momentum
group

CLIMATE CHANGE POSITION STATEMENT

momentum METROPOLITAN GUARDRISK

Table of Contents

1. PURPOSE

1.1 Momentum Group Limited's ('Momentum Group' or 'Group') purpose is to build and protect our clients' financial dreams. We do this by helping people grow their savings, protect their assets, and invest for long-term security. The unique South African context poses environmental, economic and social challenges, exacerbated by the threat of climate change, which put the promises we make to clients and society at risk.

1.2 Consistent with our enduring commitment to climate action, we support a Just Transition and the progression toward a low-carbon economy. This climate position statement articulates our integrated approach to addressing climate-related risks and opportunities by embedding climate considerations throughout the full value chain of our business. We leverage our internal expertise, collaborative partnerships, and industry affiliations to make a meaningful and sustained contribution to climate resilience and sustainability.

2. OUR STRATEGIC APPROACH TO CLIMATE CHANGE

2.1 Momentum Group recognises climate change as a material risk and integrates climate considerations across all managed assets. Our strategy supports the Paris Agreement and South Africa's development pathway toward climate resilience and reduced greenhouse gas (GHG) emissions.

2.2 Sustainability is embedded within our Group strategy, reflecting a balanced approach to environmental responsibility, social equity, and economic growth. Guided by global frameworks such as the Sustainable Development Goals (SDGs), we advocate for sustainable practices, from emission reductions and biodiversity protection to inclusive finance and responsible investment.

2.3 Momentum Group will endeavour to pursue rigorous, science-based research in collaboration with industry bodies, technical experts, and government stakeholders to define optimal decarbonisation pathways for priority sectors. These pathways will inform scenario development and guide the alignment of financing activities.

2.4 We integrate climate considerations into our overarching Sustainability Framework rather than adopting a standalone climate strategy. This approach ensures that climate performance is embedded across all business functions and aligned with our overall corporate strategy.

2.5 The investment capabilities of Momentum Group Life Ltd acknowledge climate change as a real risk and manage these climate-related considerations across the discretionary assets that we manage. The aim is to work towards a just transition and achieve a low carbon economy while being aligned to the Paris Agreement. Our climate change investment policy and climate investment decarbonisation strategy guides the investment teams within our business to achieve this objective, with a commitment to refrain from direct investment allocation towards financing new coal-fired power stations.To view the policies, please visit our website https://www.momentumgroupltd.co.za/responsible-investment.

2.6 We acknowledge the unique vulnerabilities within the South African context and are committed to leverage opportunities that support sustainable growth. Through continuous learning, innovation and collaboration, Momentum Group strives to ensure its climate response remains globally informed, locally relevant, and integrated into long-term value creation.

3. IMPACT OF CLIMATE CHANGE ACROSS OUR BUSINESS

GOVERNANCE AND CLIMATE RESILIENCE

3.1 Climate change represents a financially material and systemic risk that impacts the long-term resilience of our business. Oversight of climate-related risks and opportunities is integrated into our governance frameworks, in line with global disclosure standards such as the Task Force on Climate-related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS) S2. Our climate governance processes inform strategic decisions across our business offerings. We recognise the evolving expectations of regulators, investors, and clients, and have embedded climate considerations into board-level oversight, executive accountability, and cross-functional risk committees.

3.2 Our governance structures are rooted in strong ethics and accountability and support effective climate oversight through various Board committees, with primary oversight provided by the Social, Ethics and Transformation Committee (SETC) and Risk, Capital and Compliance Committee (RCCC). Management (via Executive Committee meetings, dedicated sustainability leads and Chief Risk Officers) drives the implementation of our climate response. Clear responsibilities and reporting mechanisms ensure timely, decision-critical information flows throughout the organisation.

3.3 Group Sustainability operates within our Group Risk function, reinforcing our commitment to a coordinated, enterprise-wide response to climate risks and opportunities.

3.4 Annual materiality assessments guide the integration of climate risks and opportunities into our strategic planning and operational practices, while ensuring our continued commitment to environmental sustainability, transparent reporting, and support for our stakeholders in a changing climate.

STRATEGY AND TRANSITION ALIGNMENT

3.5 Our climate strategy is aligned with South Africa's Nationally Determined Contributions (NDCs). We aim to support an orderly and inclusive transition to a low-carbon economy by aligning our business strategy, products and risk models with climate science and policy pathways.

3.6 Recognising the systemic nature of climate risk, we apply a cross-sectoral lens to assess interdependencies and potential cascading impacts across economic sectors we finance or insure.

3.7 Momentum Group will actively drive transformation in the real economy by collaborating with clients and offering tailored products and services that support their shift toward a low-carbon future.

3.8 Momentum Group will support a Just transition approach, assess and integrate social considerations into its climate finance decisions and through the company's stewardship efforts to ensure support for a fair and inclusive energy transition.

CLIMATE CHANGE RISK MANAGEMENT AND ADAPTION

3.9 Climate risk is not managed in isolation but is treated as an integrated risk factor influencing multiple existing risk types, such as underwriting, credit, market, operational, and reputational risks. As such, we have embedded climate-related risks and opportunities into our broader risk taxonomy, risk governance structures, and enterprise risk management processes.

3.10 Our climate risk management framework enables a consistent and structured approach to the identification, assessment, measurement, monitoring and mitigation of climate-related risks across the Group. It forms part of our integrated risk architecture and supports the development of a climate-resilient business model. Our framework also defines the governance, roles and responsibilities associated with the prudent management of climate risk.

3.11 Key components of our climate risk approach include:

- 3.11.1 Annual climate risk assessments conducted at business unit level, with oversight by the respective Risk Committees and Group Risk structures.
- 3.11.2 Evaluation of material climate risks and opportunities at business unit level, aligned with our Group-wide risk appetite and thresholds.
- 3.11.3 Integration of climate considerations into capital planning, stress testing, scenario analysis, regulatory disclosures and strategic planning processes.
- 3.11.4 Consideration of both physical risks (e.g. extreme weather events, chronic climate shifts) and transition risks (e.g. policy, legal, technological, and market changes) in business continuity planning and strategic outlooks.
- 3.11.5 This integrated approach ensures that climate risk is managed in a way that reflects its interconnected nature and long-term implications. It enables us to maintain regulatory alignment–especially with evolving standards such as those issued by the Prudential Authority (PA), IFRS S2, and TCFD–and to safeguard the long-term interests of our policyholders, shareholders, and broader stakeholders.

METRICS, TARGETS, AND CAPABILITY BUILDING

3.12 We are committed to transparent disclosure of climate-related metrics, including operational emissions (Scope 1 and Scope 2) and material Scope 3 categories. Our targets are aligned with science-based principles and national reduction trajectories. We continue to enhance our data systems to improve climate risk quantification and reporting across our investment and insurance value chains.

3.13 Building internal climate capability is key to delivering on our climate commitments. We foster a climate-aware culture through continuous learning, internal training, and behavioural change programmes. Employees are encouraged to champion climate-related innovation, risk thinking and client engagement within their roles.

4. CLIMATE-RELATED DISCLOSURES

4.1 The Momentum Group recognises the enactment of South Africa's Climate Change Act (Act No. 22 of 2024) as a significant milestone in the nation's transition toward a climate-resilient and low-carbon economy.
4.2 We are committed to aligning our business with the objectives of the Act, and the supported climate-related disclosure frameworks. In addition, we recognise and incorporate the Prudential Authority's guidance on climate-related financial risks, which emphasises the integration of climate risk into governance, strategy, and risk management processes across financial institutions. This includes scenario analysis, stress testing, and board-level oversight to ensure resilience and accountability.
4.3 We are enhancing our capacity to assess and disclose climate-related risks and opportunities across our operations. We also aim to promote the development of innovative financial solutions that build resilience among clients and communities.
4.4 We endorse the development of a unified national climate reporting framework aligned with international standards, including the IFRS S2 Climate-related Disclosures.
4.5 We recognise the interdependence between climate and nature and will work toward understanding the implementation of the Taskforce on Nature-related Financial Disclosures (TNFD), within our business. We further support the goals of the Global Biodiversity Framework adopted at COP15 (15th Conference of the Parties to the UN Convention on Biological Diversity), reinforcing our commitment to effective climate governance and responsible environmental stewardship.
4.6 We publish annual disclosures in the Group Sustainability Report, reflecting our commitment to transparency and accountability in climate-related and broader sustainability matters.

5. PARTNERSHIPS AND AFFILIATIONS

5.1 Strategic partnerships and industry affiliations are central to delivering on our climate commitments. Momentum Group will advocate for and participate in corporate, industry, and public policy initiatives that promote sector-wide alignment with climate science, while addressing associated social implications.
5.2 We engage with local industry bodies and global climate initiatives to remain aligned with emerging best practices, regulatory developments and transition pathways. These partnerships enhance our ability to integrate climate considerations across our operations, investments and stakeholder engagements.
5.3 We continuously review these networks and opportunities to strengthen our position, including assessing the value of becoming signatories to other credible climate-aligned initiatives.
5.4 We actively participate in climate-related industry working groups, public-private platforms and sector dialogues.
5.4 We collaborate with research institutions and data providers to support evidence-based climate decisions and disclosure.