

SOCIAL AND ENVIRONMENTAL INDICATORS

METROPOLITAN AND MOMENTUM HAVE VARIOUS CSI INITIATIVES AND SPONSORSHIPS TO SUPPORT THE GROUP'S FOCUS ON CREATING PROSPERITY AND ENSURING FINANCIAL WELLNESS.

CORPORATE SOCIAL INVESTMENT (CSI)

MMI has established the MMI Foundation to provide strategic oversight and governance as well as play an advisory role regarding all CSI initiatives. Metropolitan and Momentum ensure the implementation of their respective CSI strategies and distribute funds allocated to each towards addressing the various social challenges of our country. The Foundation's mission is to create a society where strong leadership and collaboration help bring about sustained behavioural changes and development in the fields of health, disability, education and sports development.

MMI's target for socio-economic development, through the Foundation, is 0.7% of net profit after tax (NPAT). A total of R27 million was spent on qualifying initiatives. The weighted contributions equate to 1.03% of the NPAT for the financial year ended 30 June 2013.



For more detail on these initiatives, please see the MMI Holdings website www.mmiholdings.com and the MMI Foundation website at www.mmifoundation.org.za.

SPONSORSHIPS

Metropolitan and Momentum have various sponsorships to enhance the brand, and support the group's focus on creating prosperity and ensuring financial wellness.

■ Metropolitan development soccer sponsorship

Metropolitan has been supporting development soccer for over 25 years aimed at community development and engaging with the people who do business with us. We currently sponsor the Metropolitan U19 Premier Cup (MPC). The MPC tournament – as it is known among its ardent followers – is held in Cape Town and attracts talented youngsters. Scouts also attend the tournament in the hope of finding young talent for various local and international teams.

■ Regional sponsorships

Metropolitan also supports a range of regional sponsorships in different provinces. The aim of these sponsorships is to enhance the brand's presence and commitment to grass-roots development. We support the Eastern Cape Choral Music Awards, the Run 4 Rhinos Challenge in Mpumalanga, the North West Caddies Golf Day, the Western Cape Choral Music Awards, and the South African National Defence Force (SANDF) Goodwill in Gauteng.



spent on qualifying socio-economic development (SED) initiatives



supporting development soccer



of NPAT spent on SED

■ Cricket South Africa (CSA)

Momentum is the official single-title sponsor of all one-day cricket under CSA jurisdiction. The sponsorship includes an element of ongoing development at provincial and grassroots level through supporting national club championships and bursaries to talented high school cricketers.

■ Momentum 94.7 Cycle Challenge

The race encourages all cyclists to ride for a purpose and to make a difference by attaching a social responsibility goal or component to their cycling experience.

■ Momentum Unisa Household Financial Wellness Index and the Momentum Household Net Wealth Report

Researched and presented in collaboration with Unisa, this information provides financial service professionals and consumers with a meaningful overview to better understand and interpret the current state of financial wellness of South African households. It also provides policymakers with insights needed to improve the financial wellness of households.

■ Momentum and Pick n Pay – a unique partnership

Momentum is now partnering with retailer Pick n Pay on several of its sponsorship initiatives including The Cape Argus Pick n Pay Momentum Cycle Tour, Knysna Oyster Festival, the Pick n Pay Women's Walk series and the Pick n Pay Marathon. The partnership affords Momentum the opportunity to share its brand vision of enhancing the financial wellness of South Africans with more than 430 000 participants across all events.

FINANCIAL EDUCATION

MMI has a range of promotional activities aimed at enhancing the financial literacy of our customers, thereby supporting them in making more informed and effective decisions that concern their financial welfare. These include:

- *Invest in your future* education brochure featuring information on budgeting, saving, debt management and planning retirement.
- *Invest in your future* workshops held in various rural and township communities, which cover topics such as health and wellness and making informed financial decisions.
- Financial education training aimed at early childhood development practitioners for personal development and the efficient financial management of their various centres.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INVESTING

MMI promotes acceptance and implementation of the United Nations' Principles for Responsible Investment (PRI) and the Code for Responsible Investing in South Africa (CRISA) principles. Momentum Manager of Managers and Momentum Asset Management are signatories to the PRI. The companies collaborate with other industry bodies, interested parties, service providers and others on ESG, through engagement, discussion and various initiatives.

During the year, Momentum Manager of Managers updated and enhanced its position on responsible investment and sustainability, which included the alignment of the company's approach to sustainability, with those developed by the MMI Group Sustainability Steering Committee.

ESG considerations form an integral part of Momentum Manager of Managers and Momentum Asset Management's daily business processes:

- These companies consider ESG when:
 - making investment decisions – by evaluating ESG factors within the companies invested directly into;
 - selecting investment managers – by assessing their ESG practices and policies and considering these where relevant in the investment decision-making process; and
 - investing in properties – by focusing on energy efficiency, water demand management and by targeting green star ratings for refurbishments.
- Dedicated analysts are primarily responsible for ESG and quality standard policy development and monitoring.
- Where applicable, a record of voting decisions and a register of ESG engagements will be implemented going forward.
- Momentum Manager of Managers has integrated ESG further into its investment manager due-diligence process through more engagement, having taken guidance from the PRI.
- Momentum Manager of Manager offers a responsible investment portfolio, the Momentum MoM SuperNation Portfolio. This investment portfolio is holistic, comprehensive, compliant with regulation 28 of the Pensions Fund Act, 24 of 1956, and is structured to address responsible investment guidelines while at the same time competing directly, from a risk-adjusted return perspective, with other traditional balanced portfolios. Multiple specialist investment managers are mandated to derive active investment returns from differentiated segments of the market. Various responsible investment themes are covered in the portfolio, including, but not limited to, infrastructure and development, developmental property, and responsible investment equity exposure.

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- Momentum Manager of Managers believes in the integration of responsible investment within the investment portfolio offerings and this includes various responsible investment building blocks in the company's "best ideas" Factor Series™ range of portfolios.

Further enhancements to divisional ESG processes are planned, including:

- Divisional voting policy and guidelines are in the process of being revised with reference to the Companies Act, PRI, King III, Global Reporting Initiative (GRI) and various global industry association codes.
- A summary of the company's ESG efforts, its proxy voting policy, a summary voting report and its voting records are available on the Momentum Asset Management's website www.momentuminv.co.za
- Over the years, Momentum Manager of Managers has enhanced the integration of the principles and continues working on initiatives and ways to incorporate these principles in the various investment portfolio offerings, in client interactions and in the industry.

CARBON FOOTPRINT

MMI participates in the carbon disclosure project annually and our submission is publicly available on the CDP website www.cdproject.net.

In an endeavour to enhance its own understanding of the risks related to climate change, Momentum Short-term Insurance is currently the main sponsor of the University of Pretoria Natural Hazard Centre for Africa. Through this sponsorship MMI Holdings intends to understand climate change better and more appropriately protect itself and its customers against adverse events due to climate change. It intends to achieve this by quantifying weather-related risks accordingly and developing unique offerings for the benefit of client safety and financial wellbeing.

The total of our carbon emissions for the period 1 July 2012 to 30 June 2013 was 70 652 metric tons, which equates to 4.11 metric tons per employee. As can be seen from the chart below, the largest contributor to our carbon footprint is electricity, at 84%. In terms of reducing our carbon emissions going forward, and to enable the government to achieve its target of reducing country emissions by 34% by 2020 and 42% by 2025, we will concentrate most of our efforts on reducing our electricity usage.

As measurement of the various elements becomes more sophisticated, and complete, it will influence future reports.

For further detail, please refer to the MMI website www.mmiholdings.com.

CARBON FOOTPRINT

