the diversity and inclusion programme	<ul style="list-style-type: none"> • Deep dives were presented to the Committee by most of the Group business units on the execution of their transformation objectives • The Group's diversity and inclusion initiatives were operationalised • The legislative changes, as per the Employment Equity Amendment Act, and the impact thereof were unpacked
Deep dive into business unit transformation at a more strategic level, with specific consideration of digital transformation	<ul style="list-style-type: none"> • As this matter was elevated to Board level, especially at the Board Strategic Session, no further reporting is provided at an SETC level
Implementation of the Group Sustainability Framework with a wider focus on ESG and responsible investment	<ul style="list-style-type: none"> • The Group's sustainability approach and strategy was an important agenda item at the Board's annual strategic session, where the Sustainability Framework was also discussed. From there, the Committee focused on the operationalisation of this Framework at a business unit level • Responsible business, ethics and accountability is an important enabler in the Sustainability Framework. The Committee has incorporated ethical considerations in all its deliberations. In addition, forensic matters were considered at Committee meetings

Read more about the SETC F2024 focus areas in the 2023 Integrated Report.

The Committee members' specialist skills encompass transformation, diversity and inclusion and sustainability reporting and assurance. This is complemented by actuarial and management experience in financial services, focusing on long-term insurance and risk modelling, economic capital and the integration of risk management including climate risk management into decision-making. The Group will continue to support Board training on sustainability and climate matters in 2024.

Audit Committee

The Audit Committee carries out its statutory duties as set out in the Companies Act and oversees the integrity of the Annual Financial Statements, the Integrated and Sustainability reports. All Audit Committee members are elected annually in accordance with Section 94(2) of the Companies Act 71 of 2008.

Remuneration Committee

The Committee is responsible for ensuring that the Group remuneration policy and remuneration structures are fair and responsible and that there is alignment between shareholder and employee interests. A focus for F2024 is to consider appropriate ESG metrics that align with the Group's overall sustainability targets as part of the remuneration policy. Our full remuneration report, included in the Integrated Report, outlines how we ensure fair and responsible remuneration.

Fair Practices Committee

The Committee is responsible for ongoing monitoring of the macroeconomic environment's impact on market conduct practices, particularly in relation to treating customers fairly. The Committee also ensures that market conduct matters are adequately considered and addressed as part of the product management control cycle.

Risk, Capital and Compliance Committee

The Committee is responsible for end-to-end risk management and the assessment of the effectiveness of this process. This includes the management of climate, tax, IT, digital and compliance risks. The Committee ensures that climate-related considerations are integrated in the key components of the Group's risk management strategy. Climate-related risks are assessed and managed as a subset within each of the risk areas set out in the own risk and solvency assessment (ORSA) report.

Momentum Metropolitan Executive Committee

The Committee is chaired by the Group Chief Executive Officer and is responsible for the implementation of the Sustainability Framework.

Sustainability Forum

The forum is intended to be advisory in nature, providing strategic guidance on all sustainability-related matters to Group Exco and the SETC. During F2023, it provided an opportunity for collaboration across the business units and support functions and shared external developments related to sustainability with the wider Group. Chaired by the Head of Sustainability, the forum held meetings monthly, in advance of the SETC meetings, to ensure comprehensive feedback.

RESPONSIBLE INVESTMENT

As one of the first South African signatories to the UN-supported PRI, we have a long history of adopting and integrating responsible investing practices into our investment portfolios. These practices resonate with our outcome-based investment philosophy and align with our clients' long-term goals to positively influence the world in which they will retire. The importance of ESG factors relevant to investors is also recognised in the credit risk management process.

The Responsible Investment Committee monitors the relevance and integrity of our responsible investment practices and policies and ensures alignment with global best practices. It does not enforce but guides and seeks to influence the Group towards responsible investment decisions. The management teams lead all efforts to regularly assess and disclose our performance as a responsible investor against global standards such as the PRI.

The responsible investment goals for 2023 have been clarified by the Responsible Investment Committee and approved by the Momentum Investments Exco. These are to demonstrate progress on climate change, contribute to the Just Transition and build positive impactful relationships with market participants. These goals change every year as market conditions evolve and are based on the team's trends research.

Our methods for integration include:

ESG integration: The process of including ESG factors in investment analysis and decision-making to better manage risks

Screening: The application of filters to rule investments in or out, based on preferences

Themed investment: Selecting companies that fall under a sustainability-related theme, such as clean energy

Active ownership: We are active owners and incorporate ESG issues into our ownership policies and practices

Impact investing: Investments made with the specific intent of generating positive, measurable social and environmental impact alongside a financial return

Stewardship activities: Individual and/or collaborative activities, undertaken by our Company to act on behalf of our investors, such as voting at shareholder meetings and engaging with investee boards

ACTIVE OWNERSHIP

Our proxy voting and engagement policies guide our stewardship approach to ensure our conduct is in an appropriate manner, consistent with our clients' best interests. Our responsible investment policies and voting records are also available on our website.

South Africa proxy voting summary

- **Number of shareholder meetings voted on:** 243 (F2022: 257)
- **Total resolutions:** 3 749 (F2022: 3 998)
- **Abstentions:** 67 (F2022: 49)
- **Votes in favour:** 3 221 (F2022: 3 464)
- **Votes against:** 461 (F2022: 485)

* We will abstain if there are conflicts of interest.

Read more about our ESG investments under our low-carbon pillar on page 33 and about responsible investments in the Momentum Investments' annual Stewardship Report available online.



DIVERSITY AND FUTURE-FIT SKILLS



The contribution we can make to South Africa and the sustainability of our society lies in moving our Group beyond compliance towards authentic transformation through the requisite talent, skills, and capabilities. As such, our Sustainability Framework should always be considered in conjunction with the overall Transformation Strategy.

In global research and thought leadership on sustainability, issues of diversity, equity and inclusion, human rights and having the right talent are markers of the future value of a business. They are core assets of a company's sustainability programmes, as embracing diverse voices and perspectives is crucial for addressing complex sustainability issues such as climate change, resource scarcity and inequality.

DIVERSITY, INCLUSION, EQUITY AND BELONGING

This Sustainability Framework enabler supports the reinvent and grow transformation strategy's objectives to:

Have a diverse workforce – by implementing our employment equity plan targets

Create an inclusive culture that embraces diversity

Read more about our progress with transformation on page 44.

Other initiatives already in practice across the Group include:

We identified the need to work on a diversity, inclusion, equity and belonging practice in August 2022 and subsequently launched a Group-wide workstream in October 2022. Our objectives were:

- To conduct a diagnostic on what is already taking place in this area in the various business units
- To run a formal workshop to scope the practice for the Group
- To propose the way forward

A workshop was held in April 2023 with all workstream members and other business unit representatives. A formal project will now be initiated to formalise and cascade the diversity, inclusion, equity and belonging practices across the Group.

Going forward, we will include diversity, inclusion, equity and belonging questions in the Group culture survey. We further plan to run cross-cluster focus groups representing employees across all levels to determine how they perceive and experience our approach to diversity, inclusion, equity and belonging. In future, we want to include clients to get a view of their experiences. The human capital team is developing a diversity, equity and inclusion framework for the Group.

During the year, we also launched an internal campaign to improve disability awareness and provided information on the disclosure process. We hosted an employment equity day with the Employment Equity Forum to improve the understanding of EE requirements among our employees.





Our stance on Human Rights, Discrimination and Harassment

Our human rights policy is directed 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, full-time and part-time 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, 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 Executive Committee, includes the six internationally recognised principles that businesses should support and respect, namely:

- The protection of internationally proclaimed human rights
- Ensuring that 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

We value and advance diversity and the inclusion of the people with whom we work. We are committed to equal opportunity and are intolerant of discrimination and harassment. We take proactive and remedial steps to prevent all forms of harassment in the workplace, as per the Department of Employment and Labour Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace and our human rights policy. The Group's [harassment in the workplace policy](#) is published on our website and forms part of our core onboarding content.

In November 2022, we launched the MMH Culture and Leadership DNA at the Leadership Summit. The DNA consists of six pillars, with pillar four aiming to establish a diverse and inclusive culture where “we make it possible for everyone to feel like they belong”.

Our leadership DNA

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.

How our leaders behave

- We listen to understand.
- We discuss important issues openly, as secret meetings give rise to politics.
- We treat everyone with respect and dignity.
- We bring out the best in others.
- We manage people for what they are, but lead them as what they can be.
- We create a safe place for people to have a voice.
- We ensure that every voice in our business is heard. Great ideas are not bound by role titles.
- We leave no stone unturned to enable greatness in those who look to us for guidance – even if this means giving difficult feedback to enable growth.
- We create an environment for growth and development.

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.

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.

Skills turnover mitigation

In F2023, our employee turnover rate was mainly caused by employees seeking enhanced opportunities elsewhere. Semiskilled employees are categorised as the greatest flight risk.

508
exits

11%
voluntary turnover
rate (F2022: 11%)

5.78
average years
of service

Over the past 18 months, 44 employees have chosen to work from international locations. Currently, 18 of them are actively working abroad due to emigration. 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 post-Covid, emigration adds to the talent retention challenge. We are cognisant of the need to foster an organisational culture that mitigates the factors driving emigration.

Our employee value proposition (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.

Flagship skills and leadership development programmes

Information technology incubator

With technology identified as a priority scarce and critical skills job family, we launched a new development programme for 15 IT interns, building digital science and Java expertise.

Risk management graduate programme

We want to develop scarce and critical skills while addressing the youth unemployment crisis in South Africa. Graduates rotate across business units for exposure to key risk management focus areas.

Actuarial academy

The programme aims to close the skills gap in South Africa in this discipline while addressing transformation objectives, retaining critical talent and sharing best practices within the Group.

SAICA CA (SA) graduate programme

This programme creates Group access to a pool of high-calibre, qualified chartered accountants while providing distinctive developmental opportunities for trainees with a career path designed to ensure their success.

Leadership development programmes

These programmes assist in building a leadership succession pool and equipping current and potential leaders at all levels to have the right skills.

Learnerships, internships and bursaries

We target these opportunities at unemployed youth and existing employees to close skills gaps across various roles and build Group talent pipelines.

We support employees' future mobility, career development, and income-earning potential by enabling them to become high performers in their current roles, preparing them for broader, more complex roles and offering opportunities for continuous professional development.

Appointments

Race	Grand Total
African	3 844
Coloured	489
Foreign	30
Indian	174
White	237
Grand Total	4 774

Gender	Grand Total
Female	3 055
Male	1 719
Grand Total	4 774

Age	Grand Total
16 – 19	21
20 – 29	1 928
30 – 39	1 944
40 – 49	614
50 – 55	117
56 – 59	48
60 and older	102
Grand Total	4 774

Terminations

Race	Grand Total
African	4 175
Coloured	482
Foreign	182
Indian	351
White	25
Grand Total	5 215

Gender	Grand Total
Female	3 272
Male	1 943
Grand Total	5 215

Age	Grand Total
16 – 19	7
20 – 29	1 654
30 – 39	2 240
40 – 49	819
50 – 55	203
56 – 59	73
60 and older	219
Grand Total	5 215

Our investment in training and skills development

Skills development investment	F2023	F2022
Total training spend (R'million)	282*	297
Number of employees trained	8 767	14 621
Training spend for black employees (R'million)	206	293
Training spend for black female employees (R'million)	33	184
Training spend for female employees (R'million)	41	186
Training spend for disabled employees (R'million)	2**	0.2

Investment across leadership levels as a percentage of overall spend on disabled employees**

	F2023	F2022
Top management (%)	-	-
Senior management (%)	5%	0.59%
Middle management (%)	2%	0.17%
Junior management (%)	1%	0.59%

* The decrease in skills development spend was due to reduced funding from the INSETA towards skills development initiatives, reduced budgets from business units within the Group and, as a result, investment in formal training initiatives. The introduction of new digital learning platforms, such as the new Learning Hub, the Group's learning experience platform, Udemy and our award-winning LeaderFlix platform, have seen employees consume content outside formal development initiatives, leading to a decrease in training spend.

** Our ambition is to create a workplace where employees from all walks of life would be welcome, regardless of race, religion, sexual orientation, gender identification or physical ability. According to the Department of Labour statistics, only 1% of the registered workforce in financial services have declared a disability. In Momentum Metropolitan, only 0.8% of our total workforce declared a disability. Consequently, participation in leadership development programmes from this employee pool is low in relation to the total workforce. We know this is potentially not a true reflection of reality. We 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.

Tech-enabled leadership learning

In 2022, our digital learning offering LeaderFlix received the Best Practice in Leadership Development award from the Best Practice Institute, a global human resource benchmark and research agency. The content is curated, enables micro-learning, and can be accessed anywhere, anytime from any device. The platform saw over 10 000 hits in the first two weeks and was critical during Covid when employees could not attend classroom-based training. We will continue the digital transformation of our learning offering.

Supporting youth

617 youth participated in our unemployed programmes

157 unemployed black youth studying at public tertiary institutions received bursaries

The Momentum Metropolitan Foundation reached **613** young people with youth employment programmes



Read more in the section on Strategic CSI on page 53.

Succession plan 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 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 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.



OUR TRANSFORMATION AMBITION 2024

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

Our workforce profile

12 786*
permanent employees
(F2022: 13 356)

940
temporary employees
(F2022: 822)

80%
black employees
(F2022: 80%)

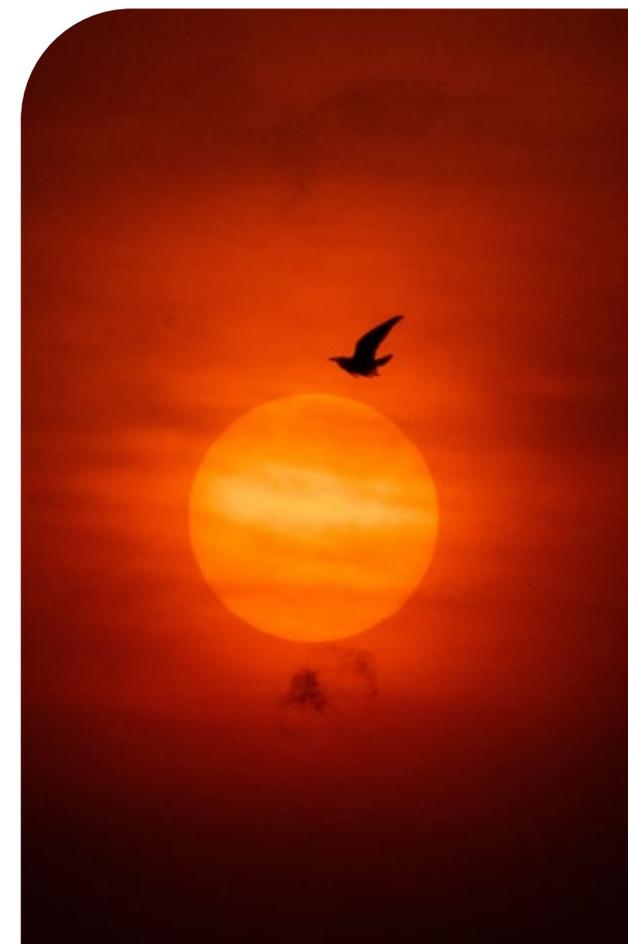
65%
female employees
(F2022: 65%)

0.81%
disability representation
(F2022: 0.65%)

* South African employees

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

The successful implementation of our transformation strategy remains vitally important despite challenges and uncertainty in the regulatory space, including new EE targets.



Focus areas and progress

Employment equity

Drafting Group and divisional EE plans aligned to new regulations.

Financial sector transformation council (FSTC) reporting

Prepare for separate reporting on element level and plan for FSTC engagement.

Enterprise and supplier development/preferential procurement

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

Transformation story

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, the successes and challenges, and win the hearts of stakeholders.

Skills development

Our initial F2023 Insurance Sector Education and Training Authority (INSETA) funding was R16 825 430, and after motivations, we secured an additional R15 133 800 of funding from the INSETA. In total, we have secured R31 959 230 for F2023.

Momentum Metropolitan iSabelo employee share ownership plan



iSabelo shareholders received dividends in October 2022 and April 2023. As a B-BBEE Scheme, iSabelo will allocate at least 85% of benefits to black beneficiaries, of which at least 55% will benefit black women. Over 13 200 employees have become part of the scheme, with 2 621 new employees joining in April 2023.

Key initiatives

The retention of key black talent in strategic roles continues to be our most significant transformation challenge. Our talent bench strength initiative called MMPowered addresses this challenge through four focus 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 R16.4 million (F2022: R7.8 million) of our intake spend this year being on black employees. We track the investment in these leaders over time to see how many were promoted, 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 in this area.



Enterprise Supplier Development

The Enterprise Supplier Development Trust is committed to improving the ability of qualifying entrepreneurs to access skills, funding and markets and develop their businesses in a way that fosters sustainable and inclusive growth. Our current strategy was reviewed in August 2023, and updates will be finalised in November 2023.

We invested R54 million in the ASISA ESD fund. The fund enables investors to create meaningful and measurable commercial and social impact outcomes through the development of black SMEs in the financial services sector. The fund has delivered the following impact since inception:

63% increase in average revenue across SMEs supported

1 027 black SMEs developed

6 316 jobs supported

2 376 new jobs created

R320 million in industry procurement from supported SMEs

Over **101 100 hours** of SME developmental support provided

We continue exploring ways to incorporate the fund's activities with our supply chain. We also look beyond our supply chain to provide ASISA with leads to create access to funding opportunities.

The ambition of the ESD Trust is to move beyond compliance in support of the Group's Transformation Strategy. The Trust is committed to improving qualifying entrepreneurs' ability to access skills, funding and markets and develop their businesses in a way that fosters sustainable and inclusive growth. Initiatives to enhance this:

Youth Entrepreneurship Development Programme (2022)

Grant funding for operational expenditure was approved for the entrepreneurs participating in this youth-focused programme.

Momentum Metropolitan Empowerher Business Programme (2023)

New enterprise development programme focussing on business development support for female entrepreneurs in the township economy launched in Hammanskraal.

Post Programme Sustainability Support (2023)

This new enterprise development programme focuses on providing past beneficiaries of Momentum Metropolitan programmes with quarterly business networking and performance planning sessions.

OUR AMBITION AS AN EMPLOYER 2024

To be an employer that sees our people as human beings and creates a place where they aspire to work, want to grow, and contribute meaningfully to our story of success.



Achieve a consistent Group-wide culture foundation with a clear overarching purpose.

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 EVP offerings and benefits available to employees and create a stronger narrative around what makes Momentum Metropolitan a great workplace.

The EVP framework consists of six pillars:

- We help build your future
- We grow you
- We keep you connected
- We care for you
- We are a responsible business
- Inclusive culture

We introduced the framework through a series of videos and communication messages and hosted EVP Elevate Expos across all four main campuses. More than 1 500 employees visited the Expos and interacted with service providers.

Diverse leadership

We want to stimulate, engage and challenge the thinking of leaders at all levels of the business around balancing a sustainable business while taking care of the environment and society we operate in. Read more about our leadership development programmes on page 52.

Equipping our people with skills

Technology and digital talent remain a business priority as these skills are in high demand, thus driving high churn in the industry. We believe that developing internal talent is the only lasting solution. This requires sustained investment over the long term, with short to medium-term solutions involving outsourced resources that include 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.

Read more about future skills on page 41.

An evolving workplace

We adopted remote working practices during the pandemic to adhere to government regulations. Then we shifted to a hybrid model as regulations were eased and the state of disaster was lifted. In August 2022, we implemented a new guideline to the MMH hybrid way of work. Clarity on our hybrid working model stemmed from the following:

- Business units started to recall employees back to the offices.
- We wanted to set up hybrid and remote working in such a way that we could retain talent and build our culture of connection and collaboration across the Group.
- We wanted to position the Group as an attractive and competitive employer in a shifting talent landscape.
- Leaders and Human Capital received ad hoc requests from employees to work from alternative locations, which required guidance on how to deal with such requests.

The guideline features three working models:

- Office-based
- Hybrid
- Fully remote

Business units can adopt their most preferred model based on business and operational requirements.

We also introduced a guideline on remote work from international locations effective October 2022. The guideline sets out the process to be followed to obtain approval for permanent South African employees working from locations outside of South Africa on a temporary basis. We established a Remote Review Committee to assess all requests and associated risks, with requests limited to a period of six months and subject to divisional approval.



We are a Top Employer

We have been certified as a Top Employer for the third year in a row in 2023, recognising our excellence in people practices. This year, 2 052 organisations were certified in 121 countries, with 129 South African companies receiving certification.

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 shift the dial
- Be an attractive employer in a competitive talent landscape

Our results improved in five of the six domains assessed in 2023. Our scores were above the South African Top Employer benchmark in both the "engage" and "unite" domains.

Momentum Metropolitan's overall ratings

2021	66.15%
2022	75.98%
2023	82.44%

Employee surveys

Twenty-five surveys were launched on our Mindset Management Platform this year. This included nine EE barrier surveys, five employee engagement surveys, and 11 other employee surveys. Four divisions rolled out the Organisational Human Factor Benchmark (OHFB) survey during this period. The OHFB is a diagnostic tool that indicates if employees are functioning optimally and if they can act on strategic intent, as well as understanding their work environment and work-related well-being.

Feedback from the EE barrier surveys is still being consolidated. However, previous EE surveys highlighted barriers such as recruitment procedures, transparency about remuneration practices and leadership development opportunities. Business units are the custodians of implementing these practices. Survey insights are used to advance improvements. Bi-annual status updates track the implementation and progress with EE targets.

Business units use employee engagement surveys such as our Heartbeat and OHFB surveys to understand engagement levels and workplace drivers. This helps us identify possible focus areas to provide greater workplace support and improve employee engagement.

HEALTH AND WELL-BEING

We are committed to providing a healthy and safe environment where all employees can function optimally. We want to ensure that employees return home safe and healthy at the end of a working day. Providing employees with sufficient resources in the workplace is important, as it ultimately contributes to higher engagement, productivity, and client satisfaction.

We do this by providing our employees with information, instructions, recommendations, training and supervision that includes monthly health and safety-related communication, as well as first aid tips and training initiatives such as online evacuation planning, injuries on duty, induction and ergonomics training.

- We trained 240 health and safety officials in evacuation planning, firefighting, and first aid as health and safety representatives.
- We reported 31 injuries on duty across the Group. Each injury was investigated, and mitigating steps were taken to ensure that risks and hazards were minimised and, where possible, eliminated.

Our employee assistance programme, Wise and Well, supports employees during difficult times. Wise and Well training and awareness sessions are also available to employees and include programme offerings such as stress and work-life balance, diversity training, financial wellness, gender-based violence and psychological safety, mental health and invisible disabilities, and many more. Quarterly Wise and Well reporting and discussions occur with Human Capital executives to discuss trends and recommendations on supporting employees.

We provide regular communication on mental, physical, and financial well-being. This is included in the #ThinkHumanFirst newsletter circulated every second week.

DIGITAL-LED INNOVATION

Strategic pillars



Make financial services more inclusive



Enhance financial security and health



Help build the low-carbon economy

Strategic enablers

Responsible business practices, ethics, and accountability

Diversity and future-fit skills

Digital-led innovation

Partnerships for systemic change

Strategic corporate social investment

We strive to innovate, refine, and conceptualise technology to connect more people to affordable insurance, savings and financial advice with our innovative platforms and engagement-rich digital solutions.

By 2025, digital financial services have the potential to provide more than 1.6 billion people in emerging economies with access to insurance and banking, of which more than half will be women. This is according to a study by McKinsey & Company, and is supported by trends research done in South Africa by the FSCA¹.

Digital-led innovation can change lives for the better and is currently one of the strongest drivers for sustainable economic and social development in South Africa. As highlighted by the FSCA, this can only happen in a context where we advance financial literacy, improve ecosystem governance and expand our risk management capabilities. We also know that the implementation of digital innovation is highly dependent on appropriate infrastructure, which is a shared resource and thus involves all our stakeholders.

Digital Innovation at Momentum Metropolitan is based on the following principles:

- Face-to-face channels will remain the primary distribution channels for the foreseeable future.
- We establish new channels to effectively engage clients in the future in the way they prefer.
- Digitisation is arguably the most effective tool we have to create efficiencies.
- Digital transformation is core to enhancing the client experience.
- Digital transformation incorporates the deliberate involvement of fintech and insurtech start-ups.

The potential positive impact of digital innovation is vast and multifaceted. We believe digital transformation can drive greater client accessibility, efficiency and savings. As we modernise our business, we transform processes, tools and systems to achieve digital end-to-end processes. If we are more efficient as a business, this will drive better client experiences and access. We also anticipate digital innovation and transformation to disrupt our value chain.

Our challenge is delivering new and better services and products faster without excluding clients. Market penetration can be limited by people not having smartphones, data, connection or phone memory. Our priority is to meet the client where they are and to also provide advice in a digital format but making it personal and accessible.

The digital risk landscape

Digital innovation and transformation increase cyber risk to the business and for our clients. To this end, we continuously strengthen our IT security and controls. The Group complies with all regulatory requirements around cybersecurity and cyber resilience.

The Risk, Capital and Compliance Committee provides governance and oversight of technology and information. Management is required to present the status of the various technology and information governance areas, and the Board is responsible for approving plans and policies as appropriate.

IT governance oversight is guided by our technology and information governance framework, aligned with King IV™, which sets out the requirements against which we evaluate the current and future use of technology and information. As part of this framework, all data incidents and breaches are also reported to the Board, as well as all data, cyber and privacy risks.

Our compliance with the Protection of Personal Information Act (POPIA) and other data protection legislation is regularly reported to the Board. The framework also directs the preparation and implementation of plans and policies to ensure that the use of technology and information is aligned with business objectives. We monitor conformance to policies and performance against the plans.

Our data privacy, IT and cybersecurity policies, processes, systems and practices are audited annually by internal (independent) and external auditors. All employees and long-term contractors receive compulsory annual training on cyber and privacy-related matters. We develop special training programmes for advisers tailored around their needs to be able to better advise clients on confidentiality and privacy. All data subject have the right to request their data to be deleted. We have processes in place that support this in accordance with applicable laws.

¹ FSCA: Digital financial inclusion trends study, December 2022

Digital innovation milestones for 2023

- Digital webinars launched with significant interest and interaction in both live sessions and recordings
- First Board/Exco digital transformation training sessions completed with plans for regular content sharing
- Digital execution scorecards for lines of business commenced
- Analysis of existing IT spending across business units commenced
- Mobility initiatives across business units for internal tech talent commenced
- Phase 1 of the IT talent incubator has been designed and will be launching
- Enterprise Architect appointed
- Chief risk officer appointed to support chief digital transformation officer objectives

Examples of digital innovation

Myriad LifeReturns introduced a digital screening and underwriting solution.

Read more on page 26.

LAUNCHPAD by Guardrisk enables digital entrepreneurs.

Read more on page 23.

Momentum Corporate launched a new Member Hub and bot to engage members via WhatsApp.

Read more on page 24.

Metropolitan Life improves access with their digital funeral product.

Read more on page 23.

VENTURE CAPITAL STARTUP INVESTMENTS

We invest in early-stage fintech, insurtech and healthtech companies to future-proof the business, provide strategic insights, and address social challenges such as financial inclusion. The Group's venture capital funding is actioned through investments in venture capital funds, as well as direct investments in start-ups. By the end of F2023, we have invested more than R900 million, with 61 businesses now funded.

We have a formal identification and engagement process with potential startups, including executive interviews, onboarding, engagement and reporting.

The health screening app, Kimi, used in the newly launched Myriad LifeReturns rewards programme, is an example of a venture capital investment developed and scaled to be used by Momentum Life.

We currently invest in the following categories:

- Business and corporate banking
- Insurance and risk management
- Wealth and asset management

- Data, technology and infrastructure
- Retail banking and consumer finance
- Payments
- Capital markets and trading
- Funds

Examples of our tech startup venture capital investments:

Happy Money

is on a mission to develop and deliver affordable, accessible financial tools and services that empower people to use money as a tool for their personal goals and happiness.

Nesterly

is on a mission to make housing more affordable for all. They do this by helping you create a mutually beneficial connection across generations, cultures and lived experiences through homesharing.

StratiFi

is a risk management platform that provides a one-stop-shop solution for portfolio risk analysis, client risk profiling and compliance so firms can manage the right risks essential for their success.

Financing small-scale farmers in Kenya and Zambia

Apollo Agriculture is a fintech company based in Nairobi, serving farmers in Kenya and Zambia. Apollo was founded in 2016 to empower small farmers to scale successful agribusinesses, foster sustainable livelihoods, and ensure food security for a growing global population.

Apollo farmers have been able to produce 2.5x more than the average Kenyan farmer.

They help maximise farmers' yields and profits by enabling them to buy inputs with Apollo in cash or credit. Machine learning is applied to make instant credit decisions once a farmer applies for financing.

Farmers can choose products from Apollo's digital store and collect these at the agrodealer in their nearest village. Apollo partners with more than 1 000 agrodealers to ensure maximum proximity to farmers. All farmer clients also receive best-in-class agricultural training. Farmers who purchase on credit also receive insurance to protect their investment from unexpected circumstances.



PARTNERSHIPS FOR SYSTEMIC IMPACT AND CHANGE



Strategic pillars



Make financial services more inclusive



Enhance financial security and health



Help build the low-carbon economy

Strategic enablers

Responsible business practices, ethics, and accountability

Diversity and future-fit skills

Digital-led innovation

Partnerships for systemic change

Strategic corporate social investment

Sustainability risks and opportunities are systemic, and broad collaborative partnerships are critical for impact. Our engagement is guided by our values and code of ethics and standards for conduct policy.

Our partnerships include commercial, research, service, support, knowledge, and industry partners and are managed by the business units. Over time, we intend to invest in social relations between all parts of society to generate and enhance trust and consensus.

“The pandemic provided an important learning about partnerships. With the urgency of a national disaster, we partnered with the United Nations Children’s Fund (UNICEF) to support programmes on hygiene. After the pandemic and a strong foundational phase, the relationship transformed into a safety partnership through Momentum Insure.”

– Dan Moyane, Momentum Metropolitan Foundation chair

The Momentum Metropolitan Foundation (the Foundation) onboarded four new partners in February 2023:

My Dough provides a platform that offers sales opportunities, fast and efficient funding and other resources to accelerate growth for youth-owned enterprises.

The National Business Initiative (NBI)’s Installation, Repair and Maintenance (IRM) initiative works with TVET colleges on a demand-led skills development initiative that supports unemployed young people with skills and on-the-job training.

Deviare aims to provide 10 young black females with training in cyber security. The programme includes online self-paced learning, live virtual classes, assessments, customised reporting, certificates of completion, work readiness and subsequent job placement.

Explore AI Academy’s bespoke data science and engineering qualifications address scarce and critical skills and ensure the highest possible chance for youth employment.

An academic partnership for financial insights

South African households’ tendency to not set financial goals and work towards achieving them is one reason for their low level of financial wellness. This is one of the key insights from the Science of Success Insights report 2022, which aims to inform and empower South Africans to achieve financial success.

The report is the outcome of a research partnership of more than a decade. Since 2012, Momentum and UNISA have partnered to provide credible research insights into the state and success of household and consumer finances in South Africa.

The report further also revealed that 11.4% of households acquired an additional income from a Side Hustle. Find the full report [here](#).

The Momentum-UNISA collaboration includes:

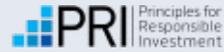
- Momentum UNISA Household Financial Wellness Index (FWI)
- Momentum UNISA Consumer Financial Vulnerability Index (CFVI)

The two indices represent the first independent and comprehensive research of its kind in South Africa. The research contribution offers:

- An invaluable and unprecedented benchmark for understanding the state of household finances
- A meaningful overview to better understand and interpret the current state of consumer finances
- Insights that policymakers can use to improve the financial wellness of households



Our membership of industry associations and international bodies provides platforms to partner and contribute to a wider impact.



We are a signatory of the United Nations-supported **Principles for Responsible Investment (PRI)** initiative since 2006. We signed the PRI-led international statement of investor commitment to the Just Transition Initiative. We also serve on the working group.



Momentum Global Investment Management, the UK-based subsidiary of Momentum Metropolitan, supports the **UK Stewardship Code**.



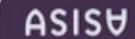
We formed part of the **Chartered Financial Analyst (CFA) Society SA** ESG task team, in which we made a collaborative effort to respond to the CFA Institute ESG Disclosure Standards Consultation Paper. The CFA Institute is a global not-for-profit.



We were the first South African insurance company to sign up as a formal supporter of the **TCFD**.



We support **CRISA 2.0** and publish an annual statement to disclose how we apply the principles.



We serve on the **ASISA** responsible investment committee with wide representation across various technical and investment committee working groups.



We are a member of the **ICSWG** and contributed to the guide for assessing investment consultants' climate competency.



We are signatories to the **Climate Action 100+** initiative.



We are part of the **WWF-SA** for nature's business network that supports the organisation's advocacy work and draws on its expertise.



WORLD-CLASS PARTNERSHIP FOR EMPLOYEE DEVELOPMENT PROGRAMMES

All our leadership development programmes are designed in alignment with our Leadership Development Framework, 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 partners:

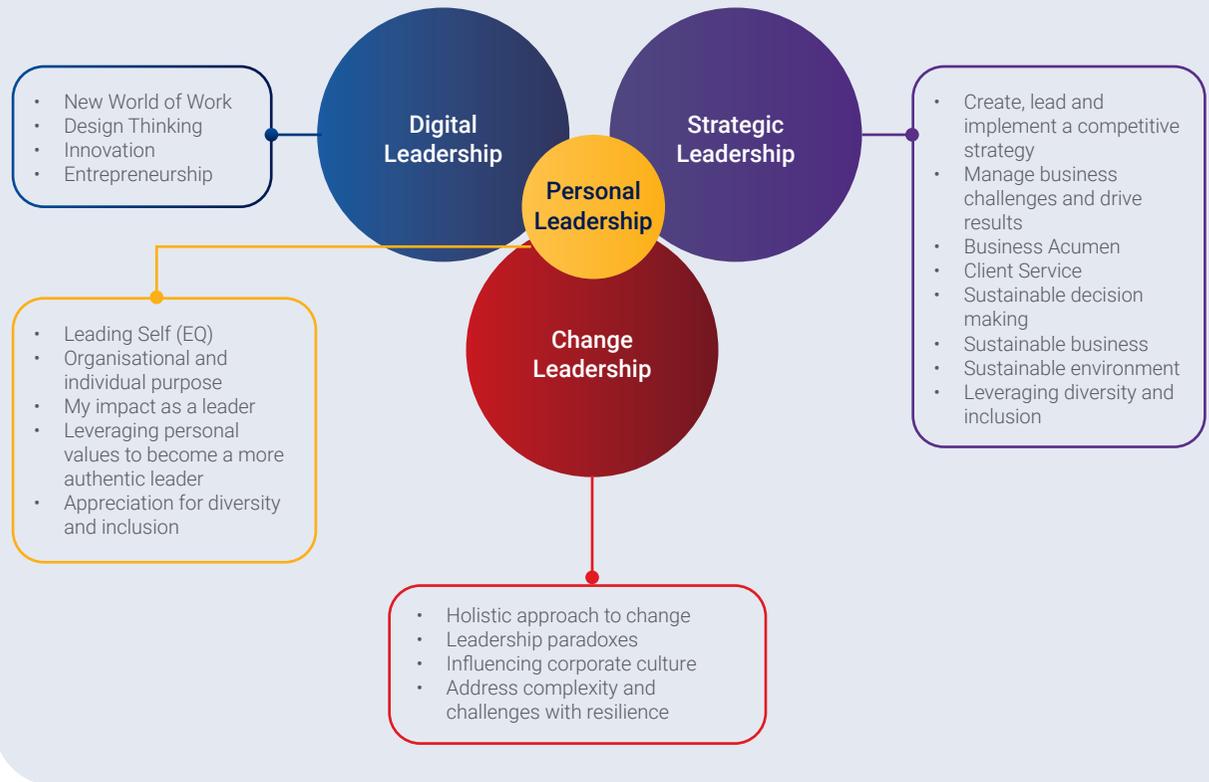
- Duke Corporate Education
- Rhodes Business School
- Regenesys Business School
- The Networking Company
- Partners for Possibility
- The Franklin Covey Institute
- The Diversity Institute
- Learn to Lead

The programmes are designed to address leadership capabilities that are required at specific layers of the organisation.

Our Foundational Leadership Programme speaks to the “Leader of Self” passage, while our Junior Leadership Programme addresses leadership capabilities at a “Leader of Others” level. We use our Middle Leadership Programme for leaders transitioning to “Leader of Leaders” whereas our Senior Leadership Programme is designed for leaders already in a “Leader of Leaders” role. To equip leaders at the “Leader of Function” passage, we offer our Executive Leadership Programme and our Partners for Possibility programme. We have two specialised programmes on Women in Leadership and Specialists leading in their fields. All these initiatives are underpinned by coaching and mentoring.

Two to three senior executives attend an international Advanced Management Programme annually at Oxford University, Harvard Business School and the International School for Management Development.

LEADERSHIP DEVELOPMENT FRAMEWORK



Our core Leadership Development Design Principles include:

1 Customised journey closely aligned to the Group's strategic objectives and Leadership Development Framework, allowing flexibility in terms of design, modality, and destination.

2 Follow a cohort approach to ensure delegates connect with leaders from across the organisation, considering data such as business unit, role within the organisation, race, and gender.

3 A blended or hybrid delivery modality between live, online, self-lead and face-to-face.

4 Programmes must include experiential learning/immersions.

5 Programmes must include challenging group work, offer stretch to individuals, and prepare them to challenge the status quo and be digital change leaders.



STRATEGIC CORPORATE SOCIAL INVESTMENT

Strategic pillars



Make financial services more inclusive



Enhance financial security and health



Help build the low-carbon economy

Strategic enablers

Responsible business practices, ethics, and accountability

Diversity and future-fit skills

Digital-led innovation

Partnerships for systemic change

Strategic corporate social investment

We are committed to strategic corporate social investment with measurable developmental impact that also meets or addresses a business need.

From the desk of the Momentum Metropolitan Foundation Chair

Although a foundation on its own cannot solve South Africa's complex problems, we can choose where to have the most impact. At the Momentum Metropolitan Foundation, we believe that youth unemployment is our country's most significant challenge. Therefore, we channel our efforts to help address a situation that is slowly deteriorating, especially for young black females.

We want our investment to deliver a more secure, stable and prosperous future for South Africa by enabling young people to generate an income. This has been our focus since 2018. In the past five years, we have been growing the number of beneficiaries who are employable and getting jobs. We are also getting better at selecting the right partners and measuring impact.

We see the value in a focused approach, but also recognise that we need to balance this by engaging with emerging issues and current catastrophes that all beg for corporate responses and support. We also have to be honest about enduring issues such as HIV/Aids and long-term risks related to climate change, which have to be balanced with immediate urgencies.

The responsible oversight for the Momentum Metropolitan Foundation is in the hands, hearts and minds of our Board members, who continued executing their fiduciary duty towards all our stakeholders this year.

Our investment contributes towards two SDGs:



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

Dan Moyane
Chair of the Momentum Metropolitan Foundation



Dan Moyane



THE MOMENTUM METROPOLITAN FOUNDATION

The Momentum Metropolitan Foundation's purpose is to enable the life aspirations and sustainable earning potential of disadvantaged young people in South Africa. This is supported by three pillars:

Youth employment and entrepreneurship Consumer Financial Education Staff Volunteerism

Where possible, initiatives align with the Group's strategic direction. The youth employment pillar prioritises digital skills, whereas consumer financial education programmes focus on institutions of higher learning to capture soon-to-be professionals and young people who are not in education or training programmes and are interested in pursuing entrepreneurship.

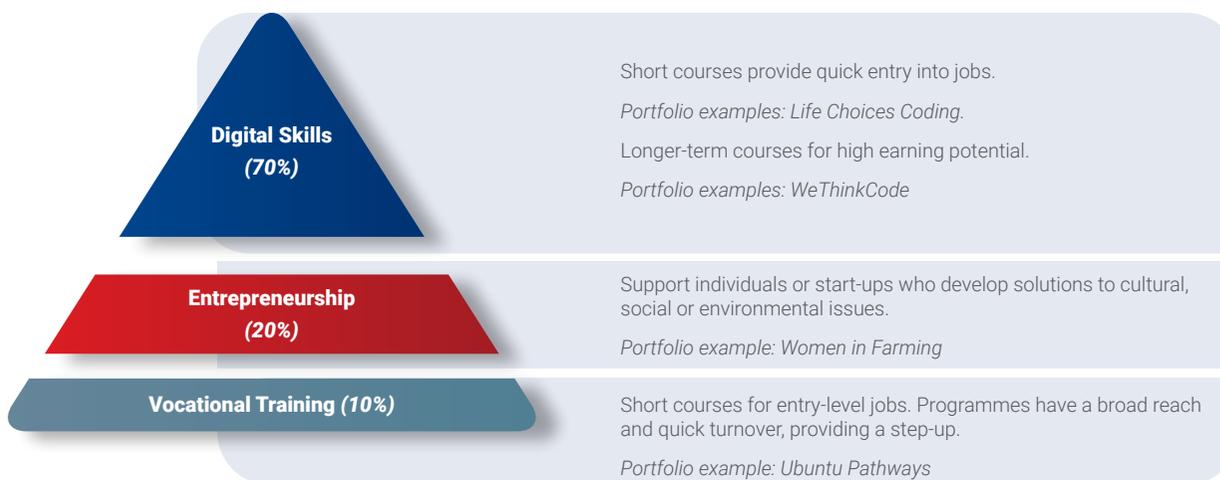
The Foundation receives 1% of net profit after tax as contributions from various business units within the Group. The Momentum Metropolitan CSI team looks after matters of the Foundation and reports to the Board of Directors.

Youth employment and entrepreneurship Consumer Financial Education Staff Volunteerism

YOUTH EMPLOYMENT AND ENTREPRENEURSHIP PROGRAMMES

The youth is the most vulnerable segment in South Africa's labour market. In the first quarter of 2023, the total number of unemployed youth (15-34 years) increased by 241 000 to 4.9 million, while there was an increase of 28 000 in the number of employed youth to 5.6 million during the same period. This resulted in a 1.1% increase in the youth unemployment rate to 46.5%.

To help address this challenge, the Foundation selects youth employment programmes based on a hierarchy of preferences:



We currently support nine youth employment and entrepreneurship programmes in a range of provinces.

Measuring progress in 2023

613 young people recruited for training opportunities

545 young people completed training

352 young people placed in jobs

60% of young females placed in jobs

63% retained in employment since inception

Total CSI spend	F2023	F2022
Socioeconomic development (SED)	R23.9 million	R13.6 million
Staff volunteer programme (SVP)	R1.1 million	R1.1 million
Monitoring and evaluation (M&E)	R1.5 million	R1.8 million
Consumer financial education (CFE)	R17 million	R8.3 million

Implementation and outcomes evaluation

This year, we commissioned an independent evaluation of nine youth employment programmes funded by the Foundation for the period 2020 to 2022. The assessment considered the following:

- To what extent has the design of the programme enabled the achievement of its intended objectives?
- Has the implementation of the programme been efficient?
- Are the programmes making progress towards their planned objectives?

The evaluation found that all partners understood the challenges facing the youth around unemployment. As such, they all offer development programmes that are targeted at improving the

employability of the youth and ultimately place or link them to full-time employment in line with the Momentum Metropolitan Foundation's objective.

The evaluation found that while training completion rates were high, employment rates were low. This highlighted the need to closely monitor partners' level of attention to support young people in finding employment. This includes improving job placement and post-programme support.

Since the previous programme evaluation done in 2020, all partners have developed or refined their programmes. The only area for improvement that remains a priority is the quality of monitoring and evaluation data.

Women as farmers of the future

Women in agriculture have a double challenge: female unemployment is at a record high while women who work in agriculture still battle with the perception that farming is a 'man's job'. At the same time, 35% of female farmers in South Africa find that their income from farming does not cover the needs of their families.

The Momentum Metropolitan Foundation, in partnership with Agri Enterprises, specialists in the agriculture industry and rural development, launched a Women in Farming programme to address some of these challenges in 2022. The programme aims to enhance the skills of young female farmers to empower them to better feed their families and create jobs for their communities.

The programme has three objectives:

1. To create knowledge-based economies within the rural areas of South Africa.
2. To stimulate, encourage and support emerging entrepreneurs (financial, technical, and mental support).
3. To address the socio-economic problems faced by young females in agriculture.

The first phase of the three-year incubator programme involved 60 female entrepreneurs from KwaZulu-Natal and focused on the following:

- Mental wellness and analysis
- Poultry and vegetable farming
- Agri-business management
- Agricultural marketing and market access
- Pest, diseases and weed control
- Soil fertility and plant nutrition

This was followed by a business pitch process that secured funding from Agri SETA for 10 businesses. Funding from Momentum Metropolitan played a catalytic role in unlocking further funding. Some cooperatives among the businesses that received funding are exploring opportunities to access land through local authorities and stakeholders to help grow their enterprises. The Women in Farming participants will work towards accessing broader markets to help grow and sustain their businesses. This could also be the beginning of a job creation phase for the locals once these businesses begin to scale.

The programme boasts tailor-made interventions for all the farming businesses, coupled with mentorship and a clear plan for market access. The programme still supports 57 female entrepreneurs from the initial 60 that we started with.

The programme contributes to three SDGs:



Supporting young people through Life Choices

This is our third year supporting the Life Choices Academy in preparing youth for future-focused jobs. The Cape Town-based web development and programming bootcamp targets youth from underprivileged areas to provide them with technical skills and the professional know-how to access entry-level positions in the growing ICT sector.

The programme has three modules:

- Three months of web development
- Three months programming
- Six months paid internship

Between March and September 2022, 59 students from the second cohort of 70 completed their first six months of training. 59 qualified for internships, and a 96% attendance level was achieved.

Life Choices measures employment results approximately 18 months after a student has enrolled at their Academy. Most students earn between R5 000 and R10 000 per month three to six months after completing the 12-month programme, and 76% earn between R5 000 and R15 000 per month.

The Life Choices Academy alumni are contacted annually to track their progress.

Read more about the Momentum Metropolitan Foundation's projects on our [website](#).

Youth
employment and
entrepreneurship

Consumer
Financial
Education

Staff
Volunteerism

CONSUMER FINANCIAL EDUCATION

We went through a strategy overhaul process for consumer financial education this year. Our revamped consumer financial education strategy aims to provide financial education that makes a meaningful contribution to the financial capability of young people and gives them the confidence to pursue their dreams. In F2023, 4 000 young people enrolled on our consumer education programmes, with 1 054 completing three out of five sessions by the end of the reporting period.

From now on, the Foundation will focus on two main consumer financial programmes, starting with revamping the Motheo Financial Dialogues.

Our strategic approach:

- Our programmes will be developed so that the content addresses the specific needs of young adults in South Africa.
- We will deliver fit-for-purpose, research-driven, impactful and measurable financial education programmes.
- Measuring behaviour change is the pinnacle of financial education. As such, we are partnering with an innovative software and solutions developer to find ways that our monitoring and evaluation reporting will measure change in attitudes, mindset and, ultimately, behaviour.
- We will collaborate with business to understand how to measure a change in the knowledge and skills of our participants.
- Our new financial education programme will aim to teach unemployed youth about entrepreneurial skills that we believe will assist in providing them with an alternative income stream. Participants with side hustles and small businesses will be included.

Motheo 1.0 and 2.0 underway

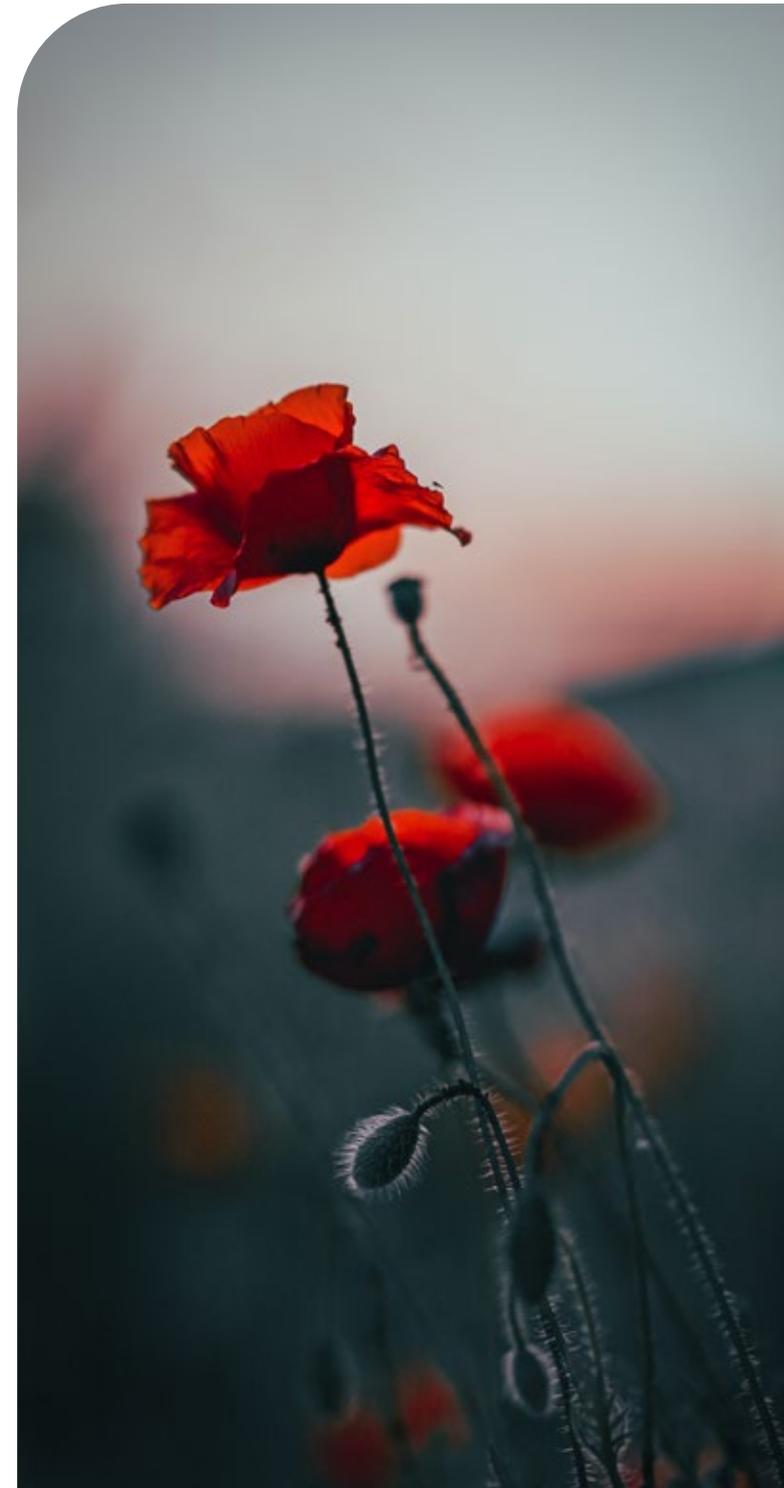
We know that formal education on its own does not guarantee employment. To support targeted youth groups and build on our previous Motheo Financial Dialogues project, we are developing three modalities to deliver our programmes: online self-learning, blended learning and face-to-face learning.

We launched the pilot phase of Motheo 1.0 in March 2023. The programme is being implemented in all nine provinces at higher education institutions and organisations that engage with the youth, including TVET colleges and institutions of higher learning.

In June 2023, we conducted a survey to analyse unemployed youth on social media. The findings will be used to develop a programme encouraging entrepreneurship as an alternative income source. Extensive research and pilot implementation in 2024 will target unemployed youth and individuals with side hustles or small businesses.

Research findings will further inform the next phase of our flagship programme, Motheo Financial Dialogues, Motheo 2.0. The programme will be offered to higher learning institutions, work readiness programmes and young people who graduated recently and are about to be employed. Motheo will be implemented in three phases over three years into the 2026 financial year to support the objectives of our consumer financial education strategy.

The Foundation's approach to community development is that of co-creation, trust and respect. We recognise the success of our programmes depend largely on how well we engage with communities. Our Partner Council is a forum for project partners to share learnings and collaborate. We value the input of all stakeholders to create sustainability for our community investment.



Youth employment and entrepreneurship

Consumer Financial Education

Staff Volunteerism

STAFF VOLUNTEERISM

Momentum Metropolitan has a dynamic employee volunteerism programme that encourages participation and enables sustainable long-term engagement with non-profit partners to make a meaningful impact in our communities. We adopted a new staff volunteerism strategy in August 2022.

From 1 January 2023, the Group's leave policy includes one day of volunteerism leave per employee per year to support registered organisations. Employees are now also able to select payroll beneficiary organisations, which include the following partners for the next three years:

Disaster

Gift of the Givers

Disability

Disabled People South Africa

Women and children

People Opposing Women Abuse

Youth empowerment

Phakamani Young Minds Academy

Payroll giving increased from R260 000 in 2022 to R348 957 in 2023. This is attributed to ongoing engagement with employees and being intentional about raising awareness about employee volunteerism. Employees can decide on an amount they choose to be automatically deducted from their monthly salary, knowing that our partner organisations have demonstrated proven impact in the communities they serve and that their funds will be put to good use.

The Cube employee challenge

78 employees registered for The Cube challenge F2023 in May. Running over three months, employees must put their heads together to solve a real business challenge a non-profit organisation faces. By working with the community organisation, they contribute their diverse skills, time and insights to help co-create a solution that will drive impact.

Connected in kindness: Lesedi Awards

We created the Lesedi (Sesotho word meaning Light) programme to recognise employees who take time to step into their communities to shine the light that is Lesedi. These employees take ownership of the responsibility that we all have to work for the betterment of less fortunate communities.

In November 2022, we celebrated the 7th annual Lesedi Awards. About 37 non-governmental organisations were beneficiaries of the Lesedi Awards in 2022. We used the Awards to increase awareness of employee volunteerism and position Momentum Metropolitan as a purpose-led employer of choice.

Read more about the nominees and the causes they support [here](#).

OUTLOOK AND FUTURE COMMITMENTS

60 Our outlook for embedding and maturing sustainability



We are cultivating a deeper, collective understanding of sustainability factors in our governance structures and business units. We are becoming more mature in identifying our positive and adverse impacts on society and the environment. For these assessments, we depend on the availability of reliable, quality scientific data. This continues to be a major focus area in the short to medium term, including developing assurance-ready systems to deliver and report data.

We are setting meaningful targets and making commitments where we have considered all the relevant trade-offs. We recognise that the pace of change will rely on our business units and their ability to drive integration.

Group priorities

- Development of sustainability skills for management leading efforts for their business units
- Enhancing better disclosure and transparency
- Developing metric data tables for strategic enablers
- Development and approval of the decarbonisation plan

Business unit priorities

- Continuous integration of metrics with business unit planning and performance monitoring
- Expand internal and external reporting capabilities
- Increasing our investment in areas where we can have maximum social impact
- Rolling out diversity, equity, inclusion and belonging practice linked to culture survey

These are reviewed annually to ensure the committee continues to focus on the most pertinent sustainability-related issues for the business:

SETC F2024 focus areas

- Integration of sustainability into the Group strategy.
- Embedding the Group Sustainability Framework within the business units and overseeing the gradual setting of measurements at a business unit level.
- Increased disclosure and transparency of the Group's ESG objectives, including the Group's decarbonisation commitments.
- Employment equity initiatives at a business unit and Group level, especially in respect of middle management, in view of the impact of the amended Employment Equity Act on the Group.
- Talent development and retention through diversity, inclusion, equity and belonging practices.



Jeanette Marais

INCOMING CEO MESSAGE

I believe that during challenging and complex times, it becomes even more important for Momentum Metropolitan to have a deep and sustainable positive impact on our clients and society. This remains a learning journey, which we are eager to embark on. We are open to accept the challenges it entails because we truly understand how important sustainability is for our organisation, our clients, their communities, and the country as a whole.

I have been part of the core team that developed our current strategy, and I look forward to providing continuity to the positive foundation that was laid over the last few years – aimed at building a more equitable, inclusive, and greener society. I believe that the biggest positive impact we can make, is to continue our growth trajectory in a responsible, accountable and transparent way, so that our positive impact on our clients and society continues to expand and deepen.

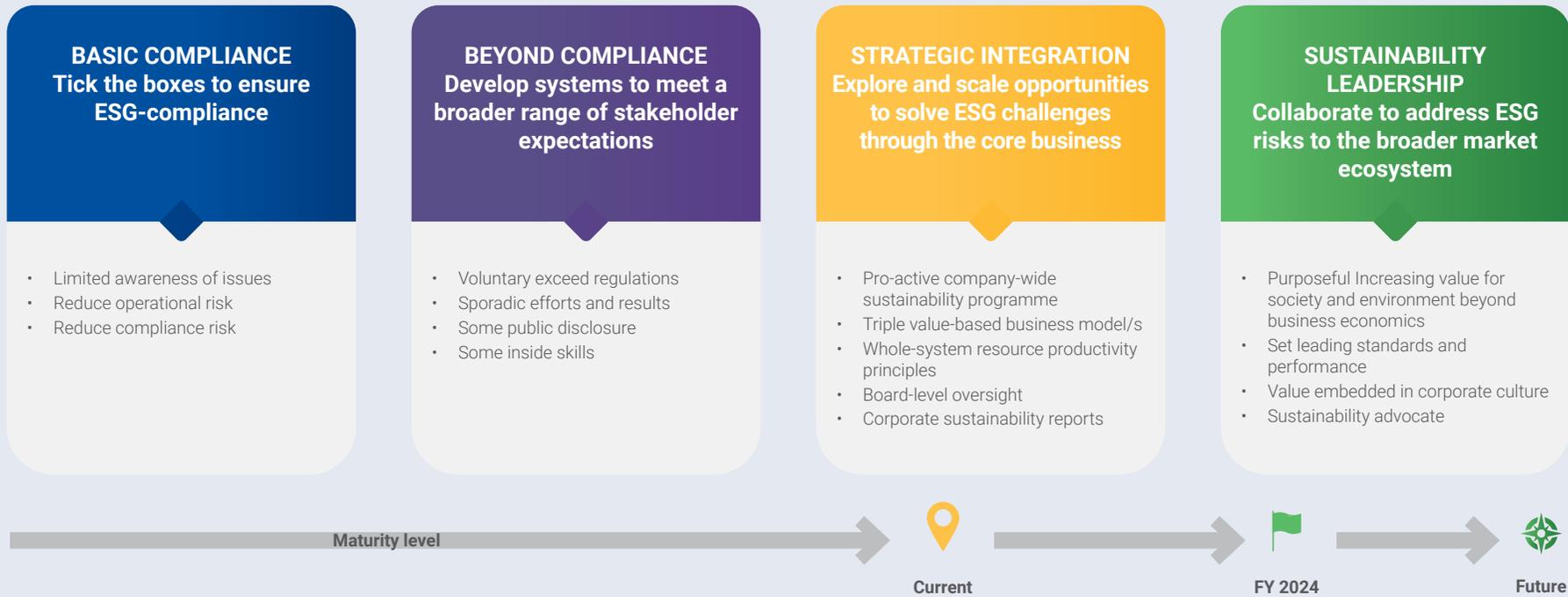
Jeanette Marais,
Group CEO

OUR OUTLOOK FOR EMBEDDING AND MATURING SUSTAINABILITY



All the business units have integrated their sustainability commitments into business plans following a structured process in F2023. To track these commitments, business units were expected to develop corresponding metrics that can be measured and reported on. We are working towards having metrics approved by each business unit's executive committee by the end of F2024. This will be crucial to make credible claims about our progress towards maturing sustainability across the Group. Business units will also have to continue setting baselines for metrics that are currently not being tracked.

Guardrisk, our cell captive business, adopted the Group Sustainability Maturity Path of how organisations develop their sustainability practice as a model to plan their progress and own the implementation of their sustainability plans.



Guardrisk made significant progress towards sustainability maturity this year and is set to be at an advanced level of strategic integration by the end of F2024.

Milestone	2022				2023				2024			
	1	2	3	4	1	2	3	4	1	2	3	4
COMPLIANCE AND BEYOND COMPLIANCE												
1. Governance and frameworks												
1.1. Establish and agree on a framework and methodology.	Completed	Completed										
1.2. Define a Guardrisk overall sustainability plan and obtain Guardrisk Board approval.		Completed										
1.3. Establish governance structures and working forums.		Completed										
STRATEGIC INTEGRATION												
2. Stakeholder engagement and business alignment												
2.1. Review the business model from an ESG perspective.		Completed										
2.2. Identify areas of potential profit-led ESG impact.		Completed										
2.3. For each of the potential profit-led ESG impacts, determine the dependencies.		Completed	Completed									
2.4. Define provisional corporate commitments and metric setting.		Completed	Completed									
2.5. Determine the business areas, products and processes affected by area potential profit-led ESG impact.			Completed	Completed								
2.6. Assess the provisional sustainability commitments in relation to business risk appetite and agree on targets/milestones.			Completed	Completed								
3. Operational requirements and implementation												
3.1. Determine data required to assess the maturity levels.				Completed	Completed	Completed	Completed	Completed				
3.2. Incorporate the requirements into the dynamic business strategy process to achieve the maturity level that we are targeting.				Completed	Completed	Completed	Completed	Completed				
3.3. Budget for the required process, people and system requirements.						In progress	In progress	In progress	In progress			
3.4. Projectise the implementation of requirements and provide updates at the relevant committees.						In progress	In progress	In progress	In progress			
4. Training and awareness												
4.1. Update operating procedures, educate and train the affected business areas.									In progress	In progress	In progress	In progress
4.2. Organisational-wide training and awareness.									In progress	In progress	In progress	In progress
5. Performance management												
5.1. Finalise the sustainability commitments and performance measurement metrics.											In progress	In progress
5.2. Monitor and report on performance.											In progress	In progress

● Completed
 ● In progress

Additional Guardrisk milestones include:

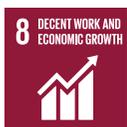
- The Guardrisk Climate and Sustainability Forum, which reports into the Guardrisk Exco and Board, was established.
- The Guardrisk Audit and Risk Committee now provides oversight of end-to-end climate related risks.
- The Guardrisk Investment Committee provides oversight of the investment portfolio climate change adequacy.

- The Chief Risk Officer was appointed as Sustainability Officer and is a member of the Group Sustainability Forum and a permanent attendee at the SETC meetings.
- Guardrisk developed a three-year climate change plan to improve on governance, strategy, risk mitigation and metrics and targets. An integrated climate risk assessment framework was embedded in the business.

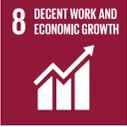
Sustainability pillar commitment and metrics example

Guardrisk developed Board-approved commitments for the three strategic sustainability pillars set out in the Group's Sustainability Framework. For each commitment, they developed related metrics and supporting initiatives.

Make financial services more inclusive

COMMITMENT	METRICS AND TARGETS	INITIATIVE TO SUPPORT COMMITMENT
Deepen our investment and efforts in developing our enterprise and suppliers and skills development initiatives 	90% of targeted spend per annum: (ED 1% of net profit after tax) (SD 2% of net profit after tax) 90% of the targeted spend of leviabile amount per annum Increase number of consumer education initiatives	<ul style="list-style-type: none"> Increased partnership with SMMEs and vendors and improve our B-BBEE performance Increase in number of employees in leadership development programmes
Create an InsurTech ecosystem – LAUNCHPAD 	1-2 of LAUNCHPAD scale-ups partnered with per annum	<ul style="list-style-type: none"> Access to affordable insurance (e.g., through InsurTech) Small business support incubation (Microinsurance)
Make insurance licence more accessible and create access to insurance for the lower end of the market 	3 new microinsurance cells per annum 10% revenue growth per annum	<ul style="list-style-type: none"> Small business mentorship network Business support including third party client workshops Wealth creation and wealth building for cell captive owners

Enhance financial security and health

COMMITMENT	METRICS AND TARGETS	INITIATIVE TO SUPPORT COMMITMENT
Enhancing financial resilience of the family unit 	%* increase in organic growth of suitable credit life products and medical gap cover products	<ul style="list-style-type: none"> Digital tools to assist cell owners to expand and enhance product offerings Design more affordable insurance products
Support our clients by enabling them to offer products best suited to their target market 	Success of implementing the product development initiative %* implementation level of the IT Modernisation Programme milestones %* improvement in OLTi and OSTI overturn ratios	<ul style="list-style-type: none"> Enhance our product innovation capabilities Grow our client's product base and profitability Improve cell partner data exchange experience

Help build the low-carbon economy

COMMITMENT	METRICS AND TARGETS	INITIATIVE TO SUPPORT COMMITMENT
Enhance internal and external disclosure of our progress in implementing climate change management principles 	Timely and accurate climate change reporting %* implementation level of the climate change plan	<ul style="list-style-type: none"> Incorporate climate and sustainability related elements in existing business and risk frameworks and policies Enhance reporting for the various committees
Work with clients and partners to raise awareness and develop resiliency solutions 	10% growth in green products: Agnovate, Mining Rehabilitation and renewable energy (solar and wind farms) projects guarantee %* implementation level of the municipality risk management/mitigation initiative	<ul style="list-style-type: none"> Continuous review of climate positive product portfolio
Use digital and other technologies to embed sustainability factors in decision-making 	%* implementation level of climate exposure at risk project Accurate assessments and pricing of risk underwriting and capital adequacy decision-making process ESG-aligned investment portfolio: Move towards sustainability positive investments	<ul style="list-style-type: none"> Determine climate exposure within Guardrisk portfolio Upskilling of actuarial and IT specialists required to enhance business-useful climate data Create climate awareness and achieve climate policy adoption across cells
		

* Baseline still to be determined

APPENDICES

64 ESG reference table

64 Additional ESG policies

67 Scope 3 reporting summary

68 Broad-based black economic empowerment scorecard

68 Momentum Metropolitan ethics lines

68 Abbreviations and definitions used in this report



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

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 skills.	IR Value-creating Leadership, page 92 SR Committees responsible for sustainability matters, page 38
Remuneration practice	How policies for board members and senior executives relate to their performance and delivery on the organisation's strategy.	IR Report from the Chair of the Remuneration Committee, pages 113 to 123
ETHICAL BEHAVIOUR		
Anti-corruption	Coverage of training on the organisation's governance policies, including anti-bribery, anti-corruption and anti-money laundering.	IR Embedding an ethical culture SR Preventing fraud, corruption and crime, continuous awareness and training, page 37 P 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)
	Number and nature of incidents of corruption or unethical behaviour, and actions taken.	IR Compliance with statutory obligations, page 104 SR Ethics and compliance disclosure and commitments, page 36
	Grievance mechanisms for reporting unethical or unlawful behaviour.	IR Grievance mechanisms for reporting unethical or unlawful behaviour SR Secure and confidential reporting mechanism, page 37
	Initiatives and stakeholder engagement to improve the broader operating environment and culture, to combat corruption.	IR Our Stakeholders, <i>Government and Regulators/Industry Bodies</i> , page 33 SR Ethics and compliance disclosure and commitment, page 36

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
ETHICAL BEHAVIOUR (continued)		
Political contributions	Total monetary value of financial and in-kind political contributions made.	SR Ethics and compliance disclosure and commitment, page 36
Lobbying	Significant issues that are the focus of the company's participation in public policy development including within any business association.	IR Our Stakeholders, <i>Government and Regulators/Industry Bodies</i> , page 33
COMPLIANCE AND RISK MANAGEMENT		
Incidents	Number of significant ESG-related incidents of legal non-compliance.	IR Creating value through good governance, <i>Compliance with statutory obligations</i> , page 104
Fines and monetary loss	Fines, settlements, penalties, and other monetary loss suffered in relation to ESG incidents or breaches.	SR Ethics and compliance disclosure and commitment, page 36
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 104 and in Annual Financial Statements, page 118 SR Tax responsibility and transparency, page 37
RESPONSIBLE INVESTMENT		
Approach and resourcing	Responsible investment approach including ESG integration in the investment process, disclosure of company engagement and available resourcing to manage ESG matters.	SR Responsible business practice, ethics and accountability, <i>Responsible investment</i> , page 39 P CRISA 2.0; Proxy Voting Policy; Responsible Investment policy, Engagement policy, MMH climate investment decarbonisation strategy, Climate change investment policy; Climate change position statement

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Topic and sub-topic	Required disclosure	Report name, page reference or explanation
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SOCIAL METRICS REFERENCES

LABOUR STANDARDS

Diversity and Inclusion	Percentage of employees per employee category by race, gender and, where relevant, other diversity indicators.	IR Our Human Capital, <i>Key Human Capital Metrics</i> , page 78 SR Our workforce profile, page 62
	Number of allegations and confirmed incidents of discrimination and/or human rights incidents relating to workers or any of its operations.	NONE (F2022: NONE) P Human Rights Policy
Pay equality	Remuneration policies and approach to minimum wage level.	MMH does not have any fixed remuneration earning employees below the minimum wage. IR Overview of the Group's Remuneration Policy, page 115 and Fair and Responsible Remuneration, page 120 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.	We align our practice to the Labour Relations Act no 66 of 1995 as amended, ("the LRA"), chapter 3 which governs collective bargaining in South Africa. 0.9% of employees covered by an independent union or collective bargaining agreement (F2022: 1.1%) 0.9% of employees covered by an independent union or collective bargaining agreement (F2022: 1.1%) P Labour relations policy
	Extent of major work stoppages (including strikes and lockouts).	NONE (F2022: NONE)
	Supply chain engagement to ensure ethical conduct and fair labour practices including preventing child labour or forced labour.	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.

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
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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 (F2022: 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.	IR Employee skills development and building a talent pipeline, page 79 SR Flagship skills, and leadership development programmes, page 42
	Research partnerships with educational institutions to deliver improved employee training and development.	SR World-class partnership for employee development programmes, page 52
Retention	Total number and rate of employee turnover.	IR Retention of critical skills and authentic transformation, page 14
	Organisational strategy to retain critical skills.	SR Skills turnover mitigation, page 41, Our transformation ambition, <i>Key initiatives</i> , page 45
Economic contribution	Direct economic value generated and distributed (EV&D) on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by:	SR Value Added Statement, page 19 We disclose our corporate social investment in:
	(i) Revenue	IR Our Role in Society, page 81
	(ii) Operating costs	SR Strategic corporate social investment, page 53
	(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 83 SR Enterprise and supplier development, page 46	
Description (quantitative and qualitative) of the extent of significant infrastructure investment and services supported.	IR Empowerment financing, pages 28, 81 and 83 SR Growing a climate positive portfolio, page 33	
Total monetary value of financial assistance received by the organisation from any government during the reporting period.	NONE (F2022: NONE)	



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Topic and sub-topic	Required disclosure	Report name, page reference or explanation
HEALTH AND SAFETY		
Workplace health and safety	Number of fatalities and workplace related injuries.	IR Employee health and well-being, page 47 SR Health and well-being, page 47 P Occupational health and safety
	How the organisation facilitates access to non-occupational medical and healthcare services including voluntary wellness services.	IR Employee health and well-being, page 80 SR Health and well-being, page 47
CUSTOMER RESPONSIBILITY		
High risk products and services	Description of products and services that present specific risks to individuals, communities, or the environment.	The nature of our business is to mitigate risk, in most cases risk of loss transferred to us, and improve health and financial outcomes. The Fair Practices Committee oversees the Group's compliance with the treating customers fairly requirements of the Financial Sector Conduct Authority (FSCA). SR Treating our customers fairly, page 28 P Fair Practices Committee Terms of Reference
	Number and nature of any product recalls.	NONE (F2022: NONE)
Product innovation	Products and services designed to deliver specific social or environmental benefits or to address specific sustainability challenges.	IR Global funds, Our South African impact investment portfolio, page 85 SR Appropriate offerings for underserved segments, page 23, Growing a climate positive portfolio, page 33
Customer data and privacy	Mechanisms and steps taken to ensure privacy of consumer data.	IR Technology and information governance that supports the achievement of our strategic objectives, page 106, Cybersecurity and data privacy, page 75 SR The digital risk landscape, page 48 P Public privacy policy which covers data privacy of data subjects, including the rights of data subjects to change information
	Employees trained in data privacy and cybersecurity	12 632 (F2022: 10 382)
	Employees trained in privacy related risk-based training	9 351 (F2022: 11 026 employees).

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
CUSTOMER RESPONSIBILITY (continued)		
	Data incidents reported to the Information Regulator	9* (F2022: 11*) <small>* any incident reported to the Information Regulator (IR), even if a single data subject has been impacted, electronic or paperbacked incident, including lost/stolen devices. The F2022 number includes one complaint from the IR which upon investigation was found to be unsubstantiated.</small>
	Significant incidents or complaints received from the Information Regulator.	0 (F2022: 3)
ENVIRONMENTAL REFERENCES		
CLIMATE CHANGE		
GHG Emissions	Greenhouse gas emissions measured in accordance with the Greenhouse Gas Protocol (Scope 1, 2 and 3)	SR Our current carbon footprint, page 31.
	GHG emissions intensity	2023: 2.66 tCO ₂ e per employee (2022: 2.65 tCO ₂ e per employee) (excluding scope 3 emissions)
Energy Mix	Total energy use and share of energy usage by generation type noting use of energy from renewable non-fossil sources.	NONE in the reporting period. Solar farms will be installed at two main office buildings from 2024. SR Going solar at our offices and data centres, page 32
Science-based targets	Progress against time-bound short-, medium-, and long-term science-based GHG emissions targets.	NONE in the reporting period, SR Our Group decarbonisation plan, page 31
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. P Statement of investor commitment to a Just Transition, MMH investments decarbonisation strategy
	Nature of climate-related lobbying activities, and those of relevant associations and membership groups.	IR Our Signatory Commitments, page 77 SR Partnerships for systemic change, page 51

Key

Integrated Report
 Sustainability Report
 Related policy
 Statement
 Terms of Reference

Topic and sub-topic	Required disclosure	Report name, page reference or explanation
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WATER SECURITY

Water usage	Water consumption from all areas including those areas with water stress and water risk management efforts.	2023: 112 737 KL (2022: 106 727 KL)
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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).	2023: 227.87 tonnes (43% landfill and 57% recycled) (2022: 196.98 tonnes (53% landfill and 47% recycled))
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.	Plastic consciousness, page 33

SUPPLY CHAINS AND MATERIALS

Supply chain (environmental)	Mechanisms to identify and address significant actual and potential negative environmental impacts and measures to address these.	We expect suppliers to adhere to our Code of ethics and standard for conduct policy and currently do not have due diligence processes exclusively targeting social and environmental impacts. Group Procurement has developed an ESG due diligence questionnaire that will be implemented in 2024.
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SCOPE 3 REPORTING SUMMARY

The table below indicates specific Scope 3 emission categories and exclusions according to the corporate value chain for the Group's carbon footprint from 1 January to 31 December 2022.

Category	Scope 3 category	Evaluation status	Reason for exclusions
1	Purchased goods and services	Relevant, partially reported: • Paper • Water supply	Where water data was not available, it was estimated using a historic proxy from other facilities of KL/m ² GLA. Information on other goods and services not evaluated.
2	Capital goods	Relevant, not reported.	Information not evaluated.
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Relevant, reported: • Electricity • Transmission and Distribution losses • Well-to-Tank for Scope 1 fuels	No known exclusions or assumptions.
4	Upstream transportation and distribution	Relevant, not reported.	Not evaluated.
5	Waste generated in operations	Relevant, reported: • Landfill waste • Recycling	Waste reported for the seven large buildings. The remaining smaller buildings were excluded, as waste was not under the operational control of Momentum Metropolitan. Information on other waste streams not available.
6	Business travel	Relevant, reported: • Car hire • Air travel • Accommodation • Travel claims	Information on other business travel not available. Limited data on accommodation was available, but still included for 2022. Will be expanded in 2023 footprint.
7	Employee commuting	Relevant, not reported.	Commuting information not evaluated. Work-from-home emissions not evaluated.
8	Upstream leased assets	Relevant, not reported.	Information not evaluated.
9	Downstream transportation and distribution	Relevant, not reported.	Not evaluated.
10	Processing of sold products	Not relevant, explanation provided.	Momentum Metropolitan is a financial service provider and does not process products.
11	Use of sold products	Not relevant, explanation provided.	Momentum Metropolitan is a service provider and does not sell physical products.
12	End-of-life treatment of sold products	Not relevant, explanation provided.	Momentum Metropolitan is a service provider and does not sell tangible products.
13	Downstream leased assets	Relevant, not reported.	Momentum Metropolitan has investment properties with tenants. These have been excluded due to lack of data.
14	Franchises	Not relevant, explanation provided.	Momentum Metropolitan does not operate any franchises.
15	Investments	Relevant, not reported.	Information not evaluated. An ESG research company has been appointed. Will be reported on for the 2023 footprint.



BROAD-BASED BLACK ECONOMIC EMPOWERMENT SCORECARD 2023

Element	Total points available	Actual score (including bonus points)
Equity Ownership	23 + 5 bonus	26
Management control	20	10.84
Skills development	20 + 3 bonus	14.45
Enterprise and supplier development	10 + 4 bonus	11.15
Preferential procurement	15 + 4 bonus	19
Empowerment financing	15	13.05
Socio-Economic Development & Consumer Education	5 + 3 bonus	6.84
Access to financial services	12	9.23
Total score	120 + 9 bonus	110.56

MOMENTUM METROPOLITAN ETHICS LINES

Ethics line	Toll-free number
Metropolitan	0800 22 14 18
Momentum	0800 00 04 27
Momentum Health Solutions and Metropolitan Health	0800 00 04 36
Momentum Medical Scheme	0800 00 04 38
Guardrisk	0800 00 04 84
Momentum Insure	0800 00 61 56
Momentum Metropolitan Namibia	0800 21 31 18
Metropolitan Botswana	71119602 (Mascom) 0800 60 06 44 (Botswana Telecoms) 1144 (Orange)
Metropolitan Lesotho	800 22 055
Momentum Mozambique	800 333 312 (accessible via Vodacom only)

ABBREVIATIONS AND DEFINITIONS USED IN THIS REPORT

ASISA	Association for Savings and Investment South Africa	MAREF	Momentum Africa Real Estate Fund
B-BBEE	Broad-Based Black Economic Empowerment	MGIM	Momentum Global Investment Management
BBGF	Black Business Growth Funding	MSCI	Morgan Stanley Capital International
CDP	Formerly, the Carbon Disclosure Project, now only known as CDP	MNO	Mobile network operators
CFA Society	Chartered Financial Analyst Society	NBI	National Business Initiative
CFE	Consumer financial education	OHFB	Organisational Human Factor Benchmark
CFVI	Consumer Financial Vulnerability Index	OLTI	Ombudsman for Long Term Insurance
CHC	Community Health Centres	OSTI	Ombudsman for Short Term Insurance
COP15	Conference of the Parties 15	ORSA	Own Risk and Solvency Assessment
CRISA	Code for Responsible Investing in South Africa	PA	Prudential Authority
CSI	Corporate Social Investment	POPIA	Protection of Personal Information Act
CO ₂	Carbon dioxide	PRI	Principles for Responsible Investment
EE	Employment Equity	PSI	Principles for Sustainable Insurance
E-ESG	Economic, Environmental, Social and Governance	PUE	Power Usage Effectiveness
EVP	Employee Value Proposition	RCC	Risk, Capital and Compliance Committee
FATF	Financial Action Task Force	SED	Socioeconomic development
FRC	Financial Reporting Council	SETC	Social, Ethics and Transformation Committee
FSCA	Financial Sector Conduct Authority	SME	Small and medium enterprise
FSTC	Financial sector transformation council	SMME	Small, medium and micro-enterprise
FTSE	Financial Times Stock Exchange	SVP	Staff Volunteer Programme
FWI	Financial Wellness Index	Sustainability Maturity Path	Model developed by Momentum Metropolitan to demonstrate how organisations transition from focusing on risk and value protection towards enabling and creating more value for the environment and society through their sustainability efforts.
GHG	Greenhouse Gas	TCFD	Task Force on Climate-Related Financial Disclosure
ICSWG	Investment Consultants Sustainability Working Group	TNFD	Taskforce for Nature-related Financial Disclosures
IT	Information Technology	tCO ₂ e	Tonnes of Carbon Dioxide Equivalent
IFAs	Independent financial advisers	SDGs	United Nations Sustainable Development Goals
INSETA	Insurance Sector Education and Training Authority	UNGC	United Nations Global Compact
JSE	Johannesburg Stock Exchange	UNISA	University of South Africa
Just Transition	Greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind (International Labour Organisation definition)	UNICEF	United Nations Children's Fund
LEED	Leadership in Energy and Environmental Design	WTC	WeThinkCode
M&E	Monitoring and evaluation	WWF-SA	World Wildlife Fund South Africa

SHAREHOLDERS' DIARY

Financial year-end: 30 June each year
Interim period end: 31 December each year

COMPANY REGISTERED OFFICE

Momentum Metropolitan Holdings 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: ZAE000269890
Momentum Metropolitan Life Limited
Incorporated in the Republic of South Africa
Company code: MMIG

COMPANY SECRETARY

Gcobisa Tyusha
Email: Gcobisa.Tyusha@mmltd.co.za
Telephone: 012 673 1931

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102 Rivonia Road
Sandton
2194

TRANSFER SECRETARIES

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13th Floor
19 Ameshoff Street
Braamfontein
2001

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Transfer Secretaries Proprietary Limited
4 Robert Mugabe Avenue
Burg Street Entrance Windhoek, Namibia

EQUITY SPONSOR

Merrill Lynch South Africa (Pty) Limited t/a BofA Securities
1 Sandton Drive
Sandhurst
2196
Registration number: 1904/002186/06

DEBT SPONSOR

Rand Merchant Bank (A division of FirstRand Bank Limited)
1 Merchant Place
Rivonia Road
Sandton

2196

NAMIBIA SPONSOR

Simonis Storm Securities Proprietary Limited
4 Koch Street
Klein Windhoek
Namibia





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