

Responsible investment

Responsible investment policy

Our purpose and vision

Our purpose is to ensure due care and diligence is taken when making responsible investment decisions. We help people grow their savings, protect what matters to them and invest for the future. The intent of this policy is to address the importance of taking environmental, social and governance (ESG) risk factors into consideration that may affect the sustainable nature of an investment.

The scope and review of the policy

The policy describes Momentum Group Limited overarching responsible investment policy through its views and commitments. It focuses on the key elements of responsible investment practices. (Refer to Annexure A for a list of documents that support the responsible investment policy).

This policy applies to Momentum Group Limited and all its subsidiaries¹.

Momentum Group Limited has adopted the following principles and codes of industry and regulated bodies, of which some are country specific, to maintain the highest

level of integrity within responsible investment practices (Refer to Annexure B for more detailed information):

- United Nations-supported Principles for Responsible Investment (UN PRI)
- Code for Responsible Investing in South Africa (Crisa)
- The UK Stewardship Code 2020 (the Code)

This policy is approved by the Momentum Group Limited executive committee and practically implemented and maintained by the relevant business areas. The executive committee will review this policy at such time as it sees fit to revise the policy.

Our position on responsible investment

We are privileged to act as fiduciary to our clients and stakeholders.

Our values will always remain our foundational pillars, and these values are accountability, diversity, excellence, innovation, integrity and teamwork.

Responsible investing is imperative if we are to be true to our values, and this forms a key part of our core beliefs.

We firmly believe that sustainable and responsible investment practices are non-negotiable if we are to ensure the long-term success of our business and our clients.

We consider the ESG risks of our investments to be relevant to the performance of the overall objective – across all asset classes, sectors, markets and through time.

1. We are one of South Africa's largest insurance-based financial services companies listed on the JSE, A2X and the Namibian Stock Exchange. Momentum Metropolitan Africa operates in selected African countries. Outside Africa, we have operations in the United Kingdom.

We endorse and, where practical, practice the definition of responsible investment, as envisaged in the Fiduciary Duty in the 21st Century² report.

This is an approach to investment management that explicitly acknowledges the relevance to the investor of ESG factors and of the long-term health and stability of the market as a whole.

Our fiduciary duty to stakeholders

We work to incorporate ESG factors into our investment considerations and ensure sustainability forms a cornerstone of our investment principles.

Through our responsible investment approach, we aim, as fiduciaries of clients' investments, to invest in a manner that is fair and driven by the intention to generate long-term, sustainable investment returns, while at the same time

It recognises that the generation of long-term sustainable returns is dependent on stable, well-functioning and well-governed social, environmental and economic systems.

ensure we remain true to our philosophy, portfolio construction and robust investment processes.

We will consider any appropriate ESG factor which may materially affect the sustainable long-term performance of the investments we make across all asset classes and categories of assets.

Long-term interests

We are long-term investors and our investment philosophy is an outcome-based investing approach, which makes it incumbent on us to be aware of managing the clients' experience throughout the investment journey, with an aim to achieve a defined investment goal over a determined time period.

We realise ESG risk factors affect the sustainability of companies and, therefore, it is especially relevant to our investment decision-making process.

Implications for our investment approach

We set goal posts to help build our responsible investment approach.

These goal posts are:

- ESG integration
- Active owners
- Seek disclosure
- Regulation and codes
- Advocacy
- Report progress

Our focus is to be proactive in terms of ESG factors in our investment decision making and stewardship efforts so that we can identify and act on any risk before these escalate to be material events that may affect the investment outcomes of our clients.

Should any ESG related risks occur or be identified by us or others, we will adopt an assertive approach regarding the entity in question. It is our fiduciary duty to follow up on material ESG concerns and engage appropriately.

Collaboration on responsible investment initiatives and the encouragement of sharing ESG information within the investment industry is important to us. We will support and participate in appropriate networks and platforms and seek to collectively address relevant emerging issues.

We encourage better transparency and disclosure of responsible investment practices across the investment industry. Therefore, we promote integration of this information in investment decision making to internal and external investment professionals, service providers and consultants.

2. Supported by United Nations Global Compact; United Nations Environment Programme Finance Initiative; Principles for Responsible Investment Initiative; Inquiry into the Design of a Sustainable Financial System initiated by the United Nations Environment Programme

Reporting on progress

We undertake to:

- Update members on responsible investment initiatives in our annual stewardship report
- Disclose our proxy voting results on our website
- Participate in the reporting requirements of the UN PRI

Annexure A

This policy is not a standalone document and is supported by:

- Our policy on proxy voting and engagement
- Our climate change Investment policy
- Our Crisa 2.0 Statement, applicable to South African jurisdiction
- Our UK stewardship statement, applicable to UK jurisdiction

- Our annual stewardship report
- Our sustainability framework of Momentum Group Limited (available on request)

Please click [here](#) to view all documents.

Annexure B

United Nations supported Principles for Responsible Investing (UN PRI):

As a signatory to the UN PRI, which is an international network of investors working together to put the six Principles for Responsible Investment into practice, our goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices.

The six principles are as follows:

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

Code for Responsible Investing in South Africa (Crisa) 2.0:

As a supporter of the Crisa code, we support the five principles of Crisa. We also publish a statement that explains how we apply these principles: Please click [here](#) to view the statement.

Principle 1: Investment arrangements and activities should reflect a systematic approach to integrating material environmental, social and governance (ESG) factors.

Principle 2: Investment arrangements and activities should demonstrate the acceptance of ownership rights and responsibilities diligently enabling effective stewardship.

Principle 3: Acceptance and implementation of the principles of CRISA 2 and other applicable codes and standards should be promoted through collaborative approaches (as appropriate) and targeted capacity building throughout the investment industry.

Principle 4: Sound governance structures and processes should be in place (including at all levels of the organisation) to enable investment arrangements and activities that reflect and promote responsible investment and diligent stewardship, including proactively managing conflicts of interest.

Principle 5: Investment organisations should ensure disclosures are meaningful, timely and accessible to enable stakeholders to make informed assessments of progress towards the achievement of positive outcomes.

UK stewardship code (The Code):

The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

The Code applies to:

Asset owners such as pension schemes, insurers, foundations, endowments, local government pension pools and sovereign wealth funds.

Asset managers who manage assets on behalf of UK clients or invest in UK assets.

Principles for asset owners and asset managers. Please click [here](#) for a detailed report on applying these principles.

Principle 1: Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Principle 2: Signatories' governance, resources and incentives support stewardship.

Principle 3: Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Principle 4: Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Principle 5: Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Principle 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment.

Principle 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Principle 8: Signatories monitor and hold to account managers and/or service providers.

Principle 9: Signatories engage with issuers to maintain or enhance the value of assets.

Principle 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.

Principle 11: Signatories, where necessary, escalate stewardship activities to influence issuers.

Principle 12: Signatories actively exercise their rights and responsibilities.

The information used to prepare this document includes information from third-party sources and is for information purposes only. Although reasonable steps have been taken to ensure the validity and accuracy of the information contained herein, Momentum Group Limited does not guarantee the accuracy, content, completeness, legality or reliability of the information contained herein and no warranties and/or representations of any kind, expressed or implied, are given to the nature, standard, accuracy or otherwise of the information provided.

Neither Momentum Group Limited, its affiliates, directors, officers, employees, representatives or agents (the Momentum Parties) have any liability to any persons or entities receiving the information made available herein for any claim, damages, loss or expense, including, without limitation, any direct, indirect, special, incidental, punitive or consequential cost, loss or damages, whether in contract or in delict, arising out of or in connection with information made available herein and you agree to indemnify the Momentum Parties accordingly. For further information, please visit us at momentum.co.za. Momentum Investments is part of Momentum Metropolitan Life Limited, an authorised financial services and registered credit provider, and rated B-BBEE level 1.