

SOCIAL AND ENVIRONMENTAL INDICATORS

THE ROLE OF CORPORATE SOCIAL INVESTMENT (CSI)

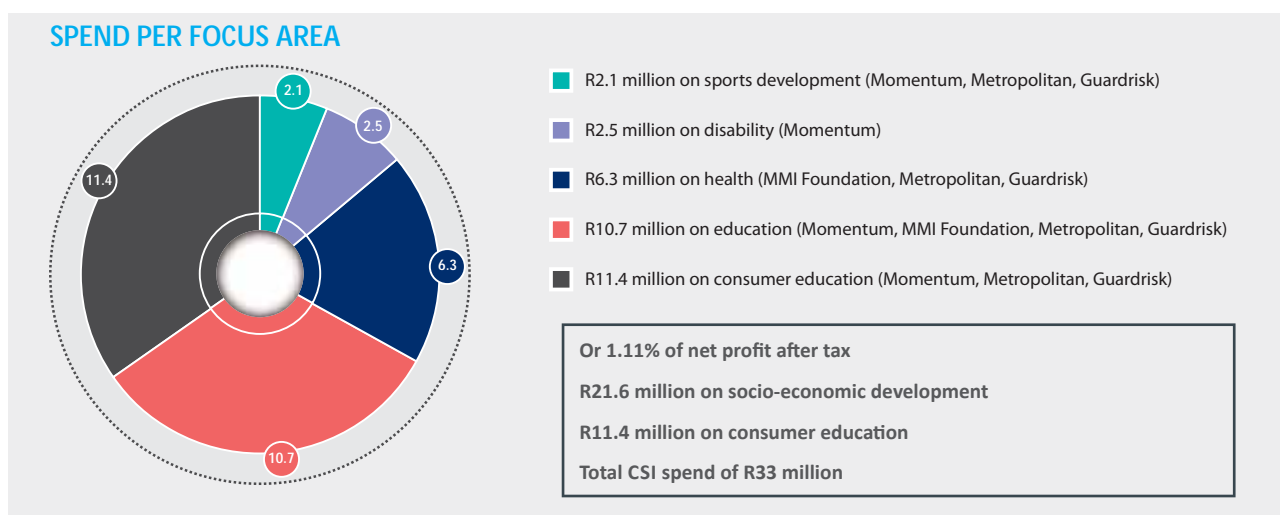
MMI has established the MMI Foundation to provide strategic oversight and governance, as well as play an advisory role for all CSI initiatives. Under its guidance, Metropolitan, Momentum and Guardrisk ensure the distribution of funds allocated to them to address the various social challenges of South Africa.

MMI's CSI programmes are aimed at creating lasting benefits for the communities in which we operate by addressing barriers to their Financial Wellness and empowering them to build better lives for themselves and their families. This is done through initiatives in the areas of sports development, education (including consumer education) disability and health.

Our efforts in consumer education are critical to supporting communities, especially the youth making more informed and effective decisions concerning their financial welfare. Our approach includes face-to-face workshops with non-governmental organisations partners and media-based awareness programmes.

The national presence of the various brands means that MMI's CSI efforts reach into all nine provinces, with some large-scale collaborative projects covering multiple provinces.

MMI operates in a number of countries across the globe through a direct presence, strategic partnerships or joint ventures. In these territories, faced with different challenges, we encourage and support our staff to make meaningful contributions to the communities in which we do business.



For further details on these initiatives, refer to the MMI Foundation website www.mmifoundation.org.za.

SPONSORSHIPS

Metropolitan and Momentum have various sponsorships to enhance the brand, and support the group's focus on creating prosperity and ensuring Financial Wellness. They are the following:

- Metropolitan Mojo road running series.
- Metropolitan: Clash of the Choirs.
- Metropolitan Premier Cup.
- Momentum Unisa Household Financial Wellness Index and the Momentum Household Net Wealth Report.
- Momentum: Cricket South Africa (CSA).
- Momentum and Pick n Pay – a unique partnership.
- Momentum Health Oatwell DualX Series.
- Momentum: Ashleigh Moolman Pasio.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INVESTING

MMI promotes acceptance and implementation of the United Nations' Principles for Responsible Investment (PRI) and the Code for Responsible Investing in South Africa (CRISA) principles. Momentum Outcome-based Solutions (MOBS) and Momentum Asset Management (MAM) are signatories to the PRI. MOBS and MAM form part of the MMI Investment and Savings Centre of Excellence (ISCoE), which houses the MMI investment business and capabilities. We are celebrating with the PRI, as one of the first signatories from South Africa are proud to have served on two working committees of the PRI since 2009. The companies collaborate with other industry bodies, interested parties, service providers and others on ESG, through engagement, network discussions and various initiatives.

 For further details on these sponsorships, refer to the MMI website www.mmiholdings.com.

During the year, Investment and Savings Centre of Excellence reviewed the responsible investment initiative that sets new goals on an annual basis. Our purpose is to enhance the lifetime Financial Wellness of people, their communities and their businesses and therefore we use responsible investment practices to achieve this purpose. Our investment centre of excellence knows that long-term success can only be built through sustainable and responsible investment practices.

The following policies are available:

- Conflict of interest management policy.
- Responsible investment policy.
- Proxy voting guideline policy.

MOBS' and MAM's annual detailed responsible investment activities are reflected on the PRI website (<http://www.unpri.org/signatories>), with each business entity having their own transparency report which is also publicly available to local and international audiences. At a high level, listed below are some of the ESG activities that form an integral part of the ongoing investment and business interests:

- MOBS and MAM consider ESG when:
 - Making investment decisions by evaluating the ESG factors of the companies in which direct investments are made.
 - Selecting investment managers by assessing their ESG practices and policies and considering these where relevant in the investment decision-making process.
 - Investing in properties by focusing on energy efficiency, water demand management and by targeting green star ratings for refurbishments.
- Dedicated analysts are responsible for ESG and quality standard policy development and monitoring.
- A record of voting decisions and a register of ESG engagements is maintained.
- MOBS has integrated ESG further into its investment manager due-diligence process through active engagement, having taken guidance from the PRI.
- MOBS offers a responsible investment portfolio, which is called the Momentum MoM SuperNation Portfolio. This investment portfolio is holistic, comprehensive, Regulation 28 (of the Pensions Fund Act, 24 of 1956) compliant, and is structured to address responsible investment guidelines, while at the same time competing directly, from a risk-adjusted return perspective, with other traditional multi-asset balanced portfolios. Multiple specialist investment managers are mandated to derive active investment returns from differentiated segments of the market. Various responsible investment themes are covered in the portfolio, including, but not limited to; infrastructure and development, developmental property and responsible investment equity exposure.

- MOBS believes in the integration of responsible investment within the investment portfolio offerings and this includes inter alia specific focussed responsible investment building blocks in the company's 'best ideas' Factor Series™ range of portfolios.
- We have been a member of the International Corporate Governance Network (ICGN) since 2013. This investor-led organisation's mission is to promote effective standards of corporate governance and investment stewardship to advance efficient markets and sustainable economies worldwide.
- The company's proxy voting policy is available on request. The proxy voting policy and guidelines are aligned with the Companies Act, PRI, King III, Global Reporting Initiative (GRI) and various global industry association codes.

CARBON FOOTPRINT

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

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

The total of our carbon emissions for the period 1 July 2014 to 30 June 2015 was 76 524 metric tons. The largest contributor to our carbon footprint was electricity, at 74%. In terms of reducing our carbon emissions, and to enable the government to achieve its target of reducing country emissions by 34% by 2020 and 42% by 2025, we will concentrate most of our efforts on reducing our electricity usage.

MMI has established the 2013/2014 financial year as the baseline year on which carbon emission targets have been set. The board has approved a 12% reduction in carbon emissions by 2020. As part of this process, the carbon emissions will be monitored to ensure that appropriate initiatives are implemented in order to meet the set target. The reduction of carbon emissions will be reported annually in the CDP.

For further details on our carbon footprint, refer to the MMI website www.mmiholdings.com

