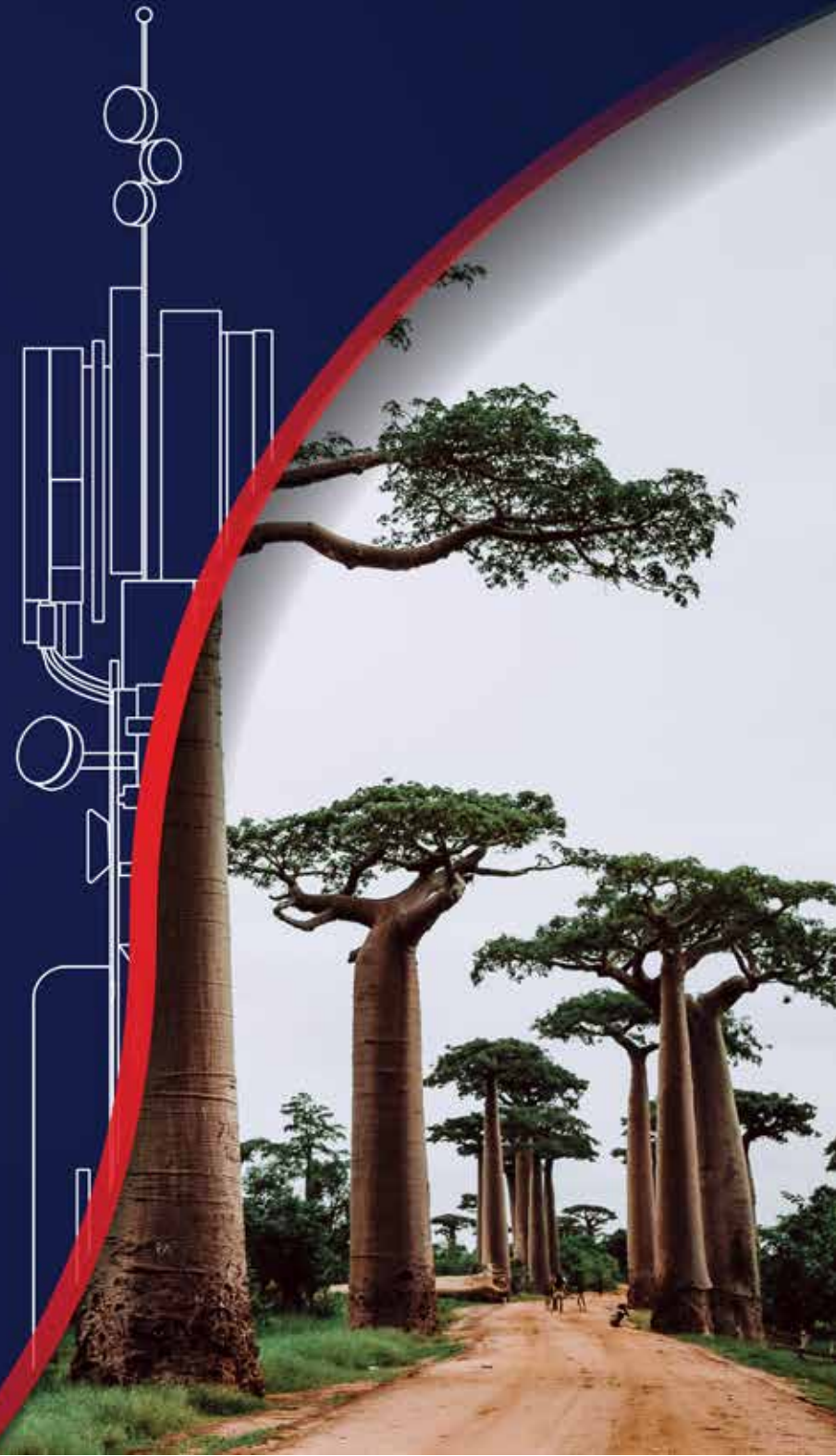


# SUSTAINABILITY REPORT

2022



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## About this report

**We are committed to open and honest reporting that provides transparent insight into the Group's ability to create sustainable value over the short, medium and long term.**

### TOWARDS BUILDING A MORE PROSPEROUS, INCLUSIVE SOCIETY

Momentum Metropolitan Holdings Limited (Momentum Metropolitan or the Group) aims to enable businesses and people from all walks of life to achieve their financial goals and life aspirations. This purpose guides everything we do, including our contribution towards good sustainability practices. As such, we are proud to present our first Sustainability Report.

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

Momentum Metropolitan has its own role to play in building a resilient future for our stakeholders. 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 and changing world.

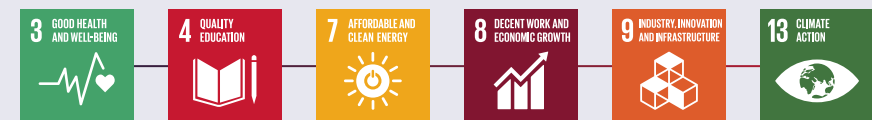
This report provides an overview of our approach to sustainability, the framework that guides us, and the steps we take concerning sustainability for long-term success. It details the specific actions and initiatives we have taken towards driving financial inclusion, promoting a healthier and more resilient society, and our progress in helping to build a low-carbon economy, among others.

### SCOPE, BOUNDARY, FRAMEWORKS AND PRINCIPLES

The scope of this Sustainability Report includes Momentum Metropolitan and the combined material input from our businesses through which we create value, as set out on page 6<sup>1</sup>. The report covers the sustainability-related activities of the Group according to our Sustainability Framework for the period 1 July 2021 to 30 June 2022 (F2022).

Momentum Metropolitan is a South African based financial services group with its primary listing on the Johannesburg Stock Exchange (JSE). In compiling the report, we were informed by the broad principles outlined in the voluntary JSE Sustainability Disclosure Guidance published in June 2022, and continue to work on aligning our non-financial reporting to these principles.

In reviewing our broader impact on people, society and the planet, we also considered the United Nations Sustainable Development Goals (UN SDGs) that are relevant to our purpose and to which we can make the most meaningful contribution:



<sup>1</sup> The information contained in this report excludes information pertaining to joint ventures of Momentum Metropolitan or any of its subsidiaries.

## About this report continued

In preparing this report, the following were also considered:

 <p><b>Sustainable Insurance Practices</b></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 (PRI) in 2006 and report on our progress against these principles.</p>	 <p>We are a voluntary participant in the annual CDP climate change disclosure project.</p> <p><b>Achieved a B score in 2021.</b></p>
 <p>We formally support the Task Force on Climate-Related Financial Disclosures (TCFD) and published our first TCFD report in 2021.</p>	 <p>Momentum Metropolitan is listed on the FTSE/JSE Responsible Investment Index, which acknowledges our environmental, social and governance (ESG) achievements.</p>	 <p>We are a constituent of the FTSE4Good Index Series, an equity index series designed to facilitate investment in companies that meet globally recognised corporate responsibility standards.</p>
 <p>We are supportive of the 10 United Nations Global Compact (UNGC) principles.</p>	 <p><b>We are rated BBB on the MSCI ESG Index.</b></p>	 <p>We comply with the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice.</p> <p><b>B-BBEE contributor Level 1.</b></p>

### 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 management of risks 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.

### REPORT ASSURANCE AND APPROVAL

This report's information was prepared and provided by Momentum Metropolitan's various businesses, based on the Group's internal reporting and information systems and processes. Management applies 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).

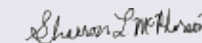
The following elements are subject to external assurance:

- **B-BBEE scorecard** | The B-BBEE scorecard elements are subject to monitoring by management and assurance is provided by AQRate.
- **Carbon footprint** | Verify CO<sub>2</sub> provided limited assurance on the Group's carbon emissions.

Moving forward, we will consider how to enhance the combined assurance and reporting processes for the Sustainability Report.

### Report approval

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 and believe that the information is reliable, and that it fairly presents the Group's sustainability performance and focus areas, aligned with Momentum Metropolitan's Sustainability Framework.



**Sharron McPherson** | Chairperson: Momentum Metropolitan Social, Ethics and Transformation Committee



**Hillie Meyer** | Group Chief Executive Officer (CEO)



# About this report continued

## OUR FULL 2022 REPORTING SUITE FOR INTEGRATED READING

Our reporting suite is available online in our reporting centre at [www.momentummetropolitan.co.za](http://www.momentummetropolitan.co.za).

### Annual Financial Statements

Our full financial statements are supplemented by our Financial Results Announcement.

### Sustainability Report

This report, which provides insight into our Sustainability Framework and related performance.

### Integrated Report

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

### Stewardship Report

In this report we demonstrate the extent to which we have integrated responsible investment practices, aligned to the PRI.

### King IV™ 1 application summary

Our application summary, including governance philosophy, leadership, and efforts to embed an ethical culture.

### Task Force on Climate-Related Financial Disclosures Report

The report will be published in November 2022 and provides information on our climate-related activities, as required by the TCFD. The 2021 TCFD report is available online.

The following relevant documents are also available online:

**Latest CDP submission and verification statement**

[www.momentummetropolitan.co.za/en/sustainability/environmental-management](http://www.momentummetropolitan.co.za/en/sustainability/environmental-management)

**Latest B-BBEE certificate and compliance report**

[www.momentummetropolitan.co.za/en/sustainability/transformation](http://www.momentummetropolitan.co.za/en/sustainability/transformation)

A list of sustainability-related Group policies available online is compiled for ease of reference at the end of this report, see page 60.

## ICONS USED IN THIS REPORT

### Our sustainability strategic pillars

- Make financial services more inclusive
- Enhancing financial security and health
- Building a low-carbon economy

### Our sustainability enablers

- Responsible business practices, ethics, and accountability
- Diversity and future-fit skills
- Digital-led innovation
- Partnerships for systemic impact and change

### Our Group values

- Accountability
- Integrity
- Innovation
- Diversity
- Excellence
- Teamwork

### UN SDGs

- Good health and well-being
- Affordable and clean energy
- Industry, innovation and infrastructure
- Quality education
- Decent work and economic growth
- Climate action



# About Momentum Metropolitan Holdings

5 Our purpose and values

6 Our businesses and their solutions

7 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.**

Our purpose is underpinned by our values that reflect the priorities and beliefs by which we conduct ourselves. We have an explicit set of values that play a key role in shaping the culture of the Group and the behaviour of its employees.

## THE VALUES UNDERPINNING OUR PURPOSE:



### Accountability



### Integrity



### Innovation

#### What this means to us

**We own up to our actions.**

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

**We do the right thing.**

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

**We are innovators first.**

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



### Diversity



### Excellence



### Teamwork

#### What this means to us

**We are truly proud of our diversity.**

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.

**We strive for excellence.**

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

**We are one team with one dream.**

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.

## WHAT WE DO AND OUR GEOGRAPHIC FOOTPRINT

**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 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.



Read more in the section on responsible business practices, ethics, and accountability from page 33.

# Our businesses and their solutions

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

## momentum life

### Here for your journey to success

#### Our solutions

- Protection through our Myriad life insurance product
- Savings through Investo and traditional product ranges
- Financial planning and advice through Momentum Financial Planning
- Estate administration and estate liquidity benefits through Momentum Wills and Trusts

#### 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

- Investment platform and guaranteed investment products
- Retail investments
- Investment management (multi, single and alternative investments)
- Global investments (multi and single asset class solutions 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. Additionally, we work closely with Momentum Corporate in distributing our products.

## METROPOLITAN Together we can

### Together we can – providing inclusive solutions to our clients

#### Our solutions

- Customisable funeral cover
- Customisable life and disability cover
- Customisable discretionary savings for life goals
- Hospital cash plan
- Retirement annuities
- Post-retirement solutions including capital preservation, life and living annuities
- Digital enrolment and servicing capability

#### 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 through Metropolitan GetUp.

## momentum corporate

### Providing engagement-rich solutions in employee benefits to clients

#### Our solutions

- Group insurance
- FundsAtWork Umbrella Fund
- Structured investments and annuities
- 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.

#### 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 scheme and employer group contracts are secured through tenders.

## momentum Insure

### Keeping South Africans safe beyond insurance

#### 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 the middle, upper and high-net-worth market segments.

#### Our distribution

Non-life retail insurance solutions distributed through Momentum's financial adviser network (both tied agents and IFAs) and direct-to-consumer marketing campaigns.

## GUARDRISK TAILORED RISK SOLUTIONS

### Creating value beyond traditional cell captive insurance

#### Our solutions

- Non-life and life cell captives
- Branded insurance products for clients to sell to their own customer bases
- Micro-insurance
- Traditional non-life corporate and commercial insurance
- Insurtech

#### Our clients

Corporate and commercial entities.

#### Our distribution

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

## Momentum Metropolitan Africa

### 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 mobile network operators (MNO) partnerships.



# Our stakeholders

**Maintaining good, mutually beneficial relationships with our stakeholders is an integral part of who we are. The quality of our stakeholder relationships plays a key role in our ability to deliver on our purpose.**

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 our Integrated Report 2022.

## Our key stakeholders and the value we wish to deliver to them





# Leadership messages

9 Message from the SETC Chair

10 Message from the CEO



# Message from the SETC Chair



**Dr Sharron McPherson**

**Chair:** Social, Ethics and Transformation Committee

**Momentum Metropolitan's first Sustainability Report marks our future intent following a deep reflection on the world we are living in and the opportunities available to make the world more resilient for all. We believe resilience is the capacity to prepare for, adapt to and thrive in adverse conditions.**

As these all point to the need for increased resilience, we believe that our sustainability teams have a strategic coordinating role to play.

### Our response and commitment

Momentum Metropolitan has a strong track record in sustainability projects and impact, particularly in our investment activities. We take our fiduciary duty seriously. As stewards, we are prudent with the assets we manage on behalf of others. We acknowledge that there is a natural and inherent tension between our mandate to serve prudently and to expand our investment in long-term capacity to address economic, environmental, social and governance (E-ESG) challenges. We base our trade-off decisions on dynamic learning while adhering to good governance principles.

Our executive team has done an excellent job in adapting to a new emerging economic paradigm, leading the Group in thinking differently in a post-pandemic world, and ensuring that the entire value chain of the business is oriented towards a more sustainable future.

### Moving forward

Like most large successful businesses, we are challenged to change at an accelerated pace and expanded scale to respond to the resilience imperative. We understand the resilience imperative as the need to create capacity to enable us to prepare for, adapt to and thrive in adverse conditions. With rapid advances in technology, we are better able to aggregate data, understand the implications, and define the appropriate responses and policies. Technology is also connecting us in new ways and enabling more collaboration. We are continuously assessing the implications and opportunities for our business.

We are putting the key people, processes and governance structures in place to implement our Sustainability Framework. Our intent is to move beyond compliance in developing the capacity for greater impact. We also have the maturity and wisdom to acknowledge that we are not where we want to be in terms of understanding the full complexity we face. Future decisions will be based on a foundation of scientific rigour that is able to deliver data that is reliable and valid.

We are inviting our stakeholders to join us on this journey. Meeting our future resilience goals depends on us working together to thrive as individuals, businesses and communities.

**Dr Sharron McPherson** | Chair: Social, Ethics and Transformation Committee

This was a seminal year for Momentum Metropolitan as we did a deep introspection on the complexity and interconnectedness of the sustainability challenges the world is facing. We have an illustrious history and some of the best minds in the industry, but we face an unprecedented nexus of environmental, economic and political factors that are simultaneously shaping the world on a global, continental and regional level. These factors also affect our business directly.

In this time of uncertainty, Momentum Metropolitan's purpose is our guiding light. We want to enable businesses and people from all walks of life to achieve their financial goals and life aspirations. Combined with our belief in community and connectedness, our purpose inspired a new Sustainability Framework and our first Sustainability Report.

### Environmental, economic and political factors at play

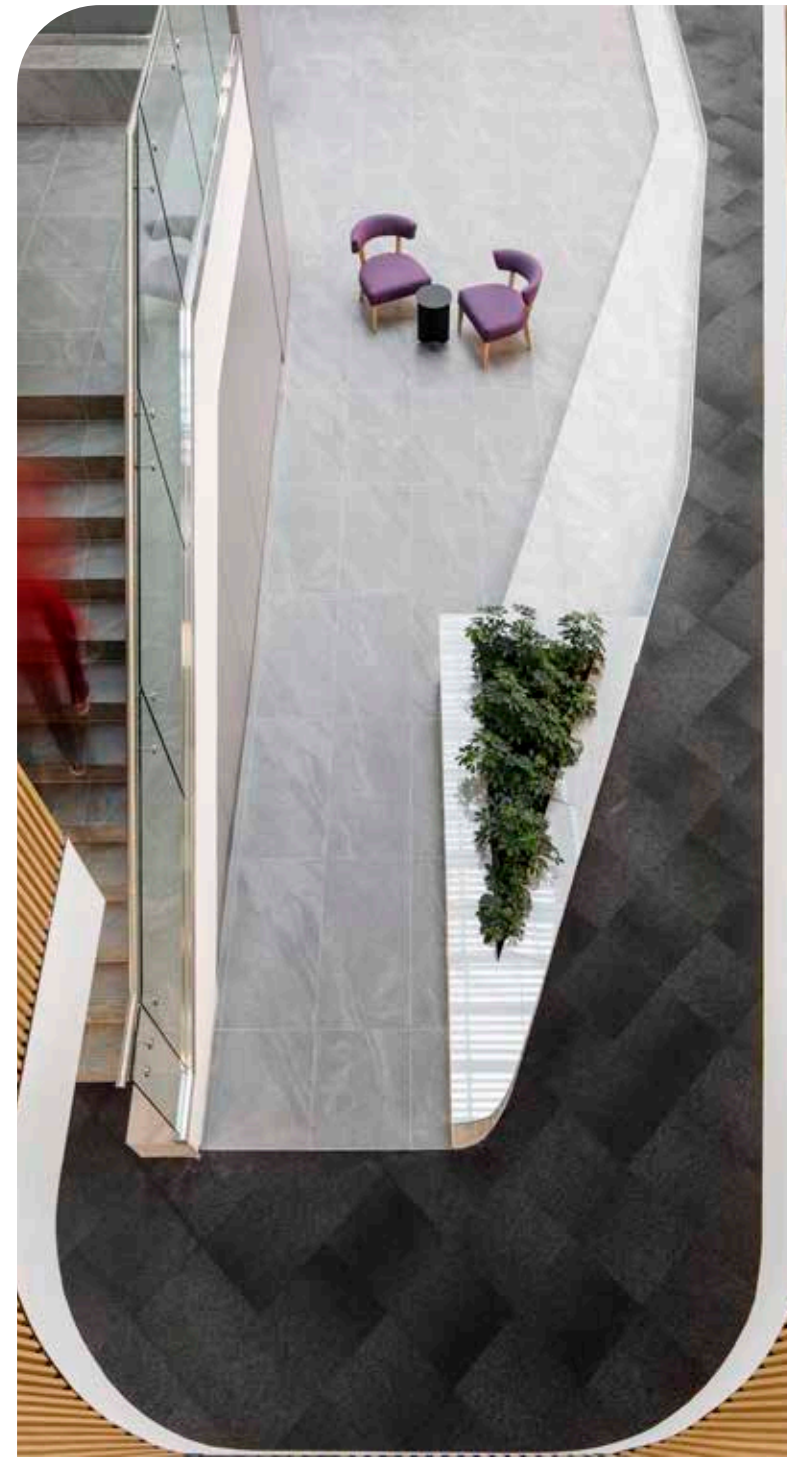
From a planetary perspective, climate analysts believe the world has already passed the date when humanity consumes more on a day-to-day basis than the earth can sustain.

In terms of the African continent, our home, we live in a water-stressed part of the world that experiences drought, energy and food crises.

In South Africa, we experience a unique set of factors that became particularly evident during the Covid-19 pandemic: increasing social and gender inequality, youth unemployment, increased pressure on utility providers, and deteriorating infrastructure that is exceedingly vulnerable to climate-related disasters such as the floods in KwaZulu-Natal.

Global economic and political models are showing evidence of serious strain as new sustainability risks are emerging and converging. One of the most critical factors for the financial services industry is the fact that regulators are confronted with difficult trade-offs. For example, there is a growing gap between insurance claims and reinsurers' appetite to cover new risks, and the need for an efficient and functioning market.

Regulators, governments and businesses all need to get a better grip on the actuarial science underpinning new categories of risk.





# Message from the CEO



**Hillie Meyer**  
Group Chief Executive Officer

**Momentum Metropolitan's performance in the last two years has given us comfort that we are doing the right things to create a resilient and sustainable business. How we invest assets and manage our liabilities, the prudence in our provisions and the sophisticated way in which we manage liquidity, passed the test of an extreme stress event – Covid-19 – with a healthy balance sheet and a return to solid profits at the end of F2022.**

Our South African life insurance business has paid a record R21.5 billion in mortality claims (gross of reinsurance and tax) for F2021 and F2022. We honoured our promises to our clients, helping vulnerable beneficiaries and their families cope with the effects of the pandemic.

It was a difficult time, but a beautiful example of why Momentum Metropolitan exists. Our purpose is to enable businesses and people from all walks of life to achieve their financial goals and life aspirations – in the good times, but also during the bad times.

Despite these affirming milestones, we realise that we can do more, and need to be more structured in how we address E-ESG challenges.

We want to build on what we have by:

- Making financial services more inclusive
- Enhancing financial security and health
- Building a low-carbon economy

### Our strategic context

When we developed our Reset and Grow strategy in F2018, we defined the creation of long-term sustainable value for our stakeholders as our desired outcome. We aimed to build a synergistic portfolio of high-performing financial services businesses that are strategically aligned, value-creating and managed for sustainability. Last year, we launched the next strategic cycle: Reinvent and Grow. We announced our intention to create long-term sustainable value for our stakeholders through a future strategy that recognises the realities of the Covid-19 and post-Covid-19 environment.

Our new strategic Sustainability Framework was a natural next step to ensure formalised implementation and impact. We consulted widely in developing this framework and reached agreement with all business units on key strategic focus areas. We believe this robust process strengthened our foundation for a strategy refresh aligned with Reinvent and Grow.

The Sustainability Framework will support specific **Reinvent and Grow** objectives:

**Grow existing channels | Establish new channels | Accelerate digital | Product and service leadership | Transformation**

During this year, we also established a Sustainability Forum to strengthen the capacity of senior management to understand and build sustainability thinking in their businesses.

### Sustainability in practice

Momentum Metropolitan's sustainability approach has always been driven from the bottom up. This approach delivered products and outcomes that support sustainability in a variety of ways, for example:

- Momentum Corporate's employee benefits offer financial services products to employees, who get excellent value for money. Through their employer, they can access pension, life and disability options.
- Momentum Health4Me provides access to affordable healthcare cover for low-income earners and has seen significant membership growth.
- Metropolitan's digital offering, Metropolitan GetUp, allowed us to experiment with alternative options for under-served market segments, in this case assisting young and digitally active people in the emerging market to access financial services and advice.
- The alternative channel initiative in Momentum Financial Planning is becoming a success story in transforming a distribution channel and the way we recruit and assess potential talent. Of the 270 graduates that were selected from more than 14 000 online applicants, 80% are black<sup>1</sup>, and 65% of these are women.
- To further demonstrate our social commitment, we maintained our financial allocation to the Momentum Metropolitan Foundation (the Foundation) in the past year. We maintained a R27.5 million financial allocation, which translated to 15% of net profit after tax for F2021. The Foundation supports us in providing comprehensive financial education for the youth segment, developing female information technology (IT) skills, as well as programmes to place young people in decent jobs.

Our federal and entrepreneurial operating model gives the business units full responsibility for their value chains. However, all sustainability initiatives are underpinned by our Group values as they determine our priorities and remind us of the beliefs by which we conduct ourselves.

Business units are further required to enhance the sustainability of the corporate portfolio by managing their businesses according to an appropriate risk appetite, by encouraging digital transformation, and through an uncompromising commitment to governance and ethical business practices.

As part of our Sustainability Framework development, we formulated an implementation timeline towards 2025. This will keep us on track as we explore and scale opportunities to solve E-ESG challenges through the core business, and then take these further into the broader market ecosystem. We are making our commitments public because we need our stakeholders with us on this journey towards deliberate engagement with E-ESG issues.

### Our Sustainability Framework articulates our commitment to collaborate on all sustainability matters within our Group.

#### Our future priorities

The world has reached a tipping point in terms of understanding and acting on E-ESG challenges. Things are starting to change rapidly, and it is the same for us at Momentum Metropolitan. We have always been committed to sustainability principles and have built many of our financial solutions around social challenges. Nevertheless, there is a need to accelerate our impact. To this end, we are in the process of embedding the Sustainability Framework, articulating targets, and measuring the related key performance indicators.

Our stakeholders can expect to see us becoming more deliberate and strategic in our sustainability thinking and impact. In the long term, we would like to engage strategic partners to address systemic issues, such as growing inequality and the risks of climate-related impacts. There is a strong need for stakeholders from across society to work together if we intend to help our clients and society solve its toughest problems.

The Group is in a healthy position, built on a sustainable foundation and resilient capabilities from which we can continue to grow.

Refer to page 56 for more on our outlook and future commitments.

**Hillie Meyer** | Group Chief Executive Officer

<sup>1</sup> In this report we use the generic Broad-Based Black Economic Empowerment Act 53 of 2003 definition for black people, as including African, Coloured and Indian citizens.



# Our approach to sustainability

12 Our Sustainability Framework

14 Our impact snapshot





# Introduction

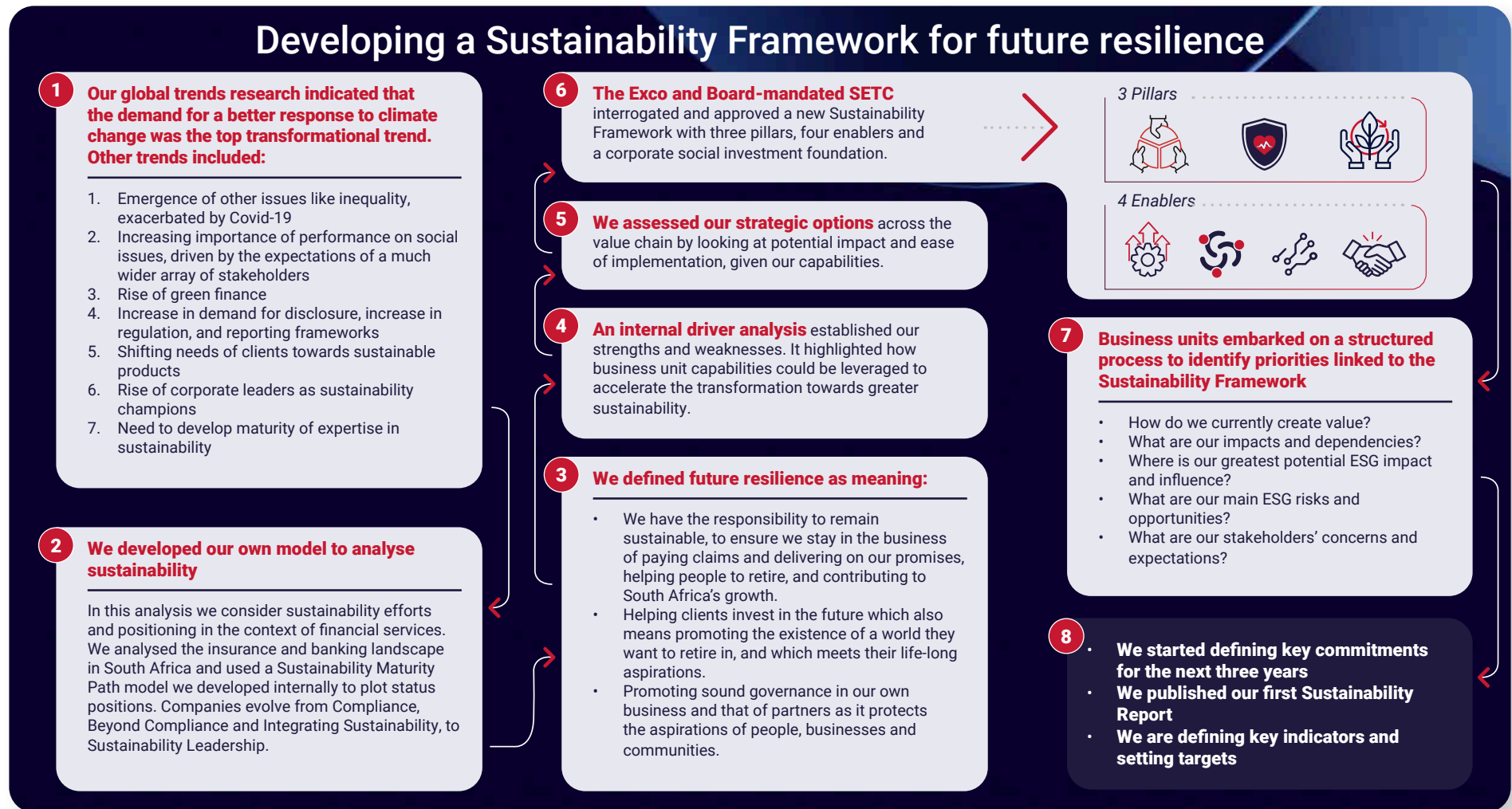
**Globally, the need for business to demonstrate an understanding of its impact on the natural and social systems within which it operates has peaked, particularly in light of Covid-19 and the realisation of the fragility of interconnected systems. This situation is aggravated by political mistrust and growing inequality. Increasingly, a broad range of stakeholders look to business to lead the way in sustainable development that will improve outcomes for the economy, the environment and society.**

As a purpose-led Group and cognisant of the global, continental and local E-ESG challenges, we want to be future focused and consider how to remain sustainable for the long haul, for the sake of the business, our clients, and society which depends on us.

We started our deep dive into redefining and understanding the complexities of sustainability for Momentum Metropolitan at a critical time for the world, ahead of the 26th Conference of the Parties (COP26) and following the red alert of the United Nations Intergovernmental Panel on Climate Change (IPCC) announcement of the unavoidable global warming threshold of 1.5°C.

In South Africa, communities are in crisis due to floods, civil unrest, electricity supply shortages, dysfunctional municipalities, drought conditions and the rippling consequences of fuel price increases.

In response to these E-ESG challenges, we launched a robust process and took a long-term, solution-orientated view.



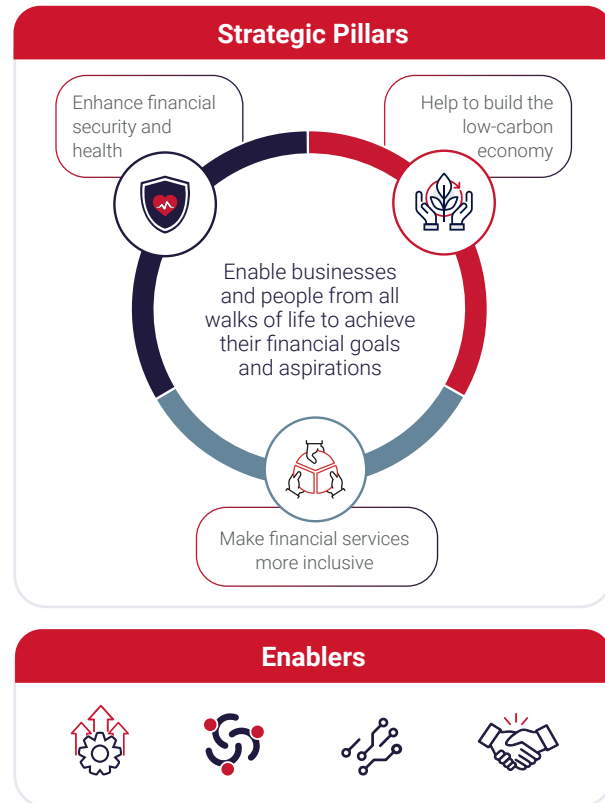
# Our Sustainability Framework

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

Our Sustainability Framework articulates our commitment to integrate and collaborate on all sustainability matters across the Group. The framework was approved by the Group Exco and the SETC (as the Board-delegated committee tasked with sustainability matters) in May 2022.

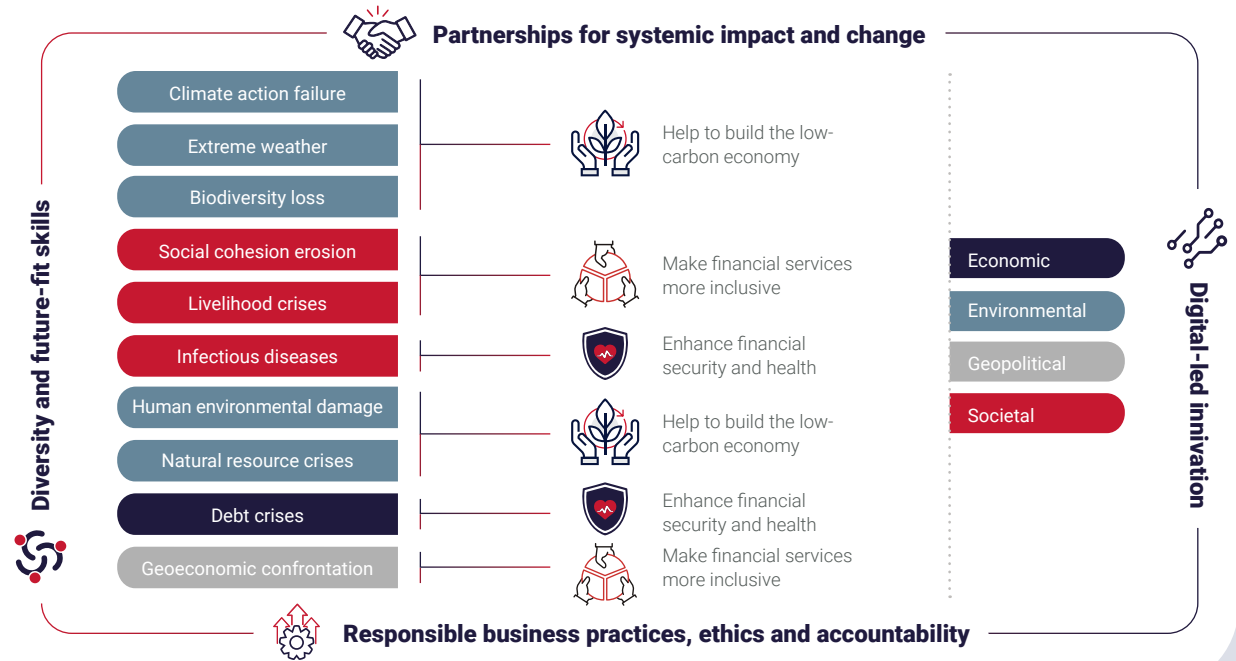
Our **strategic pillars** clarify our critical areas of focus and the Group's direction. These are the areas in which we believe the Group can have the highest impact. The pillars will direct our efforts and represent a decision-making framework to consider initiatives and resource allocation across our diverse portfolio of businesses. Our framework also includes the Group's strategic corporate social investment activities.

The respective **enablers** refer to the specific capabilities, capacities and resources that contribute to achieving the long-term plan. They represent the transitional mechanisms that will move us from our present status to future sustainability leadership.



## WORLD ECONOMIC FORUM'S GLOBAL RISK THEMES

The World Economic Forum's Global Risks Report 2022 provides a succinct view of the most severe risks we face on a global scale over the next 10 years. When we test our Sustainability Framework against these themes, which reflect E-ESG priorities, we are confident that as a financial services Group operating within local realities, our pillars and enablers show the appropriate response to a global context.



## EMBEDDING THE FRAMEWORK

The Sustainability Forum, which was established in F2021, is coordinating activities based on the new framework according to an annual work plan. For each business unit, we are in the process of identifying business unit priorities, metrics and targets per pillar and enabler that will contribute to the Group effort.

We have launched an internal sustainability communication plan and will ensure business units remain aware of the importance of sustainability and the imperative to integrate into their strategies.



# Our impact snapshot

### Economic impact

**22.7%** return on equity  
(F2021: 4.9%)

**16 558** employees  
(F2021: 16 483)

**R6.8 billion** paid in remuneration  
(F2021: R6.7 billion)

**R859.3 billion** assets under management and administration

**R6.5 billion** in direct and indirect taxes paid

### Environmental impact

**R2.3 billion** invested in renewable energy through empowerment financing  
(F2021: R2.1 billion)

**8 active solar retail sites** in direct property fund  
(F2021: 7 active sites)

**34% reduction\*** in overall greenhouse gas (GHG) emissions against the 2014 baseline  
(2020: 32.6%)

**47% waste\*** produced recycled  
(2020: 40%)

**45 082 MWh\*** energy consumption  
(2020: 48 050 MWh)

\* Data based on calendar year reporting.

### Social impact

**R40.3 billion** claims paid  
(F2021: R31.1 billion)

**R297 million** for training and skills development  
(F2021: R245 million)

and **R27.5 million** towards youth employment and financial education  
(F2021: R27.5 million)

**10 369 852 beneficiaries** reached through our online volunteer management platform  
(F2021: 21 000 000 beneficiaries)

**4 million** in-force policies  
(F2021: 4 million)

and **162 000** Health4Me low-cost health product members  
(F2021: 160 000)

**13 000 employees** form part of the iSabelo employee share ownership plan

**52%** black-owned  
(F2021: 35%)

### Governance impact

Ranked in the **97th** among global peers and **91st percentile** among local market peers for corporate governance by MSCI

**PRI** signatory

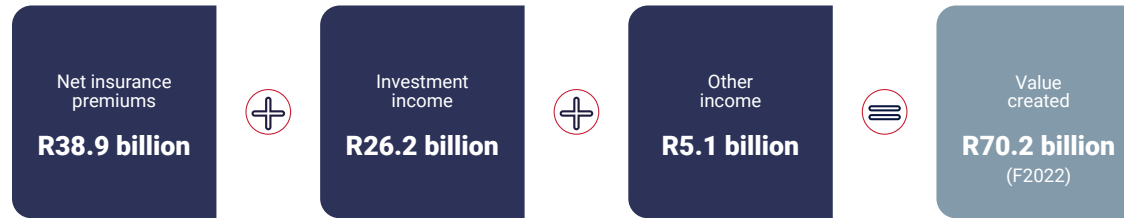
Listed on the **JSE Responsible Investment Index**

**Independent assessments** of group forensic services group-wide policies

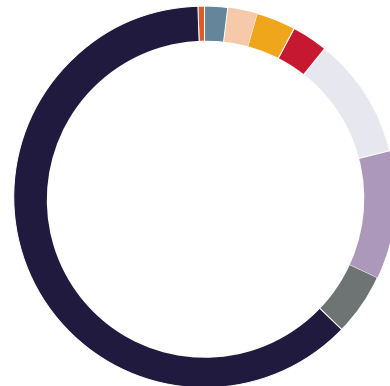
**Robust governance framework** and independent oversight body



# Our impact snapshot continued

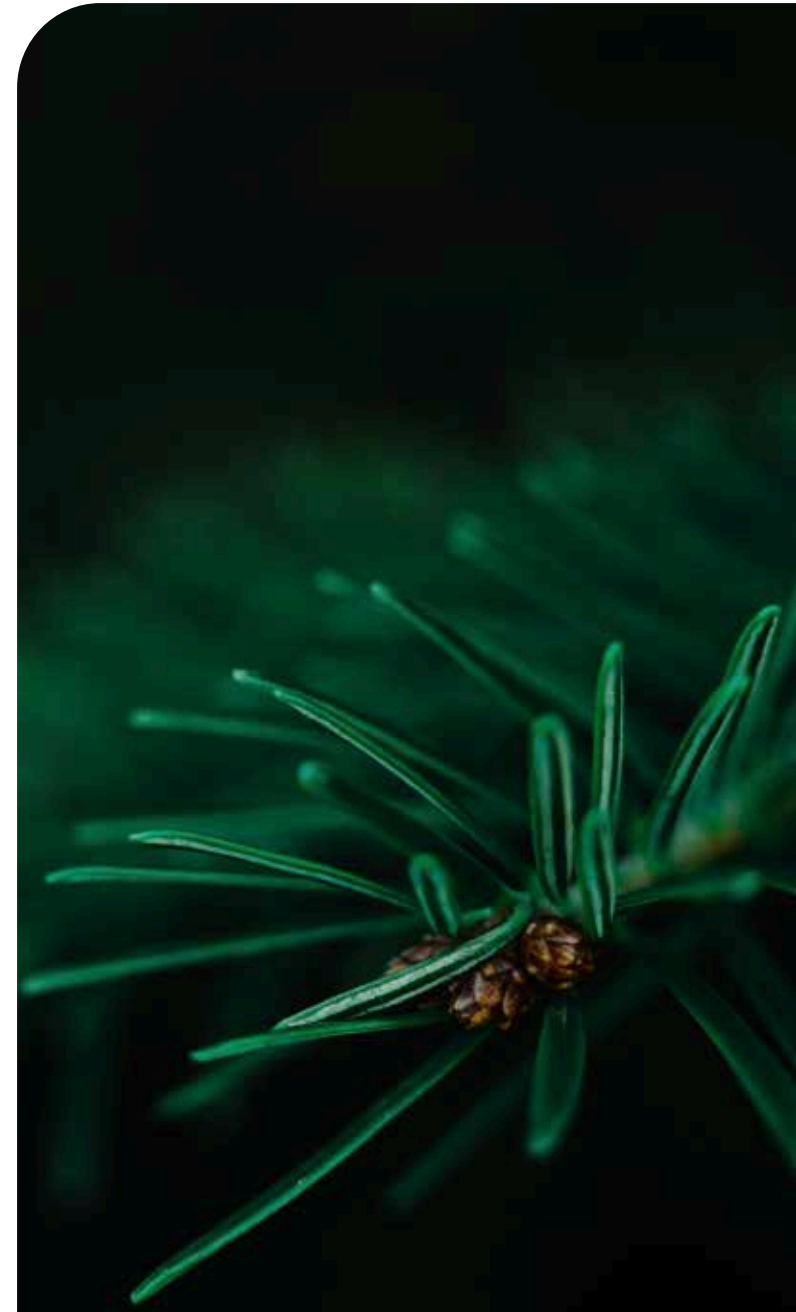


Distributed as follows:



<span style="color: #003366;">■</span> Dividends paid to shareholders R1.5 billion	<span style="color: #FF9933;">■</span> Depreciation, amortisation and impairment expenses R1.7 billion	<span style="color: #FF6600;">■</span> Finance costs R2.3 billion
<span style="color: #CC0000;">■</span> Retention for growth R2.3 billion	<span style="color: #CCCCCC;">■</span> Employee benefit expenses R7.2 billion	<span style="color: #663399;">■</span> Sales remuneration paid to advisers R7.7 billion
<span style="color: #333333;">■</span> Government (income tax) R3.7 billion	<span style="color: #000033;">■</span> Operating costs R43.8 billion	<span style="color: #CC3300;">■</span> Community investment R27.5 million

1. Operating costs include net insurance benefits and claims, change in actuarial liabilities and related reinsurance, fair value adjustments on investment contract liabilities and Collective Investment Scheme liabilities





# Pillar | Make financial services more inclusive

17 Overview

17 F2022 performance



# Overview

**In line with our purpose to enable people's life aspirations, we are helping to bridge the insurance and savings gap in South Africa. Offering more inclusive solutions improves the resilience of a broader group of South Africans, their households, and communities.**

South Africa's life and disability insurance gap is measured every three years by the Association for Savings and Investment South Africa (ASISA) in partnership with True South Actuaries and Consultants. The last measurement in 2019 revealed a total insurance gap of R34.7 trillion for South Africa's 15.6 million earners. The Group strives to develop more inclusive propositions, enabling marginalised and previously underserved people to participate in the financial system.

**Our key support areas for this pillar:**

**Low-cost offerings, including micro-insurance**

*Expanding our current low-cost basket of offerings to broad savings and insurance solutions tailored to the needs of low-income earners, including a focus on sustainable low-cost health insurance.*

This requires innovation in terms of product design and new distribution channels, such as product availability through community-based organisations, SMMEs or employee benefit schemes.

**Access to advice and customer-centric communication**

*Ensuring that our financial advisers are well equipped to understand customer needs, and that our communication with our customers is clear, transparent and easily understood.*

This includes the provision of digital advice in addition to a large distribution network to reach markets that would otherwise not have access to a financial adviser.

**Future-proofing our business**

*Building the future financial resilience and life prospects of young people and society.*

This includes efforts to attract younger people to participate in the financial system on their digitally driven terms, while not losing sight of the needs of an ageing client base.

# F2022 performance

## LOW-COST OFFERINGS, INCLUDING MICRO-INSURANCE

**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.**

### Our approach to community-based savings

There is a high prevalence of informal savings in South Africa through stokvels, burial societies and investment clubs to the magnitude of R49 billion. We believe that these community-based saving vehicles should not be replaced by more traditional and formal saving vehicles. The industry should rather build solutions that complement them.

Launched in F2022, Metropolitan Peace of Mind is a funeral solution that is distributed to burial societies and stokvels to help ensure that they can meet their promise to their members – to support their families in the event of a member's death.

**The significant social benefit and impact of a stokvel on the community should not be underestimated. It enables people in income-insecure communities to save, meet basic needs and accumulate assets over time.**

### Broadening access to micro-insurance licences

Guardrisk's core business is cell captive insurance primarily focused on the South African market. We were issued a micro-insurance licence in September 2021. Through our licence, black entrepreneurs can offer micro-insurance solutions targeting the low-income market with much lower capital requirements than a conventional licence.

This model enables more affordable insurance options, while new entrants are backed by Guardrisk's cell captive track record, technical skills and experience. This means that we contribute to reducing the insurance gap while establishing sustainable businesses.

### Savings through the Investo product range

Our new generation Momentum Life Investo product range launched in F2018. It offers minimum contributions from R450 per month – affordable for the middle market. We have incorporated various features, such as no exit fees when clients stop contributions, and payment holidays without any effect on the contract value, to help in times of financial distress.

We made progress in diversifying Investo's client demographics. Newer products successfully appeal to women. Whereas the older range of products attracted 60% male clients, the range launched in F2018 now features 50% female clients. In terms of age group, the newer range has an average age of 42 versus 59 for older product ranges.

The product team continues to develop a simplified range of savings products with lower minimum contributions and potentially lower fees that can be bought directly (with advice but not only through an adviser). Investo wants to embrace an omnichannel business model and has started its digital transformation journey. The digital delivery model is already showing efficiencies by increasing self-service for clients and advisers and reducing interactions, forms, and paper.

### Momentum Corporate funds and investments

With a "think human first" approach, we continue to develop solutions that prioritise the human needs and experiences of employers and their employees throughout their working life.

The FundsAtWork Umbrella Fund, the Momentum Corporate Preservation Fund and Group Insurance solutions deliver financial solutions to the low and middle-income markets at scale. We provide focused support and services to SMMEs in particular, as this is where most of the target population is employed. FundsAtWork currently have close to 466 000 members and Group Insurance just over one million members.

### Metropolitan Life Cover Plan

Our flagship limited underwritten solution, Metropolitan Life Cover Plan, serves low to middle-income groups. It provides either whole-of-life cover or cover to age 60, and protection for both death and disability. Underwriting consists of eight questions that determine eligibility for the product. This allows most clients to be covered without the need for medical tests, as is the case with other solutions in the market.

The solution provides cover of up to R1 million. Given that all our agents are mandated to advise clients on this solution, it enables previously underserved communities to have access to the solution. It is entirely digital, with no need for paper application or claims forms.

### Metropolitan funeral cover

The Metropolitan Funeral Plan is aimed at low to middle-income groups in South Africa. The product information is shared in plain and simple language, including examples and infographics to aid understanding. Most sales are done face-to-face, and our sales force is recruited from the community we serve to ensure vernacular communication.



## LOW-COST OFFERINGS, INCLUDING MICRO-INSURANCE continued

Metropolitan received top ratings in the South African Customer Satisfaction Index, illustrating that we are meeting and exceeding our clients' expectations for sales and service. We have enabled digital channels for clients to reach out and receive information on their plan, or even log a claim, via WhatsApp or the Metropolitan website. We achieve market-leading lead times for paying claims and even pay certain claims proactively.

### Momentum Health4Me low-income offering

The low-income market is the only expanding market segment in South Africa where there are still many uncovered lives in terms of healthcare cover. Private healthcare solutions such as medical schemes remain unaffordable to most of the South African workforce.

Momentum Health4Me facilitates cost-effective provision of day-to-day benefits, as well as a comprehensive set of major medical event benefits for people who are employed but uninsured. It currently covers more than 162 000 beneficiaries. Through the introduction of solutions such as virtual consultations we ensured the responsible utilisation of day-to-day benefits and were able to realise significant savings. These savings were translated into low annual premium increases, ensuring that our premiums remain affordable for our members in a tough economic climate.

We have also demonstrated our intent to make healthcare more sustainable, by transforming healthcare delivery through acquiring a minority stake in a fully black-owned pharmacy and distribution business (the Kalapeng network of pharmacies) that provides access to healthcare in low-income areas. Our virtual care platform Hello Doctor has been rolled out as a tele-triage service in public sector clinics, in partnership with the Western Cape and Gauteng Departments of Health. We aim to improve the patient experience through reduced waiting times and shorter queues, and to eradicate unnecessary consultations.

### Momentum Metropolitan Africa

We are working with local providers in our respective jurisdictions to drive financial inclusion through alternative distribution channels, specifically partnerships with mobile network operators (MNOs). About 48% of life premiums were collected through the aYo platform in Ghana this year. Engagements with MNOs in Lesotho and Namibia are progressing well. We introduced Health4Me in Lesotho and Botswana to serve the low to middle-market segments.

## ACCESS TO ADVICE AND CUSTOMER-CENTRIC COMMUNICATION

**Customer communication is based on financial information being relevant and appropriate, and ensuring we are understandable and accessible. We also reach beyond our existing customers with various public media efforts aimed at enabling the success of SMMEs, women and youth.**

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

Our products are marketed through tied agents and independent financial advisers. Metropolitan has for example grown its agency force to 3 786 from 3 547 last year, enabling us to reach more people with practical financial solutions, and taking the lead in our ambition to have a Metropolitan product in every emerging market home.

Metropolitan also established a specialised distribution team to focus on associations and affinity groups. These are integral to the emerging market, especially in times of hardship, and provide the opportunity to assimilate new family members over time to build financial security over generations.

### Building on our story of enabling success

We strive to contribute to the sustainability of the broader society through our financial advisers, brand campaigns and social initiatives focused on enabling inclusion and success.

Women are looking for networks, coaches, mentors and movements that have a deeper understanding of their challenges.

- Our #SheOwnsHerSuccess campaign provides empowerment, inspiration, wellness, and financial intelligence. We host a public workshop series to support women with the right advice and tools to address money management challenges and give their businesses momentum.
- #AdviceForSuccess is a campaign in which previous winners of our women's SMME Budget Speech Competition share their growth plans.
- #BornWithMomentum continues to showcase stories of courage and inspiration.

## FUTURE-PROOFING OUR BUSINESS

**Our purpose of helping customers achieve their financial goals and life aspirations informs our strategy to expand into digital touchpoints and partnerships.**

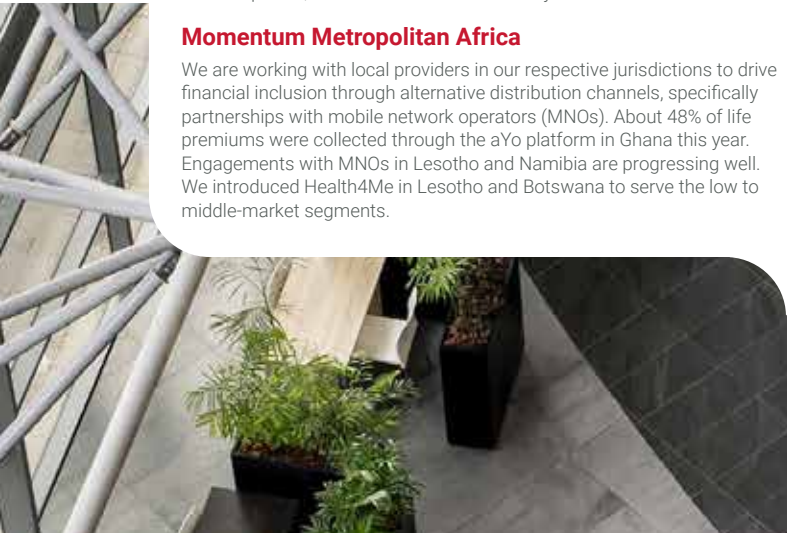
Our aim is to economically activate young individuals and communities for the future of our business, our society and our country.

### Doing business with youth suppliers

Metropolitan GetUp recently commissioned the Youth Content Collective (YCC) to produce a series of digital assets. Metropolitan GetUp is a founding sponsor of YCC, a collaboration between Youth Employment Service (YES), Metropolitan GetUp and Ford SA. The platform connects talented black South African content creators, photographers, filmmakers and illustrators with businesses so they can earn a living from their creative abilities.

There is a distinct lack of authentic South African stock imagery available to brands. The images available tend to be European and do not represent or resonate with a South African audience. We believe YCC has the energy and capability to bring our brand messaging to life.

The decision to use YCC solves a key business challenge, expands our emerging supplier network, and creates social impact. So far, 350 young creatives have been trained and given access to market through our partnership with YCC.





**FUTURE-PROOFING OUR BUSINESS continued**

**Metropolitan GetUp solution for a younger and digitally savvy market**

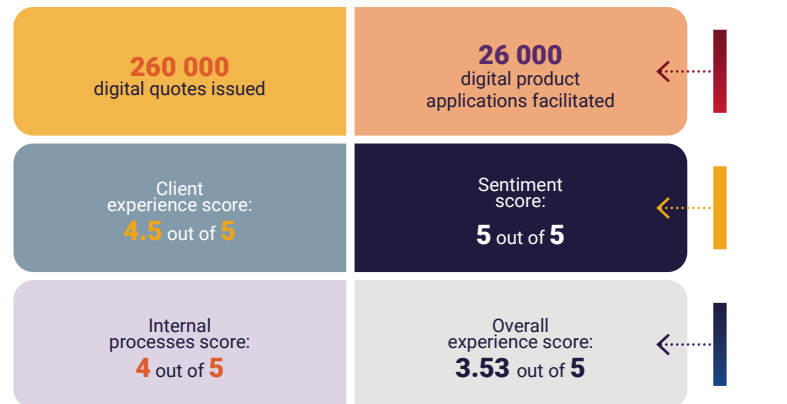
**The growing youth population is changing our available market's demographics. GetUp is an innovative approach to building digital capabilities and exploring a new market.**

The core of the concept is forming and maintaining a GetUp community with whom GetUp builds trusted and relevance-based relationships. Members of this community receive value through access to personalised advice on financial topics through life hacks that enable them to better simulate, plan and manage their finances. They can also browse and purchase best-of-breed solutions. Levels of engagement and contribution are rewarded.

GetUp targets economically and digitally active individuals in the lower and middle-income segments, including millennials and Gen Zs who are not likely to go into a branch or engage a salesperson face-to-face. The target market size is 9.9 million people out of the 20.5 million economically active people in South Africa, and excludes people below the age of 16 and above the age of 65.

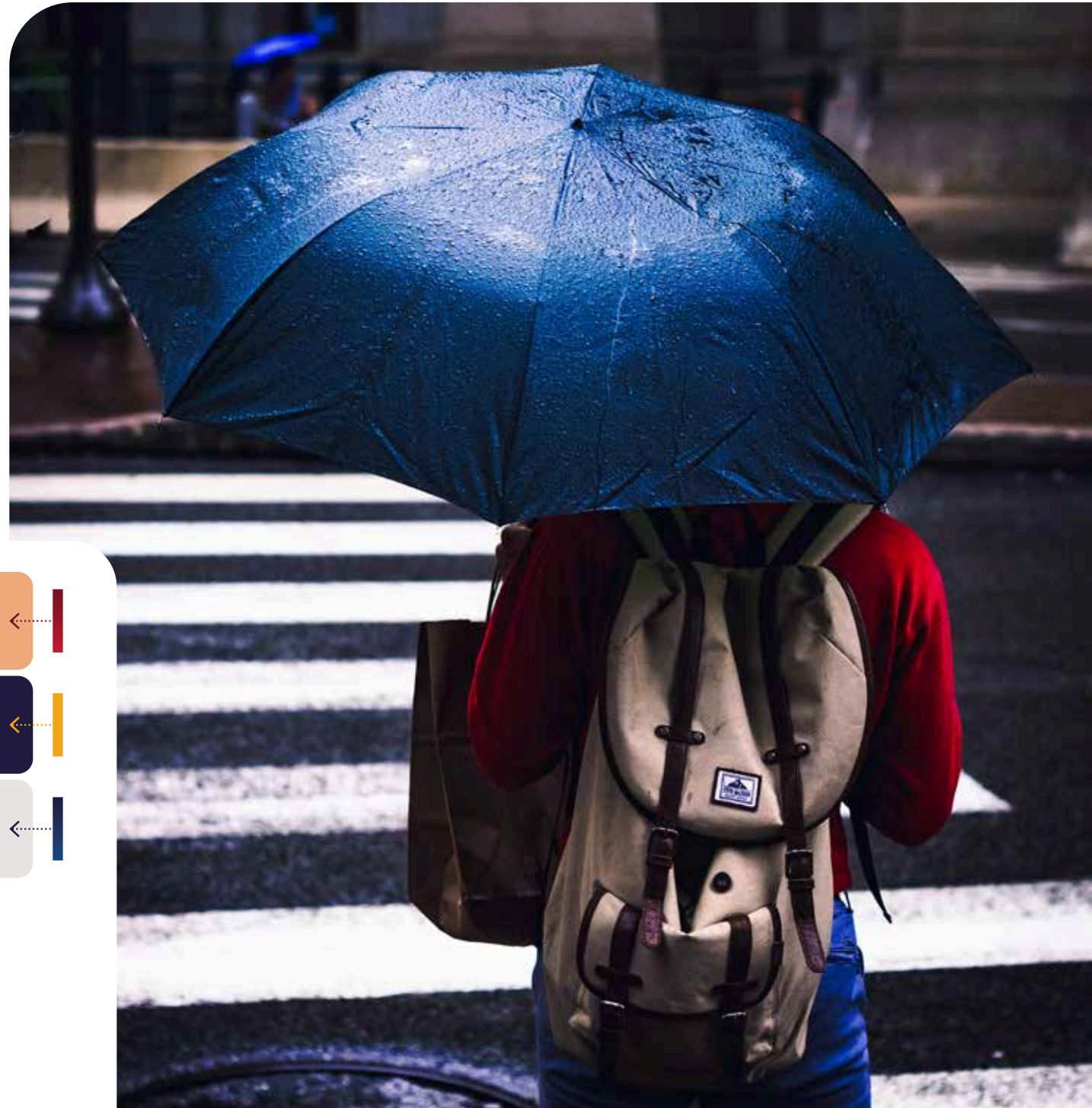
Read more about our digital capabilities related to this project on page 48.

GetUp is now in its third year. In F2022, the fully digital end-to-end GetUp value-chain achieved:



**Read more**

- Consumer financial education approach from page 21
- Continuous client engagement from page 23
- Black broker development from page 44





# Pillar | Enhancing financial security and health

21 Overview

21 F2022 performance



# Overview

**With high levels of unemployment, economic uncertainty, poverty and debt, South Africans are finding it increasingly difficult to stay afloat.**

Our partnership with the University of South Africa (UNISA) on the Consumer Financial Vulnerability Index helps us understand the extent to which consumers experience a sense of financial insecurity due to adverse micro and macroeconomic factors. Read more in partnerships for systemic change and impact from page 51.

**Our key support areas for this pillar and our respective aims:**

**Financial education**

*Improving financial education in the broader society places people in a better position to make decisions beneficial to their financial health and well-being.*

This involves equipping people with knowledge about various financial skills, including personal financial management, budgeting and investing, and the opportunity to practice those skills. It includes the efforts of the Foundation, our client education initiatives, and benefits counselling for end-users in our employee benefit schemes.

Read more about the strategic efforts of the Foundation from page 53.

**Continuous client engagement**

*Encouraging and rewarding behaviours that will improve financial health outcomes for customers, creating a safer and healthier society.*

Our product rewards programmes encourage behaviours that will improve health outcomes for customers by enabling discounts on linked insurance products. Our short-term insurance safety proposition encourages behaviours that aim to keep clients safer.

**Treating our customers fairly**

*Ensuring 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.

# F2022 performance

## FINANCIAL EDUCATION

**Young people in South Africa face challenging economic and social circumstances. Our financial education efforts are extensive, including our clients as well as reaching broader society through our Foundation programmes aimed at youth empowerment.**

The youth unemployment rate, measuring jobseekers between 15 and 24 years old, stood at 63.9% in the first quarter of 2022. Those who are employed face significant peer pressure, obligations to support their families, and influence from social media to maintain lifestyles, as revealed in our 2020 Science of Success Insights Report, compiled in partnership with UNISA. The report also highlights young adults as having a low score on the financial wellness index, which measures the different elements that make up a household's financial state.

Against this background, the Foundation decided to align its consumer financial education approach more directly with its overall youth empowerment focus, which seeks to help young people enter the world of work.

### Financial education goals, objectives, and core values of Foundation programmes

Strategic goals	Objectives	Core values
<ul style="list-style-type: none"> <li>Promote awareness of the importance of sound money management practices</li> <li>Improve practical financial knowledge and skills</li> <li>Enhance attitudes towards personal financial management</li> <li>Encourage specific financial behaviours appropriate to different contexts</li> </ul>	<ul style="list-style-type: none"> <li>Design curriculums grounded in evidence of efficacy</li> <li>Incorporate the needs and views of the target groups</li> <li>Ensure that appropriate pedagogical and andragogical approaches are incorporated into financial education programmes</li> <li>Use appropriate delivery modalities including technology and social media where needed</li> <li>Align initiatives with business objectives and contribute to B-BBEE compliance</li> </ul>	<ul style="list-style-type: none"> <li>Deliver unbiased financial content with no product influence</li> <li>Collaborate with research organisations, teaching organisations and financial education practitioners</li> <li>Respect our participants and partners</li> <li>Innovate in our approach by testing programmes</li> <li>Design impactful interventions</li> <li>Measure outcomes through rigorous monitoring and evaluation</li> </ul>

### Impact priorities

The Foundation will ensure success in this area by monitoring and evaluating the impact of its consumer financial education programmes. The Foundation's Board is in the process of setting annual targets for expected improvements in knowledge, skills, attitudes and behaviours across its programmes. Learning outcomes will be defined during the curriculum development process in conjunction with our partners.

### Consumer financial education innovations

The onset of the Covid-19 pandemic catalysed innovation in the Foundations' digital programmes. A recent internal assessment of our digital financial literacy courses showed that the completion rate compared well with existing global data, with a 30% to 40% completion rate locally compared with international benchmarks of between 3% and 20%. To assist with access to affordable data, we provide data vouchers as incentives.

**Metropolitan currently offers financial education in the worksites we operate in. This takes the form of face-to-face facilitated sessions and covers clients' holistic financial needs. Metropolitan aims to further enhance this by offering financial education through digital platforms directly to consumers. Currently, Metropolitan spends approximately R3 million annually on these financial education interventions.**



## FINANCIAL EDUCATION continued

Our programmes include:

KickStarz		FinEazy Momentum Money Shift (MMS)		FinEazy Future Finance Friends (FFF)	
<i>Teaching money management to school learners</i>		<i>Young adult programme with an artificial chatbot available in English, IsiZulu and IsiXhosa</i>		<i>Financial literacy aimed at high school learners</i>	
Recruited: <b>1 950</b> (ongoing)	Age range: <b>13 to 19</b> year-olds	Recruited: <b>7 360</b> (ongoing)	Age range: <b>18 to 35</b> year-olds	Recruited: <b>798</b>	Age range: <b>13 to 18</b> year-olds
Completed training: <b>1 447</b>	Female participation: <b>64%</b>	Completed training: <b>2 913</b>	Female participation: <b>66%</b>	Completed training: <b>265</b>	Female participation: <b>71%</b>

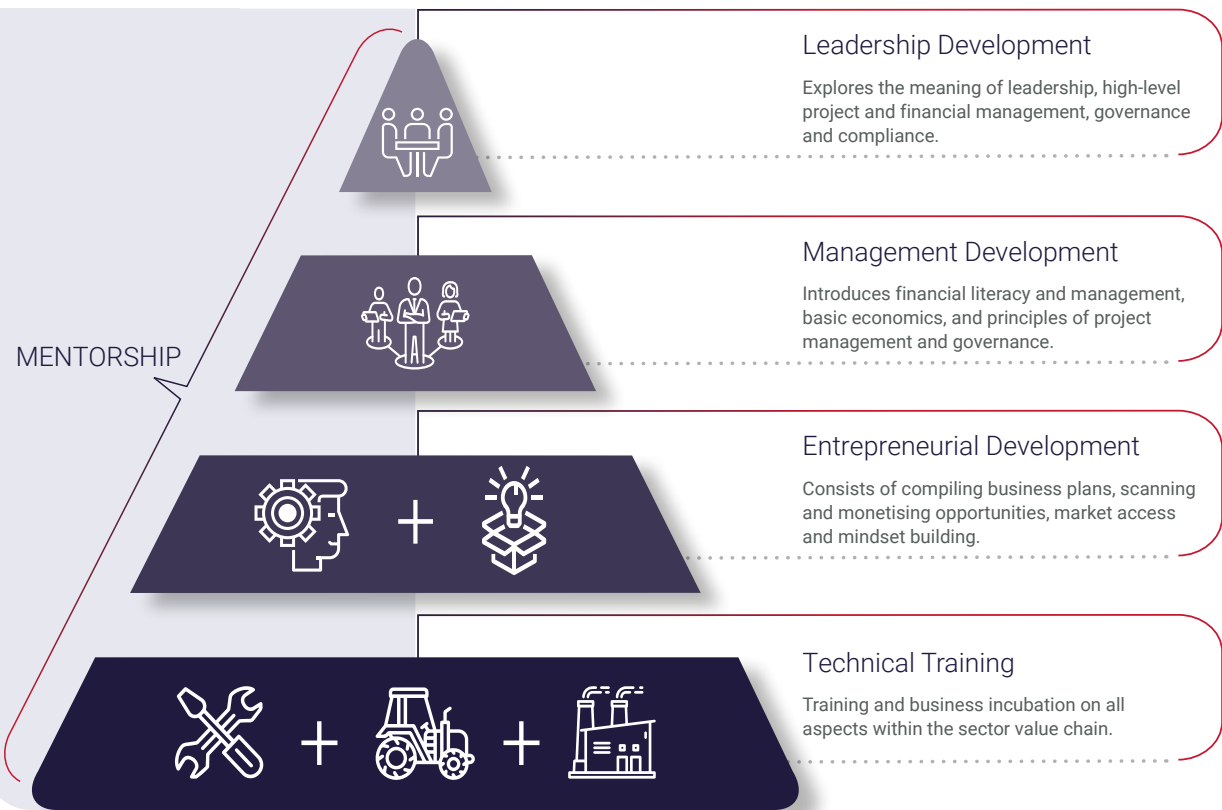
### Metropolitan's Collective Shapers

Metropolitan Collective Shapers is a training and development programme with a youth focus that is aimed at developing skills in the agricultural sector in partnership with AgriSA. This new programme empowers youth with income-generating skills, either through employment or entrepreneurship.

With Polokwane as the launch province, the initial focus in F2022 was on agricultural improvements in partnership with agri-enterprises. The uniqueness of the Collective Shapers programme is in its localised approach, which solves challenges for the specific sectors most relevant in each community.

The visibility of the initiative is driven through social media.

<b>18</b> Collective Shapers		<b>2</b> intakes	
<b>4</b> Facilitators	<b>5</b> Industry mentors	<b>360</b> hours of learning	
<b>R200 000</b> prize money	<b>4</b> farms visited	<b>4</b> winners	





## FINANCIAL EDUCATION continued

### Benefits counselling

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.

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. The FundsAtWork professional benefit counselling service helps members understand the FundsAtWork:

- Default investment portfolio
- Default in-fund preservation option for members who move between employers before retirement
- Annuity strategy to make sure members convert their retirement savings into a retirement income

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. Approximately 19 000 members have been reached through benefit counselling webinars.

### Employee benefits explained

We have launched the Employee Benefits Explained platform, which takes the form of an online dictionary for all South Africans to help them understand the financial terminology they often face. Our influencer campaign to promote this service across social media channels reached over two million people.

## CONTINUOUS CLIENT ENGAGEMENT

**We strive to ensure that every interaction is memorable, meaningful and contributes to our clients' success.**

Across the spectrum of our businesses, various digitisation efforts have improved our clients' ability to interact with us. Our self-service solutions have created meaningful touchpoints for clients through their life journeys, while our diversified distribution channels aim to strengthen our direct-to-client engagement model. We ensure that healthcare services and financial management tools are easily available.

### Digital-rich client engagement

Our client value proposition contains components that contribute to health, safety and financial wellness outcomes.

We create digital platform support systems for clients to manage and ensure better outcomes through integrating HealthReturns and Momentum Multiply. Momentum Multiply members have access to savings from over 70 partners. Multiply members earned R136.5 million in discounts and cashbacks from partners in F2022.

### Health impact

More than half of the adult population in South Africa is overweight or obese according to the World Health Organisation (WHO), and many are at risk of diabetes, hypertension and heart disease. These are exacerbated through unhealthy foods and inactivity, often in dense urban areas, where 64% of the population lives. Promoting healthy lifestyles is critical to improve health. Momentum Multiply engages with clients and offers rewards to encourage healthier and safer lifestyles.

We offer a Healthy Heart Score assessment, an app to track fitness, and cashback and discount rewards for achieving goals. ActiveDayz also rewards members for physical activities.

35 499

Multiply members completed a health assessment

41 017

members increased their physical activity and earned more ActiveDayz

### Financial wellness impact

Through Momentum Multiply, we encourage financial wellness, offering financial advice, free online tools for personalised goals and rewards for progress.

28 294

Multiply members completed a financial wellness questionnaire

28 390

Multiply members are tracking where their money goes with the Multiply Money app

### Safety impact

Our clients' personal safety is also important to us, and our Momentum Multiply safety evaluation ensures awareness of safety and makes recommendations for improvement. The SafeDayz™ tracker allocates daily scores and associated rewards. Those with higher SafeDayz™ are less likely to be involved in accidents and tend to experience a lower claims frequency.

Safety Alert is a panic button that gives users access to the nearest private security provider, wherever they are. This is a powerful tool that can contribute to both physical safety and a sense of comfort in having access to the feature.

30 095

Multiply members completed a safety questionnaire

37 859

Multiply members are using the SafeDayz™ functionality on the Momentum app. An 8% lower claims frequency was achieved for clients engaging with SafeDayz™

### Flexible payment options

Flexible payment methods are critical in the emerging market, especially when considering the financial pressures consumers experience. We implemented flexible payments with Pay@, which allows clients to effectively pay their premium any time of the month, with part payments being possible. Through Pay@, clients in Metropolitan can pay their premiums using a variety of payment choices, for example at retailers, using SnapScan or even paying with their credit cards. Participating retailers include the brands our clients engage with, such as Checkers, PEP, Ackermans, Pick n Pay and more.

Pay@ has seen in excess of R115 million in payments (312 000 payments) since inception in F2021, and adoption statistics demonstrate that clients prefer the freedom that the options offer.

When clients need to claim, digital solutions improve turnaround times. Payment prompts can be triggered via WhatsApp, QR Codes and webchat 24/7, providing quicker access to funds.

#### Read more

Access to advice and customer-centric communication from page 17

Digital-led innovation from page 48

### Client support in times of crisis

Crisis events such as the recent floods in KwaZulu-Natal have far-reaching effects. They impact jobs, business operations, transport, infrastructure and access to basic services. Momentum Insure experienced a tripling of claims compared to the previous six years, as a result of it.

We intensify our engagement with clients in crisis situations. The Momentum Insure Climate Risk Forum continuously assessed what was happening at businesses and to clients. In addition, the business unit made donations to Gift of the Givers to support flood victims. They also allowed clients to access their safety bonuses during this time, delivering on their safety value proposition in a crisis.



## TREATING OUR CUSTOMERS FAIRLY

**Fair treatment of customers is central to our Group culture. We strive to be clear in our communication, provide suitable advice, and ensure that our products deliver value.**

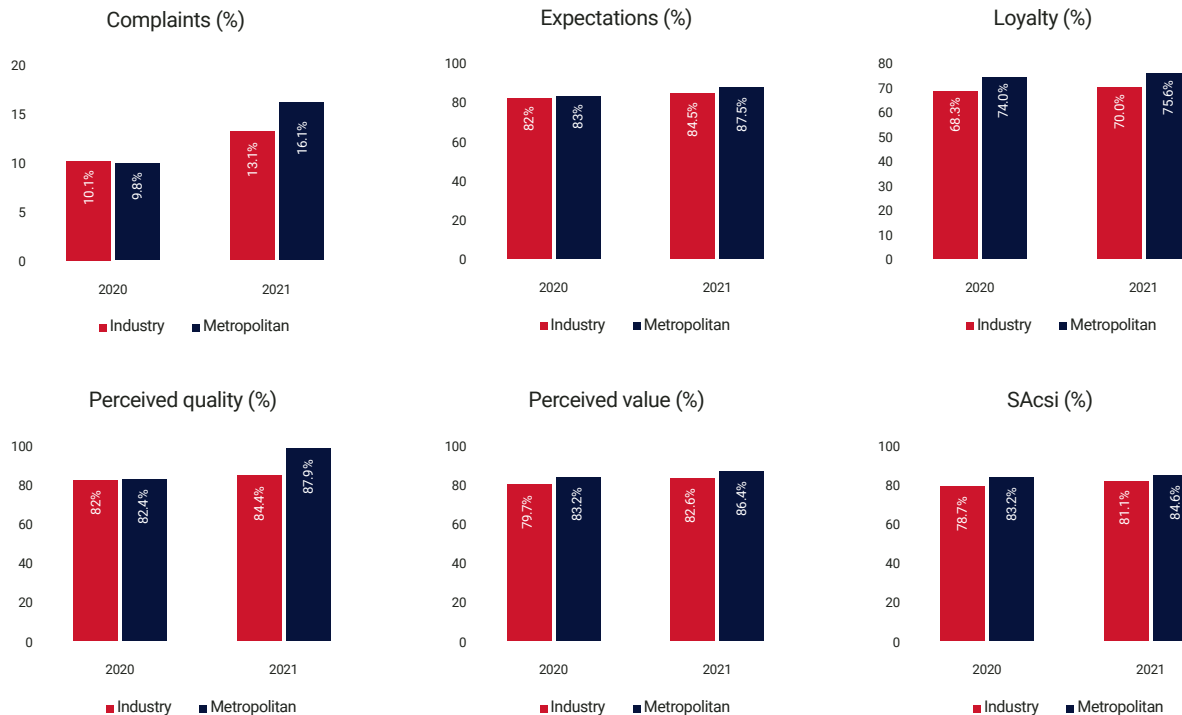
The Board's Fair Practices Committee ensures sound governance and oversight over the product management cycle. The Committee's oversight responsibilities ensure that Momentum Metropolitan embeds fair treatment of customers at all levels.

The guiding principles employed to ensure fair customer outcomes and the management of market conduct practices, are borne out of the overarching principles introduced in the treating customers fairly framework.

Our Group market conduct framework governs conduct and practices to ensure fair client outcomes not only in terms of the client experience, but from the inception of product design through to fulfilment and post-sales experience. Business unit executives are responsible for the identification, measurement, monitoring, management and escalation of conduct risks.

### An independent view

The South African Customer Satisfaction Index (SAcsi) is an independent study that benchmarks customer satisfaction with products and services available to consumers. Metropolitan shows a positive trend year-on-year against the industry average across all metrics. While there are complaints, Metropolitan is the leader in handling these, and holds the industry leadership position in customer loyalty. We also lead on the expectation and perceived quality metrics. Our service leadership, as evidenced by the study, is our key differentiator.



The results are based on the calendar year performance. The most recent results are for the 2021 calendar year.

### Momentum Insure's claims philosophy

Momentum Insure has a track record of paying valid claims and treating customers fairly. We conduct extensive monitoring and reporting on different client experience metrics as well as treating customers fairly outcomes. Our insights capabilities and governance forums also help ensure that our products remain suitable to clients' needs.

Our claims philosophy is built on a solid foundation that includes comprehensive and objective benefit definitions, resulting in much-needed certainty when clients claim. We underwrite accurately with the intention to pay all valid claims fairly. This translates into applying sound underwriting practices to ensure that risks are underwritten upfront as far as possible, and not at claims stage. When assessing a claim, we consider, for example, the materiality and completeness of information against the technical merits of a claim.

Contentious claims are escalated for consideration against the claims philosophy guidelines on a weekly basis. Our intent is to partially settle claims where, due to the technical nature of product literature, there could be misunderstanding of the exact cover. In such cases, we also use the opportunity to educate clients on the nature of the cover offered. As a result of the consistent application of our claims philosophy, the rate at which the Ombudsman for Short-term Insurance (OSTI) instructs us to change our decision on claims has been consistently lower than the market average over the past five years (11.03% vs 18.0%).

**Our claims statistics reaffirm our commitment to helping clients and their families secure their road to financial success.**

### Data privacy and protection of customer information

The data privacy of our clients and our employees is of utmost importance to us. Our clients should not only feel they can trust our products and services, but that their information and that of their loved ones will be treated with respect and dignity.

Cybersecurity is evolving worldwide as more people rely on digital communication and platforms. The Group has a focus on ensuring that all databases exposed to an external environment are protected. We have embedded cybersecurity controls that are continuously monitored for effectiveness and improved.

The Protection of Personal Information Act, 4 of 2013 (POPIA), came into effect on 1 July 2020. To ensure we met our obligations in this regard, we established a POPIA steering committee with dedicated executive representation from each business and with a focused mandate to ensure the full implementation of POPIA by 1 July 2021.



## Data privacy and protection of customer information continued

Our data privacy, IT and cybersecurity policies, processes, systems and practices are audited annually by internal (independent) and external auditors. We also ensure that 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 subjects have the right to request for their data to be deleted. We have processes in place that support this in accordance with applicable laws.

### Employees trained for customer security

Given that Momentum Metropolitan operates in many countries and works across multiple jurisdictions, we must be at the forefront of the various data protection laws, cybercrime trends and best practices in the world. We have a Group Information Officer and 26 Deputy Information Officers across the business units. The Group Information Officers' role is performed by the Chief Privacy Officer of Momentum Metropolitan. The Group Information Officer reports to the Risk and Compliance management-committee, chaired by the Chief Risk Officer, and provides quarterly reports to the Board Risk, Capital and Compliance Committee (BRCC). A specialised Data Privacy steering-committee has been formed with a main focus on privacy related matters. All the above mentioned committees have a dedicated focus on Data Governance and Data Privacy.

Employees receive continuous training to ensure they are familiar with the terminology and can identify critical risks and scenarios. Modules include data and cybersecurity as well as privacy-related risk-based training.

- Data protection and cybersecurity: 10 382 employees trained across the Group
- Privacy-related risk-based training: 11 026 employees trained across the Group

We stay up to date with the latest trends and schemes to ensure that training remains relevant. To this end, we invite experts to join us in topical webinars. Thousands of our employees join in the interactive conversations with these experts. Links to our privacy policy, where we explain how we collect, process and share personal and special personal information, can be found on page 61

### Read more

Read more about how IT governance is incorporated into our Board governance structure in the section on digital-led innovation from page 47





# Pillar | Building a low-carbon economy

27 Overview

27 F2022 performance



# Overview

## 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 who are already most vulnerable will be disproportionately affected by climate change impacts. In tandem, South Africa's GDP growth is heavily dependent on high-emission industries that contribute to climate change, such as mining, manufacturing and agriculture. At the same time, these industries support communities that have developed around them. People in these communities will require intense re-skilling as South Africa moves to a lower-carbon economy as global pressure demands.

The financial sector is not regarded as a high emitter but can direct the flow of money to pro-environmental initiatives through green financing and help society become more resilient in dealing with the impacts of climate change.

According to the South African Institute for Security Studies, only 16% of the R95 billion in local losses due to weather-related disasters in the past four decades were covered by insurance. This left government and communities vulnerable and limited the capacity to build back.

### Our key support areas for this pillar:

#### Greening our operations

Where we have operational control, we measure our environmental performance in terms of water, energy and waste management. This includes any partnerships we've established to improve the reuse of company assets to reduce waste. We make energy efficiency a key consideration for any new buildings and aim to improve the energy efficiency of existing buildings and key infrastructure such as our data centres.

#### Investing in the green economy

This includes our responsible investment commitments which integrate environmental considerations into our investment decisions, investments in renewable energy and infrastructure projects to improve the delivery of basic services, for example water security. It also includes our enterprise supplier development investment for SMMEs and youth entrepreneurship programmes in the green economy.

#### Product offerings and innovations to support environmental performance

Includes products and services we develop to address emerging environmental risks. It also refers to efforts we have made to reduce emissions in our distribution channels (sales), customer acquisition and policy management phase, for example remote health assessments.

We published our first report according to the requirements of the TCFD in 2021 and will be publishing our next report in November 2022. This report contains more specific detail on climate-related risks, opportunities, governance, strategy and metrics.

We are voluntary participants in the CDP climate change disclosure project. CDP requests information on climate risks and low-carbon opportunities from the world's largest companies on behalf of over 680 institutional investor signatories. Our latest submission is available on the CDP website. We achieved a B score since 2017.

For more detail on our low-carbon commitment, refer to our climate change positioning statement and our [climate change investment policy](#), available online.

# F2022 performance

## We keep track of global developments in climate change. This year, Momentum Metropolitan became a signatory to the Climate Action 100+ initiative, as we believe that a collective approach makes more impact.

These engagement groups specifically focus on three areas for high emitters to address:

- Implement a strong governance framework that clearly articulates the Board's accountability and oversight of climate risk.
- Take action to reduce greenhouse gas emissions across the value chain, consistent with the Paris Agreement's goal of limiting global average temperature increase to well below 2°C above pre-industrial levels, aiming for 1.5°C. Notably, this implies the need to move towards net-zero emissions by 2050 or sooner.
- Provide enhanced corporate disclosure in line with the recommendations of the TCFD and the sector-specific Global Investor Coalition on Climate Change (GIC) Investor Expectations on Climate Change guidelines (when applicable), to enable investors to assess the robustness of companies' business plans against a range of climate scenarios, including well below 2°C, and improve investment decision-making.

### GREENING OUR OPERATIONS

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, we recognise that the responsible management of our impact on the environment is key for the sustainability of our business and a key consideration for our clients, employees and communities.

We have adopted a precautionary approach to environmental management and comply with all applicable environmental legislation and regulations. We are responsible for mitigating our direct impact on the environment and encouraging our employees to reduce their impact on their own environment. We also ensure the responsible disposing of IT hardware and moving of our data centres to the cloud. Read more about our green IT project on page 29.

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

### Reducing our overall office space

In the post-pandemic era, many companies are shifting to a new way of working that combines remote work and in-person options. The Group has adopted this hybrid working-from-home model, with a 10% reduction in office space. In the Health business alone, this was reduced by 40%. We have created hybrid way of work guidelines outlining our approach to employee expectations and the responsibility to serve our clients.



### 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 the risks and opportunities related to climate change
- 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



## GREENING OUR OPERATIONS continued

### Reducing our carbon footprint\*\*

Although considered a small carbon emitter, Momentum Metropolitan contributes to global carbon emissions through electricity consumption, which is attributed to South Africa's dependence on coal-derived energy.

We disclose our greenhouse gas (GHG) emissions data annually and this is independently verified with limited assurance by a third party. Over time, our carbon footprint has shown a reduction due to more energy-efficient technologies being installed in our larger head office buildings as they are maintained and upgraded. Our total energy consumption reduced from 48 050MWh\* (2020) to 45 082MWh (2021).

Our target was 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 will set a new target in 2023 when we expect employee office occupancy to stabilise.

	1 January to 31 December 2021 (tCO <sub>2</sub> e)	Baseline year 2014 (tCO <sub>2</sub> e)	Change from 2014 to 2021
<b>Scope 1</b>			
Stationary fuels (generator diesel/ petrol)	697	71	877%
Product use: refrigerant gases (Kyoto Protocol)	599	381	57%
Mobile fuels (owned cars)	427	992	-57%
<b>Total Scope 1 emissions</b>	<b>1 722</b>	<b>1 444</b>	<b>19%</b>
<b>Scope 2</b>			
Purchased electricity – location-based	42 027	58 209	-28%
<b>Total Scope 2 emissions</b>	<b>42 027</b>	<b>58 209</b>	<b>-28%</b>
<b>Scope 3</b>			
Category 1: purchased goods and services – paper	1 531	901	70%
Category 1: purchased goods and services – water	98	212	-54%
Category 3: fuel and energy-related activities – T&D losses	4 962	6 556	-24%
Category 3: fuel and energy-related activities – WTT-fuel	269		
Category 5: waste generated in operations	136		
Category 6: business travel – flights	1 096	10 545	-90%
Category 6: business travel – car hire	113	269	-58%
<b>Total Scope 3 emissions</b>	<b>8 206</b>	<b>18 483</b>	<b>-56%</b>
Total Scopes 1 and 2	43 749	59 653	-27%
Total Scopes 1, 2 and 3	51 955	78 137	-34%
Total number of employees	16 483	17 422	-5%
Total emissions per employee	2.65	3.42	-22%

\* Restated to include 6 036MWh for fuel consumption, consistent with historical reporting which included energy from both electricity and fuels.

\*\* All data is based on the 2021 calendar year to align with regulatory reporting timeframes.

### Managing energy, water and waste\*\*

When upgrading infrastructure in our main buildings, our Facilities Management team ensures that the technologies installed are energy and water-efficient. They do the same with newly constructed buildings, for example, The Marc in Sandton, which is rated a five-star green building by the Green Building Council of South Africa.

In March 2022, one of our main campuses, Cornubia in Durban, received one of the first energy performance certificates (EPCs) issued in terms of the new SANS 10400-XA:2021 standard, which deals with building energy usage. The D-rating is on par with the benchmark. Due to the major renovations at our Head Office and Meersig campus in Centurion, an EPC will not be required for a year after the completion of this project, which is still under way.

In terms of waste management, we make every effort to avoid sending waste to landfills. Monitoring of waste management currently takes place at all our main campuses. 45% of the waste was recycled in Centurion, 38% in the Marc, 49% in Parc du Cap and 48% in Cornubia. Overall the percentage of waste recycled increased with 7% to 47%.

#### Responding to water risk

**South Africa ranks as one of the 30 driest countries in the world and is expected to be approaching water scarcity by 2025.**

**By 2030, we can expect a 17% water deficit, which will only be exacerbated by the impacts of climate change. Momentum Metropolitan recognises the importance and the impacts of water scarcity.**

We reduced our total water withdrawal from 109 215 kl (2020) to 106 727 kl (2021).

In addition, our facilities teams have worked on various initiatives to reduce water reliance and consumption. These initiatives include:

- Back-up tanks installed on emergency fire tanks. The back-up tanks will ensure water for sprinkler systems to protect our employees and buildings despite possible municipal outages. The back-up tanks also support kitchens and ablution facilities in the event of a water outage.
- Fitting our offices with hands-free, sensor-smart taps. This reduces the frequency of leaks and water waste.
- Upgrading air conditioners at our Centurion offices from water-cooling to air-cooling HVAC systems. This has significant savings on water consumption and improves reliability.





**GREENING OUR OPERATIONS continued**

**Eris' solar energy rollout and ambitions**

Eris Property Group (Eris), a subsidiary of Momentum Metropolitan, is a fully integrated property development, investment and services group that provides a range of commercial property offerings in the South African and sub-Saharan African markets.

Eris, through its direct property portfolio, Momentum Direct Property Fund, invested significantly in the past year to reduce its carbon footprint. Its retail assets include vast shopping centre rooftop spaces, which were identified as ideal solar installation sites.

Collaborating with a solar specialist, Eris completed eight solar plant installation projects at eight retail properties. This resulted in avoiding 9 839 tonnes of CO<sub>2</sub> emissions, which equates to the average annual emissions of 1 416 individuals. Currently, more than 10 357MWh is being generated through solar, which is equivalent to providing clean energy to 943 households.

As an ESG-focused property fund, Momentum Direct Property Fund aims to achieve the following by 2030:

- Roll out solar installation projects at 14 retail properties
- Reduce emissions by a total of 16 800 tonnes of CO<sub>2</sub>
- Generate 17 710MWh per year through clean energy sources
- Provide the equivalent of 2 548 households with clean energy

Eris has applied for carbon credits which could in future be used by Momentum Metropolitan to offset our footprint.

**Cleaning out the IT closet**

**In 2018, Momentum Metropolitan's data centres underwent major upgrades that led to greener, cleaner and more energy-efficient centres. Our IT teams have been working hard towards sustainability in their workspace.**

The Group disposes of up to 10 tonnes of e-waste per annum. The Parc du Cap office has a dedicated green IT disposal vault. The disposals are POPIA compliant and have been in practice since 2018. In 2021, IT teams disposed of 4 883 kilograms of waste that avoided landfills.

Other initiatives are focused on energy efficiency. It is part of the Group's strategic objectives for 2024 to increase its power utilisation efficiency (PUE) at the main data centres (Centurion and Parc du Cap). A higher PUE means a more energy-efficient environment, thereby reducing our energy consumption and carbon footprint. Upgrades in IT equipment have resulted in an increase in PUE since its first measurement in 2018. Some of these upgrades included replacing uninterruptible power supply (UPS) units with new UPS frames. In addition to this, telemetry equipment was installed to ensure accurate measuring and recording of consumption.

We aim to further reduce energy usage through energy efficient ICT Kit power. This is achieved by having data centres migrate from power-intensive devices such as servers and storage to energy-efficient points of delivery. The benefits of these changes have already been seen, with reductions in energy consumption at Parc du Cap. For the Momentum

Health business, the data centre racks are being reduced from 15 to two racks, reducing power consumption from 33kW to 12kW.

**INVESTING IN THE GREEN ECONOMY**

We are committed to investing responsibly. Our Responsible Investment team has a proactive approach to ESG issues and aims, where possible, to manage and mitigate events before they escalate. They engage with the management of listed companies in which they are invested throughout the year to raise and, where possible, resolve any concerns regarding ESG matters. Read more about our responsible investment capability on page 35 and in our **Stewardship Report**.

We have invested R2.3 billion in renewable energy to date, with a further R3.9 billion in the process of being concluded before the end of the calendar year. Collectively, this would result in the reduction of 4.8 million tonnes in CO<sub>2</sub> emissions.

We support and welcome the Green Finance Taxonomy for South Africa. This will help all players in the industry to align definitions in terms of assets, projects and sectors that are eligible to be defined as "green" according to international best practice and national priorities, and curb greenwashing. We responded to the Treasury's draft of the Green Finance Taxonomy in June 2022.



## INVESTING IN THE GREEN ECONOMY continued



### Momentum Global Sustainable Equity Fund

#### We aim to achieve:

- At least a 20% lower environmental footprint than the benchmark, as measured by greenhouse gas emissions, waste generation and water consumption
- At least a 20% better sustainability profile as measured by the RobecoSAM Smart ESG Score

#### How do we plan to 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.

As of June 2022, the portfolio's:

- Greenhouse gas emissions (Scope 1 and 2) are 21.5% lower than the benchmark
- Waste generation is 23.3% lower than the benchmark
- Water consumption is 22.5% lower than the benchmark
- RobecoSAM Smart ESG Score is 20.9% higher than the benchmark

The portfolio:

- Has a well-diversified, low-cost, systematic equity strategy providing exposure to global developed markets
- Is managed by Momentum Global Investment Management (MGIM) and is approved as an Article 8 (ESG integrated) fund under the European Sustainable Finance Disclosure Regulation (SFDR)
- Is Financial Sector Conduct Authority approved in South Africa



### Momentum Africa Real Estate Fund (MAREF)

MAREF is a institutional real estate portfolio that finances and develops commercial real estate in sub-Saharan African, excluding South Africa. Its social impact includes sustained job creation, and all development projects are aligned to the International Finance Corporation's Performance Standards on governance benchmarking.

Recognition of environmental performance:

- The Rose development, MAREF's ongoing service apartment development in Nairobi, is Leadership in Energy and Environmental Design (LEED) Silver certified. LEED is a green building certification programme used worldwide, an initiative of the US Green Building Council.
- Mon Tresor Business Gateway, MAREF's office development in Mauritius, won the Best Green Building in Africa Award at the Africa Property Investments Awards (2019).



### Harmony Sustainable Growth Multi-Asset Fund

Launched in F2022, this fund managed by MGIM is an approved Article 8 Fund under the SFDR. The fund has strong sustainability credentials, with no exposure to coal businesses and a fossil fuel exposure (limited oil and gas) 60% lower than its peers. The two equity funds holding oil and gas are Article 8 funds, ensuring ESG integration with high levels of disclosure. MGIM supports the TCFD and strongly encourages managers we invest with to do the same.

## Momentum GreenShoots Programme

The Momentum GreenShoots Programme is a green economy programme that focuses on carbon footprint verification and waste management for small black-owned and black women-owned businesses that are current or potential suppliers in our value chain. At the start of the programme, a baseline score was established for all SMMEs in terms of statutory compliance, financial status, human resources, strategic outlook, and structural and technical capability. An overall average score of 2.5 was established. The overall average target score for February 2022 was set at 3.8, which was met, and for some components such as entrepreneurial expertise, exceeded by the SMMEs. The business supported the GreenShoots Programme with additional sessions on accessing the corporate supply chain and digital marketing strategies. The programme concluded in March 2022.

### GreenShoots impact highlights

Total investment: <b>R2 million</b>	<b>17</b> new clients onboarded
<b>1 113</b> hours invested in business development	<b>52%</b> average increase in revenue
<b>3</b> black female-owned beneficiaries	<b>2</b> businesses in carbon footprint verification
<b>2</b> new jobs created	<b>1</b> business in waste management

## Energy incentives for Rand Water

As part of our investments in green initiatives, we provided Rand Water with an SDG-linked loan this year. Rand Water is a South African water utility that supplies potable water to Gauteng province and other areas of the country and is the largest water utility in Africa. The loan conditions require that Rand Water install additional solar energy as per SDG 7's goals for affordable and clean energy. A 2021 baseline was created with specific targets for June 2023 and June 2025. Should the targets be met, the interest rate on the loan will be reduced by 0.03% to 0.05%.



**INVESTING IN THE GREEN ECONOMY continued**

**PRODUCT OFFERINGS AND INNOVATIONS TO SUPPORT ENVIRONMENTAL PERFORMANCE**

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 drivers in their value chains.

**Mining rehabilitation**

In line with the National Environmental Management Act, 1998, mining companies must make adequate financial provision to ensure mitigation and remediation of adverse environmental impacts or damage caused by mining activities. Acting on this obligation could include progressive rehabilitation, decommissioning, closure and post-closure activities, as well as the pumping and treatment of polluted or extraneous water.

The Guardrisk Mining Rehabilitation product provides the required guarantee that funds will be available to ensure the restoration of the post-mined landscape. The product serves as a vehicle that drives the principle of a shared responsibility between business and government to help facilitate the development of strong and sustainable communities.

Mining rehabilitation guarantees	
June 2021	R8.2 billion
June 2022	R18.6 billion
Growth	126.7%

**Guarantees for renewable energy projects**

The urgency to transition to a carbon-neutral economy has never been more apparent. To prepare us for a resource-efficient future requires a combination of various mechanisms such as participation in carbon markets, renewable energy, and carbon capture technologies, while supporting small business to access the economic opportunities these provide.

Guardrisk offers guarantees to contractors, subcontractors and suppliers in renewable energy, construction and infrastructure projects. The product is in issue in over 30 countries across Africa, Europe and the Middle East.

**Growth in renewable energy guarantees**

	Solar guarantee value	Wind guarantee value
June 2021	R2 billion	R2.4 billion
June 2022	R2 billion	R3.3 billion
Growth	-	40%

**Guardrisk's multi-peril yield insurance**

Large parts of South Africa's grain production regions are rain-fed and vulnerable to drought and grain price volatility. This leads to volatile output levels and severe financial pressure across the value chain. Guardrisk's new-generation crop insurance product is based on state-of-the-art technology that has been developed to mitigate and reduce financial risks.

Agnovate is a multi-peril yield insurance product created to provide protection to our farming clients against events such as drought, which may be triggered by volatile climatic conditions. It covers all perils, except hail, that may result in a yield shortfall across a production area, even when these happen simultaneously.

Gross written premium	
June 2021	R2.8 million
June 2022	R5.2 million
Growth	85.7%





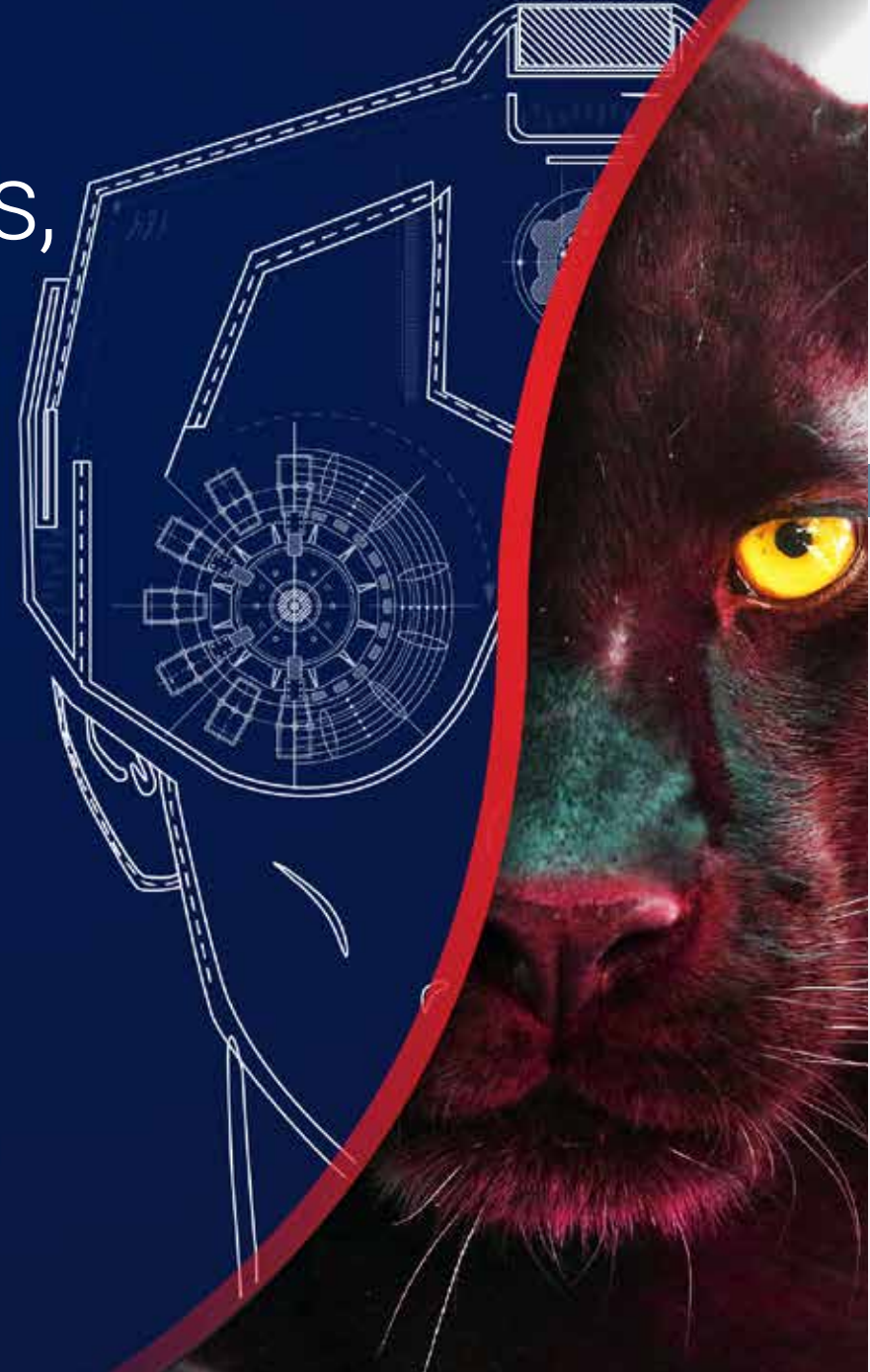
# Enabler | Responsible business practices, ethics, and accountability

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# Overview

**We are committed to sustainability principles and strive to be a financially sound, socially responsible and environmentally friendly Group. Good corporate governance is the overarching principle.**

Findings from the most recent Afrobarometer survey, published in August 2021, show that South African's trust in government institutions is at its lowest since 2006. This general decline in trust means that society looks to business to lead the way on ethics and accountability. Among industries, the financial sector reports a lingering trust deficit due to factors such as inherently confusing products and services, cost transparency and lack of responsiveness.

**Our key themes for this enabler are:**

- Policies supporting good corporate practice
- Governing sustainability
- Responsible investment capability

We take being a good corporate citizen and our responsibility to our clients and society seriously. Beyond regulatory compliance, our initiatives to lead the way in financial education are detailed on page 21, as we believe much of the reported financial sector confusion stems from a lack of financial understanding.

We have robust governance structures and an entrenched value system in place to ensure that we render our services honestly, fairly and with due diligence.

**As of September 2021, Momentum Metropolitan is ranked by MSCI in the 97th percentile of global peers and 91st percentile of home market peers for corporate governance.**

**Read more**

This chapter focuses on certain aspects of sustainability-related governance matters. It should be read in the context of our overall governance philosophy and approach, which is set out in our other reports:

- The Integrated Report 2022 includes detail on the Group governance structures, our Board and committee composition, and the Board and its committees' performance in F2022. It also provides insight into governance processes and their outcomes.
- The King IV™ application summary provides an overview of how we apply the relevant governance principles.

These are all available online: <https://www.momentummetropolitan.co.za/investor-relations/reporting-centre/year-end-results>

# Policies supporting good corporate practice |

## EMBEDDING ETHICS IN OUR BUSINESS

**We promote ethical business practices and commit to the highest standards of respect, integrity, fairness and responsibility.**

Regular and proper oversight of the ethics programme is carried out, and the overall ethics performance of the Group is reported to the SETC.

All Board members and Board-delegated committee members are initiated in the Group's governance policies at induction. The Board members play a fundamental role in formally ratifying our multiple and subject-specific ethical conduct policies and guidance notes, both at the initiation and review phases.

During our annual F2021 policy review, the core of our code of ethics and standards for conduct policy remained unchanged. Our full code of ethics and standards for conduct policy was approved by the SETC in March 2021 and will be reviewed in the first quarter of F2023 as part of our annual review process. It has been published in full on our website.

Our code of ethics and standards for conduct 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. It has been developed for all senior officers, executives, employees, consultants and contractors of the Group (collectively referred to as employees) in all its businesses.

## OUR VALUES

Our ethics involve applying our values to shape our decisions and actions. Our values bond all our brands together in guiding our interactions with stakeholders. Our explicit set of values and what each means to us are set out on page 5. They are:



Through the group forensic services' continuous learning and awareness campaign, all employees were required to complete the module on the code of ethics and standards for conduct policy. Where businesses requested it, online sessions were scheduled with contractors, who do not have access to the internal learning platforms.

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.

While our values describe the core of our ethical behaviour, they are not exhaustive of all the ethical norms that guide our behaviour, such as respect for the rights of others and treating everyone with dignity.

We agree that there is no substitute for good judgement and personal integrity, and to assist us to *live* the philosophy of this code in different situations that may arise, we apply the following principles:

- Ensuring our employees know and understand the legal, best practice and Group requirements that apply to their position and duties
- Taking time to review the scope of who is involved, the corresponding facts and intentions, and available options
- Applying relevant rules and ensuring that our decisions are in line with the Group values, including an evaluation of legitimate benefits and any potential negative consequences
- Testing the matter against a reasonable and ethical decision-making process, and considering if the decision will stand the test of time
- Encouraging people to speak up against any breach of our values and standards, and being open to guidance and clarification

In accepting the accountability that is defined in this code, we agree to do the following:

- Treat our stakeholders fairly and strive to enhance and develop products, services and communication channels to meet their expectations
- Keep abreast of all developments in the markets in which we operate, improve and update our knowledge and understanding of our industry on an ongoing basis, and apply our own unique entrepreneurial skills to grow and be successful
- Recognise and honour the Constitution of the Republic of South Africa, and comply with all South African and applicable foreign laws, regulations and codes that are in force and have a bearing on our business
- Respect the rights and dignity and improve the material well-being of societies in which we operate by designing sustainable products and introducing sustainable services that fulfil their needs
- Consider the utilisation of natural resources, including energy and water resources, and ensure an effective contribution to sustain our environment for the future
- Act responsibly and securely when accessing information technology infrastructure and information held on our devices, networks and digital systems, as the protection thereof is essential to our success and integrity.

## OUR VALUES continued

### Prevention and detection of commercial crime

The Group maintains a zero-tolerance stance on all commercial crime, in and against the Group, including corruption, with various policies and control functions ensuring that such activities are detected and prevented. This includes an anti-money laundering and terrorist financing policy. Refer to our list of published policies on page 60.

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

The Group has well-established formal grievance procedures and reporting mechanisms for employees and external parties. We conduct training and awareness campaigns confirming the existence of the 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.

The Group provides secure channels for reporting any unethical behaviour, criminal activity, employee misconduct and non-compliance with legislation and policies. We ensure that whistle-blowing can take place in a non-discriminatory and confidential manner. The Group has several business-specific fraud and ethics lines in place for utilisation by various stakeholders, including employees, customers and authorities.

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

In F2022, approximately 50 such 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 hotline numbers for reporting unethical behaviour are listed in the Appendices on page 63.

### Tax responsibility and transparency

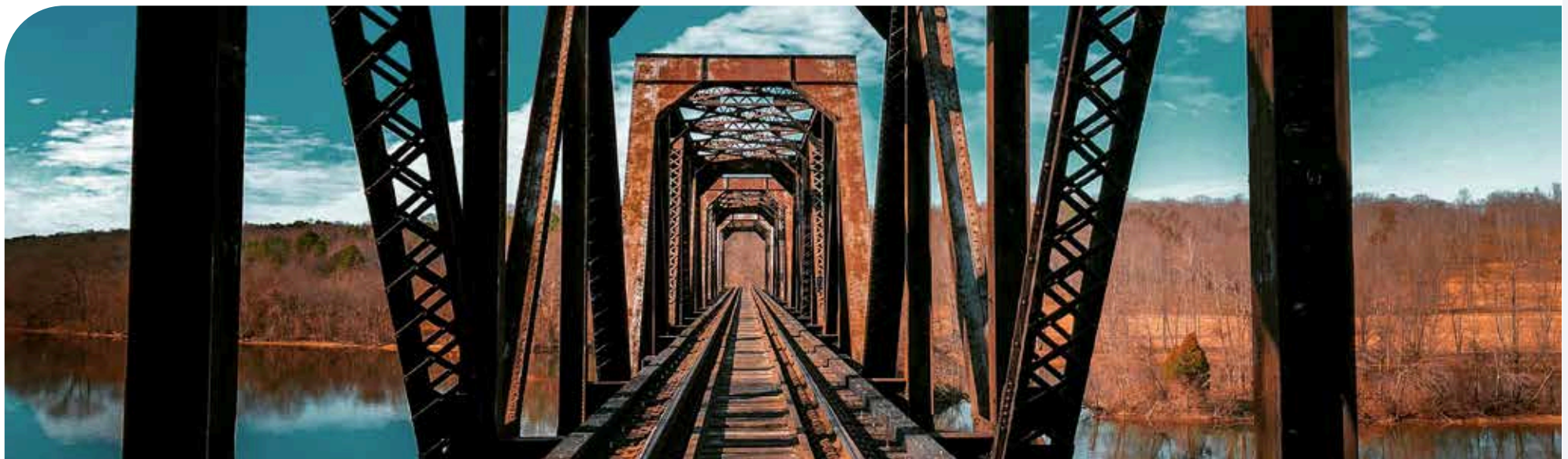
Momentum Metropolitan manages all tax risks in a manner that will ensure full compliance with all applicable tax legislation and reporting requirements to ensure that stakeholder value is created and sustained, congruent with responsible corporate citizenship.

Our Tax Risk Management Policy derives its authority from the Board under the oversight and approval of the Board Risk, Capital and Compliance Committee and the Momentum Metropolitan Executive Committee. The policy stipulates key principles regarding the management of tax across the Group. These are:

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

### Ethics and compliance disclosures and commitments

- Momentum Metropolitan works with government to support social projects. However, we do not make political party donations.
- We engage with suppliers and expect them to comply with Momentum Metropolitan's governance and ethical standards. We do not have operations or suppliers with a significant risk of child labour, forced or compulsory labour. There were no identified child, forced or compulsory labour incidents in the year.
- We engage with industry regulators and industry bodies, for example, ASISA, to ensure industry improvements of standards. During F2022, the Group reported no material or significant ESG incidents and 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.





# 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.

Board of Momentum Metropolitan Life Limited		Board of Momentum Metropolitan Holdings Limited	
Our Board serves as the focal point and custodian of corporate governance in Momentum Metropolitan, ensuring that our role as a responsible corporate citizen goes well beyond compliance.			
The Board provides oversight of sustainability and capital management programmes by the Board committees to which the responsibility is allocated.			
<b>A summarised view of our Board composition and diversity</b>			
We have <b>14</b> Board members, of whom <b>10</b> are classified as independent non-executive <b>(71%)</b>	<b>29%</b> of our Board members are women (target 30%)	<b>43%</b> of our Board members are black (target 50%)	The average age of our Board members is <b>53</b> years

## Committees responsible for sustainability matters

- Social, Ethics and Transformation Committee** | We have a well-established ethical culture which is measured in all our business processes by the SETC, ensuring that the relevant policies are embedded. In addition, the SETC provides oversight and guidance on our environmental and social performance as a responsible corporate citizen.  
The Committee members' specialist skills encompass transformation, diversity and inclusion, global climate policy, and nexus modelling, which assesses the interconnectedness of land, water, food and energy systems and integrates these externalities into large infrastructure financing models. This is complemented by actuarial and management experience in financial services, with a focus on long-term insurance and risk modelling, economic capital and the integration of risk management into decision-making.
- Remuneration Committee** | 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. Our full remuneration report, included in the Integrated Report, sets out how we ensure fair and responsible remuneration.
- Fair Practices Committee** | Ongoing monitoring of the macroeconomic environment 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.
- Board Risk, Capital and Compliance Committee** | Responsible for end-to-end risk management and the assessment of the effectiveness of this process. This includes the management of climate risk, tax risk and compliance risk.

## Momentum Metropolitan Executive Committee

Chaired by the Group Chief Executive Officer

## 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. It provides an opportunity for collaboration across the business units and support functions, and is the body through which external developments related to sustainability are shared with the wider Group.  
Chaired by the Head of Sustainability, the forum holds meetings monthly, in advance of the SETC meetings, to ensure comprehensive feedback.

# Responsible investment capability

Our approach to responsible investment considers ESG factors that will positively contribute to the long-term health and stability of the market for our investors.

As one of the first South African signatories to the UN-supported PRI and a long-time supporter of the Code for Responsible Investing in South Africa (CRISA), we have a long and proud legacy of adopting and integrating responsible investing practices in our investment portfolios. These practices resonate with our outcome-based investment philosophy and the alignment of our clients' long-term goals to positively influence the world they will retire in.

We have a dedicated, responsible investment team that uses third-party research to bolster internal assessments and ratings. We consider the ESG risk of assets in which we invest to be relevant to the performance of the overall investment objective – across all asset classes, sectors, markets and through time. View our listing on responsible investment indices on page 2.

## STEWARDSHIP RESPONSIBLE INVESTMENT AT MOMENTUM METROPOLITAN

As signatories to the UN-supported PRI, we implemented the following commitments:

- Principle 1: We incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We are active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We promote acceptance and implementation of the principles within the investment industry.
- Principle 5: We work together to enhance our effectiveness in implementing the principles.
- Principle 6: We report on our activities and progress towards implementing the principles.

### Read more

Refer to the Momentum Metropolitan Integrated Report 2022 for a detailed overview of the governance structures in place to achieve and promote responsible and ethical investing. View our PRI Assessment and PRI Transparency Report in the [Responsible Investment](#) section of our website.

A list of Momentum Metropolitan sustainability-related policies can be found on page 60.



## ADVOCATING FOR SUSTAINABLE RESPONSIBLE INVESTMENT PRACTICES

Our ESG thought leadership efforts in F2022 included hosting ESG conferences and publishing related articles, videos and podcasts which can be accessed on our [website](#).

We recently signed up as participants in the Climate Action 100+ global initiative, and serve on the Eskom and Sasol engagement groups. Our climate change response is integrated into our Sustainability Framework and is reflected in our key strategic pillar – building the low-carbon economy on page 27.

### MEMBERSHIP AND WORKING GROUPS

		<p>Signatory of the United Nations-supported Principles for Responsible Investment (PRI) initiative since 2006.</p>
		<p>We signed the PRI-led international statement of investor commitment to the Just Transition initiative. We also serve on the working group.</p>
		<p>MGIM, the UK-based subsidiary of Momentum Metropolitan, supports the UK Stewardship Code. We await Financial Reporting Council (FRC) approval to be a formal signatory of the code.</p>
		<p>We formed part of the 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.</p>
		<p>In May 2021, we became the first South African insurance company to sign up as a formal supporter of the TCFD.</p>
		<p>We are a supporter of CRISA and responded to the CRISA 2020 revision consultation draft.</p>
		<p>We serve on the ASISA Responsible Investment Committee, with wide representation across various technical and investment committee working groups.</p>
		<p>Member of the Investments Consultants Sustainability Working Group (ICSWG). We contributed to the guide for assessing climate competency of investment consultants, published in January 2021.</p>
		<p>We are signatories to the Climate Action 100+ initiative.</p>



## APPLYING SUSTAINABILITY PRINCIPLES

We integrate ESG across all our discretionary assets that we manage.

Our methods for integration include:

- **ESG integration** | The process of including ESG factors in investment analysis and decisions 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
- **Impact investing** | Investments made with specific intent to generate 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

### Supporting the United Nations SDGs

Our impact investment portfolios focus on three areas – alternative energy, diversified infrastructure, and social infrastructure. These investments are closely linked to the specific SDGs to which we subscribe.

#### Momentum alternative energy fund

The portfolio is a local impact portfolio that targets fundamental social and environmental challenges while also seeking a financial return.

The portfolio invests in the equity and debt instruments of sustainable energy companies and projects such as renewable energy technology and development, energy storage and efficiency, and enabling energy infrastructure.

The portfolio will not invest in companies involved with fossil fuel and consumables, or related technologies.

- Sub portfolio:
- Renewable energy



#### Momentum diversified infrastructure fund

This local impact portfolio is invested in core infrastructure assets that provide essential services and have measurable impact outcomes.

Underlying assets have stable and predictable cash flows as well as strong environmental, social and governance features and delivery objectives.

- Sub portfolios:
- Core infrastructure
- Telecoms



#### Momentum social infrastructure fund

This local impact portfolio deploys capital to address pressing social challenges while also seeking a financial return.

Investments are aimed at supporting the provision of student housing in the higher education sector, quality affordable housing as well as rural and peri-urban retail shopping centres. The portfolio team measures impact metrics of each investment.

- Sub portfolio:
- Student accommodation



### Engaging for positive change

We are actively increasing our ESG engagement with companies and fund managers to ensure that we correctly assess the ESG risks posed by any investment we make. More insight is available in Momentum Investments' Stewardship Report.

One of the most effective tools at the disposal of any asset manager, apart from proxy voting, is engagement with the managements of investee companies. These engagements are useful to surface conflicting views and expectations prior to shareholder meetings. We also participate via industry engagement groups who interact with executive teams on ESG matters. The ESG-focused engagements in F2022 dealt mainly with remuneration structures and director independence.

### Proxy voting summary for F2022

Number of shareholder meetings voted on	257
Total resolutions	3 998
Abstentions*	49
Votes in favour	3 464
Votes against	485
Director issues	144
Remuneration issues	121
Audit rotation	59
Buy-back of shares	66
Share issuances	45
Dis-application of pre-emption rights	12
Other	38

\* Our proxy voting and engagement policies provide the framework for how we address our fiduciary duty. Momentum Investments abstains when there is a conflict-of-interest situation (related parties).





# Enabler | Diversity and future-fit skills

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# Overview

## Our transformation focus is essential for the future sustainability of our business. We require diverse thinking to navigate the world's complex sustainability challenges.

The contribution we can make to South Africa and the sustainability of society lies in moving our Group beyond compliance towards authentic transformation through the requisite talent, skills and capabilities. The long-term ambition of our transformation strategy is to be a brand leader in embracing diversity and inclusion.

Our transformation strategy is multi-faceted. To be a truly transformed Group, we have met and exceeded our target for broad-based shareholding with the establishment of the Momentum Metropolitan iSabelo trust. We have an inclusive culture that celebrates diversity, and have a visible Employment Equity Forum to oversee the implementation of our employment equity plans. We enable inclusive economic growth by extending this culture across our enterprise and supplier network to ensure the inclusion of black businesses in our procurement processes. We are accelerating our empowerment financing with various initiatives, and we are already placing young graduate beneficiaries into our procurement supply chain.

We maintain a strong people strategy focused on health and well-being and offer a compelling employee value proposition to attract and retain the best talent. Specialist skills and technical skills are scarce and sought-after. We have a comprehensive upskilling programme to build our digital skills across the Group, where learning and skills development is prioritised.

We have a dedicated leadership development programme, focusing on black females at executive, senior, middle and junior management level. The aim of this programme is to invest in a talent pipeline of females that is essential to all tiers of the business.

### Our key themes for this enabler are:

- Skills development, employee training and wellness
- Employment equity and management control
- Digital skills pipeline and digital talent management
- Black brokers, supplier, and enterprise development

## How we create an environment where people feel safe, supported and respected

Directed by international standards, the South African Bill of Rights and our own organisational policies, the human rights policy 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, is aware of our expectations to uphold the rights and dignity of everyone we engage with.

Our **human rights policy** includes the six internationally recognised principles that businesses should support and respect:

- Protect internationally proclaimed human rights
- Ensure we are not complicit in human rights abuses
- Uphold the freedom of association and the effective recognition of the right to collective bargaining
- Uphold the elimination of all forms of forced and compulsory labour
- Uphold the effective abolition of child labour
- Uphold the elimination of discrimination in respect of employment and occupation

The policy was ratified by the Group Exco on 21 July 2022.

### Diversity and inclusion

We value and advance diversity and inclusion in the workplace. 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 Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace, published by the Minister of Employment and Labour in March 2022.

### Freedom of association and collective bargaining

We respect our employees' right to join, form or not to join a trade union without fear of reprisal, intimidation or harassment. Where required, we are committed to establishing a constructive dialogue with trade unions' freely chosen representatives. Momentum Metropolitan is committed to bargaining in good faith with such representatives. 1.1% of employees are members of an independent union or collective bargaining agreement (F2021: 1.3%).

### Health and safety in the workplace

The safety and health of our employees are of paramount importance. Our policy is to provide a safe and healthy workplace and comply with applicable safety and health laws and regulations, as well as internal requirements in consultation with our employees.

A total of 95 occupational health and safety incidents were reported for F2022:



**Reported injuries on duty: 25**  
**First aid incidences: 38**  
**Medical incidences: 25**  
**Non-employee incidences: 4**  
**Maternity: 3\***

\* Maternity relates to any incident where a first aider assisted a pregnant employee with any medical issue or injury.

### Workplace security

We are committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal or external threats. Security safeguards for employees are provided as needed, and are maintained with respect for employee privacy and dignity.

### Allegations of discrimination or human rights violations

The Group had no material and/or significant allegations of discrimination or human rights violations raised by employees or third parties that required investigation or suitable internal or external legal proceedings.

Our continuous learning and awareness programmes stress the importance of ensuring human dignity, advising on employee rights and the severe consequences to any person should these fundamental rights be affected in any way.



# Overview continued

## Transformation strategy highlights

The Group continues with the ongoing implementation of our transformation strategy, aiming to be an authentically transformed insurer by the end of F2024. In F2022, the Group continued with a number of initiatives and to advance our transformation plans.

### Our workforce profile

**13 383\***  
permanent employees  
(F2021: 13 338)

**822**  
temporary employees  
(F2021: 645)

**80%**  
black employees  
(F2021: 79%)

**64%**  
female employees  
(F2021: 64%)

**0.71%**  
disability presentation  
(F2021: 0.74%)

\* South African employees.

### Skills development

**R297 million** invested in training and development  
(F2021: R245 million)

Over **726 black individuals** participated in our internships, apprenticeships and learnerships.

Of those, **167** were unemployed learners and **83%** were offered permanent placement

### Socio-economic development

**R27.5 million** spent on corporate social investment (youth employment, financial education and employee volunteer initiatives)  
(F2021: R27.5 million)

### Empowerment finance

**Over R13.5 billion** invested in building transport systems, energy supply, healthcare, education, connectivity, enabling service delivery and economic transformation  
(F2021: R11 billion)

A further **R1.8 billion** was invested in providing funding to black-owned businesses.  
(F2021: R1.6 billion)

### Enterprise supplier development

**80% (R3.6 billion)** of total procurement was spent on black suppliers  
(F2021: R2.6 billion)

**R5 million** spent on enterprise development initiatives  
(F2021: 5 million)

**R50 million** seven-year loan to the ASISA ESD Fund for supplier development

Momentum Metropolitan is proud to be one of 1 700 employers recognised globally as top employers in terms of their human capital practices. This certification recognises employers for their people practices, benchmarks, processes and activities.







## SKILLS DEVELOPMENT, EMPLOYEE TRAINING AND WELLNESS continued

### Metropolitan Health business skills development and employment equity

The Metropolitan Health business allocates skills development and training interventions according to the Momentum Health Solutions business (MHS) and the Metropolitan Health Corporate business (MHC) as they fall under the Financial Sector Charter and Generic Scorecards respectively.

We continue our intense focus on skills development for black employees and employees with disabilities. Black employees in particular received bursaries to study for formal qualifications in scarce skills such as IT, actuarial, clinical and legal. The businesses also focused on learnerships to ensure a pipeline of black candidates who can be absorbed into the business where roles are available.

From an employment equity perspective, both MHS and MHC attained their F2022 targets. In line with the Group's guidance, MHS is busy reviewing its employment equity goals for the period 2023 to 2028 to align with the Financial Sector Charter goals of 55% black representation at senior management and 65% at middle management level.

### Identifying and developing black talent for business

Creating opportunities and developing black talent is a significant driver for transformation at Momentum Metropolitan and in the broader industry. We invest in creating bench strength in junior talent, introducing them to our DNA and processes. We also strengthen academic and industry partnerships that provide access to pools of talent.

### Momentum Investments' Phambili internship programme

Momentum Investments' Phambili internship programme, was created to employ black graduates from South African universities who qualify in financial, actuarial or investment fields. The programme runs over one year and includes enrolment in a financial markets practitioner (FMP) programme, which will help them achieve a post-graduate qualification while gaining experience as part of the practical learning component of the programme.

The practical work includes exposure to our portfolio management, implementation, and administration teams. We integrate coaching and mentoring as a key part of the internship programme, in partnership with ASISA. The programme was launched in F2021 and we are approaching the successful completion of our first intake. This programme is envisioned to be scaled over time in line with business growth targets, to ensure continued development of a talent pipeline in our business.

### Momentum's alternative agency channel

We launched the new Momentum alternative agency channel in May 2021 to provide young entrepreneurs with an opportunity to step into financial planning. We target entrepreneurs with a social conscience, who want to help people improve their financial well-being. These young entrepreneurs can also build client relationships with the younger generation with whom we aim to connect.

To reach potential recruits, we established our own in-house digital recruitment agency. The onboarding process is fully automated. Recruits join Momentum Financial Planning as an adviser, working through our newly created virtual offices under our licence, and marketing our products while having access to support and coaching from a network of professionals to assist with all their business requirements. By becoming a financial adviser, young professionals can offer meaningful advice, cultivate their income potential, harness their entrepreneurial spirit, and exercise creativity in a practice structure.

We have received 20 105 applications so far, completed 2 249 interviews with qualified applicants, and created 271 new appointments and career opportunities for graduates. 80% of the graduates are black, and of those, 65% are women. To date, 66 of these individuals have graduated and started selling or giving advice to clients.

### Momentum Velocity Club

Velocity Club is a new generation advice model which we are currently running as a pilot. The target market is young black professionals who have access to wealth but not to advice. Our ambition is to close the gap. Our consultants are employees who have been selected because they understand the target market and are embedded in it, being able to build relationships in the vernacular. They are all trained financial planners with an average age of 30 years.

### Employee wellness

Momentum Metropolitan maintains a strong people strategy with a focus on health, well-being and caring for our people. As part of ongoing engagement and awareness of employee well-being, we shared various communications with employees touching on their mental, physical and financial well-being.

Our financial wellness project focuses on enabling employees from all walks of life to achieve their financial goals and life aspirations through education and advice from a financial adviser. The project offers a financial wellness portal that employees can access any time and from any device. Phase one of the project provides access to information pertaining to 16 life stages, such as starting out in a career, buying a house or car, parenting, dealing with loss and much more. Future phases will include further life stages as well as predictive analytics.

Wise and Well is our employee mental wellness assistance programme, which supports our permanent employees and those in their households to manage situations that may impact well-being. It includes telephonic or face-to-face counselling, managerial consultation, and trauma debriefing.

We also took a stand against gender-based violence and are committed to supporting our employees' physical wellness with guidelines, toolkits and safety alert buttons.

### Health and safety

We are a responsible business committed to our employee's safety. Momentum Metropolitan provides:

- Online emergency procedure training
- First-aid tips, bags, and automated external defibrillators in office buildings
- Timeous presentations, videos and infographics on safety topics
- A clearly communicated injury on duty process
- Evacuation marshals, first-aiders and health and safety volunteering positions
- Free emergency assistance through Netcare 911

### Health education and training: number of people trained

Session type	F2022	F2021
Employer/manager briefing sessions	-	6
Group sessions (critical incident stress debriefing, including Covid-related)	802	558
Health education and training	3 949	2 864
Individual (matters referred to employee assistance programme)	1 635	1 604
<b>Total</b>	<b>6 836</b>	<b>5 032</b>



## EMPLOYMENT EQUITY AND MANAGEMENT CONTROL

### Effective transformation will influence a non-discriminatory, respectful and inclusive work environment.

Employee equity plans are on track in senior management, with African black female talent in middle management being the major focus. This creates a pipeline of diverse and transformed leadership for the future. The middle management targets are currently tracking behind our internal targets but exceed the Financial Sector Charter targets.

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

Our graduate management programme to accelerate transformation is well under way. Eight African female graduates from various universities and disciplines across the country were selected and onboarded in February 2022. The programme aims to build and attract African talent in middle and senior management.

In addition, the group launched a first of its kind formal nine-month's Women's Development programme (Women in Leadership) in August 2022 with 33 female leaders, 13 being African (39%).

### Momentum Metropolitan iSabelo employee share ownership plan

The implementation of this plan had a positive impact on Momentum Metropolitan's black shareholding, with at least 85% of benefits from the scheme accruing to black employees and at least 55% accruing to black females. There are currently over 13 000 employees that have become part of the scheme. The iSabelo Trust was registered with the B-BBEE Commission in May 2021. Following a trustee nomination process, overseen by Internal Audit, seven trustees have been appointed (four internal and three external) and a Trustee Advisory Committee set up to provide overall guidance.

### Talent retention

Despite an increase in black employees in senior and middle management, the retention of these employees, particularly in the IT arena, remains a challenge. We are exploring a global footprint for talent retention.

Designated internal brand ambassadors spread purpose-led culture awareness, which is working well, especially among the younger employees. Specific tools are in place to support the hybrid working model and digital talent management. We revamped our exit interviews for more accurate and relevant information, and we are participating in a study to understand future skills and the needs of IT talent.

### MMPOWERED Initiative

Established in F2020, this initiative aims to raise the visibility of our internal black talent across the various business units, focusing on retention and development. We have a dedicated talent bench with the following aims:

<b>Engage</b>	One-on-one engagements with Exco members
<b>Expose</b>	Immersion in Group and business unit Exco
<b>Educate</b>	Exco master classes, peer learning and mentorship
<b>Expand</b>	SteerCo special projects and forums
<b>Evaluate</b>	Overall evaluation of experience and opportunity to express individual stories

**Momentum Metropolitan hosted nine interns (three black and six female) over 22 months and invested R134 333 per learner (WTC fees).**

### Developing our financial advisers' journeys

The Momentum Institute of Financial Planning (MIFP) aims to equip our financial advisers with the knowledge, skills and practical application they need to be the most professional, accountable and competitive financial planners in the industry.

Through the MIFP, individuals are educated and upskilled in financial services while increasing their financial know-how and building wealth for themselves and their families over time. We support advisers through three programmes: Basic, for new-to-the-industry advisers; Intermediate, for experienced advisers with a tenure of between two to five years; and an Advanced Level Programme for experience planners with a tenure of five years or more in the industry.

Formative and summative assessments in courses and programmes are mandatory to be deemed competent. Internal accreditation is awarded if an adviser successfully completes the specified programmes.

The MIFP is completely digital.

### DIGITAL SKILLS PIPELINE AND DIGITAL TALENT MANAGEMENT

**Helping to build Africa's next generation of top technology talent to drive the digitisation of African business.**

### Our WeThinkCode partnership

The Foundation partnered with WeThinkCode (WTC) in F2019 with the aim of finding students with an aptitude to learn code, which is essentially problem-solving. Our inclusive selection process is intentional, and we provide a monthly stipend to ensure students can study full-time for two years.

Our objective also include attracting more female participants. Through the WeThinkCode partnership, we wanted to achieve 50% female representation in the coding programme by F2022. We reached the target in F2021 due to our proactive recruitment drive. We have built forums, brought in women technologists to speak at our lecture series, changed our marketing and language, and involved our female students in recruiting.

These are constantly evolving programmes to which we hold ourselves accountable. WTC has proven to be an ideal partner and a recruitment pool for coding talent. This being the third year of the partnership, we experienced challenges with hosting interns during the pandemic, as most work was done remotely. Through proactive planning and the flexibility of most hosts, remote work was also introduced to the current cohort of interns.





## DIGITAL SKILLS PIPELINE AND DIGITAL TALENT MANAGEMENT continued

### Life Choices Coding Academy

The Foundation partnered with the Life Choices Coding Academy in F2020, in line with our intention to help young people build their IT and digital skills and access gainful employment.

Digital skills are at the top of the Foundation's hierarchy of preference as such skills have the potential to lead to sustainable jobs for youth. This aligns well with our intent to enhance financial security, especially for young people from marginalised communities in Cape Town and surrounding areas. Two interns from Life Choices Academy were given permanent employment contracts in the quality control division at the Parc du Cap office in F2020. In F2021, 97 young people found employment elsewhere with our support.

The programme continues to perform well under very challenging circumstances. The internship aspect of the programme was limited due to host companies having remote work in place during the pandemic. To address this and to bridge the experience gap, we launched the Life Choices Studios in partnership with Life Choices. This is an initiative that seeks to give school leavers skills in web design and development as well as the career direction they need to land meaningful and well-paying jobs. It provides an opportunity for students to work on projects and practically apply their skills in a real working environment.



## BLACK BROKER, SUPPLIER, AND ENTERPRISE DEVELOPMENT

**Enterprise supplier development at Momentum Metropolitan moves beyond compliance with the implementation of our programmes. As a good corporate citizen, we have an important role to play in helping SMMEs to thrive.**

### Enterprise Supplier Development Trust strategy

#### Value proposition statement

The 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.

#### Objectives

The three-year objectives of the Trust to October 2023 are summarised in seven key elements:

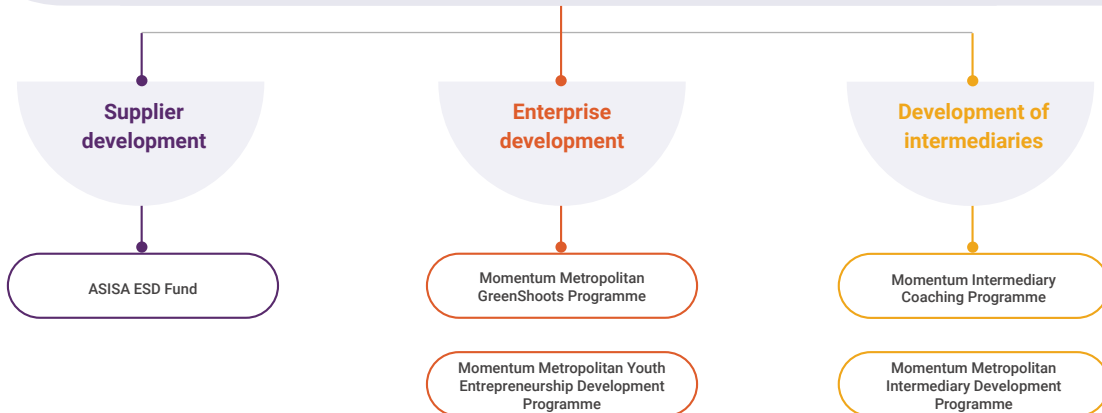
- Invest in black SMMEs to enable economic empowerment and transformation
- Access to the best quality business development support
- Future-proof the business of qualifying enterprises by investing in sustainable programmes
- Ensure implementation of intermediary development programmes for transformation and access to markets
- Foster supplier diversity by promoting procurement opportunities for black-owned enterprises
- Explore opportunities that create access to market for qualifying enterprises
- Create awareness of the ESD Trust and its work among stakeholders

#### Moving beyond compliance

B-BBEE compliance should be a result of the actions of the Trust. In support of Momentum Metropolitan's transformation strategy to move beyond B-BBEE compliance, the Trust, through the fulfilment of its strategic objectives, contributes to the maintenance and improvement of Momentum Metropolitan's B-BBEE status.

### Momentum Metropolitan ESD Trust

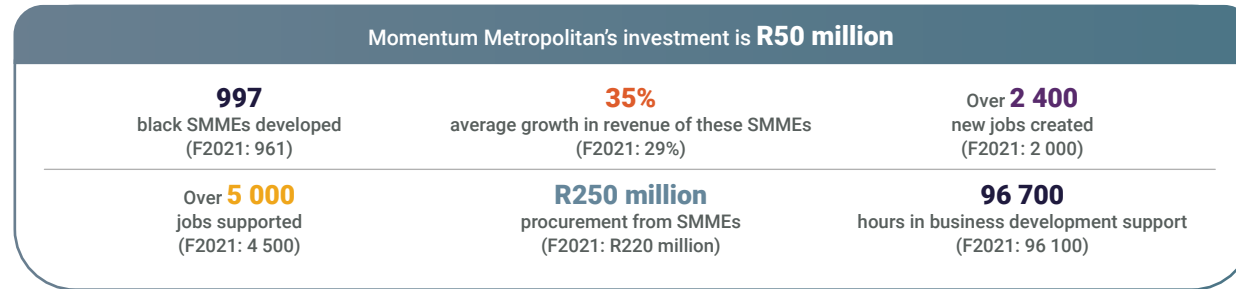
Established in 2015, the long-term ambition is to be an impactful Enterprise Supplier Development Trust that develops and supports black SMME's in South Africa, thereby enhancing economic empowerment. The F2022 programmes are:



## BLACK BROKER, SUPPLIER, AND ENTERPRISE DEVELOPMENT continued

### Supplier development

Financial services industry body, ASISA, assists industry players to coordinate investments in SMMEs and create innovative acceleration programmes to unlock growth. The impacts of our industry's investment in the ASISA ESD Fund are set out below as cumulative figures since its inception in 2013. Our investment is pooled with various role players in the financial services sector. This pooled funding creates greater access to capital for black SMMEs. It also enables investors to create meaningful and measurable commercial and social impact outcomes in this sector.

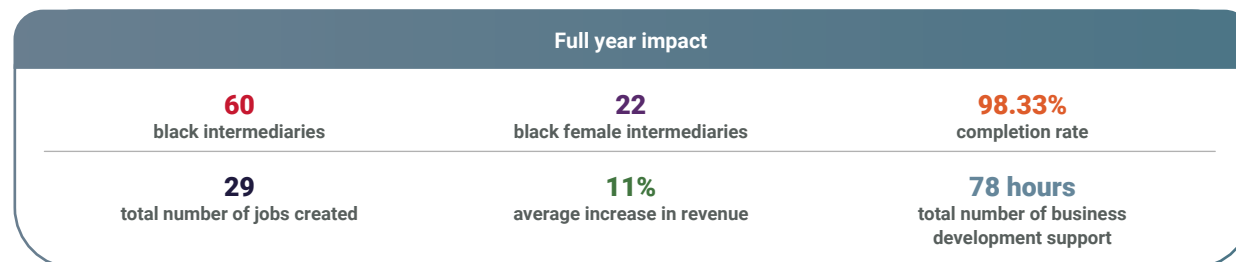


### Intermediary development

Financial planning has become a highly regulated profession and has evolved from salesmanship to advisory and ultimately trusted planners. To achieve authentic transformation, we support black intermediaries by giving them access to skills, opportunities and resources to thrive. As such, we have also partnered with ASISA on three intermediary development programmes. The primary objective is to develop intermediaries and transform to benefit our distribution channels, supply chain and the industry.

#### Momentum Intermediary Coaching Programme

The programme kicked off in F2021, with 60 black intermediaries onboarded, 22 of whom are black females. Bootcamp training consisted of large-group followed by small-group coaching sessions. The mid-year evaluation was positive, with 97% of the beneficiaries believing the programme is necessary and relevant.



#### Momentum Metropolitan Intermediary Development Programme

This is one of the largest programmes implemented by ASISA, with 180 black intermediaries onboarded. The programme consists of co-created workshops with service providers, with five different learning paths and 24 learning partners. Due to Covid-19, the programme was delayed but is since on track.



# Enabler | Digital-led innovation

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## Overview

### Digital transformation helps us to fulfil our E-ESG ambitions and is critical to improving our sustainability performance.

The digital economy is an important engine of innovation, competitiveness and economic growth around the world. Accordingly, Momentum Metropolitan strives 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.

Momentum Metropolitan wants to accelerate digital transformation across the Group, which is a key strategic focus and a key contributor to our resilience and that of our stakeholders. We are developing our digital capabilities to serve our clients better and extract greater efficiencies from our business.

Digital self-service and engagement tools developed for clients and intermediaries in F2021 included:

- Launching Momentum Trust's digital wills solution
- Integrating digital processing through our Investo savings products
- Linking our Multiply Rewards through a digital card
- Improving our Financial Planner engagement with digital platforms
- Digitising our Financial Adviser recruitment, onboarding, and the Momentum Financial Planning course
- Partnering with FNZ, a leading global provider of cutting-edge, digital-first wealth management solutions in platform migration

Beyond enabling efficiencies and making it easier for clients and advisers to do business with us, digital transformation aims to re-energise the organisational culture with an infusion of next-generation digital talent. We aim to find the appropriate technology leadership partners with which to build our competence in this area in conjunction with building our own digital skills, as time-to-market is an important consideration. Digital development is spearheaded by our Exponential business unit.

#### Our key themes for this enabler are:

- Fintech
- Business Digitisation

The Group's Exponential initiatives comprise two focus areas:

1. An investment in venture capital funds with capabilities that are of strategic value, generate significant earnings and provide learnings to develop value propositions much faster than normally would have been the case
2. A central capability to find, match assets and partner with insurtech and fintech start-ups to create intellectual property and new initiatives using advanced digital technology

We are guided by the following principles:

- Face-to-face channels will remain the primary distribution channels for Momentum Metropolitan Holdings Limited for the foreseeable future
- We establish new channels to effectively engage with 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 client experience
- Digital transformation incorporates the deliberate involvement of fintech and insurtech start-ups

### TECHNOLOGY AND INFORMATION GOVERNANCE

Board-level oversight of technology and information is provided by the Board Risk, Capital and Compliance Committee. Management is required to present on the status of the various technology and information governance areas, and the Board has the responsibility to approve plans and policies as appropriate.

IT governance oversight is guided by our technology and information governance framework, aligned with King IV™, that 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 POPIA and other data protection legislation is also reported to the Board on a regular basis.

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.

## F2022 performance

### FINTECH

#### To be sustainable, digital transformation must drive real value for our clients and improve cost and social outcomes for the business.

Around the world, people are shifting to digital channels, with at least 42% of South Africans intending to purchase an insurance product online, according to the Kantar South Africa Barometer Online Survey in 2022. More people are becoming proactive about financial planning. At the same time, people are looking for a humanised and personalised experience across all digital touchpoints and want support in real time.

Financial technology aims to deliver financial services by integrating digital platforms and providing wider access to services, using artificial intelligence and big data to personalise the customer experience, and cloud computing to enable faster innovation and economies of scale.

Our Exponential start-up initiatives include:

- Kimi, an internal venture developer initiative that enables early disease identification and intervention
- Our partnership with the TaxTim start-up
- An optical character recognition (OCR) solution in partnership with the Isazi start-up
- E-Fica solutions in partnership with start-ups in this space
- A co-planning partnership with the Wealthbit start-up

Some of the challenges we face at Momentum Metropolitan include many pockets of digital and technological advances across our business units as we strive to build a coherent end-to-end customer journey. We are making progress and have appointed a digital round table governance forum to accelerate our ambition and consolidate efforts into a single focus and strategically aligned roadmap. This is facilitated by our business unit, Exponential, with the ambition to harness powerful new technologies and business models to bring about an exponential leap towards universal financial wellness.



## FINTECH continued

### Guardrisk, Root and insurtech

Guardrisk collaborated with Root insurance on a technology platform solution to help clients digitise their insurance businesses. The product-driven platform allows clients to focus on differentiating their insurance solutions instead of developing new core insurance software.

In the past year, a number of South Africa's largest retail businesses adopted the platform. More than one million retail insurance customers now have insurance policies that are administered on Root. Guardrisk and Root agreed to strengthen their relationship via Guardrisk's economic interest in an independently managed venture capital fund which participated in Root's most recent fundraise.

The positive outcomes of the collaboration encouraged Guardrisk to invest in insurtech ventures beyond the Root platform. The Guardrisk ecosystem is well positioned to embrace insurtech ventures that will enhance customer engagement and support product development and new digital business models.

### Metropolitan GetUp: piloting a full digital solution for the youth market

**The strategic ambition of GetUp is to place digitally minded consumers in the driving seat of their own financial lives.**

GetUp is an advicetech and fintech platform, using technology while still promoting humanity and connectedness in emerging markets. We call this "warmtech". The aim is to improve quality of life by supporting and enhancing human potential, social connectedness, dignity and self-reliance.

GetUp has an exploratory mandate, and as such, components, methods and lessons learned are shared to equip other areas of the Group to fast-track their digital strategies. It is a full value chain business consisting of the following key strategic capabilities:

**Digital market access:** attracting visitors to the platform through access to advice, life hacks and practical tips and tools. It provides the engagement through which GetUp's products and services are offered.

**Omnichannel distribution and service:** enabling community engagement, advice coaching, solutions and goals tracking, and claiming the benefits of solutions purchased.

**Solutions platform:** providing best-of-breed financial products that meet the needs of the market as well as enabling ongoing engagement to assist clients in growing their financial acumen.

Read more about how GetUp is future-proofing our business from page 19.

### Momentum Health digi-verse

In support of efforts to build health delivery systems and virtual care that is digitally enabled, a digital governance forum (digi-verse) has been instituted, including business and technology innovation which have been launched through a new product, Evolve. The Evolve Option is for digitally savvy individuals who are looking for affordable hospital cover and virtual general practitioner visits, with the ability to manage their membership from their device.

The project is in progress, and thus far we have completed health assessment bookings, virtual consultations and bookings, provider diagnosis and scripting, and member chat functions. Additional tools such as lifestyle quizzes, digital coaching, payments, and member document storage are in development.

### BUSINESS DIGITISATION

Momentum Metropolitan is in the process of developing our future-fit capabilities at different stages across the respective businesses. Across the spectrum, we have made significant inroads in digitising processes and improving how clients interact with us, especially in supporting call centres with self-help capabilities. We have significantly increased back-office automation and the digitising of high-volume processes.

### Print to digital

By focusing on high-volume print items, printing and postage costs have been reduced to below the target amount consistently since January (printing) and March (postage) 2022. Digitisation efforts have resulted in a cost saving of R20 million per year.

### Digital benefit statements

Our Smart Digital Benefit Statement provides members with real-time access to information on their retirement and group benefits through any digital device. This has eliminated direct production and distribution costs, which amounted to between R1 million and R1.5 million per annum for the last 10 years.

Internal manpower costs have also reduced significantly. What was previously a complex, time-intensive communication process has been reduced to a simple workflow-driven process triggered by a user, as and when we are ready to schedule and distribute statements.

The Smart Digital Benefit Statement is also helping Momentum Corporate to update member data, as the member's most up-to-date mobile number is required to send the one-time pin (OTP) that enables the member to securely access their statement online, ensuring that we always have their most up-to-date information.

### Digital self-service

Our digital self-service solutions are designed to contain costs as client engagement increases. In F2022, we issued a total of 357 140 statements, of which 161 138 (45%) were opened and read. We have also launched a bot that facilitates member engagement through WhatsApp, allowing them to access and manage their benefits details. To date, this bot has been accessed 9 705 times. Our next enhancement to the service will be a live chat feature supported by the Member Solutions benefit counselling team.

Employer Portal
<b>Monthly contribution reconciliations</b> 90% of FundsAtWork employers process their monthly contribution reconciliations digitally.
Smart Exits*
<b>Preservation of assets on Benchmark</b> 95% adoption of the digital solution by members, and 38% asset preservation rate on Smart Exits on Benchmark.
Website and smart solutions
<b>Digital member engagement</b> Approximately 317 525 FundsAtWork and preservation fund members made use of the website and smart solutions in F2022.
Smart Benefit Statement
<b>Printing and processing</b> R12 million in savings per year through the distribution of digital statements in bulk
Workflow-driven pay for performance
<b>Process automation</b> Over 90% increase in productivity per administrator.

\* Smart Exits is a digital self-service solution that educates members on their choices when they change jobs, nudging members towards preservation of assets.



# Enabler | Partnerships for systemic impact and change

50 F2022 performance





# F2022 performance

Our own efforts in transforming our business in terms of E-ESG are considered throughout this report, but there is no power for change greater than working together. To achieve our sustainability ambitions and advocate sustainable business practices in our industry, communities and across the regions in which we operate, we believe that governments, academics, the financial sector and business must work together for the benefit of all.

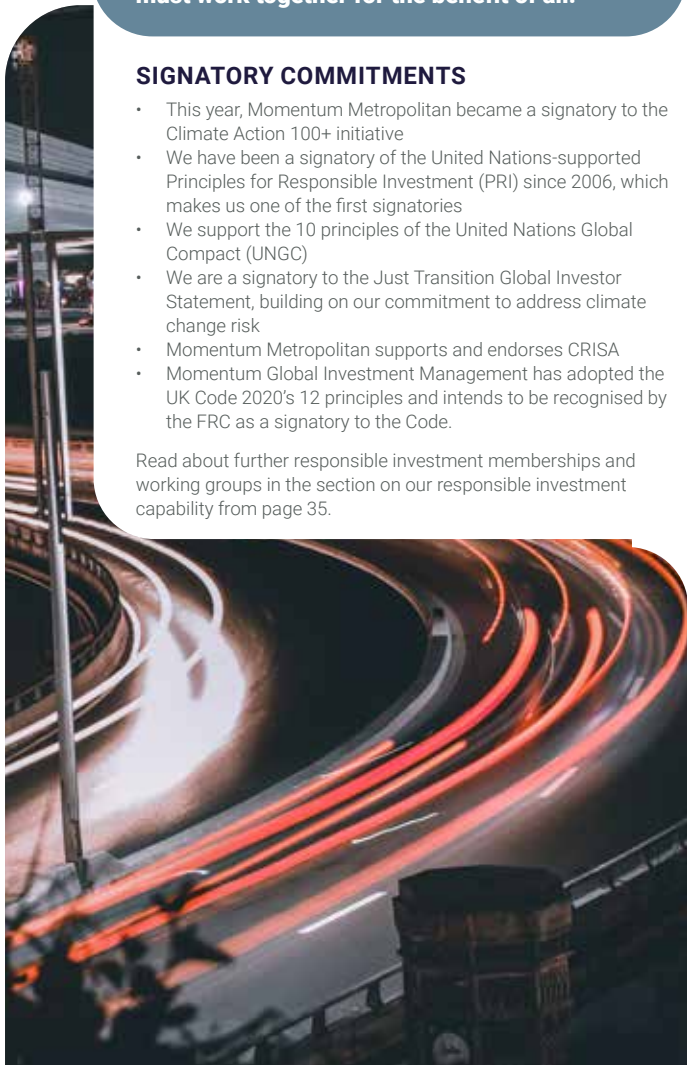
## SIGNATORY COMMITMENTS

- This year, Momentum Metropolitan became a signatory to the Climate Action 100+ initiative
- We have been a signatory of the United Nations-supported Principles for Responsible Investment (PRI) since 2006, which makes us one of the first signatories
- We support the 10 principles of the United Nations Global Compact (UNGC)
- We are a signatory to the Just Transition Global Investor Statement, building on our commitment to address climate change risk
- Momentum Metropolitan supports and endorses CRISA
- Momentum Global Investment Management has adopted the UK Code 2020's 12 principles and intends to be recognised by the FRC as a signatory to the Code.

Read about further responsible investment memberships and working groups in the section on our responsible investment capability from page 35.

## ACTIVE PARTNERSHIPS AND IMPACT

Partnership and objectives	Key outcomes and priorities for the year
<b>Momentum Metropolitan</b>	
UNISA Financial Wellness Index and Consumer Financial Vulnerability Index	• Opensource research to influence policy and business strategy
Partnership with World Wildlife Fund South Africa (WWF-SA), the world's leading independent conservation organisation	• Participation in and access to research, thought leadership and tools
Research partnership with North-West University	• Human capital research on the future world of work
<b>Momentum Metropolitan Foundation</b>	
Partnership with the Independent Philanthropy Association of South Africa (IPASA)	• Engagement on the development of a climate risk tool to enable corporate funders to think strategically about funding climate resilience
<b>Momentum Insure</b>	
Partnership with UNICEF to create safe parks for children by sponsoring a park in Klipspruit	• Provided a platform to position our Science of Safety social campaign
<b>Momentum Metropolitan Health</b>	
Uthingo Health Solutions and Workershealth Investments are our partnerships to deliver more health for more people	• We engage to advance industry relevance in the context of National Health Insurance reforms
Homeville Holdings and Workershealth Investments are in partnership to provide more health for more people through pharmacy clinics	• Scale the Kalapeng network of pharmacies • Digitise selected Kalapeng clinics to enable access to the Hello Doctor offering in low-income areas
Partnership with Clinton Health Access Initiative and Eastern Cape Department of Health	• Supplied essential medical equipment to improve clinical outcomes and refurbished the maternal high-care facility to reduce morbidity and mortality
Partnered with the Department of Public Service and Administration on the National Batho Pele Excellence Awards to support professionalism and excellence in the public sector	• Annual event rewarding good performance and encouraging citizen participation towards improved government performance
<b>Metropolitan Life</b>	
Metropolitan GetUp partnered with Yes4Youth in the use of its Yes Hubs to form the Youth Content Collective to help curb the youth unemployment crisis	• This partnership released efficiencies in reaching the youth market, using collective content for marketing, photography and more
<b>Momentum Metropolitan Africa</b>	
Partnerships with the Namibian Ministry of Health to set up Covid-19 vaccination sites	• We encouraged and supported vaccination uptake in Namibia
Covid-19 partnerships with local hospitals in Lesotho	• Donated R2 million in intensive care unit equipment, R1 million in personal protective equipment, R1.1 million to the vaccination programme and R250 000 to various awareness campaigns
Partnered with the National Blood Service of Ghana	• Supported blood donation drives to restock National Blood Bank • Supplied face masks and hand sanitisers to clients across Ghana • Supported quarterly health walks and sporting events with corporate partners to promote healthy living



## F2022 performance continued

### Investing in research through an academic partnership

Since 2012, Momentum and UNISA have partnered on various projects to provide credible research insights into the state and success of household and consumer finances in South Africa. The purposeful collaboration includes:

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

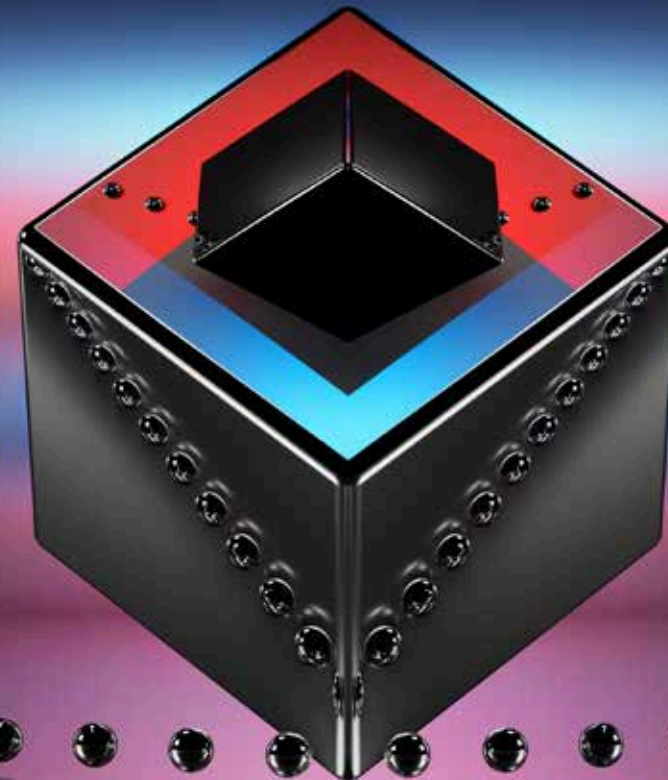
The two indices represent the first independent and comprehensive research of its kind in South Africa. The FWI has garnered wide recognition over the year. The findings:

- Present an invaluable and unprecedented benchmark for understanding the state of household finances
- Provide financial services professionals and consumers with a meaningful overview to better understand and interpret the current state of consumer finances
- Provide policy makers with the insights needed to improve the financial wellness of households

The FWI research explores the main characteristics of households at various levels of financial wellness and the factors which influence it, such as their environmental capital. This refers to their living conditions and the structures they reside in, which for some households, can be driven by urbanisation trends. The 2021 research looked at the demographic factor of gender as a predictor of the level of support required to boost an individual's journey to success, particularly women. Read more [here](#).

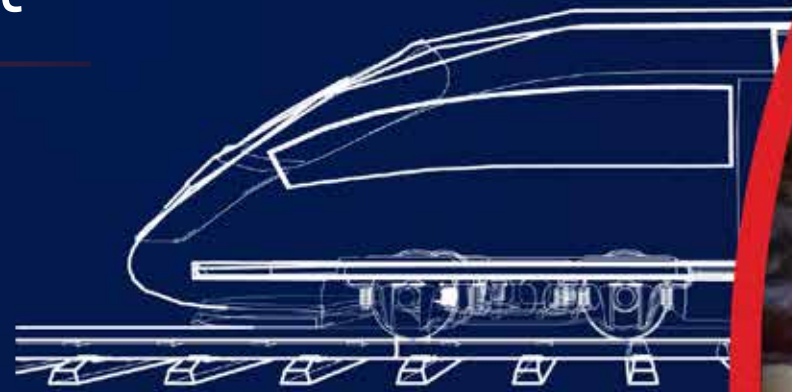
The quarterly CFVI is based on research conducted by UNISA via online and CATI-based surveys with key informants such as banks, insurers, retailers and municipalities that are able to gauge consumers' financial perceptions and positions. The CFVI identifies specific financial sub-components that consumers, on average, feel are causing stress to their cash-flow positions. Therefore, it provides a window into the psyche of consumers and the extent to which they feel vulnerable about their income, expenditure, savings, and debt servicing capabilities.

Insights into consumers' financial positions are vital to determine the extent to which economic growth and government programmes translate into the improved financial stability of consumers. As a quarterly indicator, the CFVI fills an important information gap in South African data on consumer finances.



# Strategic corporate social investment

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# Overview

**The Foundation's purpose is to enable the life aspirations and sustainable earning potential of disadvantaged young people in South Africa through financial education, employment programmes, job placement and access to income creation opportunities.**

Following the Momentum and Metropolitan merger in 2010, the Momentum Metropolitan Foundation was set up as an independent non-profit company.

Regulated by the Companies Act 71 of 2008, the Foundation has a Memorandum of Incorporation (MOI) that guides its resource allocation. It has a Board of directors which is responsible for oversight and planning of its initiatives.

Momentum Metropolitan's CSI manager and team are responsible for operational support. The CSI manager is a member of the Momentum Metropolitan Transformation Steering Committee, a management committee which reports to the SETC.

The Foundation is in the process of adopting a risk management framework to ensure it has the appropriate governance and controls. The Foundation's financials are independently audited on an annual basis, and it also goes through an annual B-BBEE verification process.

The Foundation's approach to CSI is strategic. At Momentum Metropolitan we believe that effective CSI unlocks opportunities for communities as well as businesses, and where possible we aim to align our CSI efforts with the company's strategic direction. We remain committed to our strategic pillars of youth employment, consumer financial education and employee volunteering, supported by a robust monitoring and evaluation practice.

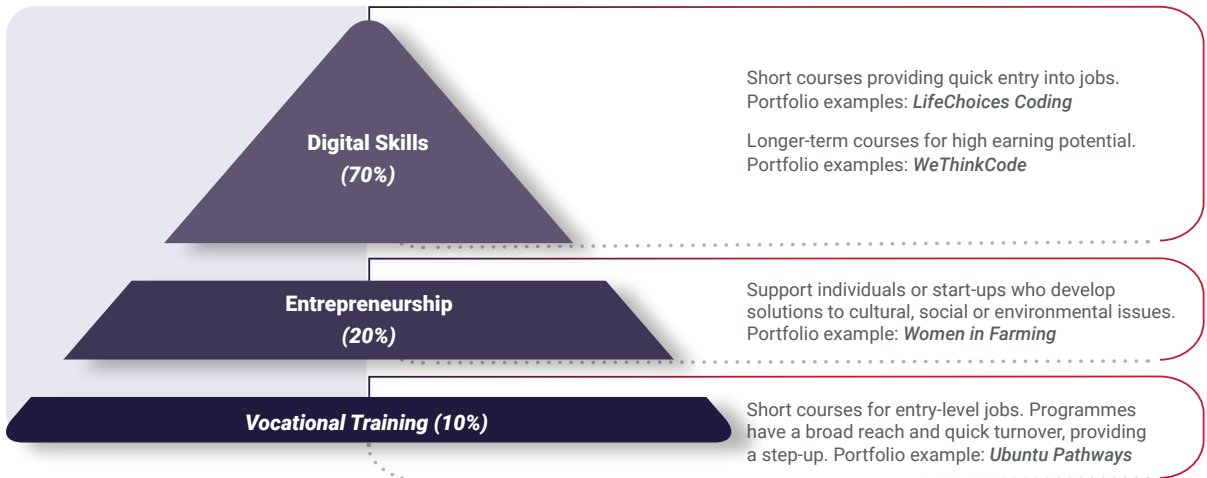
## FLAGSHIP PROJECTS

The Foundation supports projects that address the critical priority of youth unemployment. This means the Foundation focuses on programmes in which there is a clear, intentional flow from training and support to job placement, self-employment and career or business mentoring and support.

**Our key themes for this enabler are:**

- Flagship projects that improve employability of young people
- Consumer financial education: see page 21
- Employee volunteering

### Programme Hierarchy of Preference



The hierarchy of preference reflects how Momentum Metropolitan allocates resources and funding in line with programme priorities. It balances our desire to enable long-term economic benefit for young people, and reaching as many young people as possible. The three current flagship programmes correspond to each of the thematic levels in the programme hierarchy. It recognises the dire need for digital skills to future-proof youth, but also wants to provide support in a way that is inclusive and leaves no one behind.

### Women in Farming

Established in March 2022, this programme aims to create a sustainable and comprehensive capacity-building intervention for 60 female entrants into agriculture and to develop entrepreneurial capacity that will drive economic growth in local communities.

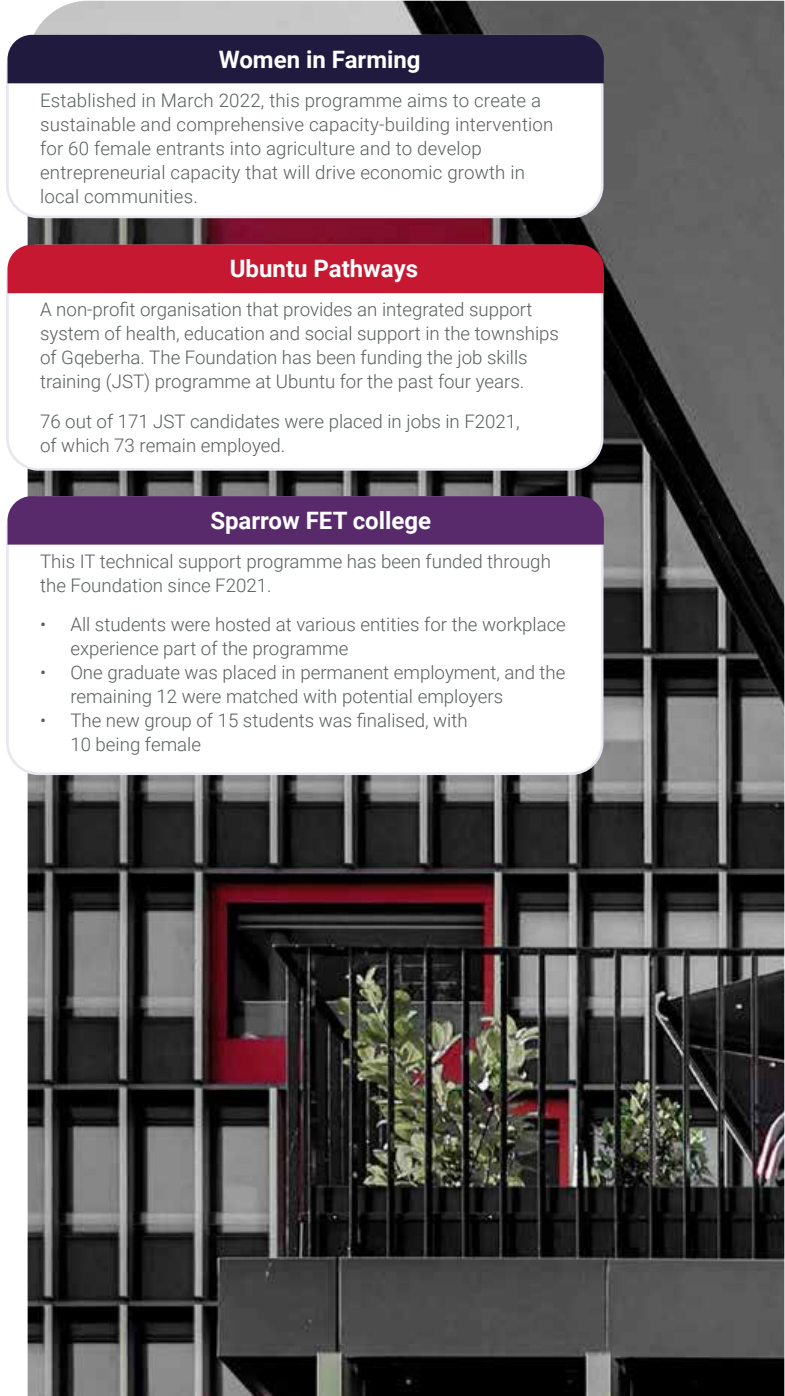
### Ubuntu Pathways

A non-profit organisation that provides an integrated support system of health, education and social support in the townships of Gqeberha. The Foundation has been funding the job skills training (JST) programme at Ubuntu for the past four years. 76 out of 171 JST candidates were placed in jobs in F2021, of which 73 remain employed.

### Sparrow FET college

This IT technical support programme has been funded through the Foundation since F2021.

- All students were hosted at various entities for the workplace experience part of the programme
- One graduate was placed in permanent employment, and the remaining 12 were matched with potential employers
- The new group of 15 students was finalised, with 10 being female



## FLAGSHIP PROJECTS continued

### Youth employment impact summary

We measure our impact to ensure we deliver on the resilience imperative for youth. The data below relates to the following programmes that form part of the youth employment strategy:

WeThinkCode (page 43)	Ubuntu Pathways	Sparrow FET college
Life Choices Coding Academy (page 44)	Rhiza Babuyile programmes (r-b.org.za)	Quadpara Association of South Africa (qasa.co.za)
<b>Total youth</b> – Recruited: 2 450   Trained: 1 650   Employed: 676		
<b>Average income</b> between all programmes: R9 365		
<b>Average cost per learner</b> across all programmes: R38 792		
<b>Retained in employment</b> since inception: 76% of 676 employed		



### We are connected in kindness: the Lesedi Awards

Established in 2016, the Lesedi (Sesotho word meaning Light) Awards were created to recognise employees who have taken ownership of the responsibility we all have to work for the betterment of less fortunate communities. In 2021, we celebrated our sixth annual awards ceremony.

## EMPLOYEE VOLUNTEERING

The sustainability of our business is tied to the welfare of the communities around us. To this end, we have a Group-wide Momentum Metropolitan Employee Volunteers Programme. Our intent is to facilitate volunteer work that is impactful and sustainable, as opposed to incidental. Therefore, it extends beyond the corporate volunteer calendar to include an online capability that allows volunteers and causes to connect.

### Employee Volunteer Impact

**R260 000**

Donated through payroll giving



**3 523**

Registered volunteers



**72**

Organisations supported  
across all volunteer activities



**10 369 852**

Beneficiaries supported through  
online volunteer platform



# Outlook and future commitments

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# Outlook and future commitments

**With this report, we make a public commitment and confirm the intent to improve our sustainability performance. We have set a baseline, and know what we have in place and where gaps must be filled.**

Our longer-term ambition is to be adept at building societal and environmental resilience across the strategic pillars and enablers at the heart of our Sustainability Framework. 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 strategies with the next corporate strategy setting process in F2025.

## EMBEDDING THE SUSTAINABILITY FRAMEWORK

Business units are following a structured approach to identify priorities linked to the Sustainability Framework and define their key commitments and priorities, key indicators, and targets (refer to page 12).

In the diagram below, we use Guardrisk as an example of how business units are approaching this part of the journey for the three pillars of the framework.



"Sustainability is one of the five pillars of the Guardrisk strategy. Our ambition is to be a market leader beyond merely offering cell captive solutions. This includes supporting our clients in navigating the issues that affect the future of their businesses and the value they create for their customers and people and society in general. There is no other way to deal with the challenges, which could be great opportunities, we are facing."  
- Guardrisk CEO: Herman Schoeman

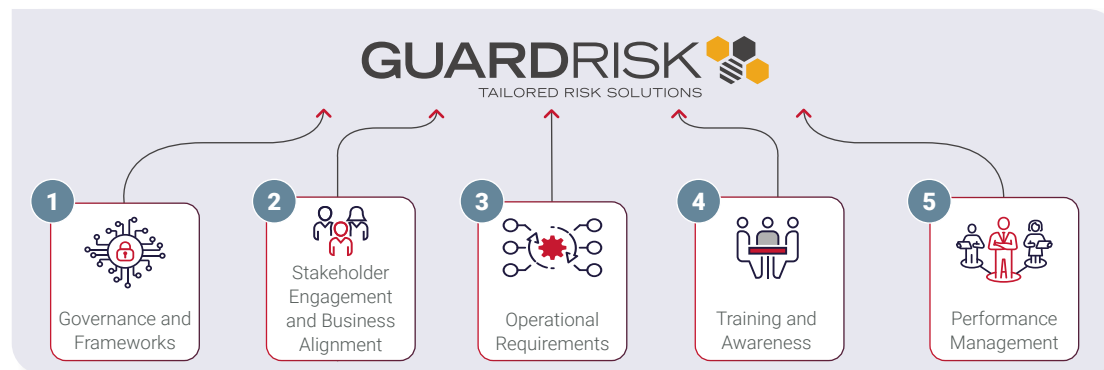


## EMBEDDING THE SUSTAINABILITY FRAMEWORK *continued*

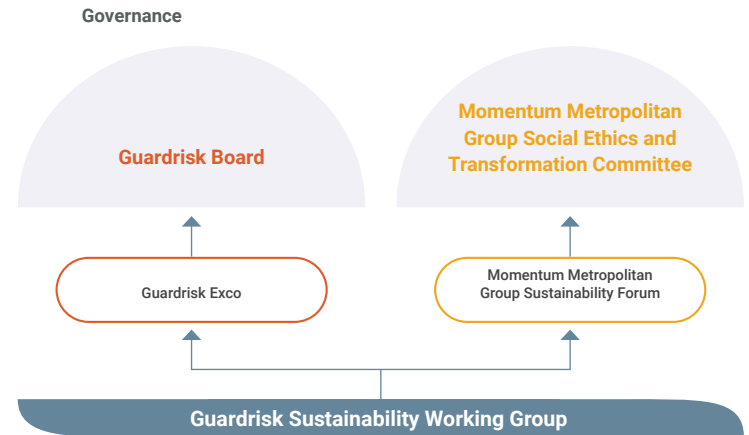
Guardrisk reviewed its business model from a sustainability perspective, assessing the social, environmental and financial resources and relationships it depends on to create value. Factors seen as material for the business were tested again to assess whether they held any opportunities for new products or customers, introducing efficiencies in the value chain or broad societal impact, while enhancing the strategic objectives of the business.

Opportunities aligned to Sustainability Framework	Commitments aligned to Sustainability Framework	Key metrics and targets
<b>Make financial services more inclusive</b> <ul style="list-style-type: none"> <li>Provide access to affordable insurance</li> <li>Support small business through incubation</li> <li>Increase enterprise and supplier development and skills development</li> <li>Advocate improving inclusion in clients' value chains</li> <li>Mentor small businesses</li> </ul>	<ul style="list-style-type: none"> <li>Deepen and measure enterprise and supplier development efforts (including skills development)</li> <li>Create an insurtech ecosystem</li> <li>Make micro-insurance licence more accessible</li> </ul>	High-level metrics have been defined for each of the commitments. Work is currently under way to set targets for each of the metrics, which will be aligned to the business's risk appetite.
<b>Enhance financial security and health</b> <ul style="list-style-type: none"> <li>Improve business stability and resilience</li> <li>Create and build wealth</li> <li>Enhance the financial resilience of the family unit</li> <li>Support businesses</li> <li>Assist cell owners to expand or enhance product offerings</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the financial resilience of the family unit</li> <li>Support our clients by enabling them to serve their customers</li> </ul>	
<b>Help to build the low-carbon economy</b> <ul style="list-style-type: none"> <li>Improve the resilience of the food system</li> <li>Serve sectors that address critical ESG risks, for example in the food and mining sectors</li> </ul>	<ul style="list-style-type: none"> <li>Partner to enhance resilience of climate-at-risk clients</li> <li>Reduce our climate exposure</li> <li>Enhance our disclosure of climate risks</li> </ul>	

To operationalise these commitments, the business defined a five-point implementation plan.



**1 Governance and frameworks:** The Guardrisk Board approved the plan, and the internal governance structures that will provide oversight over its sustainability plan and performance measurement have been identified. The working forums for each commitment will be formalised.



- Guardrisk Sustainability Working Group was formed
- Sustainability has been incorporated as an agenda item at Guardrisk Exco and Board
- An accountable executive was appointed as Sustainability Officer
- Guardrisk Sustainability Officer is a member of the Momentum Metropolitan Group Sustainability Forum

### Frameworks

- Momentum Metropolitan Group Sustainability Framework was adopted in Guardrisk
- Guardrisk provided input to developing Momentum Metropolitan's Group climate change risk framework
- The Group-supported methodology to develop and continuously improve sustainability plans was adopted

**2 Stakeholder engagement and business alignment:** A deeper analysis of the business areas, processes and products affected by the business's sustainability commitments, to agree on metrics and targets, is under way. An engagement process with clients on sustainability issues has also been established.

**3 Operational requirements:** The availability of data, and any system requirements, are being assessed.

**4 Training and awareness:** In addition to the planned Groupwide sustainability training and awareness, the business is identifying bespoke training for different business areas and roles that will be required to deliver effectively on its sustainability plan.

**5 Performance management:** As sustainability is now a pillar of our Reinvent and Grow strategy, we will track our progress on this as part of our overall business strategy performance.



## EMBEDDING THE SUSTAINABILITY FRAMEWORK *continued*

Although the federated model encourages ownership at business unit level, the Sustainability Framework provides the necessary Group focus on specific outcomes. Measurement and implementation plans will differ, but our collective effort will enable much-needed systemic improvements.

We have a very strong compliance base of existing sustainability-related policies, frameworks and strategies. Our intent now is to move beyond compliance to achieve a much deeper, collective understanding of E-ESG factors. These include our actual impact on society and the environment,

including potentially adverse impacts, as well as likely external impacts on our ability to create and preserve value. For these assessments 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.

Over time, this will enable us 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.

To achieve this, 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.

Disclosure, transparency and accountability are the principles that will guide our sustainability journey. 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.





# Appendices

60 ESG reference tables

63 Broad-based black economic empowerment scorecard 2022

63 Momentum Metropolitan hotlines

63 Abbreviations and definitions used in this report



# ESG reference tables

Disclosure topic	Unit	Location in Sustainability Report
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## ENVIRONMENTAL

Greenhouse gas emissions measured in accordance with the Greenhouse Gas Protocol (Scope 1, 2 and 3)	Numbers	Page 28
GHG emissions intensity	Numbers	Page 28
Total energy consumption	Numbers	Page 28
Climate-related lobbying activities, signatories, position statements and activities as part of associations	Description	Page 26, 27, 50
Capital deployed in climate mitigation and adaptation efforts	Numbers/Description	Page 29, 30, 31, 37
Total water withdrawal and water risk management efforts	Number/Description	Page 28
Total waste produced and waste recycled	Number/Description	Page 28
Supplier screening to determine potential environmental impacts	Description	Page 31
Products and services to address environmental risk	Number/Description	Page 30, 31, 37

## Related groupwide policies and statements in alphabetical order

Climate change investment policy	Environmental policy
Climate change positioning statement	Statement of investor commitment to a Just Transition





Disclosure topic	Unit	Location in Sustainability Report
<b>SOCIAL</b>		
Workforce profile: percentage of employees by employee category, race, gender, and other relevant diversity indicators including disability	Numbers/Description	Page 40, 43
Employee stock ownership plan (ESOP)	Numbers/Description	Page 39, 43
Number of allegations and confirmed incidents of discrimination and/or human rights incidents and actions taken	Description	Page 39
Freedom of association and collective bargaining	Description	Page 39
Stance on human rights, the policy, coverage, and implementation	Description	Page 39
Supply chain engagement to ensure ethical conduct and fair labour practices including preventing child labour or forced labour	Description	Page 34
Talent recruitment, management, and retention, including skills development initiatives to support the talent pipeline strategy	Numbers/Description	Page 41 – 44
Research partnerships with educational institutions to deliver improved employee training and development	Description	Page 50
Community investment (including charitable giving) and employee volunteering	Numbers/Description	Page 10, 21, 43, 44, 53, 54
Initiatives to support the small businesses sector, black, black woman-owned and youth-owned businesses	Numbers/Description	Page 18, 30, 44
Number of work or workplace related injuries	Numbers/Description	Page 39, 42
Access to medical healthcare services including health training and provision of employee wellness programmes	Description	Page 42

Disclosure topic	Unit	Location in Sustainability Report
<b>SOCIAL</b>		
Research and development aimed at enhancing the social, economic, and environmental attributes of products and services	Description	Page 51
Products and services to address emerging social risks including emerging health risks	Numbers/Description	Page 23
Products and services to address demographic changes	Numbers/Description	Page 19, 48
Products and services to promote emerging market access to finance	Numbers/Description	Page 17 – 18
Mechanisms in place to ensure the data privacy of data subjects, including the rights of data subjects to change information, relevant employee training, and auditing of information security systems and policies	Numbers/Description	Page 24, 25
Process for complaints received concerning breaches of customer data and the actions taken to address them	Description	Page 47
Board oversight of privacy and data security	Description	Page 25

#### Related groupwide policies and statements in alphabetical order

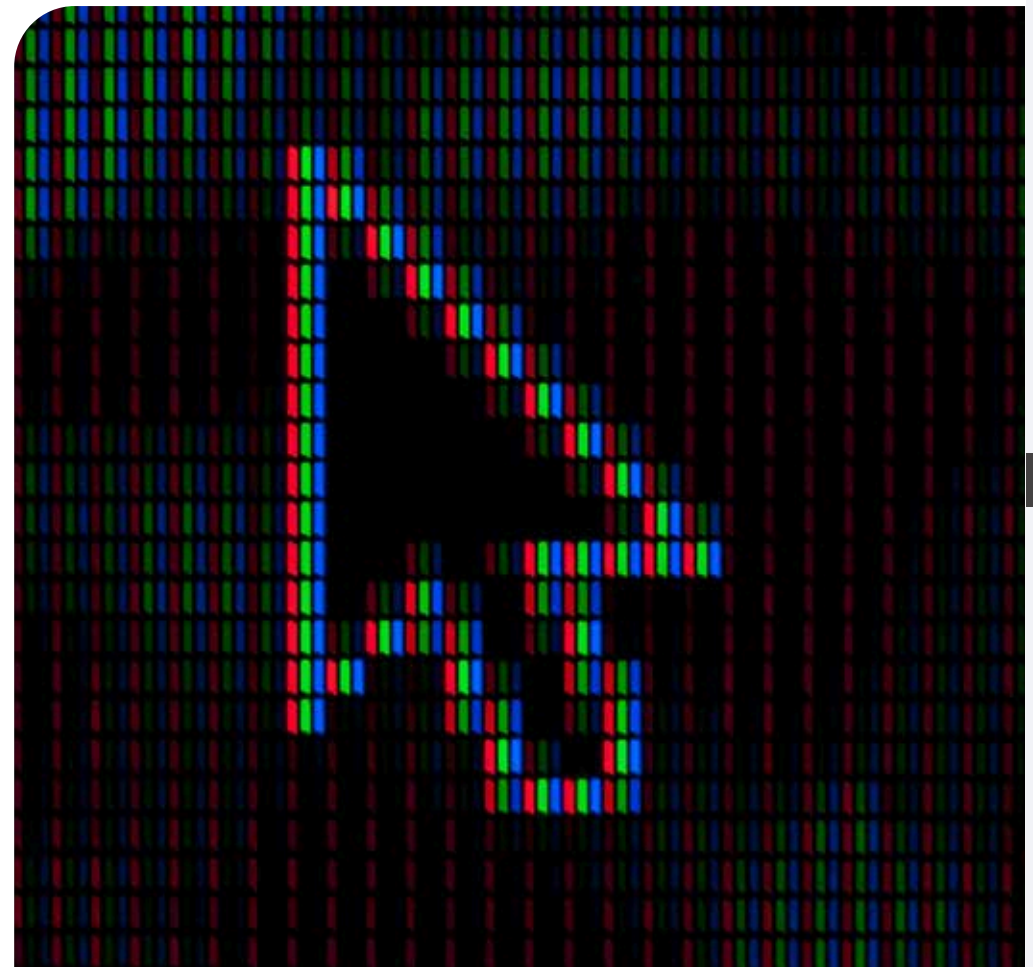
Human rights policy	Public privacy policy
Labour relations policy	Remuneration policy





Disclosure topic	Unit	Location in Sustainability Report
<b>GOVERNANCE</b>		
Board diversity, composition, and independence	Numbers	Page 35
Skills, competencies, and experience of the Social Ethics and Transformation Committee (SETC), the Board committee responsible for sustainability matters	Description	Page 35
Scope of training provided on governance policies and ethics	Description	Page 33
External assessment of company's ethics programme	Description	Page 33
Commitment to anti-bribery, anti-corruption, and anti-money laundering	Description	Page 34
Grievance mechanisms (including the whistle-blowing facilities) for reporting unethical or unlawful behaviour	Description	Page 34
Reports of unethical behavior and actions taken	Number/Description	Page 34
Initiatives and stakeholder engagement to improve the broader operating environment and culture, to combat corruption	Description	Page 34
Lobbying and political contributions	Description	Page 34
Participation in business associations and public policy development	Description	Page 34, 50
Environmental, social and governance related incidents and the fines or monetary loss suffered as a result of it	Description	Page 34
The organisations' approach to tax and the tax borne by the company	Description	Page 34
Responsible investment approach including ESG integration in the investment process, disclosure of company engagement and available resourcing to manage ESG matters	Description	Page 35, 37

Related groupwide policies and statements in alphabetical order	
Code of ethics and standards for conduct	Responsible investment engagement policy
CRISA statement	Responsible investment policy
Fraud risk management policy on managing commercial crime, bribery, corruption, employee misconduct and money laundering	Whistle blowing policy (RSA)
Gift policy	Whistle blowing policy (International)
Proxy voting policy	



## Broad-based black economic empowerment scorecard 2022

Element	Total points available	Actual score (including bonus points)
Ownership	23 + 5 bonus	28
Management control	20	10.88
Skills development	20 + 3 bonus	15.23
Enterprise and supplier development	10 + 4 bonus	14
Preferential procurement	15 + 4 bonus	19
Empowerment financing	15	13.41
Socio-economic development	5 + 3 bonus	8
Access to financial services	12	8.63
<b>TOTAL SCORE</b>	<b>120 + 9 bonus</b>	<b>117.15</b>

## Momentum Metropolitan hotlines

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
Cannon Assurance and Metropolitan Cannon Life Assurance	0800 72 26 26

## Abbreviations and definitions used in this report

ASISA	Association for Savings and Investment South Africa	MGIM	Momentum Global Investment Management
B-BBEE	Broad-Based Black Economic Empowerment	MHC	Metropolitan Health Corporate
BRCC	Board Risk, Capital and Compliance Committee	MHS	Metropolitan Health Solutions
CDP	Formerly, the Carbon Disclosure Project, now only known as CDP	MSCI	Morgan Stanley Capital International
CFA Society	Chartered Financial Analyst Society	OSTI	Ombudsman for Short-term Insurance
CFVI	Consumer Financial Vulnerability Index	POPIA	Protection of Personal Information Act
GIC	Global Investor Coalition on Climate Change	PRI	Principles for Responsible Investment
COP26	Conference of the Parties 26	PSI	Principles for Sustainable Insurance
CRISA	Code for Responsible Investing in South Africa	PUE	Power Utilisation Efficiency
CSI	Corporate Social Investment	SAcSi	South African Customer Satisfaction Index
E-ESG	Economic, Environmental, Social and Governance	SETC	Social, Ethics and Transformation Committee
EPC	Energy Performance Certificate	SFDR	Sustainable Finance Disclosure Regulation
FMP	Financial Markets Practitioner	Sustainability Maturity Path	Model developed by Momentum Metropolitan to demonstrate how organisations transition from a focus on risk and value protection towards enabling and creating more value for environment and society through their sustainability efforts.
FRC	Financial Reporting Council	TCFD	Task Force on Climate-Related Financial Disclosure
FTSE	Financial Times Stock Exchange	tCO <sub>2</sub> e	Tonnes of Carbon Dioxide Equivalent
FWI	Financial Wellness Index	UN SDGs	United Nations Sustainable Development Goals
GHG	Greenhouse Gas	UNGC	United Nations Global Compact
ICSWG	Investment Consultants Sustainability Working Group	UNICEF	United Nations Children's Fund
INSETA	Insurance Sector Education and Training Authority	UNISA	University of South Africa
IPASA	Independent Philanthropy Association of South Africa	WHO	World Health Organisation
IPCC	Intergovernmental Panel on Climate Change	WTC	WeThinkCode
JSE	Johannesburg Stock Exchange	WWF-SA	World Wildlife Fund South Africa
JST	Job Skills Training	YCC	Youth Content Collective
LEED	Leadership in Energy and Environmental Design	YES	Youth Employment Services
MAREF	Momentum Africa Real Estate Fund		



# Corporate Information

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# Corporate Information

## 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

## INVESTOR RELATIONS

investorrelations@mmltd.co.za

## AUDITORS

Ernst & Young Inc.  
 102 Rivonia Road  
 Sandton  
 2194

## TRANSFER SECRETARIES

### South Africa

JSE Investor Services (Pty) Limited  
 13th Floor  
 19 Ameshoff Street  
 Braamfontein  
 2001

### Namibia

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





[www.momentummetropolitan.co.za](http://www.momentummetropolitan.co.za)