momentum METROPOLITAN

Task Force on Climate-Related Financial Disclosures

2023

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ABOUT THIS REPORT

Momentum Metropolitan is one of South Africa's largest diversified financial services companies. Our business is about protection (life and non-life), investments and long-term savings, and we conduct it through the Momentum, Metropolitan and Guardrisk brands. Outside South Africa, we operate in five African countries through Momentum Metropolitan Africa, which includes Botswana, Ghana, Lesotho, Mozambique, and Namibia. Momentum Investments has operations in the United Kingdom and Guernsey. The Group has a health insurance joint venture in India and Guardrisk has businesses in Gibraltar and Mauritius.

Momentum Metropolitan Holdings Limited (hereafter, Momentum Metropolitan or the Group) formally signed up as a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) in June 2021, and we released our first **TCFD report** in December 2021.

This report is our third set of climate-related disclosures, in line with the TCFD recommendations. It outlines our approach to climate change and our steps to support our commitment to climate action. The data in the report relates to the financial year from 1 July 2022 to 30 June 2023 (F2023). Where specific exclusions apply, these have been indicated. The reporting period extends to the end of November 2023.

The Group follows a federated operating model. At the time of the 2021 TCFD disclosure, the various business units were at the midpoint of a structured process to identify sustainability risks and opportunities material to their business models. They aimed to make commitments aligned with the Group's sustainability focus areas. This process has been completed, with target development and integration into their strategies as the next steps.

There is a growing concern that the world is not adapting – building defences – fast enough to counter climate-fuelled impacts, such as floods, extreme heat and droughts. The humanitarian costs are worrisome, demonstrating that the climate crisis is as much a social as an economic one. Corporates engaging in the challenge of learning and responding to climate change risk must consider impacts on the enterprise and the societal impacts of climate risk and opportunities, particularly on vulnerable groups. What can be done to build a more climate-resilient society and limit the climate impacts that will occur? We aim to reflect on this social aspect of climate change and share what the Group has done so far.

RELATED REPORTS

This report should be read in conjunction with:

Sustainability Report

Our **2023 Sustainability Report**, which provides insight into our Sustainability Framework, related performance, and future commitments.

2023 Stewardship Report

Our **2023 Stewardship Report**, which demonstrates the extent to which we have aligned our responsible investment practices with the United Nations-supported Principles for Responsible Investment (PRI).

2023 CDP and 2023 Carbon Footprint Verification Opinion Declaration submission

A list of Momentum Metropolitan's climate-related policies can be found on page 40 of this report.

TIMEFRAME CLASSIFICATIONS

The nature of climate change impacts is considered in the long term. The timeframes for understanding climate change risk rely heavily on the Paris Agreement, which puts the expected science-based global impact on a 2050 timeline. This timeline is also considered when doing scenario analysis, which TCFD recommends. See page 12 for our approach to timeframes in scenario analysis.

The Group-developed climate risk management framework requires us to asses climate risk in over one to five, five to 10 and 10 to 30 years. Embedding the framework, is still a work in progress. To meet shorter strategic planning requirements we conduct risk assessments according to the following time horizons.

- Short-term: six to 12 months.
- Medium-term: one to three years.
- Long term: three to five years.

REPORT BOUNDARY, ASSURANCE, AND APPROVAL

We report on Momentum Metropolitan and the combined material input from our six business units as set out on page 5 of the 2023 Sustainability Report. 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.

Our carbon footprint is subject to external assurance by Verify CO_2, which provided limited assurance on the Group's carbon emissions. Group Internal Audit (GIA) conducted an effectiveness review on our climate reporting. Some of the recommendations were incorporated in this report.

The Board acknowledges responsibility for the integrity of this report. The members of the Social, Ethics and Transformation Committee (SETC) and the Risk, Capital and Compliance Committee (RCC) have applied their minds to the report on behalf of the Board and is confident that the information is reliable and that it fairly presents the Group's climate disclosures, aligned with TCFD.

LEADERSHIP STATEMENT

In the South African context, the climate crisis, and its potential impacts on the aspirations of businesses and communities we serve, make it incumbent on us to ensure that the "Social" (S) in Environment, Social and Governance (ESG) gets the balanced, adequate attention it requires.

For all corporates, COVID-19 became a live test in organisational resilience. It measured the ability of risk experts to be convening partners to business; bringing the right people and data together and activating the required processes to ensure business stability. Climate change is recognised as a crisis which could greatly exceed the levels of uncertainty and strategic challenge felt during the pandemic.

Regulators[1] and industry experts[2] have noted the vulnerability of financial institutions in their level of preparedness to deal with climate change, and their tendency to systematically underestimate the economic impact of the crisis. At the same time, there is an acknowledgement that "we cannot wait for models to be perfect". Instead, we have the responsibility to become proactive, life-long learners, always ready to adapt.

Collaborative response

Given the growing regulatory oversight of climate risk management globally, it is not surprising that much of the corporate response is led by risk management and compliance functions. We are mindful that collaboration is needed between the multiple parts of the business that touch the climate agenda, for climate considerations to be integrated in business strategy and decision-making. In January 2023 Group Sustainability was integrated into the Group Risk Function to intensify the groupwide focus on it. Business unit management teams, through Exco leadership, are encouraged and will over time be measured to ensure decisions on climate actions are cascaded and implemented at all levels of the organisation.

In the South African context, the climate crisis, and its potential impacts on the aspirations of businesses and communities we serve, make it incumbent on us to ensure that the S in ESG gets the balanced, adequate attention it requires. As corporates, we collectively have to ensure our strategies address the short, medium, and long-term effects of climate change, with the ultimate goal of delivering value to business and society. That is why at Momentum Metropolitan, we extend our collaborative approach to industry partners and forums that support a Just Transition to a low carbon economy.

Climate disclosure and governance

The TCFD recommendations were developed to improve transparency and trust in the reporting of climate-related risks and opportunities. We have found it a valuable roadmap to plan and track our climate journey. We fully support the intention of IFRS and other sustainability reporting frameworks to improve corporate accountability and stakeholder trust.

The board-delegated Risk, Capital, and Compliance (RCC) Committee and Social, Ethics and Transformation Committee jointly lead the primary oversight of the Group's management of climate risks and opportunities and the disclosure thereof, with many touchpoints to other board committees. Over the past year the RCC has overseen efforts to embed the Group climate risk framework and led regulatory engagements on climate change risk. The SETC's focus was on oversight of the sustainability strategy development with business units, and measurement over time, and securing the foundation for the Group's decarbonisation plan.

Globally there is a growing recognition that biodiversity loss and climate change must be addressed in a synergistic way. The recently finalised Taskforce on Nature-related Financial Disclosure and Global Biodiversity Framework agreed to at COP 15, will likely become the bases for further policy and regulatory developments. This presents a steep learning curve for the Group as for most organisations, but also the opportunity to integrate it into our stewardship role and demonstrate leadership.

Linda de Beer
Chair: Social, Ethics and Transformation Committee

David Park
Chair: Risk, Capital, and Compliance Committee

[1] *Financial Stability Review, First Edition, 2023, South African Reserve Bank*
[2] *The Emperor's New Climate Change Scenarios. Limitations and assumptions of commonly used climate-related scenarios in financial services.* ***https://actuaries.org.uk/media/qeydewmk/the-emperor-s-new-climate-scenarios.pdf***

BACKGROUND AND CONTEXT

OUR TCFD JOURNEY

The TCFD has provided a framework for effective disclosure and enhanced climate risk and opportunity management. Its wide international adoption, mandatory classification in some jurisdictions, and alignment of reporting frameworks such as CDP contributed to a consistent global climate risk disclosure approach.

We welcome the further convergence brought on by the transfer of responsibilities to monitor climate-related disclosures from TCFD to the IFRS Foundation as of 2024 and the endorsement of IFRS S1 and S2 by the International Organisation of Securities Commissions (IOSCO). Group Sustainability and the Climate Risk Steering Committee will study the IFRS Foundations' comparison of S2 and the TCFD recommendations to plan future disclosures.

Governance
PURPOSE: Disclose the organisation's governance around climate-related risks and opportunities, including the role of the Board and management.

Strategy
PURPOSE: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Metrics and targets
PURPOSE: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

Risk management
PURPOSE: Disclose how the organisation identifies, assesses, and manages climate-related risks.

2021

- Board approved adoption of TCFD
- Group became a formal signatory
- Establishment of Sustainability Forum

- Commenced work on the Strategic Sustainability Framework
- Used bespoke approach in scenario analysis, which included 1.5°C and 3°C

- Development of Group climate risk framework started
- Climate change formulated as cross-cutting, impacting risk types addressed in the Own Risk and Solvency Assessment (ORSA) policy

- Group reported exceeding target of 25% reduction in combined Scope 1, 2 and 3 emissions
- Group reported on investment managers' climate performance e.g., Do they recognise it as a risk? Do they have a formal climate change policy?

2022

- Sustainability Forum optimised to include business unit representatives, drive climate learning and embed the Sustainability Framework
- Group Climate Risk Steering Committee formed
- Business unit Chief Risk Officer (CRO) assigned to climate risk as risk type head

- Business units followed a structured process to identify sustainability-related risks and opportunities, including climate risks and opportunities
- Group committed to integrate climate risk and opportunities into F2027 corporate strategic planning process, commencing F2024
- Moved from customised scenarios to Network for Greening the Financial System (NGFS) analysis framework

- Group climate risk framework approved to drive consistent identification, assessment, measurement, monitoring, and management of climate risk across the Group
- Climate Risk Steering Committee started embedding framework in business

- Group started reporting on climate-positive products and services
- Group formulated Green IT strategy and reported on metrics

2023

- A Group climate change maturity plan (F2022 to F2025) was developed. The implementation is driven by the Climate Risk Steering Committee established in 2022
- The Risk Strategic Steering Committee, consisting of business unit CROs, was leveraged to support awareness on climate issues
- Working groups established for specific climate initiatives, e.g., formulating the Group decarbonisation plan
- Improved climate literacy on specialist issues such as Greenhouse Gas (GHG) accounting

- The business units finalised sustainability commitments including climate commitments
- Momentum Metropolitan's decarbonisation investment strategy was approved, which includes the commitment to avoid investment in new coal assets
- Physical and transition risk indicators updated using NGFS models

- Climate risk impacts were expanded to include the Health Business, in addition to Life, Non-life and Investments

- Decarbonisation approach and new baseline confirmed
- The South African discretionary listed equity and fixed income client assets' carbon footprint was measured

CONTEXT FRAMING OUR RESPONSE

The climate crisis is occurring within the context of a highly interconnected world. Shifts related to global climate commitments, geopolitical concerns and planetary boundaries are linked to natural resource constraints and amplify localised social challenges.

At Momentum Metropolitan, we acknowledge this complexity and consider the following trends in the external environment relevant to our response.

PRESSURED NET ZERO RACE

According to Net Zero Tracker[3] , 151 countries and 987 companies have made Net Zero commitments. Of these countries, 18% have it in law and 34% in policy documents. For companies, 71% embedded it in corporate strategy. The World Resource Institute (WRI), a global research non-profit, found that only five countries are making tangible progress. Regardless of the research referenced, the credibility and achievability of these targets remain questionable. Lack of regulations at sub-national levels fuels mistrust in commitments, and long-term commitments often cloud the need for shorter-term action.

CLIMATE CRISIS = HUMANITARIAN CRISIS

According to the World Meteorological Organisation (WMO) and the European Commission Copernicus Climate Change Service, ten climate records were broken between July and August 2023. Countries like Italy, China and the United States experienced record-high heatwaves, the North Atlantic Ocean was reported to be unusually warm, Beijing experienced torrential rain that was the highest level since 1883, and Canada had a record number of mega-fires. Already in 2022, heatwaves in Europe caused a public health crisis, causing more than 60 000 deaths. This figure could rise to 120 000 per year in the European region by 2050. In Africa, World Economic Forum (WEF)[4] research points to climate change exacerbating unrest and increasing conflict-related deaths. Rising temperatures are already prominent in fragile and conflict-affected countries, which could endanger human health and productivity. It is forecasted that countries like Sudan and Somalia will experience hunger in 2060 due to the climate crisis. The United Nations Office for the High Commissioner for Human Rights (OHCR) argues that a human rights approach to climate change is needed globally. This will require ambitious adaptation and mitigation measures, focusing specifically on vulnerable communities.

PUSHBACK ON ESG

Climate denialism has morphed into a broader narrative of ESG investments as an unpatriotic practice, taking jobs from the working class in countries in the global north. These conflicts demonstrate how vain it is to debate climate action without discussing livelihoods, politics and resources. According to Bloomberg Green, ESG-linked bonds have been judged more harshly on performance amid economic conditions despite all bonds being under equal pressure. The contradiction of clean energy (solar and wind) regarding the use of scarce raw materials in production and waste generated at retirement could prime inaction on renewables. In addition, there is growing mistrust of ESG ratings. European lawmakers are set to debate a law forcing them to break from their consultancy arms, disclose more details about their methodologies and formally register with authorities. This will require more intentionality from corporates in their climate responses, transparency, and authenticity in reporting.

GEOPOLITICAL FACTORS

Climate change remains one of the world's most crucial and polarising issues. The energy shocks in the wake of the Russian invasion of Ukraine have, on the one hand, rolled back climate plans, bringing coal plants back online, and, on the other hand fuelled demands and price hikes for clean energy solutions. Further unease about the supplier dominance of China in the renewables market and growing United States-China tension over the Biden Inflation Reduction Act to fund growth in the domestic green economy complicate geopolitical collaboration. The latter is required to enable the transition to a low-carbon economy, thus pushing back the achievement of global targets.

CLIMATE REGULATION AND LITIGATION

The United Nations Environmental Programme Global Climate Litigation Status Report of 2023 notes that climate litigation cases around the world doubled from 884 in 2017 to 2 180 as at December 2022. The main driver for litigation is insufficient progress under the Paris Agreement. South Africa is a signatory to the Agreement and has committed to achieving Net Zero emissions by 2050 in its Nationally Determined Contributions (NDCs). The NDCs, however, are not enforceable or mandatory for South African sub-national entities. Climate litigation is becoming a means for vulnerable groups to assert climate justice and human rights.

The South African Climate Change Bill was introduced into Parliament in February 2022 and passed by the National Assembly on 24 October. Once promulgated, it will increase the risk of climate litigation in South Africa, as it will establish climate change response obligations, including sectoral emission targets, climate change response implementation plans and carbon budgets. The latter will be linked to the carbon tax regime and could result in penalties if companies exceed their emission budget. This is one of the critical aspects of the Bill. It endeavours to help link existing and pending regulation to ease compliance for companies. Due to our socio-economic challenges and need for a Just Transition, South African companies might find that climate action and inaction result in litigation. Most of the recent nine climate-related cases brought before courts related to proposals for electricity power generation projects.

[3] *The Net Zero Tracker is the world's only open-source independent review of the quantity and quality of net zero targets across countries, regions, cities and companies. Their database includes UNFCCC member states and selected self-governing territories.*
[4] *Climate challenges in fragile and conflict-affected states.* **https://www.imf.org/en/Publications/staff-climate-notes/Issues/2023/08/24/Climate-Challenges-in-Fragile-and-Conflict-Affected-States-537797?cid=bl-com-CLNEA2023001**

Just Transition for south africa

Cutting greenhouse gas emissions to zero by 2050 as per the Paris Agreement requires rigorous and immediate action by all countries across the globe, but no efforts should be at the expense of the people these actions should support.

Climate change has a disproportionate impact on low-income households, the unemployed and people with lack of adequate housing, infrastructure and access to healthcare. In South Africa, past inequalities is a historical challenge that remains present. It is therefore in our best interest as a country to mitigate and adapt.

Greening the economy requires reducing reliance on fossil fuels and moving away from emission-intensive activities, like mining. However, according to Stats SA, 472 000 people were employed in the mining sector (including coal) in 2022, which comprised 0.8% of South Africans. The mining sector is considered an engine driving South Africa's economy with an 8% contribution to the country's GDP. Hence, the promise of leaving no one behind, has to be at the forefront of our transition plans.

A common misconception about a Just Transition is that the responsibility solely lies within the governmental or intergovernmental sectors. However, ensuring this transition takes place will require a collective effort across sectors, including the private sector.

According to the United Nations Global Compact (UNGC), the financial services industry can play an important role in advancing a Just Transition and scaling up the agenda of climate action by:

- Including factors beyond the environment and climate like labour standards, social dialogue, and consensus-building to open doors to a leadership role for finance in the Just Transition
- Leveraging their position in the real economy through partnering with other sectors, allocating capital, managing related risks and harnessing opportunities, and contributing to a robust informational infrastructure
- Engaging with policymakers to support an enabling environment, particularly on fiscal policies, financial regulations, and transition plans.

Momentum Metropolitan supports these initiatives and the Presidential Climate Commission (PCC) Framework on the Just Transition principles. Our corporate and investment businesses have already started considering their potential contribution and impact on the Just Transition

Global summits: Past highlights and key upcoming issues

COP27

- Tone set for businesses to be more transparent with climate reduction commitments in 2023
- The Food and Agriculture for Sustainable Transformation initiative was launched to improve the quantity and quality of climate finance to transform agriculture and food systems by 2030. This was also the first time the importance of food security was recognised
- Twenty additional countries signed the Global Methane Pledge (bringing it up to 150 countries) to reduce methane emissions by 30% from 2020 levels by 2030
- The African Cities Water Adaptation Fund (ACWA) was launched to provide funding and technical support for resilient water solutions in 100 African cities by 2032
- The US$8.5 billion just energy transition partnerships (JETP), covering 2.7% of the funding required for the energy transition, received increased attention during the conference

COP15

- A landmark biodiversity COP
- Twenty-three specific biodiversity-related targets were agreed in the Kunming-Montreal Global Biodiversity Framework (GBF) in 2022
- Among these targets are legal, administrative or policy measures to encourage progressively reducing negative impacts on biodiversity and increase positive impacts
- Transnational companies and financial institutions will be required to assess biodiversity risk and loss in their value chains
- A call raised to set up a specialist GBF Fund to support the framework's implementation
- Current biodiversity targets have been reviewed by decadal intervals. All countries missed targets committed. Stronger action and progress tracking required

What to watch out for at COP28

- The loss and damage fund agreed to at COP27 have not materialised. A stronger push for developed countries to honour climate pledges is expected
- More ambitious NDCs are expected from countries, and more credible strategies from the energy industry to reduce emissions
- Progress on defining the Global Goal on Adaptation (GGA) has been extremely slow. The framework aims to build adaptative capacity and climate resilience in countries and vulnerable communities. Agreeing on mitigation metrics (emission reduction) is straightforward. In contrast, adaptation metrics are context-specific. COP28 will have to progress this work since consensus on GGA will eventually influence global funding patterns

OUR APPROACH TO CLIMATE CHANGE

Building corporate climate credibility is a journey. While the Group has always been committed to being responsible and responsive to its impact on natural systems, we actively keep learning. We made the strategy design decision to integrate our climate response into our Sustainability Framework under the strategic pillar, helping to build a low-carbon economy.

Ambition

Enable people, businesses and communities from all walks of life to achieve their financial goals and life aspirations by addressing social and environmental issues through the core business

This is based on our Group purpose to enable businesses and people from all walks of life to achieve their financial goals and life aspirations.

Strategic pillars

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

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

Key themes

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

The key themes emerged from the business unit commitments for each pillar.

Strategic enablers

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

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

Sustainable Development Goals

Together, the Group, business units and the Momentum Metropolitan Foundation make the most significant contribution to eight of the SDGs. The business units are in the process of matching their commitments and targets to specific SDGs.

For a timeline of our climate journey, policies, and partnerships, refer to the appendix.

The Group is developing its decarbonisation targets as committed to in 2022. Any emission reduction strategy needs to have an overarching climate transition action plan (CTAP) and a forward-looking list of actions taken in the near-term to align internal strategies. These should also support external climate and energy policy advocacy to reduce GHG emissions in line with a 1.5°C pathway and achieve a Just Transition, according to the global non-profit grouping We Mean Business Coalition (WMBC).

Table 1: PROCESS FOR CTAP

Set Science-based goals	Climate transition action Plan	Accounting and Reporting
Focus: Ambition	**Focus: Action and Advocacy**	**Focus: Accountability**
Conduct emissions inventory (Scope 1 to 3)	Create emissions reduction plan	Assess progress of public disclosure results
Set targets and metrics aligned to science	Integrate plan into business strategy and governance	Solicit feedback from stakeholders
Validate targets with recognised standard	Advocate for enabling policies	Adjust CTAP to meet medium and log-term goals
	Ensure a Just Transition	

Regularly update targets, plan and business strategy to reflect most recent science

Completed Ongoing Not started

Building towards a CTAP is not a linear process. For the Group work across most domains requiring action is underway. The TCFD recommendations also provide a framework for developing a plan to mature an organisation's climate change response and align with the basic CTAP framework.

The Climate Risk Steering Committee developed a climate risk maturity plan approved by the RCC. This maps our anticipated progress in two broad phases: beyond compliance and strategic integration from F2022 to F2025. We wanted to define our maturity baseline against the TCFD recommendation since we started the disclosure journey and lay out immediate and future actions in a phased manner. It recognises the fact that a long-term climate vision is made up of many small steps.

We will update this plan as standards and frameworks change. We will continue to use science, research, shifts in the external environment and stakeholder engagement to inform our climate response. Advocacy efforts have been turning internally to involve our employees, service providers and partners in initiatives to create awareness and build climate skills.

See the appendices for the detailed Momentum Metropolitan climate risk maturity plan.
Read more about our skills development efforts on climate literacy in the governance section, page 11.

GOVERNANCE

With rapidly escalating climate change, the role of corporate boards and governing bodies has become more crucial than ever before. As global disclosure frameworks and regulatory pressures intensify, a deep understanding of the impact that climate risk can have on both the business and society at large is a priority. Climate change is a core component of the overall governance framework, as we must ensure long-term resilience in a changing world where compliance obligations and risks constantly evolve. By incorporating climate risk into our strategic planning and decision-making processes, the Group can mitigate potential negative impacts while identifying new avenues for sustainable growth and innovation.

BOARD OVERSIGHT OF CLIMATE CHANGE

The Board is committed to steering the Group through escalating climate change impacts. We support the WEF Principles on Effective Climate Governance for Corporate Boards.

Principle 1 – Climate accountability
Principle 2 – Command of the (climate) subject
Principle 3 – An effective board structure to integrate climate considerations into its committees
Principle 4 – Ensuring materiality assessment of climate risks and opportunities
Principle 5 – Ensuring strategic and organisational integration of climate considerations
Principle 6 – Ensure incentives are aligned to promote long-term prosperity
Principle 7 – Support reporting and disclosure
Principle 8 – Maintain exchanges and dialogues with peers, policymakers, and other stakeholders

The SETC and RCC committees have primary oversight over climate-related matters. In addition, the Investments Committee oversees responsible and economically sensible investments, including integrating climate risk and opportunities.

Climate change, however, penetrates the work of various other board committees. For example, the Remuneration Committee is addressing ESG-linked incentives for F2024. The Audit Committee will monitor the impact of IFRS S1 and S2, and the developing guidance for assurance of non-financial information. The Fair Practices Committee is keeping abreast of the regulatory stance on sustainable insurance, how it might influence product development and the impact it might have on what is regarded as fair treatment of customers.

Good corporate governance practices ensure the flow of decision-useful information relating to climate risk matters between the Board, Board committees, management committees and boards of subsidiaries where these structures are in place, with an appropriate reporting frequency.

OUR VALUES SUPPORT OUR APPROACH TO CLIMATE GOVERNANCE

Accountability ***Integrity*** ***Innovation*** ***Diversity*** ***Excellence*** ***Teamwork***

In addition to our climate and sustainability-related policies, we are also guided by our code of ethics and standards for conduct policy, which commits us to environmental stewardship in accordance with relevant national legislation.

GOVERNANCE AT BOARD LEVEL

REPORTING FREQUENCY

Board of Momentum Metropolitan Life Holdings | Board of Momentum Metropolitan Life
Monitors, approves, provides oversight of and reviews the defined climate-related risks and opportunities. This translates into governance, strategy and finance, risk management, as well as metrics and targets.

Annually
at the Board strategy session

Board committees
Primary oversight over climate change, risks, opportunities, strategy and performance

Risk, Capital and Compliance Committee
Oversees the quality, integrity, and reliability of the Group's risk, capital, and compliance management. Chaired by a non-executive director. It monitors that climate related considerations are integrated in the Group's risk management strategy.

Social, Ethics and Transformation Committee
Monitors the Group's performance as a responsible corporate citizen in the workplace, the social and natural environments. Chaired by a non-executive director. The RCC Chair is a SETC-member.

Investment Committee
Evaluates, approves and monitors strategic investments of shareholder capital in alignment with the Group strategy which includes oversight of ESG matters, integrated into investment decisions.

Quarterly
NOTE: For other Board committees climate-related matters are discussed ad hoc as issues arise

GOVERNANCE AND GROUP EXECUTIVE MANAGEMENT LEVEL

Momentum Metropolitan Group Executive Committee
Strategic planning and decision-making according to the values, purpose and long-term ambition of the Group

Monthly
Material matters are shared in CEO Board report

Business Unit Executive Committees
Climate risk assessment and management at business unit level, translating into strategy and finance management, as well as metrics and targets. Since August 2023, business unit CEOs and sustainability leads also present in-depth reports of their sustainability and climate commitment and performance to the SETC.

Quarterly
at Risk Strategic Committee

GOVERNANCE AT SENIOR MANAGEMENT LEVEL

Group-wide climate-related forums and working groups
Responsible for supporting Group Exco and the Board Committees

Monthly

Sustainability Forum
Advisory in nature, the forum provides guidance on all sustainability-related matters, including climate change issues, to Group Exco and the SETC.

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

Risk Strategic Steering Committee
Debates and socialises changes and improvements to risk management including climate change risk management and has oversight over significant risk community wide projects.

Climate Risk Steering Committee
The committee drives the climate risk assessments with the business CROs and the various risk type heads. It was formed to bring focused effort to the execution of the Group climate change maturity plan.

Decarbonisation Working Group
It drives the operational inputs required to set climate targets, such as the boundary review, restating the emissions baseline and improving the accuracy of the carbon footprint calculation.

Business unit climate-related forum and working groups
Guardrisk is currently the only business unit that has a dedicated sustainability and climate forum, chaired by the CRO, for the business. It reports to the Guardrisk Exco. In other business units the responsibility for sustainability and climate risk management discussions are driven by the business sustainability leads and CROs at Exco meetings and the other corporate governance structures of the business unit.

Monthly

MANAGEMENT'S ROLE IN OUR CLIMATE CHANGE RESPONSE

Group management designation	Reporting line	Role and coverage of responsibility	Specific climate-related accountability matters

Group Chief Executive Officer (CEO)	Board	Our Group CEO is a member of the SETC and RCC and is ultimately accountable for managing the Group's performance, including risks and opportunities that could impede or enhance our ability to deliver on our strategic objectives.	• Integrating climate-related issues into the strategy
			• As CEO and RCC-member:
			  ◦ Climate-related scenario analysis
			  ◦ Assessing and managing climate-related risks and opportunities

Group Finance Director (FD)	Reports directly to the CEO	Our Group FD is responsible for the Group's business performance and has oversight of all sustainability and climate change initiatives within the business, including managing the financial impacts of sustainability-related risks.	• Major capital and/or operational expenditures related to low-carbon products, services, or investments in operations • Financial impacts of climate risks on the balance sheet
Group Chief Risk Officer (CRO)	Reports directly to the CEO	Our CRO is responsible for the management function that leads the governance of risks (inclusive of climate risks) and capital. Group Risk maintains an optimised level of risk management and governance to provide businesses with the information required to manage risks and opportunities effectively.	• Development of a climate transition plan, including an emission reduction strategy • Integration of climate-related considerations into the corporate strategy • Climate-related scenario analysis • Monitoring progress against climate-related corporate targets • Assessing and managing climate-related risks and opportunities
Chief Investment Officer (CIO)	Momentum Investments CEO reporting line	Responsible for considering the environmental, social and governance risks of assets we invest in, as it is relevant for the overall investment objective – across all asset classes, sectors, markets and over time. A dedicated responsible investments team supports the CIO.	• Integrating climate-related considerations into the strategy • Assessing and managing climate-related risks and opportunities
Group Sustainability Head	CRO reporting line	Group Sustainability is the custodian of all environmental matters within the Group and supports identifying, assessing, and managing climate-related and broader sustainability risks and opportunities. It fosters the implementation of policies, frameworks, and strategy with support from the Sustainability Forum, Climate Risk Steering Committee and Decarbonisation Working Group.	• Research on climate-related trends, regulatory and disclosure shifts • Integration of climate-related risks and opportunities into the corporate strategy • Development of climate transition plan, including an emission reduction strategy • Monitoring of progress against climate and sustainability targets • Developing climate skills development and awareness programmes

CLIMATE SKILLS AND TRAINING

Climate-related training and skills development is a critical part of our development vision. The insights of these trainings can have a tangible impact on our climate change response and strategy.

The GHG Protocol Corporate Accounting and Reporting Standard methodology (GHG Protocol) is the international best practice guide for carbon footprints. During 2023, GHG Protocol and carbon footprint training sessions were held with the relevant carbon footprint data owners across the Group. The training was also presented at the CFO Forum and the Decarbonisation Working Group. This enabled us to make informed decisions regarding the Group's carbon footprint assessment approach and restating our baseline emissions.

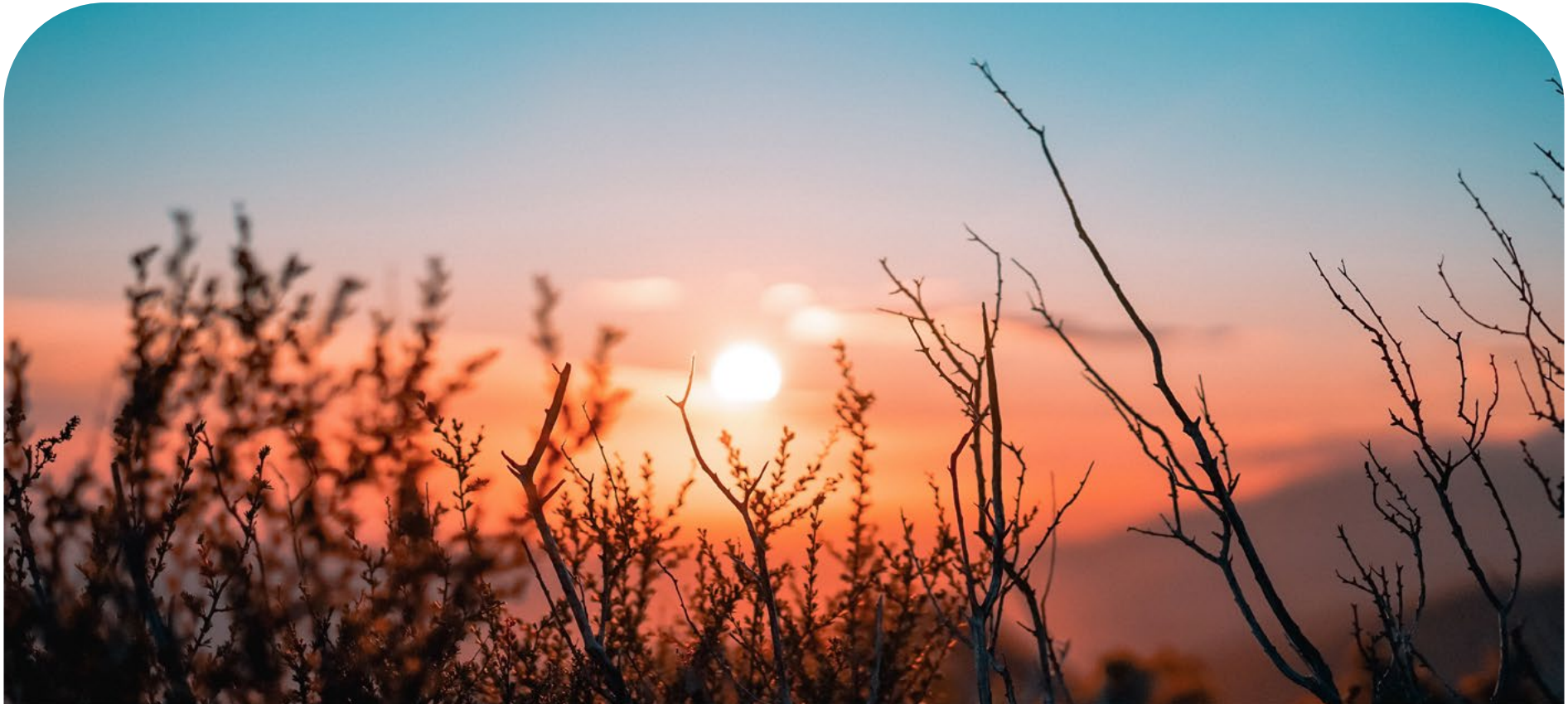
The sustainability team has members with formal degrees in sustainability and environmental science. The Group Head of Sustainability, the CRO of our Guardrisk business, the Chief Strategist of Momentum Corporate, and the Group Head of Human Capital all completed the Leadership in Sustainability for Senior Executives' course offered by the University of Cambridge Sustainability Institute.

Informal training was also given to various management teams such as the Sustainability Forum, Risk Strategic Steering Committee, Climate Risk Steering Committee as well as the Board and Group Exco. The training covered topics ranging from climate change strategy and carbon footprints to the impacts of biodiversity on the financial sector and climate change reporting/risk disclosures.

The Group has existing specialist skills embedded across various functions and committees.

- **SETC:** Transformation, diversity and inclusion and sustainability reporting and assurance. This is complemented by actuarial and management experience in financial services, focusing on long-term insurance and risk modelling, economic capital and the integration of risk management, including climate risk management, into decision-making.
- **RCC:** The Committee's specialist skills enable the effective oversight of the quality, integrity and reliability of the Group's risk, capital, and compliance management. It continues to focus on the development and embedding of the climate risk framework, and ensuring consistent application across the Group with respect to the management assessment and reporting of climate-related risks.
- **Investment Committee:** Research and innovation, data analysis, corporate leadership, coordination, and communication skills to tackle climate change. This is complemented by actuarial and management experience in financial services, focusing on long-term investment and risk modelling, asset management, and the integration of risk management into decision-making.

The Group actively engages in climate change risk-related discussions and consultations with representatives at industry bodies such as the South African Insurance Association (SAIA), South African Institute of Chartered Accountants (SAICA) and the Association of Savings and Investments South Africa (ASISA).



STRATEGY

According to the 2023 TCFD Status Report, 58% of companies disclosed in line with at least five of the 11 recommended disclosures. Only 4% of companies disclosed in line with all 11 recommendations. Within the Middle East and Africa region, companies in the technology, media, and insurance industries, on average, reported in line with less than one of the 11 recommended disclosures. The lowest level of reporting was on the resilience of companies' strategies under different climate-related scenarios.

Scenario analysis is needed to test strategy resilience. However, climate scenario analysis is complex, with more dimensions than traditional stress testing. Asset managers and asset owners indicated that their top challenge with TCFD reporting is insufficient information from investee companies – especially for reporting on metrics and targets. A lack of consistent methodologies was identified as the second top challenge.

TCFD also recognised the need for further guidance on climate-related scenario analysis at a sector or industry level.

OUR USE OF CLIMATE CHANGE SCENARIOS IN UNDERSTANDING RISK AND OPPORTUNITY

Climate scenarios and modelling are based on various expertise, such as climate science, macroeconomics and environmental economics. Thus, it can be expected that there is uncertainty, for example regarding policy changes and the speed of technological changes.

Most climate scenarios are highly conditioned to policy narratives and have various assumptions built into the models.

The NGFS scenarios were specifically designed for the financial sector. Due to the various limitations and uncertainties of the models used, these scenarios might significantly underestimate climate risk.

Severe climate impacts like tipping points are also excluded from the scenarios. A climate tipping point is a critical threshold that, when breached, leads to large-scale and often irreversible changes in the climate system, for example, melting ice sheets and permafrost melting.

Regardless of the limitations, these scenarios can still provide valuable insights into potential climate impacts and help organisations prepare for various plausible futures.

The NGFS scenarios and assumptions have recently been updated with the latest economic and climate data. The specific updates are:

- **Nationally determined contributions:** Input assumptions now feature the latest NDCs that countries committed to at COP26.
- **Energy and capital costs:** These reflect the latest trends in renewable energy and key mitigation technologies.
- **Carbon tax costs:** Lowered due to lower renewable energy costs.
- **Physical risk impacts:** Increased due to higher sensitivity for economic costs (damages) and the macroeconomic impact of acute damages.
- **Transitional risks:** The granularity of information increased.

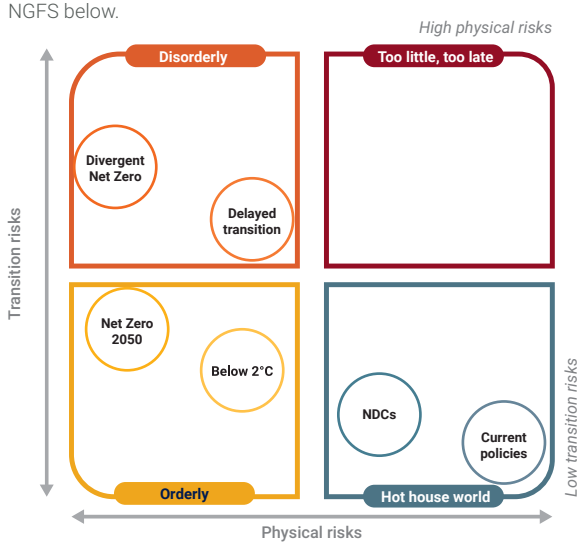
The current updates do not reflect the impacts and consequences of the war in Ukraine, as these are still unclear and difficult to model.

The common NGFS scenarios that financial institutions use are:

- orderly
- disorderly
- hot house
- too little, too late

- The **orderly scenarios** assume climate policies are introduced early and gradually become more stringent.
- The **disorderly scenarios** have higher transition risks due to delayed policies or divergent progress across countries and sectors.
- The **hot house world scenarios** assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Global temperatures exceed threshold levels.
- The **too little, too late scenarios** have not been modelled yet, but these would assume a late transition, failing to limit extreme physical risks.

Six scenarios with different warming outputs and climate risk impacts span these four scenarios, as shown in the graphic from the NGFS below.



Source: NGFS, 2021

We used two NGFS scenarios for our climate risk analysis: the Net Zero 2050 and Current Policies scenarios.

NET ZERO 2050:

Policy ambition
1.4°C

Policy reaction
Immediate and smooth

Technology change
Fast change

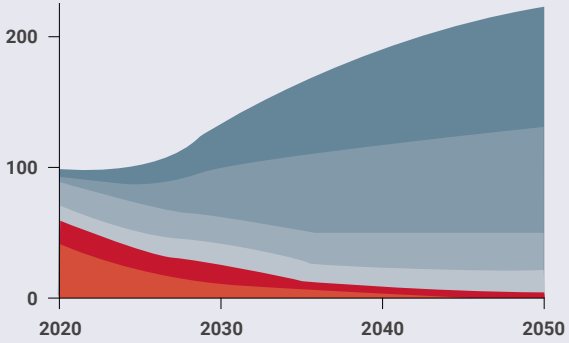
***CDR[5]**
Medium-high use

Regional policy variation
Medium variation

This scenario assumes that ambitious climate policies are introduced immediately to reach Net Zero emissions by 2050. The physical risks are relatively low, but transitional risks are high. Transition risks could result from higher emission costs and business and changes in consumer preferences. Physical risks would be low as various mitigation measures are implemented.

This scenario requires extensive power sector decarbonisation, including transitioning our electricity supply, increasing energy efficiency, and developing new technologies to reduce hard-to-abate emissions. These energy requirements up to 2050 are highlighted in graphs 1 to 3 below.

Decarbonising the power sector



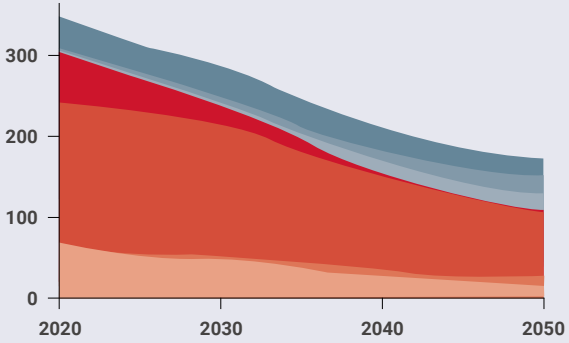
*Electricity generation in *Exajoules per year*

Renewables Fossil fuels

*NOTE: *Exajoule and Megajoule are large units of work or energy.*

Electricity from renewables will increase five-fold over the next three decades. This includes solar, wind and nuclear as well as carbon capture and storage (CCS) technologies. New grid management and storage solutions will be required.

Neutralising fuels

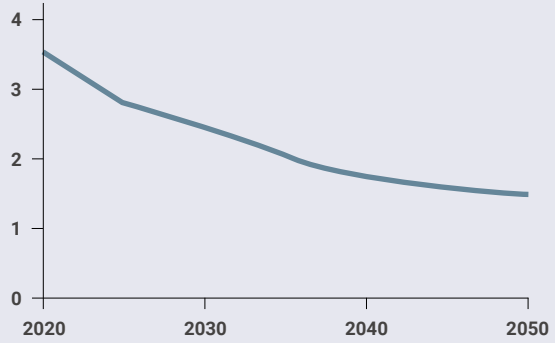


*Gaseous, liquid and solid fuel production in *Exajoules per year*

Renewables Fossil fuels

More than 40% of gaseous, liquid, and solid fuels are carbon neutral in 2050. Alternative fuels include green hydrogen, biofuels, and synthetic fuels. Investments and policy incentives will drive the manufacturing of these fuels.

Driving energy efficiency



*Final energy intesity in *Megajoules per USD*

Energy intensity decreases by almost 60% between 2020 and 2050. Energy efficiency improves and energy consumption reduces. Electrification of various systems including transport dominates.

Above from NGFS: ***https://www.ngfs.net/ngfs-scenarios-portal/explore***

[5] *Carbon Dioxide Removal (CDR) involves removing carbon from the atmosphere through increasing forest cover and soil sequestration (land use) or growing crops for bioenergy. CDR assumptions play an important role in Integrated Assessment Models. If deployed effectively lower warming outcomes could be achieved.*

CURRENT POLICIES:

Policy ambition
3 °C

Policy reaction
None – current policies

Technology change
Slow change

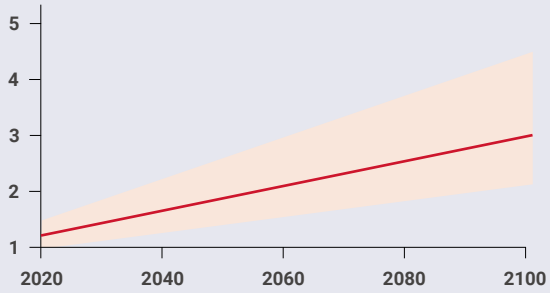
CDR
Low use

Regional policy
Low variation

This scenario assumes that only the country's climate policies currently implemented are preserved – thus, there is no further development in this area. This will lead to a 3°C warming by 2100, high physical risks and irreversible climate impacts. There is an increase in notable physical impacts and natural disasters such as floods and cyclones, including the associated economic damages highlighted in the three graphs below.

As a result of the ecosystem, health, infrastructure, and supply chain disruptions, the economy will be impacted. Transitional risks will be low due to a lack of policy action and mitigation efforts.

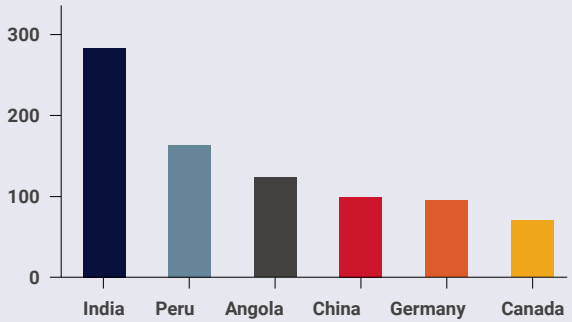
Increasing temperature



Change in global mean temperature in the NGFS Current Policies Scenerio (relative to pre-industrial times in °C).

Without increasing ambitions, temperature increase can exceed 1.5°C in the 2030s, 2°C around 2050 and 3°C in the 2090s. Extreme temperature changes are expected throughout the 21st century. This will lead to a non-linear increase in severe and irreversible effects.

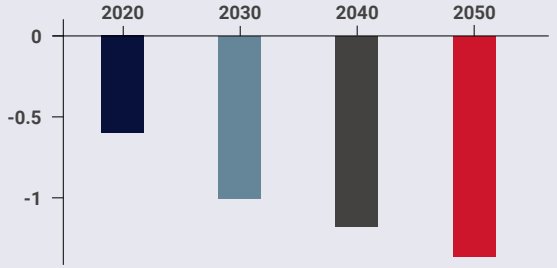
Flood economic damage



Change in annual expected damages from river floods in a 3 °C world (a %, relative to 2020)

In some countries the change in damages due to river floods can exceed 300%. Increased temperature is projected to lead to an increase in various nature hazards. Projection for South Africa 2100: a 33% increase in annual expected damage from river floods is projected.

Global GDP impacts



Global GDP impacts (in %) from acute physical risks (floods and tropical cyclones) for the Current Policy Scenario

Global GDP losses due to acute physical risks (e.g., floods, cyclones) will double by 2040. Damages will be unequally distributed across the globe. Projection for South Africa 2100: a 30% decrease in annual expected damage from tropical cyclones.

Above from NGFS: https://www.ngfs.net/ngfs-scenarios-portal/explore

There are many different types of scenarios that are currently available to use in climate modelling, like the Representative Concentration Pathways (RCP) and the Shared Socioeconomic Pathways (SSP) scenarios.

The RCPs provide different climate futures depending on a specific GHG concentration trajectory – representing the rate of radiative forcing (in watts per metre squared) in 2100. These were adopted by the Intergovernmental Panel on Climate Change (IPCC) for their fifth assessment report in 2014. The RCPs were developed using Integrated Assessment Models (IAMs). This assesses the feasibility of achieving various climate goals, such as the Paris Agreement.

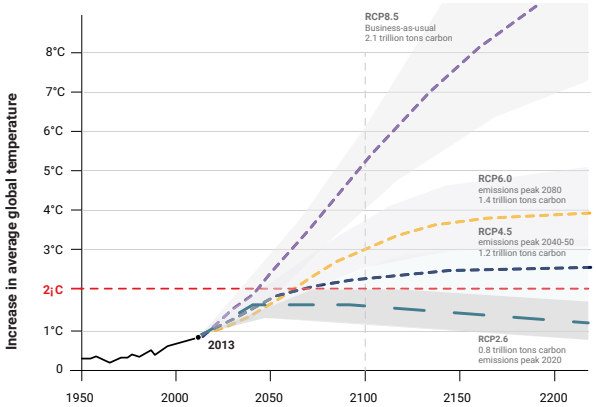
The SSP scenarios are a further refinement and expansion of the RCPs. They incorporate socio-economic characteristics and standardise these to allow for a comparison of society's choices and their resulting levels of climate change. They look at five ways the world might evolve in the absence of climate policy and how different levels of climate change mitigation could be achieved when the mitigation targets of RCPs are combined with the SSPs.

All NGFS scenarios are built on the same socio-economic assumptions – the SSP 2 "Middle of the road" scenario. Here, it is assumed the world follows a path in which social, economic, and technological trends broadly follow historical patterns – characteristic of current conditions. This scenario faces medium challenges to mitigation and adaptation. The main characteristics of this scenario are:

- Uneven development and income growth across the globe
- Slow progress in achieving sustainable development goals
- Both degradation and improvements of environmental systems
- Overall decline in the intensity of resource and energy use
- Moderate population growth that levels off around 2050
- Income inequality remains and only improves slowly

We correlated our two chosen scenarios – Net Zero 2050 and Current Policies against the RCP scenarios.

The RCP2.6 is modelled on immediate GHG reductions and is described by the IPCC as "likely" to result in warming below 2°C by the end of the century. This RCP is most aligned with Net Zero 2050. The RCP4.5 and RCP6 emission pathways cover both the emissions trajectories and the projected range in temperature that the Current Policies scenario could result in. In RCP4.5, emissions peak around 2040 and then decline – resulting in a global temperature rise of over 1.5°C / 2°C by 2100. In RCP6, emissions peak around 2080 and then decline – resulting in a global temperature rise of over 2°C, maximum 3.1°C, by 2100.



Global temperature projections for various RCP scenarios

Source: Architecture 2030: Adapted from IPCC Fifth Assessment Report 2014
Representative Concentration Pathways (RCP), temperature projections for SRES scenarios and the RCPs.

CLIMATE RISKS

The Group considered climate risk impacts over the short- and medium-term horizon – up to 2030 and 2050, respectively. The outputs of climate models beyond 2050 come with greater uncertainty and do not fall within typical business time horizons. Thus, 2100 climate models have not been included in this TCFD report. The suitability thereof will be reviewed in the next reporting period.

Climate risk types

Climate change can impact financial institutions through both physical and transitional risks. Physical risks are climate events and any associated physical impacts related to climate change, including floods, storms, fires, droughts etc. Transitional risks are associated with changes in policy, markets, and new technologies to evolve into a low-carbon economy. Transitional risks can include economic impacts from a reduction in productivity and economic growth as well as impacts from increased policies for emissions and fossil fuel reductions and a just energy transition.

Physical climate risks

Acute risk	Risk from once-off severe physical events, for example, floods, drought and hailstorms.
Chronic risk	Risk from changing climate patterns, for example, continued warming, increased average annual rainfall, and increased frequency and severity of extreme rainfall events.

Transition climate risks

Policy and regulatory	Risk from changing climate policy, including international and national GHG reduction targets, energy efficiency regulations and carbon taxation.
Technology	Risk associated with technology developments by not adopting new technologies or supporting new but quickly redundant technologies.
Market	Risks associated with change in market share, consumer behaviour choice, new products and services and carbon trade barriers.
Reputation	Reputational damage from non-alignment with the climate response required at global, national, or sectoral levels.

Physical and transitional risk assessment

An overarching conclusion of our risk assessment is the likelihood that climate change could reduce or eliminate the appetite of the insurance industry to provide cover for specific activities, assets or customers. We must identify mitigating actions to reduce the risk to be within appetite, and to identify potential opportunities.

The risk assessment provides an overview of the identified physical and transitional risk impacts over a medium-term (2050) horizon before identified additional management actions. It was decided to only present the medium-term impact ratings in the summary table as it aligns with the long-term view of our business continuity. The medium-term impacts are also greater than those in the near-term, presenting a more conservative view of our risks. We still assess near-term impacts and risks. Please refer to the appendix on page 34 for a full risk assessment over the near- and medium-term. We are still in the process of considering ways to mitigate this assessed impact further.

Each business unit assessed selected physical risk indicators against their operations. The impact ratings were determined according to key criteria for each business unit, such as the effects on claim frequency and severity (non-life and life) and morbidity and mortality rates (health and life).

Momentum Investments assessed the physical climate scenarios of their discretionary listed equity and fixed-income assets at the end of the 2023 financial year. This was achieved through the recent appointment of MSCI ESG Research as a climate data service provider. Momentum Investments is still refining its view on the impact of the individual, underlying physical risk indicators outlined in Appendix B on its portfolio, and is excluded from this year's assessment.

A summary of the Group's physical and transitional risk impacts.

TRANSITION CLIMATE RISK QUALITATIVE ASSESSMENT

Policy and legal	Technology	Market	Reputation
• Compliance obligations, regulations and policy requirements will impact industries and countries differently, depending on the type of emissions scenario. • Under a Net Zero 2050 scenario, the carbon-intensive industry, its workers and communities will be negatively impacted by the shift from high-carbon energies. Electricity prices will also increase due to this shift. The carbon tax rate and carbon budget penalties will significantly increase. Investor support could be lost for failure to deliver on increased disclosure and regulatory reporting requirements. • Under a Current Policies scenario, there will be a much slower transition to green energies. Carbon prices will remain relatively unchanged.	• Renewable energy transition will significantly increase under Net Zero 2050. This will increase costs and the need for further development of new technologies. However, this will help reduce the impact of national power cuts and support GDP growth. • A lower cost of borrowing may offset the cost of changing technology. Green bonds, venture capital funding and other lending opportunities could grow. There could be a reduction in commercial insurance and underwriting opportunities for carbon-intensive and related industries. • Under Current Policies, renewable energies will be slowly introduced, and coal will still play a major role in our economy. An increase in the usage of carbon-intensive energy will make South Africa an unattractive option for foreign investments.	• Under both scenarios, GDP will reduce, and unemployment levels will increase. This economic impact could lower our products' affordability across the market and reduce the pool of insurable assets. Repricing of assets such as fossil fuel reserves, land and securities valuation could occur. • Job losses could result in civil unrest, which will impact claims. • A high volume of investment is required under both scenarios to ensure future energy supply meets demand. • Under Net Zero 2050, introducing the Carbon Border Adjustment Mechanism will result in penalties for companies exporting high-carbon goods. This could bring a loss of markets in industries that do not decarbonise sufficiently.	• Under the Net Zero 2050 scenario, there will be significant pressure from stakeholders for companies to decarbonise and set ambitious emission reduction targets. Failure to meet these demands will impact reputation and could lead to market share loss. Insurance companies could be pressured to broaden their policies and pay claims due to the impacts of climate change. • Under Current Policies, companies could suffer reputational damage and market share loss if their products do not align with appropriate climate action. Similar impacts can be seen due to the decision to underwrite and invest (or not to) in carbon-intensive projects or properties exposed to high physical risk. • The use of carbon offsets could be perceived as greenwashing.

The transitional risk impacts were assessed to be broadly the same for the non-life, life, investments, and health businesses. The above applies to all businesses. NOTE: The physical risk assessment for some indicators shows a higher rating under Net Zero than Current Policies. This is due to the assumption that climate change consequences from past actions will take effect and then reduce or taper off over the long term (up to 2100). For certain risk indicators the impact is less severe on a country level, but this is not always the case on various provincial levels. This can also contribute to making the values for Net Zero versus Current Polices seem not logical or incorrect.

PHYSICAL RISK QUALITATIVE IMPACT ASSESSMENT

Low | Low-Med | Med-High | High

	INDICATORS	NON-LIFE Impact rating: Net Zero 2050	NON-LIFE Impact rating: Current policies	LIFE Impact rating: Net Zero 2050	LIFE Impact rating: Current policies	HEALTH Impact rating: Net Zero 2050	HEALTH Impact rating: Current policies	ASSESSMENT
Acute risks	Relative change in annual maximum river flood depth	Med-High	Low-Med	Low-Med	Low	High	High	**Non-life:** Changes to the timing and amount of precipitation could substantially alter flood regimes and future flood related losses. An increase in frequency and severity of flood events could also result in higher costs and increased exclusions on reinsurance programs **Life:** Non-significant mortality and morbidity impact by waterborne diseases (cholera, dysentery, and hepatitis A) via floodwater contaminants **Health:** Extreme floods may lead to injury and increased mortality. Spikes in mental health issues and water-borne and vector-borne diseases
Acute risks	Land fraction annually exposed to wildfires	Low-Med	Med-High	Low	Low	Low	Low	**Non-life:** The increase in wildfire related claims will impact underwriting results and reinsurance cost and availability. Certain properties could become uninsurable, with some reinsurers pulling out of fire-prone areas **Life:** Low air quality could lead to respiratory or cardiovascular problems **Health:** Potential health impacts via smoke inhalation or, in extreme cases, death
Acute risks	Change in fraction of population annually exposed to heatwaves	Low-Med	Med-High	Low	Low	Low	Low	**Non-life:** Significant adverse impact on productivity in the agricultural sector and food production **Life:** High temperatures and high humidity can increase the risk of heat-related illnesses, discomfort, and poor air quality (limited impact) **Health:** Heatwaves could become even more frequent and intense, leading to heatstroke and dehydration in certain regions (limited impact)
Acute risks	Relative change in labour productivity due to heat stress	Low	Low-Med	Low-Med	Low-Med	Low	Low	**Non-life:** Impact on employee well-being and productivity levels could increase the risk of major projects not being completed on time, thus negatively impacting project investment yield and/ or business underwriting performance **Life:** Limited impact on upper retail business for mortality and morbidity (more impact on lower socio-economic segment) **Health:** Heath-related diseases, heat stroke and exhaustion could increase (limited impact)
Acute risks	Wind speed	Low	Low-Med	Low	Low	Low-Med	Low-Med	**Non-life:** Increase in windspeed could exacerbates insurance underwriting losses including claims related to wildfires **Life:** Respiratory irritation and injury risk for example falling trees - (low and isolated impact of morbidity and mortality) **Health:** Unlikely to have major impacts on Health business unless via injuries due to strong winds
Chronic risks	Mean air temperature change	Low-Med	Med-High	Low	Low-Med	Med-High	Med-High	**Non-life:** Long-term agriculture activities impacted by high temperatures and drought – asset losses **Life:** Low, isolated impacts on morbidity and mortality **Health:** High temperatures increase heat strokes and heat exhaustion. Loss in crops and food production
Chronic risks	Rainfall change	High	Med-High	Low-Med	Low-Med	High	Med-High	**Non-life:** Higher rainfall leads to higher claim frequency (motor and property) **Life:** Non-significant mortality and morbidity impact by waterborne diseases (cholera, dysentery, and hepatitis A) via floodwater contaminants **Health:** Extreme weather events can lead to crop failure, infrastructure damage and even humanitarian crises
Chronic risks	Sea-level rise	Low-Med	Med-High	Low	Low	Low-Med	Low-Med	**Non-life:** Increase in claims in coastal areas (motor and properties) and negative impacts on property value in surrounding areas **Life:** Low impact on morbidity and mortality **Health:** Low impact on human health and quality of life
Chronic risks	Soil moisture	Med-High	High	Low	Low-Med	Med-High	Med-High	**Non-life:** We assume drier weather will result in more severe storms (including hail), which is expected to increase claims severity. Water scarcity could result in negative underwriting results for the agriculture business and food production. In the event of wildfire events water scarcity will exacerbate exposure levels **Life:** Potential low indirect impact via water scarcity and food insecurity **Health:** Impact on agriculture productivity could affect food security. Pressure on income availability for medical cover
Chronic risks	Air pollution	Low	Low-Med	Low	Low-Med	High	High	**Non-life:** Impact on staff well-being and productivity due to air pollution **Life:** Isolated impact on disability and death – dependent on various factors **Health:** Increase in respiratory illness, pulmonary and cardiovascular diseases – increase in treatment and hospitalisation

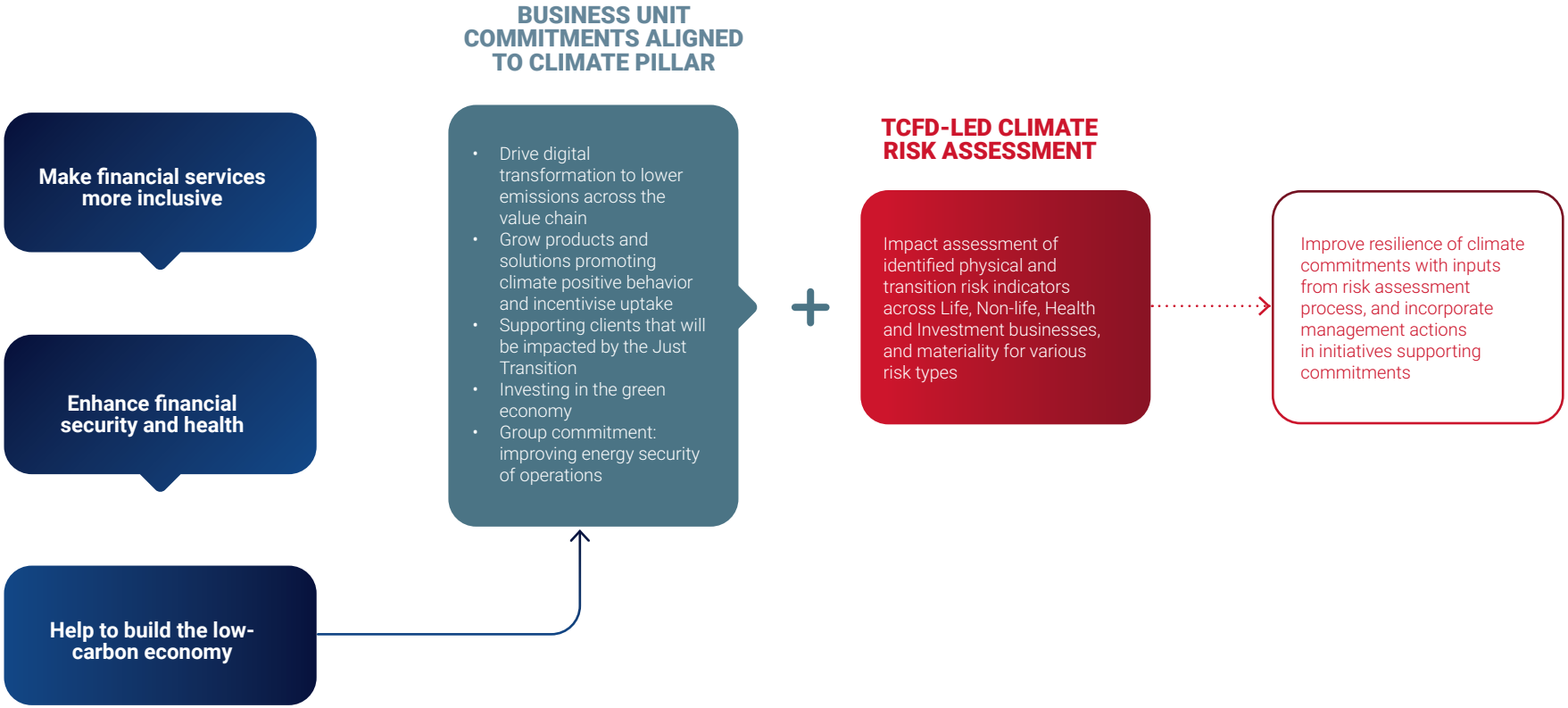
CLIMATE OPPORTUNITIES

Climate change does not only pose risks to business, society, and the planet, but it also offers opportunities. These opportunities can range from new green technologies and energy efficiency equipment to entering new untapped markets and building a reputation as a sustainability leader.

Identifying climate risks has been the Group's focus over the last few years as we have integrated it into our overall risk management process. In the future, we will emphasise identifying and capitalising on opportunities that can assist South Africa in its efforts to decarbonise in a just and fair manner.

Business units followed a structured VILROS[7] process to identify sustainability risks and opportunities that could guide future ambitions and define commitments to help build the low-carbon economy. These commitments are summarised below. The TCFD climate risk assessment provides another sense-check on the resilience of these commitments. It ensures we have considered all the relevant climate risks and opportunities under our selected scenarios. We are developing our transition plan to mitigate these risks, building on the business units' climate commitments defined during the VILROS process. The next step will be to develop appropriate metrics and targets.

SUSTAINABILITY STRATEGY STRATEGIC PILLARS



See the **2023 Sustainability Report** for a detailed view of all risks, opportunities and sustainability commitments made by the business units across the three focus areas of the strategic Sustainability Framework.

[7] *Analysis over several steps followed by business units. Used by businesses to assess the impact of the external environment on their business model, their own impact on their operating environment, and explore their existing capabilities to generate profit-led ESG-impact at scale. Process developed by ESG consultancy Incite.*

In addition to the business units' climate commitments, transition planning across the industries participating in this climate risk assessment will include the following initiatives:

- Driving policyholder education for clients to understand policy rules and exclusions
- Seeking alternative reinsurance markets – the move to a low-carbon economy may create new insurable assets or lead to the need for new insurance products
- Managed care – more focus on disease risk management and hospital risk management (i.e., early detection of diseases to ensure adequate mitigation activities and scheme member education activities)
- No direct investment allocation towards financing new coal power stations

TCFD opportunity type	Description and examples	Momentum Metropolitan response F2023
Resource efficiency	• Reduced operating costs due to resource efficiency • Increase value of fixed assets such as green buildings	• We are making a R150 million capital investment in solar facilities at our Centurion and Parc du Cap properties. Work will commence in 2024. The project will entail the installation of solar panels on roofs and parking lots with a battery energy storage system for the data centres, providing eight hours of backup battery storage. The new equipment will also enable us to extend our diesel reserves • A total of 50 Metropolitan branches will be upgraded with non-solar inverter backup systems before the end of 2023. Backup power is included for all new branches For more information on the solar project, see the **2023 Sustainability Report**
Energy source	• Use of lower emission sources and energy-efficient equipment	• Upgrading of data centres and advancing the Group's green IT strategy. See page 30
Products and services	• Explore providing credit to new renewable energy suppliers • Launch impact investment funds and increase portfolio resilience over long term	**Products:** • Seeking 10% increase in products supporting renewable energy guarantees, mining rehabilitation and agriculture resilience **Services:** • Strong pursuit of digital transformation initiatives that promote efficiencies and reduce emissions, e.g., remote health assessments and policy underwriting
Markets	• Access to new markets that support the green economy and Just Transition (e.g., green bonds)	• Actively seeking opportunities supporting the transition. See Momentum Investments' support of SDG 13 (Climate Action) on page 26
Reputation	• Gain stakeholder confidence through Group behaviour changes and commitments to sustainability initiatives • Use influence to educate clients and build sustainable partnerships	• Actively seeking opportunities supporting the transition. See Momentum Investments' support of SDG 13 (Climate Action) on page 26

* See the appendix for a timeline of our climate journey.

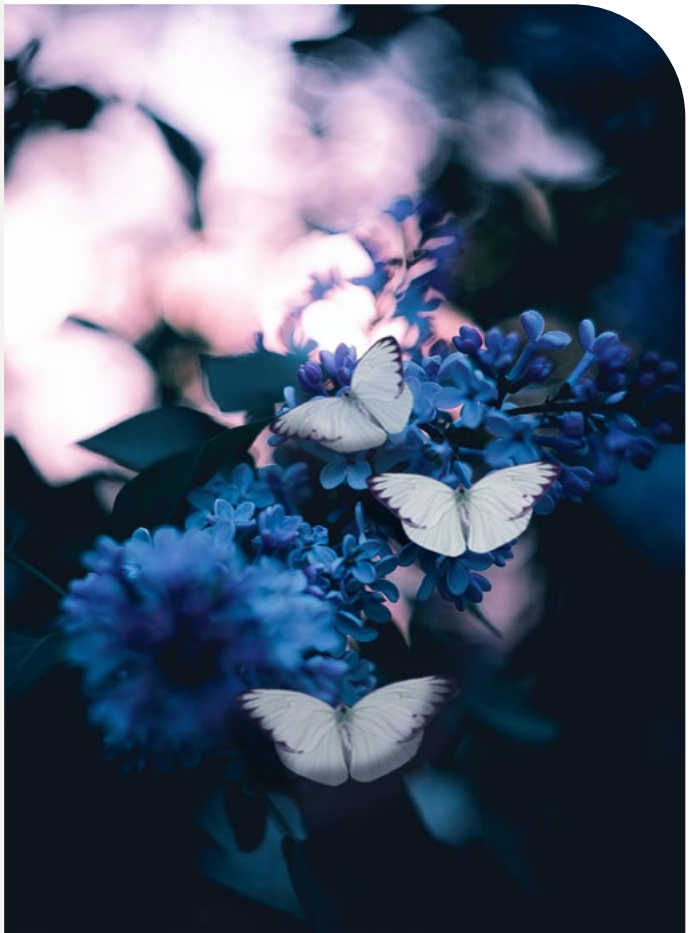
Digital and paperless

Digital tools in an insurance business can improve efficiency, streamline processes and enhance client experiences while reaching a wider client base.

At Momentum Metropolitan, we made significant strides in digitising processes, thus reducing our carbon footprint and delivering solid cost savings. Robotics process automation, for example, enabled straight-through processing in sales and services.

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

For more on digital-led innovation, see the **2023 Sustainability Report.**



RESPONSIBLE INVESTMENT APPROACH TO CLIMATE CHANGE

Our responsible investing approach is guided by these principles

We advocate

We participate in market-related industry events and serve on the responsible investing committee of ASISA.

We report on progress

Our proxy voting history, UN PRI Transparency Report and Stewardship Report are publicly available.

We seek disclosure

We have a register showing how we engage with companies we invest in to keep them accountable. Our engagement register is publicly available.

We are active owners

We use our influence to help maintain a well-governed corporate South Africa.

We integrate ESG

We have a responsible investing committee that serves as an oversight function of responsible investing practices across the investment team.

We keep to rules and regulations

We adhere to the rules, standards, and policies we committed to, such as the UN PRI and UK Stewardship Code. For a list of commitments and memberships, see the appendix.

We ensure due care and diligence are taken when considering any potential investment and the impact it could have on the environment. We aim to work towards a Just Transition to a low-carbon economy while being aligned to the Paris Agreement objectives and South Africa's pathway towards low GHG emissions and climate-resilient development.

As investors, it is in our interest to encourage companies in which we invest to increase their awareness of these factors and to ensure that they also have a climate change focus for a sustainable and resilient future business.

Notable developments for F2023:

- We measured the carbon footprint of our South African local equities and fixed-income exposures held within our client portfolios.
- We have committed to no direct investment allocation towards financing new coal-fired power stations.
- We will seek to invest in energy businesses working towards transitioning to a low-carbon economy.
- We seek to increase our focus on low-emitting technologies and services, thereby replacing high-emitting technologies or services over time.
- We will support high and low-emitting firms to ensure the delivery of critical services. Through our stewardship efforts, we will ensure entities have a robust climate strategy and support a Just Transition.

The Momentum Investments team acknowledges that climate change is a real risk for the environment, people and businesses. Therefore, the Group manages climate-related considerations across all the assets we manage. Our **climate investment decarbonisation strategy** serves as a guiding framework for the respective investment capabilities within our business.

Our governance team has renewed their SDG 13: Climate Action goal to encourage targeted listed equity companies to disclose and link remuneration policies with climate-specific key performance indicators (KPIs). Refer to page 27, to read more about additional climate-related commitments made by our Momentum Investments team. Our **proxy voting policy** has also been updated with our expected climate considerations.

Please also refer to our **climate change investment policy** online.

RISK MANAGEMENT

Climate risks versus other risks
Climate risks and threats have steadily grown in frequency and magnitude.

Climate change impacts are experienced globally, and our operations are no exception. These impacts affect our financial and strategic responses to the external environment. Thus, we must ensure robust climate risk management processes are in place.

We are responsible for correctly pricing the risk that our clients face relating to climate change impacts while continuing to contribute to societal resilience.

HOW WE IDENTIFY AND ASSESS CLIMATE RISK

The Group uses the ORSA process for risk management, which has defined reporting lines to our Board's RCC and SETC. The ORSA process incorporates our climate change-related risks and management assessment. A top-down and a bottom-up approach is followed to identify and assess these risks.

Every business unit across the Group is responsible for identifying their current relevant risks, including climate-related risks.
The identified risks are reported to the Risk Strategic Steering Committee, which comprises all our businesses' CROs. The Risk Strategic Steering Committee is mandated to evaluate climate-related risks and manage the Group-wide, or business unit-specific, risk response. A Climate Risk Steering Committee was established to conduct scenario analyses to bolster climate-related risk identification.

The Risk Strategic Steering Committee developed a climate risk framework to evaluate climate-related risks more effectively and comprehensively. The framework allows for the identified physical and transitional climate risks to be assessed from a materiality perspective across different risk types such as market, regulatory, longevity, mortality, morbidity, lapse, counterparty credit, operational, strategic, business, non-life insurance and reputational risk. Various business unit-specific factors are further considered during the materiality assessment. These include:

- Potential claims
- Potential mismatch between the value of assets underwritten and cost of replacement
- Shifts in geographic distribution of natural hazard and health risks
- Adequacy of reinsurance cover and pricing
- Technological investment for the low-carbon economic transition
- Affordability and adequacy of insurance cover
- Impact of the short and long-term value of investments

HOW WE MANAGE CLIMATE RISK

The business unit-specific identified risks are scored for severity and materiality. After that, they are monitored and managed as part of our ongoing risk evaluation activities. Each climate-related risk is managed and assessed depending on the nature of the risk itself, the level of exposure throughout the business and the business risk appetite.

Once a climate-related risk is determined, each business unit develops and implements an appropriate risk response based on the agreed risk appetite. These response actions are implemented and managed at both business unit and Group level.

The climate risks and opportunities of both the individual businesses and the Group as a whole are reported to the SETC and the RCC.

See the governance section on page 8 for an overview of our climate governance.

HOW WE INTEGRATE CLIMATE RISK INTO OUR GROUP ENTERPRISE RISK MANAGEMENT PROCESSES

Climate change has been identified as one of the top nine risks for the Group in 2023, as presented in the 2023 Integrated Report. Climate-related risks can have major impacts on the business units' service and product offerings, affecting their ability to deliver the Group's strategic objectives and to ensure long-term business viability.

The Group-wide ORSA process requires us to consider all material risks that may impact our ability to meet stakeholders' obligations. The risk assessment process uses our risk classification system to ensure that the relevant exposures are reflected via our appropriate risk taxonomy. Each main risk category is supported by the appropriate policies, methodologies and frameworks designed to give insight into the application of the risk identification, assessment, monitoring, management, and reporting.

Integrating climate change risk into our Group's risk management process is a key management design principle. We used the risk taxonomy's existing risk types to integrate climate risk. When we assessed the possible impacts of climate change risk, we considered whether it would give rise to an additional risk in each risk type or increase the likelihood or severity of an existing risk.

Risk identification

The risk identification process relies on appropriate mechanisms, at a risk type level, to identify sources of risks as well as their potential consequences. The identification of risks considers events that might enhance, degrade, accelerate, or delay the achievement of objectives.

Application

Implemented:
- Identify a comprehensive list of climate risk issues that the Group could be exposed to, while providing insurance and other financial services to various industry sectors
- Sourcing climate change related data points from e.g. NGFS, IPCC to form the bases for financial and non-financial impact assessments

In progress:
- Continuous monitoring of enhancements to climate change indicator data and timely update of risk assessment matrix and models

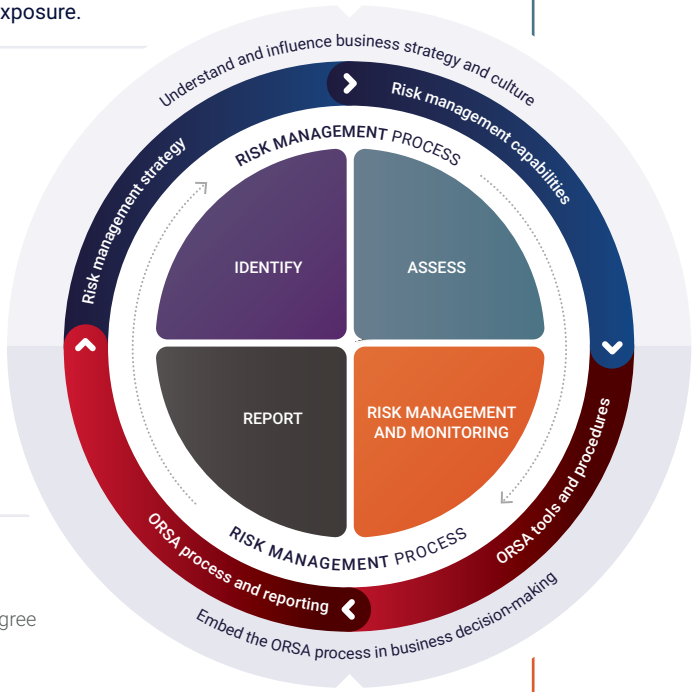
Risk assessment

The likelihood and consequence of a risk event, and the nature and level of exposure relative to the Group's risk appetite and risk strategy is assessed. Controls and management actions, their effectiveness and efficiency are considered for the residual risk exposure.

Application

Implemented:
- Qualitative risk assessment - likelihood and impact sensitivity assessment of the physical and transitional climate indicators for selected climate scenarios over various time horizons
- Materiality impact assessment on other principal risk types

In progress:
- Quantitative risk assessments – undertaking assessment of climate risk exposure by mapping business line activities to industry sectors, scoring them on their known climate risk profiles in a portfolio heat map
- Refinement of MMH Group's risk appetite framework to include climate related elements
- Identify the metrics and targets for key climate change risk indicators
- Defining transitional action plans to reduce the climate risk exposure to an acceptable level



Risk management and monitoring

Risk is monitored and managed as part of our ongoing operations. Management seeks to consider and implement appropriate risk responses on the agreed risk appetite.

Application

Implemented:
- Document the identified climate risk issues relevant to the Group
- Discussion of the findings at various Divisional Executive Committees to gather more detail and agree on any enhancements required

In progress:
- Based on the Group's risk appetite and risk exposure, develop an approach to include climate risk factors in current risk management process used for underwriting and investing purposes
- Monitoring progress of transitional action plans to bring the residual risks to an acceptable level

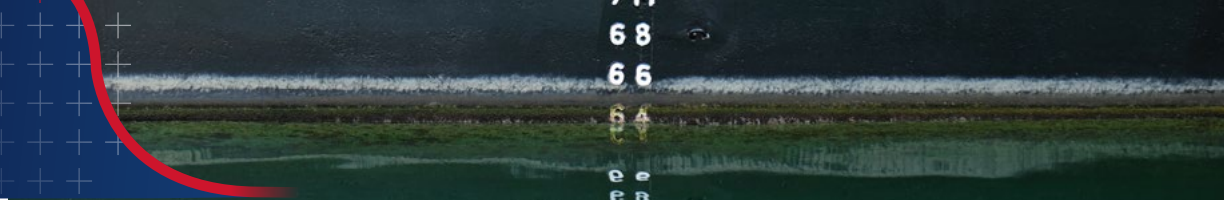
Risk reporting

Risk reporting is provided regularly to the relevant stakeholders and details the risk exposures and proposed responses to the risks.

Application

- Reporting of the relevant climate change risk indicator results, risk exposure levels, outlook, and management responses to stakeholders at various governance structures

METRICS AND TARGETS



Within our operational boundary, we measure our environmental performance in terms of water, energy, and waste management. We implemented energy efficiency interventions across our new buildings and aim to improve the energy efficiency of existing buildings and key infrastructures like our data centres.

We also focus on investments in renewable energy and infrastructure projects to improve the delivery of basic services, for example, water security.

The various business units recognise the opportunity to influence emission reduction across the value chain and grow products and services to address emerging environmental risks. We will progress work on how to measure performance on these commitments in F2024. Where metrics are already in place, we report these.

For a detailed view of the business unit commitments aligned to our Sustainability pillars, refer to the **2023 Sustainability Report**.

OUR CARBON FOOTPRINT

Our carbon footprint enables us to track and monitor our environmental impact and the effectiveness of any emission, energy, and water reduction initiatives. We measure our total GHG emissions emitted as a Group annually.

The emissions are calculated and reported using the GHG Protocol Standard and verified by an external agency. The GHG Protocol is the most widely used standard for mandatory and voluntary corporate GHG reports and is compatible with other international GHG reporting standards such as ISO 14064. Our **2023 Carbon Verification Opinion Declaration** can be viewed online.

Currently, we report on all direct operational emissions (Scope 1) and selected indirect emissions (all Scope 2 but only specific Scope 3 categories). These are excluded due to data and resource availability for certain activities. In future, we intend to review our abilities to include additional material categories such as investments, leased assets, and employee commuting to achieve full compliance with the GHG Scope 3 Standard over time.

Our carbon footprint boundary

We follow the operational control approach for consolidating emissions.

Inside the boundary:

- The Group has operational control over activities and equipment in South Africa – including branches – and Namibia, Lesotho, Botswana, the United Kingdom, Guernsey, and Gibraltar
- 212 facilities across the Group, including facilities for Metropolitan, Momentum, Momentum Health and Momentum Insure

Outside the boundary:

- Eris Properties: 24 facilities reported diesel consumption, but these sites were excluded from the gross leasable area (GLA), electricity and water calculations due to no operational control
- Kenya, where the Group is no longer operational
- Mauritius, Mozambique, and Ghana, as data could not be obtained or was deemed immaterial
- Electricity and water consumption associated with vacant space in Momentum Metropolitan-owned properties
- Scope 1 emissions for most non-South African offices, if applicable, as these are small, leased premises
- The joint venture in India was excluded as Momentum Metropolitan does not have operational control

MOMENTUM METROPOLITAN 2022 GHG INVENTORY

Description	1 January to 31 December 2022 (tCO_2e)	1 January to 31 December 2021 (tCO_2e)	Baseline year 2014 (tCO_2e)	Change from 2014 to 2022	Change from 2021 to 2022
Scope 1					
Stationary fuels (generator diesel/petrol)	2 572	697	71	3 523%	269%
Product use: refrigerant gases (Kyoto Protocol)	515	599	381	35%	-14%
Mobile fuels (owned cars)	481	427	992	-52%	13%
Total Scope 1 emissions	**3 568**	**1 722**	**1 444**	**147%**	**107%**
Scope 2					
Purchased electricity – location-based	40 437	42 027	58 209	-31%	-4%
Total Scope 2 emissions	**40 437**	**42 027**	**58 209**	**-30.53%**	**-3.78%**
Scope 3					
Category 1: purchased goods and services – paper	379	1 531	901	-58%	-75%
Category 1: purchased goods and services – water	94	98	212	-56%	-4%
Category 3: fuel and energy-related activities – transmission and distribution (T and D) losses	4 830	4 962	6 556	-26%	-3%
Category 3: fuel and energy-related activities – well-to-tank (WTT) fuel	720	269			168%
Category 5: waste generated in operations	276	136			103%
Category 6: business travel – flights	4 677	1 096	10 545	-56%	327%
Category 6: business travel – car hire	537	113	269	100%	375%
Total Scope 3 emissions	**11 513**	**8 206**	**18 483**	**-38%**	**40%**
Total Scopes 1 and 2	44 005	43 749	59 653	-26.23%	0.59%
Total Scopes 1, 2 and 3	55 518	51 955	78 137	-29%	6.86%
Total number of employees	16 558	16 483	17 422	-5%	
Total emissions per employee (tCO_2e/FTE)[8]	2.66	2.65	3.42	-22%	0.29%

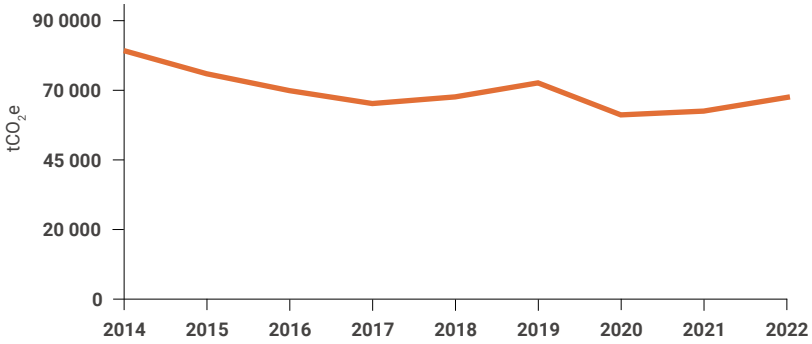
[8] *The full time equivalent (FTE) denominator value included all permanent office and field staff but excluded all temporary staff.*

**NOTE: The Eskom Grid Emission Factor was used for South African electricity emissions calculations. All other emissions were determined using the Department for Environment, Food and Rural Affairs (DEFRA) emission factors.*

Key points of our 2022 carbon footprint performance:

- A significant increase in stationary fuel emissions due to an increase in the use of diesel generators because of higher levels of load shedding (national power cuts)
- Water, paper, and electricity emissions decreased due to the various efficiency initiatives implemented in recent years
- Business travel has normalised but is still below pre-Covid levels
- Momentum Metropolitan's total emissions (including Scopes 1, 2 and 3) decreased compared to prior years. The decrease is mainly seen in fleet fuel usage, electricity and under Scope 3 water, paper, and flight emissions. We expect that our solar installations at the Centurion and Parc du Cap offices will further reduce our emissions, although complete grid independence will not be possible

Total Group emissions



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

We are committed to setting new short-, medium-, and long-term targets for the Group, which will help us in our decarbonisation journey. In the interim, we are prioritising improving our carbon footprint. We understand the importance of carbon footprint assessments for identifying potential emission hotspots for operational and cost improvements. A complete, reliable carbon footprint is critical for target-setting purposes. Furthermore, we are exploring ways to automate certain footprint aspects to improve monitoring, efficiency, and accuracy, reporting fully on all relevant emission categories and activities.

Reassessing our boundary

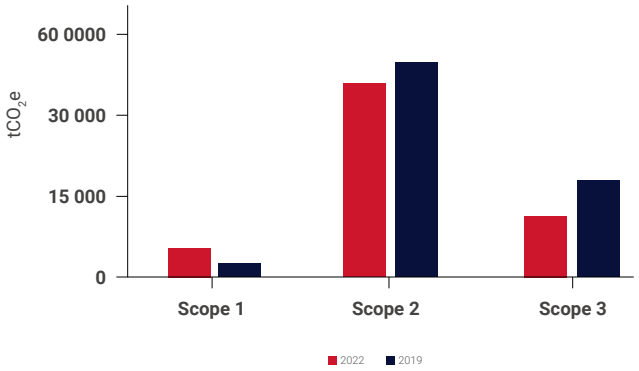
In September 2023, we reassessed our organisational boundary approach and conducted training sessions with the relevant carbon footprint data owners on the GHG Protocol. The organisational boundary determines which entities and assets to include in a carbon footprint assessment. Consensus was achieved to continue to apply the operational control approach, including only the entities and assets the Group has operational control over.

The Group has undergone several structural and organisational changes over the last few years. As a result, we reviewed and restated our current 2014 baseline to be aligned with more business-as-usual operations.

The graphic below shows the comparison between two potential new baselines. We initially assessed which new baseline would be more appropriate for the Group – either 2019 (pre-Covid) or 2022 (post-Covid). It was determined that the 2022 emissions reflect the current operations of the Group. Load shedding has increased since 2019 (with no indication that this will change anytime soon), thus contributing to more generator diesel usage and less electricity consumption. Since Covid-19, a new hybrid work system has been introduced, reducing travel across the Group. In 2022, the business also implemented several digital client service offerings, reducing paper use.

Therefore, 2022 will be the new baseline for the Group. It represents the current operational activities and changes in the external environment, such as impacts from load shedding. These emissions are also more conservative (lower) and thus provide a competitive baseline for our target-setting process.

2022 vs 2019 baselines



The actual values for each emissions activity for the old and new baselines are provided in the table below:

Carbon footprint: 1 January to 31 December	2022	2014
	Total metric tonnes CO_2e	Total metric tonnes CO_2e
Scope1		
Stationary fuels (generator diesel)	2 572	504
Product use: refrigerant gases (Kyoto Protocol)	515	1 042
Mobile fuels (owned cars)	481	590
Total Scope 1	**3 568**	**2 136**
Scope 2		
Purchased electricity - location-based	40 437	50 802
Total Scope 2	**40 437**	**50 802**
Scope 3		
Category 1: Purchased goods and services – paper	379	665
Category 1: Purchased goods and services – water	94	130
Category 3: Fuel- and energy-related activities – T and D losses	4 830	4 766
Category 3: Fuel- and energy-related activities - WTT-fuel	720	267
Category 5: Waste generated in operations	276	106
Category 6: Business travel – flights	4 677	12 388
Category 6: Business travel – car hire	537	323
Total Scope 3	**11 513**	**18 644**
Total Scopes 1 and 2	**44 005**	**52 937**
Final total Scopes 1, 2 and 3 emissions (GHG Protocol)	**55 518**	**71 581**
"Outside of Scopes" GHG emissions		
Product use: Refrigerant gases (Non-Kyoto Protocol)		
R-22	281	538
Momentum Metropolitan total measured GHG emissions	**55 799**	**72 120**

NOTE: The carbon footprint is completed annually ahead of our CDP submission in July. Hence, we could not use the new emissions baseline for the 2023 footprint. It will be applied for the 2024 footprint.

F2023 metrics and targets performance

*Greener operations

- **Four** waste management programmes (one at each main campus)
- **61%** of waste produced recycled (2021: 47%)
- **112 727 kl** total water withdrawal (2021: 106 727 kl)
- **40 167 MWh** total energy consumption (2021: 45 082 MWh)
- **26%** reduction in overall GHG emissions against the 2014 baseline (2021: 34%)

*Data based on calendar year against 2014 baseline

Greener products and services

- **R5.2 billion** in renewable energy guarantees (solar) (F2022: R5.3 billion)
- **R4.7 million** gross written premiums for Agnovate multi-peril yield insurance* F2022: R5.2 million)
- **R52.3 million** sales in pension-backed solar installations** (F2022: R39 million)

*Agnovate's Soil Moisture Insurance offers high-tech insurance utilising satellite data and covers the probability of a predefined event happening rather than covering an actual loss incurred. The solution is based on the high correlation between soil moisture and plant performance. Agnovate's Soil Moisture Insurance protects farming clients against events such as drought, which may be triggered by volatile climatic conditions. A claim will trigger when the average soil moisture level for a risk period drops below the agreed trigger point.

** Momentum Corporate supports clients in financing solar installations through pension-backed home loans. Clients can leverage their home loan to install solar power, or a professionally installed inverter integrated into the house. The pension-backed home loan is a members-only employee benefit to reduce the risks associated with load shedding.

Climate aligned investing

Momentum Investments developed a Sustainable Development Framework to guide respective investment teams in their contribution towards climate action. The six supported SDGs are SDG3: Good Health and Well-being; SDG 4: Quality Education; SDG 7: Affordable and clean energy; SDG 8: Decent work and economic growth; SDG 9: Industry, innovation, and infrastructure and SDG13: Climate Action.

INVESTMENT CAPABILITY	TARGET DESCRIPTION	PERFORMANCE
Hedge fund and Portfolio solutions	Climate change investment policy adoption	The climate change policy adoption of the: • Hedge fund team's appointees increased from 16% (2021) to 22% (2022) • Portfolio solution team's appointees increased from 23% (2022) to 29% (2023)
Listed equity (governance)	Listed companies to disclose remuneration policies with climate-specific KPIs	For the F2023 period, we assessed the five companies where we are material investors, of which only Growthpoint Properties Ltd has adequately linked their climate change goals to their remuneration policies
Private equity team	Climate change investment policy adoption	16% of our appointees currently have climate investment policies in place
Listed property team	Support green buildings	Exposure to green buildings increased from 28% (2022) to 39% (2023)
Portfolio solutions team (through their direct property exposure)	Substantially increase the generation of clean and affordable energy	• Number of solar sites increased from nine (2022) to 10 (2023) • Total renewable power generated by the solar sites: 17 631 000 kWh (per year) • Total emissions saved by investing in the solar sites: 17 700 tCO_2e (per year)
Fixed income team	The underlying investments within our fixed-income portfolios will be used to finance businesses and projects promoting the selected six SDGs outlined in our framework	• Increase in sustainable bonds from 0.52% (2022) to 0.61% (2023) across our total assets under management • Our total exposure to sustainable bonds as of 30 June 2023 is R510 million

Global funds
Key Performance Indicators

Momentum Global Sustainable Equity Fund

21.5% lower GHG (Scope 1 and 2) than the benchmark

23.3% lower waste generation than the benchmark

22.5% lower water consumption than the benchmark

Harmony Sustainable Growth Multi-Asset Fund:

No exposure to coal

60% lower exposure to fossil fuel (oil and gas) than peers

Empowerment Financing

Key performance indicators:

R4.1 billion investment in renewable energy infrastructure projects to address the energy crisis
(F2022: R2.3 billion)

2.9 million tCO_2e potential emissions saved p/a on average

58.5 million tCO_2e potential emissions saved over 20 years (project operational period)

NOTE: The Eskom grid emissions factor of 1.01 as taken from their 2023 Integrated Report was used to calculate potential savings

Winning deal for climate and communities

Momentum Metropolitan was appointed co-mandated lead arranger and lender to three Koruson 1 projects. This entails constructing three wind farms with 420 MW installed capacity, 26 wind turbines on each and a total capital investment of R11 billion in South Africa. The low-carbon renewable electricity produced will help meet the electricity needs of approximately 193 000 households. It will provide more than 590 full-time jobs for South Africans during the two-year construction period. During the 20-year operation period, 50 full-time jobs will be created. Approximately 40% of the project value will comprise local content and 1.2% of revenue generated by the projects will be applied to local community development. This transaction won the Renewable Energy Deal of the Year at the 2023 Bonds, Loans and ESG Capital Markets Africa Conference. It supports the Group's efforts to contribute to a Just Transition by ensuring local communities benefit from investments in renewables.

INVESTMENT PORTFOLIO CARBON FOOTPRINT

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

DISCLAIMER: "This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Momentum Outcome-based Solutions (Pty) Ltd.'s information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Listed fixed income and listed equities

		F2022	F2023
Financed carbon emissions (tonnes CO2e/US$ million invested)	Scope 1 + 2	203.6	142.3
tCO_2e/$m invested	Scope 3 – upstream	128.2	134.3
	Investor allocation: EVIC Scope 3 – downstream	989.8	852.1
Total financed carbon emissions (tonnes CO2e)	**Scope 1 + 2**	**188 245.5**	**142 271.8**
tCO_2e/$m sales	**Scope 3 – upstream**	**118 505**	**134 320.9**
	Investor allocation: EVIC Scope 3 – downstream	**915 056.6**	**852 071**
Financed carbon intensity (tonnes CO2e/US$ million sales)	Scope 1 + 2	379.7	255.8
	Scope 3 – upstream	238.7	241.6
	Scope 3 – downstream	1 843.4	1 532.6
Data coverage value (%)		64	64

Listed fixed income and listed equities:

EVIC: Enterprise Value Including Cash (EVIC) is an alternate measure to Enterprise Value (EV) to estimate the value of a company by adding back cash and cash equivalents to EV. The underlying data used for EVIC calculation is sourced from a company's accounting year-end annual filings. EVIC is updated and reflected once a year as the data is sourced annually.

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

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

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

SA discretionary assets invested

	F2022	F2023
Total carbon-related assets* (R billion)	40.9	30.6
Total coal ** (R billion)	3.8	2.4
Total oil and gas*** (R 000)	725	737

SOURCE: Momentum Investments/MSCI

**Total carbon-related assets consist of energy sector; basic materials: mining; consumer discretionary: transport; consumer staples: food producers, farmers, fishing, ranches, and plantations; industrials: containers and packaging, diversified industrials, transportation services, engineering and contracting services, marine transportation; real estate: real estate holding and development; health care. Unlisted entities: Eskom and Transnet.*
***Total coal assets consist of Eskom, Thungela Resources Ltd and Exxaro Resources Ltd.*
****Total oil and gas consist of Efora Energy Limited (EEL).*

For a detailed report on the investment climate metrics, definitions and methodology for assessment, see pages 33-35 of the **2023 Stewardship Report**.

Internal carbon price:

At this stage, a tailored internal carbon price is not used across the Group. The current Carbon Tax Act rate is used to assess our potential carbon tax impact based on stationary diesel and petrol usage.

We conducted an estimated calculation of our indirect carbon tax exposure. As per Phase 1 of the Carbon Tax Act, diesel and petrol are currently taxed at the pump. This means that when we purchase these fuels, we pay a carbon tax levy of R0.10 and R0.09 per litre for diesel and petrol, respectively.

Momentum Metropolitan spent the following towards carbon taxes* in 2022:

- Diesel = **R102 324**
- Petrol = **R17 033**

**This is based on our 2022 carbon footprint values of 1 023 239.73 litres for diesel and 189 250.30 litres for petrol.*

Additionally, the Carbon Tax Act has a mechanism to provide tax relief to electricity producers (Eskom). They are exempt from paying carbon taxes in the first phase. However, this neutrality on the electricity price is set to expire at the end of 2025. In the 2022 reporting period, the Group consumed 40 166 935 kWh of electricity. If we assume Eskom's full carbon tax liability will be passed onto its customers, Momentum Metropolitan will have to pay an additional R2.2 million on their electricity.

OUR GREEN IT STRATEGY

Technology is a critical enabler of sustainability. It allows us to include more people in the financial system and serve them better. However, the production and disposal of tech products consume a lot of energy and resources, and technology contributes to GHG emissions. Since 2018, our IT teams have worked hard to increase our data centres' energy efficiency. According to the International Energy Agency (IEA), data centres and transmission networks account for 1% of the global GHG emissions.

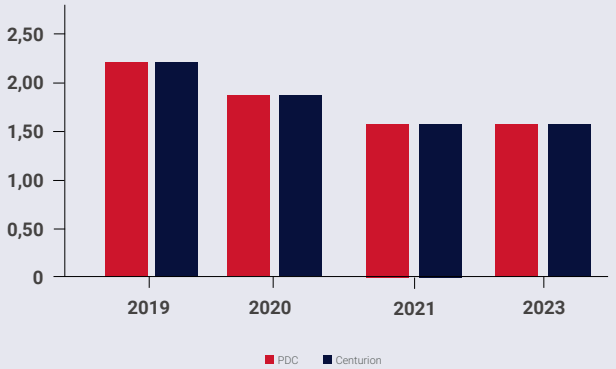
Since 2018, we have been on a journey to enable greater resource efficiency and business benefit while improving responsible practice and lowering our environmental impact. Our Green IT strategy has three pillars: improving power utilisation efficiency (PUE), operational efficiency and responsible e-waste disposal. PUE is a metric used to determine the energy efficiency of a data centre. It is obtained by dividing the total amount of power entering a data centre by the power used to run the IT equipment.

Performance

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

Power Utilisation Efficiency ratio of data centres

The data centre modernisation project at Centurion was completed in April 2023, and the PUE was found to be efficient.



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

Operational efficiencies

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

135 devices are being physically removed.

Green IT disposal

50km of power cables were removed from the plenum (floor space). This increased the airflow to keep the ICT kit cool, resulting in less use of the air conditioners and, thus, further energy savings. This is shown in the PUE/efficiency rating improvement (1.56 for both data centres).

FUTURE TARGET SETTING

The next phase of our decarbonisation journey will see us setting appropriate, realistic, but competitive emission reduction targets.

Our metrics and targets will evolve over time as new insights are developed regarding our emission activities, especially along our value chain.

Climate-related performance targets are currently not integrated into the Group's remuneration policies, but the Remuneration Committee will consider ESG-linked targets – not just climate targets – for F2024 executive remuneration.

DEVELOPING MOMENTUM METROPOLITAN'S DECARBONISATION APPROACH

	Financed emissions		Operations		Suppliers
	Insurance associated emissions	Investments and lending emissions	Direct emissions	Indirect emissions	ESG due diligence on new suppliers
Actions	Measure the exposure of our underwriting activities	Measure the exposure of our investment activities	Review the carbon footprint boundary and set a new Group emissions baseline		Advocacy with suppliers to improve climate actions
	Take a solutions approach to decarbonisation (invest in green economy, develop climate-positive products)		Site-specific actions to reduce tCO_2e using renewables	Measure leased assets and investments	Considering target for new suppliers to meet ESG due diligence, and target for supplier engagement
	Support climate at risk clients and clients impacted by the Just Transition				
Targets	No targets in place yet		Considering target for reducing Scope 1 and 2 combined by 2030	Considering target for Scope 3 by 2030. Prioritise waste, water, and business travel	
Global alignment and commitment	Decarbonisation plan will be Paris Agreement aligned and supportive of national commitments to Net Zero		Decarbonisation plan will be Paris Agreement aligned and supportive of national commitments to Net Zero		

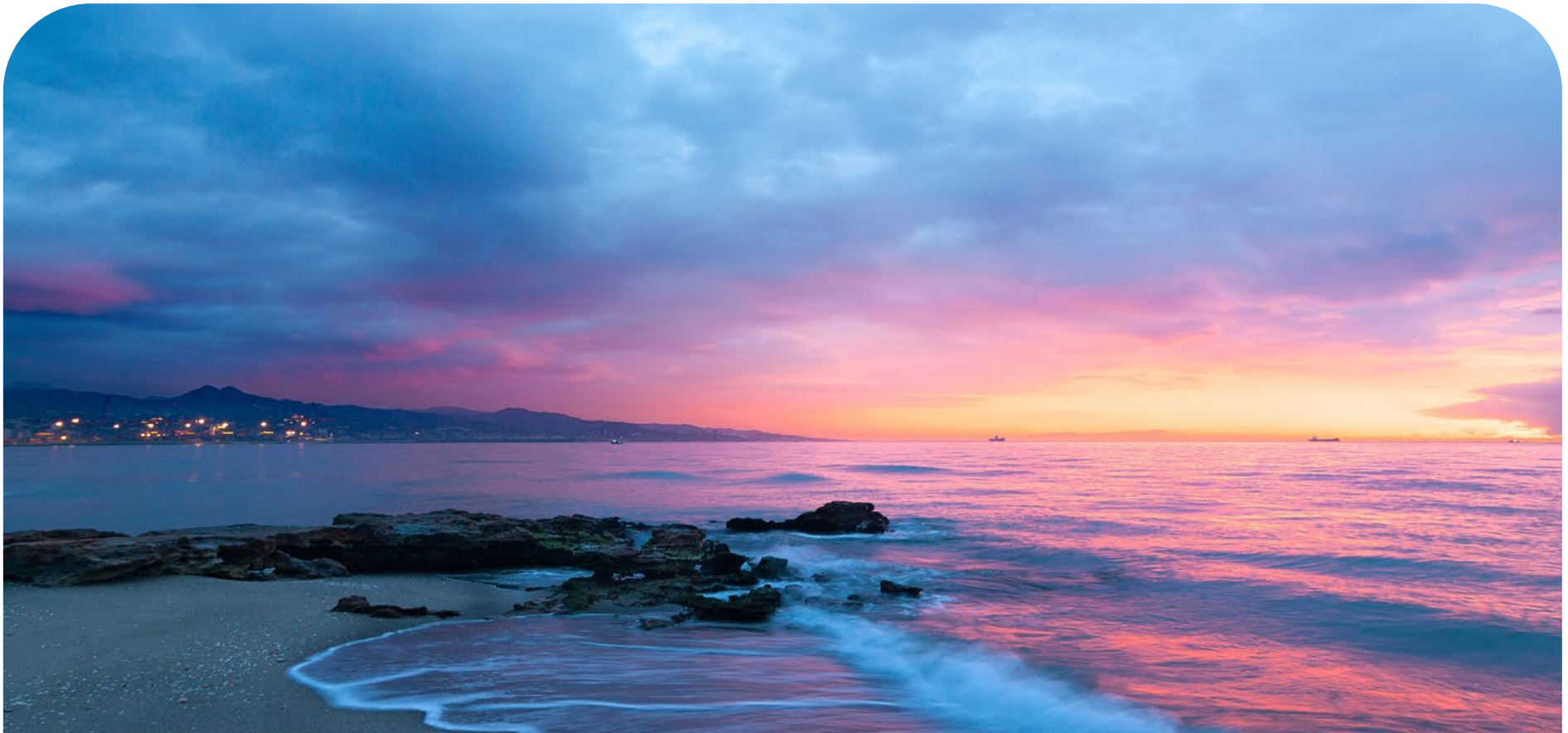
APPENDICES

ANNEXURE A: LIST OF ABBREVIATIONS, ACRONYMS, AND DEFINITIONS

ACWA	African Cities Water Adaptation Fund
CDP	A non-profit originally known as the Carbon Disclosure Project, now referred to as CDP. It runs a global environmental disclosure system for investors, companies, cities, and governments to assess their impact and take action to build sustainable economies.
Climate Action 100+	An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take the necessary action on climate change.
CCS	Carbon capture and storage (CCS) is a way of reducing carbon emissions, which could be key to helping to tackle global warming.
CTAP	Climate transition action plan
COP	COP, or Conference of the Parties, is the supreme decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC). It meets annually to decide on the global steps against climate change. The 27th COP was held in Egypt in 2022 and the 28th will be held in Dubai. The UNFCCC is an environmental treaty that nations joined in 1992.
CRISA	Code for Responsible Investing in South Africa
CSIR	South African Council for Scientific and Industrial Research
ESG	Environmental, Social and Governance
GBCSA	Green Building Council of South Africa
GBF	Global Biodiversity Framework
GDP	Gross domestic product
GHG	Greenhouse Gas
IPCC	Intergovernmental Panel on Climate Change. First set up in 1988, it surveys the research on climate change happening all around the world and reports on the current state of our scientific knowledge through assessment reports.
JETP	Just energy transition partnerships
MGIM	Momentum Global Investment Management
Mitigation and Adaptation	Mitigation refers to an action that will reduce or prevent GHG emissions, such as using renewable wind and solar energies. Adaptation refers to actions that help us cope with the effects of climate change, such as projects to improve the resilience of infrastructure during extreme weather events.
NBI	National Business Initiative
NDC	Nationally Determined Contributions are commitments that each country makes to reduce emissions and adapt to the impacts of climate change. Countries submitted their NDCs in 2020 and committed to do so every five years from then onward.
NGFS	The Network for Greening the Financial System is a network of 114 central banks and financial supervisors that aims to accelerate the scaling up of green finance and develop recommendations for central banks' role in climate change. The South African Reserve Bank is a member of the NGFS.
ORSA	Own Risk and Solvency Assessment
Paris Agreement	A legally binding international treaty on climate change. It was adopted by 196 nations (also called parties to the treaty), including South Africa, in December 2015 at COP21 in Paris.
PCC	Presidential Climate Commission
PRI	Principles for Responsible Investment
PUE	Power Utilisation Efficiency

ANNEXURE A: LIST OF ABBREVIATIONS, ACRONYMS, AND DEFINITIONS CONTINUED

RCP	Representative Concentrated Pathway. A greenhouse gas concentration trajectory adopted by the IPCC. There are different RCPs, each describing a climate future based on a set of assumptions regarding economic activity.
RCC	Risk, Capital, and Compliance
SARB	South African Reserve Bank
SDGs	Sustainable Development Goals. A collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.
SETC	Social, Ethics and Transformation Committee
tCO_2e	Tonnes of carbon dioxide equivalent
UNGC	United Nations Global Compact
OHCR	United Nations Office for the High Commissioner for Human Rights
WEF	World Economic Forum
WWF	Worldwide Fund for Nature
WRI	The World Resource Institute
WMO	World Meteorological Organisation
WMBC	We Mean Business Coalition



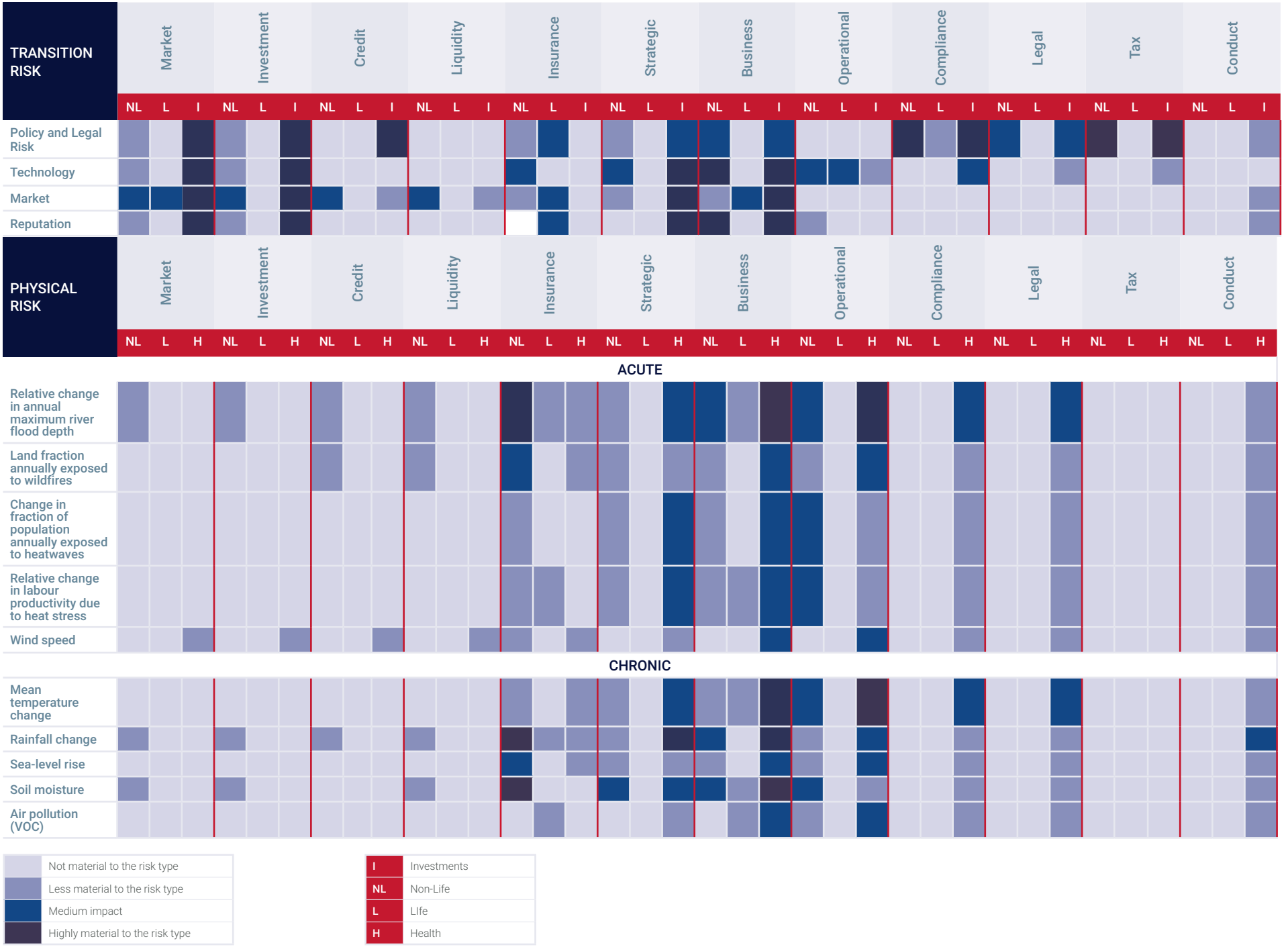
ANNEXURE B: SUMMARY OF CLIMATE RISK INDICATORS IDENTIFIED

Physical risk implications for the Net Zero 2050 and Current Policies scenarios

Physical Indicator	Short-term Time Horizon (present-2035)		Medium-term Time Horizon (2040-2060)		Sources
	Net Zero 2050	Current Policies	Net Zero 2050	Current Policies	
Relative change in annual maximum river flood depth (flood depth during most severe flood of the year – annual maximum discharge exceeds local protection standard)	31.2% increase across South Africa. KwaZulu-Natal (KZN) will see a 210.7% increase,	44.9% increase across South Africa. KZN will see an increase of 434.2%.	44.9% increase across South Africa KZN will see an increase of 434.2%	7.6% increase across South Africa KZN will see an increase of 313.5%	Climate Analytics, NGFS
Land fraction annually exposed to wildfires (land area fraction burnt on average at least once a year)	Increase by an average of 0.1% points across South Africa. The largest change: Gauteng with a 0.1% point increase.	Increase by an average of 0.2% points across South Africa. The largest change: Gauteng with a 0.1% point increase.	Increase by an average of 0.2% points across South Africa. The largest change: Gauteng with a 0.1% point increase.	Increase by an average of 0.1% points across South Africa. The largest change: Gauteng with a 0.2% point increase.	Climate Analytics, NGFS
Change in fraction of population annually exposed to heatwaves (population which experiences a heatwave on average every year - air temperature and humidity exceed exceptionally high values)	0.5% increase across South Africa. The largest change: KZN with a 1.2% change.	0.5% increase across South Africa. The largest change: KZN with a 1.4% change.	0.5% increase across South Africa The largest change: KZN with a 1.4% change.	1% increase across South Africa The largest change: KZN with a 2.5% change.	Climate Analytics, NGFS
Relative change in labour productivity due to heat stress (percentage decrease in efficiency during regular working hours under hot and humid climate conditions)	Decrease by an average of 1.9% points in South Africa.	Decrease by an average of 2.1% points in South Africa.	Decrease by an average of 2.1% points in South Africa.	Decrease by an average of 3.6% points in South Africa.	Climate Analytics, NGFS
Wind speed (velocity of air mass 10 metres above ground)	Average increase of 1.1% across South Africa. The largest change: Gauteng, with a 1.6% increase.	Average increase of 1.1% across South Africa. The largest change: Gauteng with a 1.8% increase.	Average increase of 1.1% across South Africa. The largest change: Gauteng, with a 1.8% increase.	Average increase of 2.1% across South Africa. The largest change: Gauteng, with a 3.2% increase.	Climate Analytics, NGFS
Mean air temperature (average temperature of air masses 2 metres above ground)	Average warming of 1°C across South Africa. Gauteng: higher temperature change (0.3°C) than coastal provinces of KZN and Western Cape (WC).	Average warming of 1.1°C across South Africa. Gauteng: higher temperature change (0.3°C) than coastal provinces of KZN and WC.	Average warming of 1.1°C across South Africa. Gauteng: higher temperature change (0.3°C) than coastal provinces of KZN and WC.	Average warming of 1.7°C across South Africa. Gauteng: higher temperature change (0.3-0.4°C) than coastal provinces of KZN and WC.	Climate Analytics, NGFS
Rainfall (mass of rainfall and snowfall falling on the Earth's surface, per unit area and time)	0.4% decrease across South Africa. WC: 3.4% decrease. KZN: 3.5% increase.	0.3% decrease across South Africa. WC: 4.5% decrease. KZN: 3.7% increase.	0.3% decrease across South Africa. WC: 4.5% decrease. KZN: 3.7% increase.	1.5% decrease across South Africa. WC: 8.1% decrease. KZN: 2.3% increase.	Climate Analytics, NGFS
Sea-level rise (median projections of global and regional sea level rise for Port Nolloth, Cape Town, Simons Bay, Mossel Bay, Knysna, Port Elizabeth and Durban)	0.104m rise across coastal areas of South Africa. The biggest increase: Knysna by 0.12m.	0.103m rise across coastal areas of South Africa. The biggest increase: Knysna by 0.12m.	0.196m rise across coastal areas of South Africa. The biggest increase: Knysna, Mossel Bay and Simons Bay by 0.21m.	0.221m rise across coastal areas of South Africa. The biggest increase: Knysna by 0.24m.	NASA
Soil moisture (water stored in soil of 1-metre depth per unit area)	Decrease of 0.2% across South Africa. WC: 2.2% decrease in soil moisture.	Decrease of 0.3% across South Africa WC: 2.8% decrease in soil moisture.	Decrease of 0.3% across South Africa WC: 2.8% decrease in soil moisture.	Decrease of 1.5% across South Africa WC: 4.9% decrease in soil moisture.	Climate Analytics, NGFS
Air pollution (volatile organic compounds (VOCs) are local air pollutants emitted from certain organic compounds in fuels and chemicals in paints, varnishes, and cleaning products)	Global VOC levels: increase to 73.39 million tonnes by 2030.	Global VOC levels: increase to 174.53 million tonnes by 2030.	Global VOC levels: increase to 80.85 million tonnes by 2050.	Global VOC levels: increase to 158.91 million tonnes by 2050.	IPCC

**Extracted values from the NGFS/Climate Analytics tool during May 2023.*

ANNEXURE C: OVERVIEW OF MATERIALITY OF CLIMATE CHANGE ON PRINCIPAL RISK TYPES



ANNEXURE D

MOMENTUM METROPOLITAN CLIMATE CHANGE MATURITY PLAN

	Beyond compliance		Strategic integration	
	PHASE 1 F2022 STATUS	PHASE 2 F2023 STATUS	PHASE 3 F2024 STATUS	PHASE 4 F2025 STATUS
Governance	1) Establish climate change governance structures.	1) Develop climate change framework.	1) Integrate climate change into governance practices and policies including business unit level Excos, Boards, risk management and business planning processes.	1) Continuation of integration of climate change risks and opportunities into business unit strategies and operations.
	2) Integrate climate risk into existing board governance structures.	2) Define roles, responsibilities, and mandates.	2) Integrate climate change risks and opportunities into Investments, Balance Sheet Management, Corporate and Risk Management committees' oversight responsibilities.	2) Prepare for external assurance on climate change-related processes and governance thereof.
	3) Board and Exco training on climate-related risks and opportunities.	3) Enhance the level of awareness, skills and expertise at Board and Exco level. 4) Develop and publish an MMH investment decarbonisation statement.	3) Internal combined assurance planning on climate change-related processes and governance thereof. 4) Enhance the level of awareness, skill and expertise at Board and Exco level. 5) Skills development - specialist training for human resources involved in the climate change management process. Building a Momentum Metropolitan climate change knowledge resource centre.	3) External assurance on financial disclosures. 4) Approve the MMH climate risk appetite and alignment to the strategic objectives. 5) Create and roll out an enterprise-wide training and awareness programme.
Strategy	1) Elevate climate change as a strategic risk driver of other principal risk types.	2) Align the Group's strategy to enable climate resilience and transition to a lower-carbon economy. 3) Develop strategies for climate change adaptation and mitigation specifically at divisional level.	1) Perform a stakeholder needs analysis and establishment of the relevant technical partnerships. 2) Integration of Group climate change strategy into investment and insurance activities, including pricing and performance measurement.	1) Continue integrating Group climate change strategy into investment and insurance activities, including pricing and performance measurement. 2) Consider climate goals and targets in remuneration models (i.e. performance measurement and remuneration) to drive a culture of rewarding sustainable value creation.

NOT STARTED · ON TRACK TO MEET OBJECTIVES · ONGOING ACTIVITY · BEHIND SCHEDULE · COMPLETE

Risk Management

PHASE 1 F2022	STATUS	PHASE 2 F2023	STATUS	PHASE 3 F2024	STATUS	PHASE 4 F2025	STATUS
1) Development of climate change risk management framework.		1) Define and document the process for identifying, prioritising and managing climate-related risks.		1) Embed the process for identifying, prioritising, managing, monitoring and reporting climate-related risks in business and risk management processes.		1) Enhance the reporting capabilities and improve data systems impacted.	
2) Identify climate scenarios to inform the Group's assessment of climate change materiality.		2) Development of physical and transitional risk impact measurement methodology to support the climate change risk management framework.		2) Using a risk-based approach, commence with the climate change modelling process using heat mapping and geo-mapping tools to perform sector, product and portfolio vulnerability, exposure and risk prioritisation assessments in the non-life portfolio.		2) Incorporate climate risk into business due diligence processes, materiality assessment and credit modelling.	
3) Articulate appropriate time horizons to be used in measuring climate change impact considering the useful life of the Group's assets.		3) Understand and prepare for future prudential or regulatory reporting requirements.		4) Incorporate climate change risk elements in the enterprise risk management (ERM) methodologies, frameworks and taxonomy (including incorporating into other principal risk type policies).		3) Continue with the climate change modelling process. Using heat mapping and geo-mapping tools to perform sector, product and portfolio vulnerability, exposure and risk prioritisation assessments in the non-life portfolio.	
4) Source climate change weather data points, assumptions and projections to support baseline analysis.		4) Qualitative climate risk assessment within the life, non-life insurance and investment portfolios.		5) Incorporate climate change risk elements in the ERM processes (including reporting per risk type in quarterly ORSA process).		4) Develop portfolio carbon accounting, stress testing, sector analysis and capital adequacy assessment processes to model the impact of the transition to a low-carbon economy on the Group's investment and insurance portfolios.	
5) Perform climate change qualitative impact on the Group.				6) Qualitative assessment of climate risk within the life, non-life insurance, investment and health portfolios.			
6) Perform a climate change principal risk type materiality assessment to enable risk type prioritisation.							

NOT STARTED · ON TRACK TO MEET OBJECTIVES · ONGOING ACTIVITY · BEHIND SCHEDULE · COMPLETE

	PHASE 1 F2022	STATUS	PHASE 2 F2023	STATUS	PHASE 3 F2024	STATUS	PHASE 4 F2025	STATUS
Metrics and targets	1) Define investment targets for Momentum Metropolitan climate strategic objectives and commitments.		1) Publish the latest climate change-related policies and position statements on the Group website.		1) Define emissions reduction targets for Group's own operations (Scope 1 and 2 and selected Scope 3)		1) Increase scope of asset classes assessed as reliable data and methodologies emerge	
	2) Establish baseline for Momentum Metropolitan's operational carbon footprint.		2) Perform assessment of carbon emissions in the Group's investment portfolio.		2) Monitoring and reporting of actual vs targeted performance per metric.		2) Reperform assessment of carbon emissions in the Group on portfolio level	
	3) Disclose GHG emission Scopes 1, 2, and selected Scope 3 for Momentum Metropolitan operations.		3) Assess relevance of alliance groups or climate Net Zero initiatives to inform target setting for F2024.		3) Incorporate more forward-looking climate metrics focused on assessing the risk-return impact of climate change on Momentum Metropolitan portfolios.		3) Monitoring and reporting of actual vs targeted performance per metric.	

NOT STARTED · ON TRACK TO MEET OBJECTIVES · ONGOING ACTIVITY · BEHIND SCHEDULE · COMPLETE

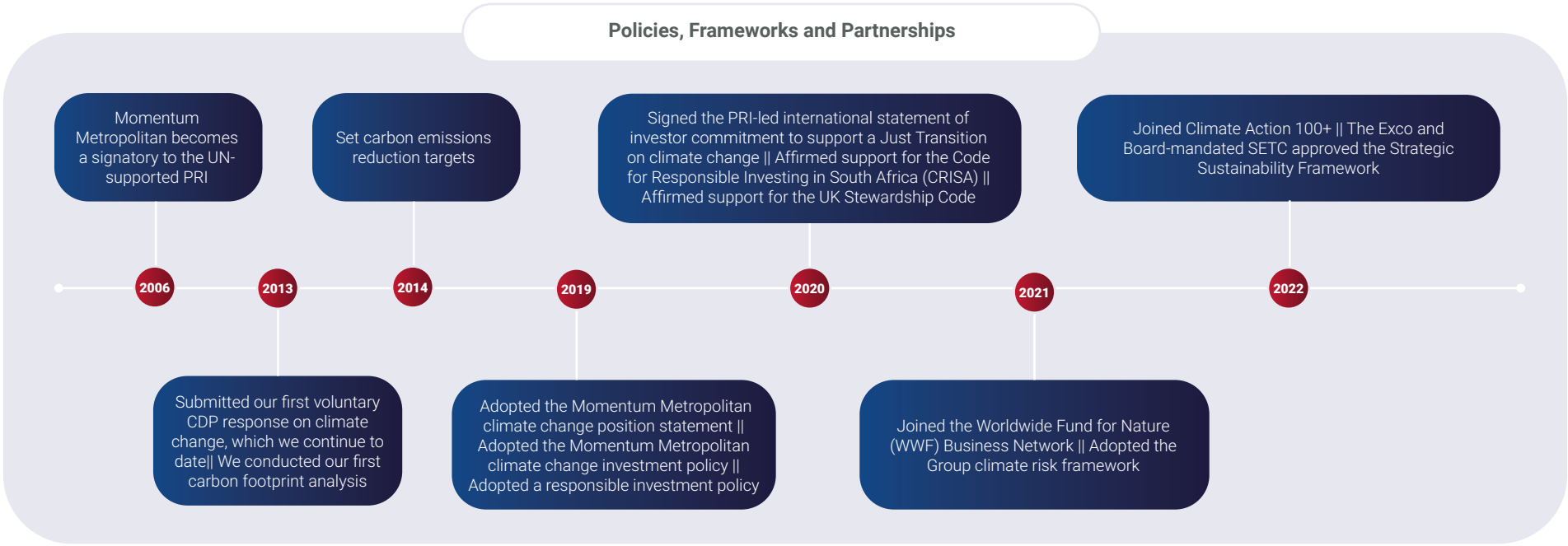
APPENDIX E: OUR RISK APPETITE IN RELATION TO CLIMATE CHANGE

Our climate quantitative risk assessments are still in progress, and will provide insights regarding the exposure, composition and concentration levels from which climate related risk appetite levels will be integrated into materially impacted risk types. Based on the risk type materiality assessments, the below are risk types that will be impacted by climate change:

Risk Type	Current Risk Attitude	Current Risk Tolerance
Strategic risk	Seeking	High
Business risk	Seeking	High
Market Risk	Seeking	High
Credit Risk – Investment	Seeking	High
Credit Risk – Concentration	Averse	Moderate
Life insurance risk - Mortality	Seeking	Very High
Life insurance risk - Morbidity	Seeking	High
Life insurance risk – Health insurance risk	Seeking	Moderate
Life insurance risk – Catastrophe risk	Averse	Moderate
Non-Life insurance risk - Premium and reserve risk	Seeking	Moderate
Non-Life insurance risk - Catastrophe risk	Averse	Very Low
Operational risk – third party risk	Averse	Low
Operational risk – business continuity risk	Averse	Low
Operational risk – people risk	Averse	Low

Quantitative limits will be defined based on the quantitative risks assessment outcomes, which are currently underway for selected climate risks issues.

ANNEXURE F: TIMELINE OF CLIMATE JOURNEY



ANNEXURE G: REFERENCE LIST

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