



Alexander Forbes
Group Holdings Limited

Integrated annual report

for the year ended 31 March 2024

 **alexforbes**
insight · advice · impact

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Report navigation

The following icons are used to illustrate linkages to our strategic objectives and sustainable development outcomes.

Strategic objectives

Our five-year vision is to be the most impactful provider of financial advice serving both institutional clients and individual customers by:

- | | |
|---|--|
| S1 Extending leading positions across administration, retirement and healthcare consulting and investments | S4 Growing our multinational consulting business model into Africa by enhancing distribution and automation of advice |
| S2 Transforming into the most inclusive retail financial advice firm in South Africa | S5 Expanding advisory capabilities into adjacent lines using our wealth of data |
| S3 Having real-world impact through our sustainability intent | S6 Demonstrating a meaningful positive impact on the stakeholders we serve |

UN SDG contribution

We have identified the following sustainable development goals where our business activities can have the most meaningful impact and improve lives:

Direct impact

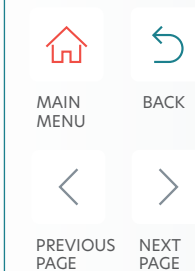
- 8** DECENT WORK AND ECONOMIC GROWTH: Decent Work and Economic Growth
- 10** REDUCED INEQUALITIES: Reduced Inequality

Indirect impact

- 3** GOOD HEALTH AND WELL-BEING: Good Health and Well-being
- 4** QUALITY EDUCATION: Quality Education
- 5** GENDER EQUALITY: Gender Equality
- 7** AFFORDABLE AND CLEAN ENERGY: Affordable and Clean Energy
- 13** CLIMATE ACTION: Climate Action

Other icons

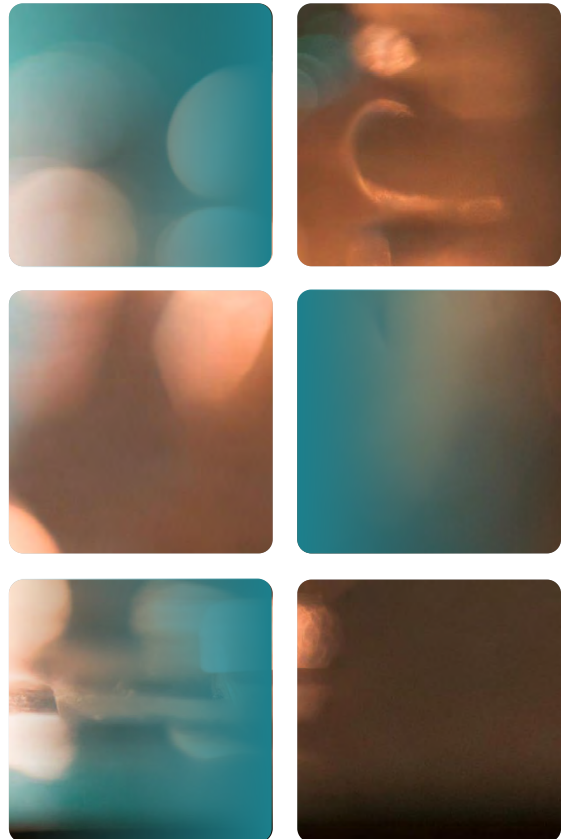
Navigation tools at the top right of each page and within the report:



- Find more information in this report.
- Find more information online.



About our integrated report



Scope and boundary

The Alexander Forbes Group Holdings Limited integrated annual report (the 2024 integrated annual report or the IAR) is our primary communication to our stakeholders. The IAR reflects on our performance over the past financial year and tells our value-creation story. To be concise, we simply refer to Alexforbes, the company or the group.

The report provides information relating to progress against our strategic objectives, as well as information on our operating context, material matters, risks, opportunities, performance and governance from 1 April 2023 to 31 March 2024 (2024). Any material events that occurred after this date and up to board approval of the integrated report on 30 July 2024 are also included.

The group applies principles of stakeholder inclusiveness, sustainability, materiality and completeness when assessing what information to include in the IAR. The group also applies the principles of accuracy, balance, clarity, comparability, reliability and timeliness when assessing information for this report.

Materiality

This report was prepared on the basis of materiality, as outlined in the guiding principles of the Integrated Reporting Framework. The group's material matters are informed by the legitimate priorities and concerns of our stakeholders, trends and key developments in our external operating environment, board considerations, the group's strategic objectives and our risk landscape.

→ Our material matters are discussed on page 54.

Reporting frameworks and assurance

We have endeavoured to provide concise, balanced and transparent commentary on the progress we have made during the year on our strategy, performance, operations, governance and sustainability. The information provided in this report has been guided by local and international requirements. These include the:

- International Integrated Reporting Council <IR> Framework, as updated in January 2021
- King IV Report on Corporate Governance for South Africa™ (King IV)¹

Alexforbes also takes direction on environmental, social and governance (ESG) disclosures from the:

- JSE Sustainability and Climate Disclosures Guidelines
- Task Force on Climate-related Financial Disclosures (TCFD)
- Code for Responsible Investing in South Africa (CRISA 2)
- The United Nations Sustainable Development Goals (SDGs)

We aim to continually strengthen our reporting through improved disclosure, alignment with relevant reporting frameworks and benchmarking according to best practice in our efforts to continually enhance the transparency and accuracy of our reporting.

→ See the **JSE Sustainability and Climate Disclosure index in Appendix E**, page 234.
The **TCFD index in Appendix F**, page 240.
The **King IV application register in Appendix D**, page 229.
These navigate readers to specific disclosures and provide an update on our progress.

1. The Institute of Directors in South Africa NPC (IoDSA) owns all copyright and trademarks for King IV.

The board and executive management review and approve the IAR and are comfortable that external assurance on the accuracy of non-financial information is not necessary at present. Various components of the report have been reviewed and internally assured by our third and second lines of defense.

Our broad-based black economic empowerment (B-BBEE) rating has been independently verified by AQRate Verification Services Proprietary Limited. Any disclosures on B-BBEE information apply only to our South African operations.

Our annual financial statements have been audited by Deloitte & Touche South Africa (Deloitte), who expressed an unmodified opinion on them.

Reporting suite

This report forms part of our reporting suite. Our reporting suite includes the following reports:



Integrated annual report 2024



Feedback

We welcome written comments and feedback relating to this report and other general matters from our stakeholders.

Kindly email your comments to investorrelations@alexforbes.com

Board assurance and approval

The board confirms that the group continues to comply with the primary legislation governing its establishment and operation. This includes the:

- Companies Act 71 of 2008, as amended (Companies Act)
- Insurance Act 18 of 2017
- JSE Listings Requirements
- Company's memorandum of incorporation (MOI)

Our attestation is informed by:

- the annual compliance review performed by the executive: governance, legal, compliance and sustainability
- CEO and CFO attestations
- the Companies Act
- our MOI and the JSE Listings Requirements
- the external audit of the annual financial statements by Deloitte
- ongoing second- and third-line assurance activities

In the board's opinion, this report provides a fair and balanced account of the group's performance on those material matters we have assessed as having a bearing on our capacity to create and sustain value. Although we believe this report has been prepared in accordance with the Integrated Reporting Framework, we undertake to continually mature our level of integrated reporting over time.

The report was approved by the board of directors on 30 July 2024 and signed on its behalf by:

Kuseni Dlamini
Chairman

Dawie de Villiers
Chief executive officer

Forward-looking statements

This report contains certain unaudited forward-looking statements and targets. These, by their nature, involve risk and uncertainty as they relate to future events and may be influenced by factors outside the group's control. There are various factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. We cannot guarantee that any forward-looking statements will materialise and, accordingly, readers are cautioned not to place undue reliance on any forward-looking statements. Alexforbes disclaims any intention and assumes no responsibility or obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason, other than meeting the JSE Listings Requirements.

Alexforbes and the impact of chess



In December 2023, we proudly announced our sponsorship of the inaugural Alexforbes Battle Boards Chess Championship, engaging 68 high schools from four provinces across South Africa in one of the world's most strategic sports. By introducing an online format for the championship, we were able to break down provincial barriers and create opportunities for learners from diverse backgrounds to compete on a level playing field.

Through this sponsorship, Alexforbes not only promoted the game of chess but also fostered **critical thinking, teamwork and inclusivity** among South African youth.



Chess resonates with our group's strategic objectives and values. In the world of chess, every move matters.

It is not just about winning or losing; it is about developing brainpower, learning strategy, staying focused and being patient. This mirrors Alexforbes's approach to business, which emphasises long-term planning, foresight and strategic decision-making.

We believe chess - much like investing for the future - is not only for the few; it is for everyone.

Our chess initiatives underscore the group's commitment to intellectual growth and education, particularly among youth, and aligns with our broader mission of empowering individuals to make informed financial decisions and achieve their long-term goals.



Our highlights

Twelve months ended
31 March 2024

Operating income¹
up 12% to
R3 905 million

11% increase in the final
dividend per share to
30 cents per share taking
the annual dividend to **50** cents
per share, up 19% year on year

Profit from operations
(before non-trading and capital items)
up 2% to
R801 million

Special dividend of
60 cents per share
distributing a further
R778 million

Headline earnings per share
from total operations
up 29% to
61.5 cents per share

Maintained a
Level 1
B-BBEE rating

Our capital position remains
sound with a regulatory
surplus of
R1 949 million

Total members under
administration and advised²
up 1% to
1.51 million

Cash generated from
continuing operations of
R1 073 million
(2023: R1 076 million)

Total assets³ up 16%
from 31 March 2023
R525 billion

1. Operating income represents revenue net of direct expenses.
2. Includes total number of active members across standalone and umbrella funds, medical scheme membership and individual consulting clients.
3. Total assets include assets under administration and management.

Our year at a glance

		Strategic objective
April 2023	<ul style="list-style-type: none"> Released our 2023 Manager Watch™ Survey results, providing key insights into South Africa's asset management landscape Recognised at the Metropolitan Namibia Broker Awards, winning awards in the Top Brokerage, Top Broker and Outstanding Performance and Contribution categories 	S4 S6
May 2023	<ul style="list-style-type: none"> Launched our inaugural stewardship report, showcasing our investment approach and considerations in relation to responsible investing, while also shedding light on responsible investing in the broader South African landscape Introduced the Retirement Fund of the Future™ concept as part of our Impact Advisory offering, introducing advisory services to ensure our sustainability focused solutions to retirement funds are future-fit and ready to adapt quickly to emerging needs 	S3
June 2023	<ul style="list-style-type: none"> Acquired a 60% interest in TSA Administration Proprietary Limited (TSA), an independent provider of institutional group risk insurance administration services Launched AF Explorer and AF Passive Explorer portfolios, specifically designed to invest close to the offshore limits provided by Regulation 28 	S1
July 2023	<ul style="list-style-type: none"> Appointed Kuseni Dlamini as chairman of the Alexforbes group board 	S2 S6
August 2023	<ul style="list-style-type: none"> Commissioned the Ethics Institute of South Africa to conduct an ethics risk assessment across our group, which placed Alexforbes at an 'advanced' status based on benchmark comparisons 	S3
September 2023	<ul style="list-style-type: none"> Published the inaugural Jersey sustainability report 	S1 S3
October 2023	<ul style="list-style-type: none"> National Treasury accepts many proposed changes to draft legislation for the two-pot retirement system, allowing the industry more time to prepare for implementation Alexforbes Rewards celebrates its one-year anniversary, with 22 454 active members and total savings to members of R20.1 million since inception Awarded the Top Brokerage Award for 2023 by the Bestmed Medical Scheme 	S1
November 2023	<ul style="list-style-type: none"> Launched Alexforbes WhatsApp self-service, allowing members to request tax certificates, benefit statements, fund balances and check their claim status with ease Final implementation of our amended Proxy Voting Guidelines for appointed asset managers, including climate change and governance considerations Secured a fifth consecutive Best Investment Survey Provider award at the 2023 Africa Global Funds Service Providers Awards in New York Recognised for excellence within in-house legal departments and individual in-house counsel at the In-House Community awards (Hong Kong) 	S1 S3 S4 S6

		Strategic objective
December 2023	<ul style="list-style-type: none"> Our flagship umbrella fund, the Alexander Forbes Retirement Fund, published its inaugural integrated annual report, setting the gold standard for integrated reporting in the retirement fund industry. The trustees formally endorsed the Retirement Fund of the Future™ concept 	S3
January 2024	<ul style="list-style-type: none"> The Pension Funds Act Amendment Bill is released, containing the legislative amendments required for pension funds to implement the first phase of the two-pot retirement system Awarded Certified Top Employer for 2024 by the Top Employers Institute, recognising our commitment to excellent people practices 	S6
February 2024	<ul style="list-style-type: none"> Acquired 100% of OUTvest Proprietary Limited (OUTvest), the retail investment division of the OUTsurance Holdings Group, demonstrating our commitment to personalising financial journeys for our customers Hosted the Alexforbes Battle Boards Chess Championship, an online team tournament for high schools across South Africa Released our inaugural group climate change policy as well as the Alexander Forbes Investments climate change policy 	S1 S3 S6
March 2024	<ul style="list-style-type: none"> Released our 2023 Private markets ESG report, demonstrating our positive societal and environmental outcomes Introduced the AF Retirement Navigator. The portfolio provides investors access to a diversified multi-asset class portfolio that is expected to generate real growth over the long term Alexforbes Investment Fund of Funds wins the 14th annual HedgeNews Africa Awards held in Cape Town Awarded Diamond Status at the PMR Africa awards for Namibia in the following categories: Consulting and Actuarial Firms, Employee Benefits Administrators & Consultants and Pension/Retirement Fund Administrators Received the Platinum award in the Top 40 Brokers category for 2023 from Bonitas Medical Fund Formal launch of our Alexforbes Impact Advisory offering, extending our expertise to deliver environmental, social and governance and broad-based sustainability-focused advice to both retirement funds and corporates 	S1 S3 S6
April 2024	<ul style="list-style-type: none"> Published our 2024 Manager Watch™ Survey results 	S6
May 2024	<ul style="list-style-type: none"> Announced our entrance into the Discretionary Fund Management market with the launch of Investment Solutions™ by Alexforbes Awarded Diamond Status at the PMR Africa awards for Botswana in the following categories: Consulting and Actuarial Firms, Pension/Retirement Fund Administrators 	S1
June 2024	<ul style="list-style-type: none"> Established our Impact Academy, a digital streaming platform that offers monthly masterclass discussions and workshops to improve sustainability-related knowledge within retirement funds and corporates Awarded Gold status in the Consulting and Actuarial Firms category and Diamond status in the Employee Benefits Administrators and Consultants category at the PMR Africa awards for South Africa 	S3 S5



Message from the chair

Kuseni Dlamini

A year of navigating challenges and seizing opportunities

The past year has been characterised by global turbulence with challenges spanning economic, geopolitical and societal landscapes. The lingering financial impacts of the Covid-19 pandemic and increased inflation across the globe, combined with ongoing geopolitical tensions, have created a complex operating environment for our business and our clients. It is in these very circumstances that insight-driven advice is most needed and where a company like Alexforbes is able to make its greatest impact.

This year, 2024, has been called the year of elections with more voters than ever before heading to the polls in over 60 countries. The results of these elections will prove consequential for years to come. These global events directly influence the economic climate in South Africa and other markets where we operate, posing challenges and opportunities that require agility and strategic foresight. I am encouraged by the recent elections in South Africa and note the maturity of our democracy, which has seen political parties coalescing together in the best interests of the country. I am hopeful that the Government of National Unity will be able to deliver upon our collective aspirations and that this is a new dawn for all South Africans.

On the local economic front, we have continued to face macroeconomic challenges such as stubborn inflation, energy security concerns, logistics issues, unemployment – youth unemployment in particular – and the insidious effects of corruption and state capture. These challenges not only impact our business operations but also affect our customers and the broader economy. We recognise the urgency of addressing these issues collaboratively with the government and other stakeholders to foster a conducive environment for sustainable growth and development. We are committed to being a positive and powerful force for good having a real-world impact in South Africa and other markets where we operate.

It is in these conditions that opportunities become available to build our brand, acquire companies at attractive valuations and leap ahead of competitors, if we are disciplined and entrepreneurial enough. I have every confidence that the board and management team at Alexforbes is actively searching for, vetting and seizing such opportunities to benefit from the growth trajectory that we anticipate is on our horizon.

Amidst these economic and socio-political challenges, technology trends are rapidly reshaping the future of business. The speed of digital advancement and adoption has never been faster and we have embraced digitisation as a key enabler in driving customer engagement and operational efficiency. Our digital initiatives, including personalised services, enhanced digital platforms and engagement channels, have been instrumental in connecting with our diverse customer base and serving their needs.

Hand in hand with these digital opportunities, cybersecurity risks loom increasingly large for businesses. The risk landscape is wide and complicated, with unpredictable events expected to occur more frequently in the future. We recognise that effective risk management and robust governance practices remain fundamental to the resilience of our business. An agile and forward-thinking approach enables Alexforbes to adapt swiftly to emerging challenges, ensuring continuity, stability and growth for our stakeholders.

Creating value for our stakeholders

At Alexforbes, we are committed to creating shared value for our stakeholders to deliver our financial results now and into the future. Our efforts have centred on empowering our people, delivering value to our customers, enhancing returns for our shareholders and collaborating with industry and regulatory bodies to drive positive change and address critical challenges.

Alexforbes is a knowledge-based company with our people being our primary source of competitive advantage. We are proud to have a solid and focused leadership team that provides the right guidance and support to drive superior performance at all levels of the business. During the year, we continued to invest in talent acquisition, retention, development and fostering a winning culture that was recognised through our certification as a Top Employer for 2024 in South Africa, Namibia and Botswana. By treating our employees with respect and providing a flexible work environment, we encourage an ownership mentality and motivate our staff to produce exceptional results for our clients and the company.

As a customer-centric business, Alexforbes places a strong emphasis on delivering best advice and solutions that positively impact people's lives. Our focus on serving institutions and individuals underscores our commitment to unlocking new growth opportunities while ensuring that our customers receive help in making better financial decisions throughout their financial journey. This customer-centric focus strengthens our reputation as a trusted financial partner and drives revenue growth.

Moreover, we are dedicated to enhancing returns for our shareholders and clients. I am pleased that the group has delivered strong financial results, which are underpinned by the deliberate implementation of our strategy and the positive impact of new acquisitions and business wins. Our consistent revenue growth, asset growth and returns to shareholders over the years reflect our commitment to doing the right things for our clients and stakeholders, rather than seeking to extract value for short-term gain.

Strategic partnerships are essential to our success and we are committed to maintaining mutually beneficial relationships with our partners and suppliers. By working closely with them, we leverage their expertise to continually improve our operations and enhance value for all stakeholders.

Furthermore, we recognise the importance of collaboration with government and regulatory bodies in addressing critical challenges and driving positive change. Engaging with regulators and authorities ensures that we not only operate within regulatory frameworks but have the privilege of contributing insights and expertise towards solutions that benefit society at large. We welcome the roll-out of the two-pot system and look forward to engaging further in helping the government and the wider pension industry to adapt to this new system, which will significantly increase long-term savings and deliver better retirement outcomes.

Message from the chair *continued*

Having a real-world impact

Sustainability is a strategic imperative deeply embedded in our business philosophy. We believe in doing well by doing good, and this ethos has driven our efforts to have a real-world impact.

This includes a strong focus on sustainability governance, evidenced by the introduction of a management sustainability committee dedicated to overseeing our group-wide sustainability strategy. Additionally, we have established and resourced our Impact Centre of Excellence (CoE) focused on sustainability to lead and drive our sustainability initiatives.

The CoE continues to expand and mature ensuring that we have the necessary expertise and resources to deliver impactful sustainability solutions that align with our strategic goals and values.

Climate change is reshaping our operational outlook and value creation strategies. This year, we began integrating climate risks into our group risk management processes, a step that will mature as it becomes ingrained across our business. Recognising the substantial potential impacts of climate change, we are committed to addressing these responsibly with substantiated plans.

We believe that responsible investing is not only the right thing to do, but it is also the smart thing to do. During 2024, we finalised our group climate change policy and the Alexander Forbes Investments climate change policy, updated our proxy voting guidelines, and implemented these with our asset managers. By integrating climate considerations into our investment process, we aim to not only mitigate risks but also contribute to a more resilient and sustainable future.

To further our impact, we are extending tailored advisory solutions to help businesses align with ESG expectations and navigate sustainability challenges. This includes our Impact Advisory offering for both retirement funds (through the Retirement Fund of the Future™) and corporates, as well as the Alexforbes Impact Academy solution, particularly beneficial for retirement fund trustees and officers.

Underpinning this, good governance is an important basis on which sustainable companies are built. Therefore, at the core of Alexforbes's business is a commitment to governance that is not only robust but anchored in international best practices and applicable laws. We are cognisant of our responsibility to act as a good corporate citizen, uphold our company's values, and be accountable, transparent, ethical and inclusive.

Our next moves

As regulatory landscapes evolve, we remain vigilant and proactive in our approach. The impending changes such as the two-pot retirement system and the National Health Insurance scheme represent significant shifts in the regulatory framework. We are prepared to play a constructive role in these changes, leveraging opportunities to enhance our business offerings and provide value-added services to our clients.

Our commitment to pioneer insight to deliver advice and solutions that impact people's lives will drive our continued success in the years to come. With a strong financial foundation, we are well-positioned to capitalise on opportunities, ensuring sustained growth and value creation for our clients, employees, the society in which we operate and our shareholders.

Appreciation and closing thoughts

I extend my heartfelt appreciation to my fellow board members for their invaluable guidance and steadfast support in realising our strategic objectives. With your continued dedication and the support of our stakeholders, I am confident that Alexforbes will continue to grow and thrive.

I would like to extend my thanks to Thabo Dloti, who will be stepping down at the conclusion of the company's upcoming annual general meeting, scheduled for August 2024.

We also welcome Robert Roux as a new independent non-executive director and the chair designate of the remuneration committee. Robert has also joined the audit and risk, mergers and acquisitions and nominations committees.

To our valued clients and members, both individual and institutional, thank you for entrusting us with your financial well-being. Your trust and partnership are the driving force behind our commitment to delivering exceptional results.

Kuseni Dlamini
Alexforbes Chairman





Message from the CEO

Dawie de Villiers

It is both humbling and a privilege to report on the transformational growth journey that Alexforbes has undergone over the past five years.

Alongside over 2 700 of my colleagues, we have evolved into a premier provider of top-tier advice and solutions that profoundly impact people's lives.

Our focus on simply helping individuals, employers and retirement funds to make better financial decisions in the context of ever-increasing complexity, noise and consequence has earned Alexforbes a reputation as a trusted partner.

This success is an affirmation of our disciplined execution and unwavering commitment to a client-focused, advice-led business model.

As Alexforbes approaches its 90th anniversary in 2025, I am excited by the opportunity to make our journey to 100 the most impactful 10 years of our history so far.

Growth and acquisitions

In our journey to become capital-light over the past five years, we have made notable strides by transitioning the Alexforbes sponsored umbrella fund to private administration and divesting from both the short-term insurance and group insurance businesses. These actions have significantly improved our financial position, increasing the group's surplus capital and allowing us to reallocate resources to strategically aligned areas.

Selective acquisitions will continue to move us towards our vision. We are pleased with the integration and performance of the six businesses acquired over the past three years. Most recently, the acquisition of TSA Administration in June 2023 strengthened our group risk insurance services, while the acquisition of OUTvest in February 2024 greatly enhanced our digital wealth management capabilities, allowing us to offer hyper-personalised, goal-based advice to a broader audience.

In addition to these strategic acquisitions, our business has benefited from organic growth and notable business wins that have extended our member base, improved economies of scale and increased advisory opportunities.

Solid financial results

Strategic clarity and a sharp focus on execution have culminated in an excellent financial performance for 2024. Alexforbes recorded impressive growth in net revenue, which increased by 12% to R3 905 million. This growth, comprising 8% organic growth and 4% acquisitive growth, marks several consecutive years of revenue increases, highlighting the value our business continues to generate in a tough operating environment. We are hopeful that the Government of National Unity will be able to unlock South Africa's latent economic potential, which will provide tailwinds to our existing growth engine.

Headline earnings from total operations rose by an impressive 29%, enabling us to pay a final dividend of 30 cents per share, bringing the total annual dividend to 50 cents per share, a 19% year-on-year increase.

Additionally, the board declared a special dividend of 60 cents per share, distributing a further R778 million in available cash to shareholders and reducing the group surplus capital position.

Our ability to consistently pay and grow dividends demonstrates our strong cash generation, profitability and commitment to delivering value to shareholders.

Enhancing the core

At the core of our success is the unified offering that leverages our strengths of investments, consulting and administration.

Our vertically integrated approach enables the business to deliver comprehensive, high-quality financial advice and solutions to our institutional clients and individual members underpinning our competitiveness in the financial services industry.

Consistent investment into our core capabilities ensures the sustained advantage we hold in the industry.

Investments

Our investment business has grown assets by 16% year on year, reaching R525 billion. This transformation is evident in our net positive flows into the asset management business, which reached nearly R23 billion this year. These inflows came at an increased margin, demonstrating that we are writing quality business and that clients appreciate Alexforbes as a valued partner in the investment space. Our success is driven by our trusted brand, strong investment offerings and the talented people who work for us.

Alexforbes's flagship portfolio, Performer, has continued to deliver consistent and competitive performance. Performer's closing assets stood at R232 billion at year end. Our multi-manager proposition works well for clients seeking attractive risk-adjusted returns over the longer term, with an enviable track record to evidence this proposition. We have also diversified our portfolios by integrating alternatives, providing an investment edge through our governance, track record and experience in this emergent category.

Message from the CEO *continued*

Consulting

Our independent, advice-led consulting model differentiates Alexforbes in the marketplace, optimising outcomes for clients and members alike. The consulting business performed exceptionally well over the past year. Operating income from retirement consulting surpassed R1 billion in the current year, up 18% to R1 155 million due to organic and acquisitive growth.

Our health segment, while showing a modest 2% growth, remains a highly profitable part of our business and a significant contributor to our bottom line. With the recent signing of the National Health Insurance (NHI) legislation into law, we anticipate increased demand for our guidance and support to navigate the future of healthcare from corporate clients.

Our multinational consulting offering has also experienced notable success. We are pleased by the improvements in Botswana and Namibia, driven by better client service and new business.

Administration

Our administration business continues to grow. As South Africa's largest retirement fund administrator with over 1 million members, we are in a position to help a significant proportion of South Africa's employees connect with the possibility of a better retirement outcome. We continue to strengthen our administration proposition by enhancing automation initiatives, digital touch-points and overall customer experience.

Our standalone administration business was successful in securing six mandates in the current year. Our institutional umbrella fund offering, which includes the Alexander Forbes Retirement Fund (AFRF) and Alexander Forbes Access Retirement Fund (AF Access), reported a 16% increase in closing assets under management to R134 billion. We continue to see inflows into our umbrella fund from new business and client conversions from standalone administration.

Ongoing inflows from active members of retirement funds grew 6% in line with average wage increases. However, we also face natural outflows amounting to over R60 billion per year due to retirements, deaths and benefit payments. We are developing innovative solutions to encourage clients to remain invested in Alexforbes for their benefit and thereby simultaneously minimising these outflows.

Driving retail

The retail segment, focusing on individual consulting, represents a significant growth area for Alexforbes. Our strategy is to provide best-in-class advice supported by our rapidly evolving member engagement suite. This approach has driven a 25% increase in new business flows to R20.8 billion, boosting our assets under management.

We have developed a user-friendly ecosystem that caters to diverse individual needs. Our communication channels, such as the AF Connect client portal, AF+ and the WhatsApp self-service option, allow clients to connect with their retirement funds with ease and simplicity. The acquisition of OUTvest has further enhanced our digital suite, which is now able to inclusively offer personalised investment advice at scale.

Preparing for the two-pot implementation

The introduction of the two-pot legislation on 1 September 2024 marks a significant milestone in retirement reform, aiming to balance long-term savings with members' immediate financial needs. This presents an incredible opportunity for Alexforbes to connect with and serve one million members at implementation and consistently into the future.

We are well prepared to provide accurate information, digital transactability and standardised counselling to enable better financial decision-making. We are gearing up operations to ensure that members' needs are served by ramping up digital services and infrastructure, call centres and walk-in facilities.

This is an inflection point for Alexforbes as we truly begin to serve the individuals that make up institutional funds, now and into the future.

Dawie de Villiers

Looking ahead, our core areas of consulting, investments and administration are well positioned to continue gaining market share. Our digital ecosystem has reached a stage where integration will drive efficiencies, improve client experiences and accelerate retail growth. Alexforbes is now reconfigured, focused and functioning effectively, providing a solid foundation for both organic growth and strategic acquisitions. We are actively evaluating growth opportunities that enhance our value proposition and bolster our core business lines, whether through innovation or acquisition.

Thanks

I extend my gratitude to our clients, employees, executive management and board for their support through the year. Your commitment to our vision and values has been instrumental in our success. I also thank our shareholders for their continued trust and investment.

Together, we have built a strong foundation and I have full confidence in our ability to make the next 10 years the best yet.

Dawie de Villiers
CEO



Section 1

Our group overview

- > Who we are
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- > Our business model
- > Our demographic profile
- > Our leadership



Who we are

Alexforbes is a diversified financial services company founded in 1935, providing a broad range of employee benefit solutions, retirement, healthcare and sustainability consulting as well as investment and wealth management solutions to both corporate clients and individual customers.

The company is dedicated to delivering impactful services and solutions for our clients and members, underpinned by integrated advice. We have built our reputation through an in-depth understanding of retirement, healthcare and investment dynamics to deliver best advice to clients, winning their trust and confidence in the process. Alexforbes is on a journey to become a member-oriented financial services provider.

The group's principal geographic focus is **South Africa** (where it has been operating since 1935), which contributes

92% of total **group revenue**.

The group also has business operations outside of South Africa comprising Botswana, the Channel Islands, Namibia and a representative office in Nigeria.

We have **2 794** employees, dedicated to making an impact on people's lives.

Our vision

To be the **most impactful provider** of financial advice serving **both** institutional clients and individual customers

Our purpose

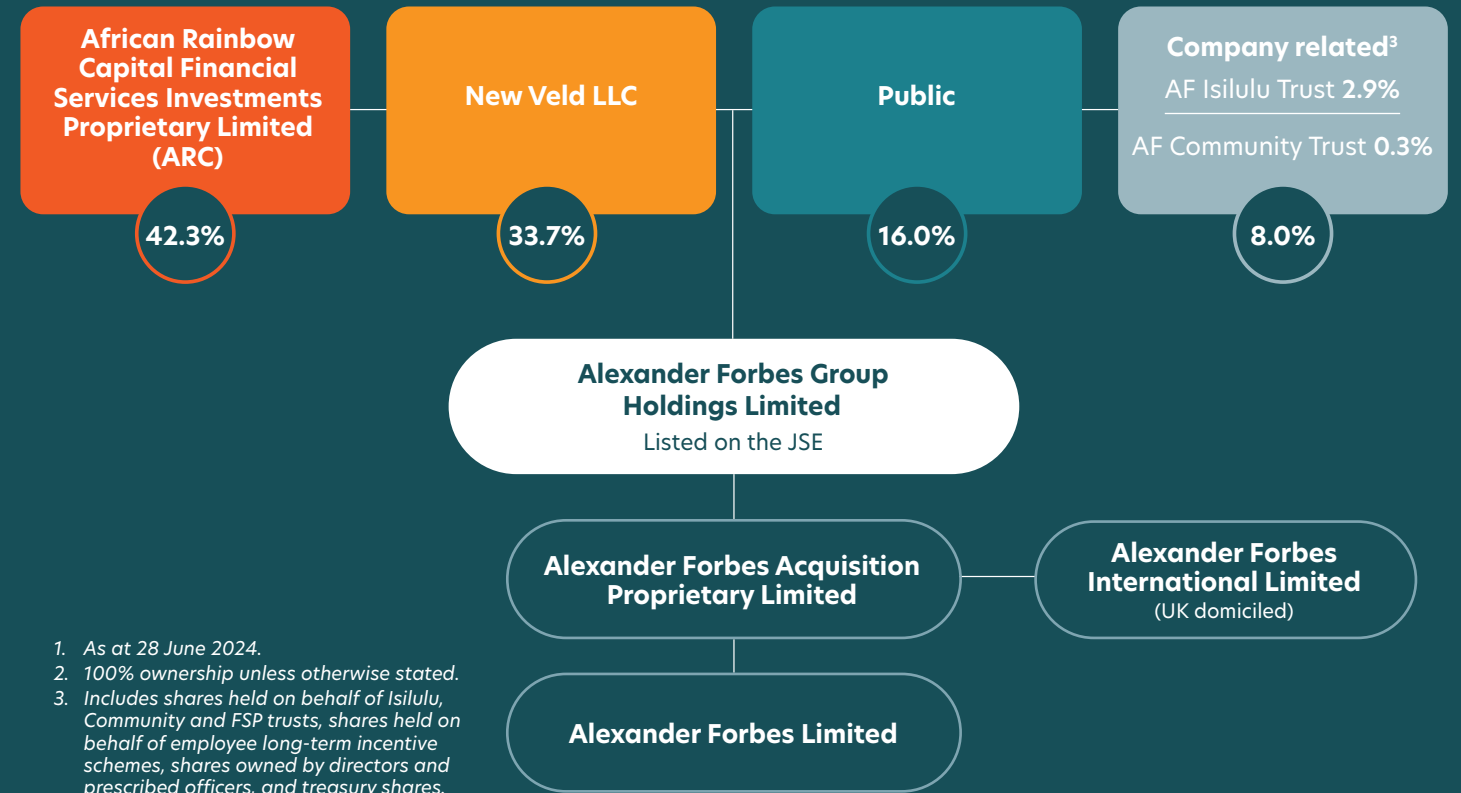
We pioneer **insight** to deliver **advice** and solutions that **impact** your life

Our values

Our values are the **beliefs we live by**. They guide our **relationships, actions and behaviours**

- Integrity**
We act with integrity. We are truthful, ethical and transparent.
- Customer first**
Our clients and members are at the centre of our business as we pioneer insights to deliver advice and solutions that impact their lives.
- Care**
We care for one another, our clients, our communities and the environment.
- Leadership**
We all have leadership qualities and aim to drive growth in ourselves, in others and in our business. We lead by example.

Our ownership¹ and group structure²



1. As at 28 June 2024.
2. 100% ownership unless otherwise stated.
3. Includes shares held on behalf of Isilulu, Community and FSP trusts, shares held on behalf of employee long-term incentive schemes, shares owned by directors and prescribed officers, and treasury shares.

Alexforbes is a publicly listed company on the JSE Limited and, accordingly, is not controlled by any one shareholder that is a natural person. The JSE Listings Requirements require the disclosure of shareholding which is contained on page 119 of the group annual financial statements for the year ended 31 March 2024.

Alexforbes's strategic shareholders include African Rainbow Capital Financial Services Investments Proprietary Limited (ARC) and New Veld LLC (99% owned by Prudential Financial Inc., a publicly listed company on the New York Stock Exchange). The investment in our business by ARC and Prudential affirms confidence in Alexforbes and its future growth, sustainability and value creation.

ARC as strategic anchor shareholder and empowerment partner

It is important to us that our strategic partnerships are anchored on a common goal and vision. We prioritise our clients' needs and goals, and aim to make a positive impact in the societies where we operate and we are pleased to have a partner that does the same. ARC is a black-owned company that contributes to the financial services industry.

Its business philosophy is to benefit its stakeholders and positively contribute to the lives of South Africans by supporting local communities and causes through its broad social and corporate investment initiatives.

Prudential Financial as key shareholder

The investment in Alexforbes signalled Prudential Financial's and LeapFrog Investments' strong investment appetite for the South African market. It affirmed their continued commitment to delivering on their emerging markets strategy by partnering with recognised market-leading operators such as Alexforbes.

What we do

Alexforbes provides integrated independent financial advice and solutions spanning across retirement fund consulting and administration, healthcare consulting, investments and wealth management. We impact people's lives by delivering insight and advice to individuals, employers and retirement funds.

Our business lines (segments)

					
<h3>Retirement consulting</h3> <ul style="list-style-type: none"> Retirement fund benefits consulting Retirement fund actuarial consulting Standalone retirement fund administration Umbrella fund solutions Beneficiary fund administration Retirement benefit counselling 	<h3>Healthcare consulting</h3> <ul style="list-style-type: none"> Corporate and retail healthcare consulting Health actuarial and technical advisory consulting Absenteeism and disability reporting, management and consulting 	<h3>Investments</h3> <ul style="list-style-type: none"> Investment consulting, including investments advisory, investments actuarial and reportbacks to multimanager clients and advisers Multimanager portfolio construction, manager research and advice Investment solutions for institutional clients and individual customers Investment management administration 	<h3>Individual consulting</h3> <ul style="list-style-type: none"> Financial advice Wealth management Retirement planning Risk and estate planning Retirement benefits counselling Member education 	<h3>Multinational consulting</h3> <p>Multinational solutions</p> <ul style="list-style-type: none"> Differentiator for multinational clients – delivers employee benefit consulting and solutions and retirement, investment, actuarial, health and risk solutions to clients throughout Africa <p>Namibia and Botswana</p> <ul style="list-style-type: none"> Retirement fund consulting Actuarial consulting Asset and investment consulting Standalone and umbrella retirement fund administration <p>Channel Islands</p> <ul style="list-style-type: none"> Employee benefit consulting, providing retirement, investment, health and risk solutions to corporate and individual clients <p>Nigeria</p> <ul style="list-style-type: none"> Actuarial consulting office 	<h3>Impact advisory</h3> <p>Sustainability and ESG advice and solutions, including:</p> <ul style="list-style-type: none"> Retirement fund and corporate sustainability and ESG consulting Sustainability strategy development Impact measurement and monitoring Affordable access to high-quality sustainability-focused education for both retirement funds and corporate clients

Core institutional offering

Investments



Alexforbes is South Africa's largest multimanager, with R525 billion in assets under administration and assets under management.

Our investment philosophy aims to consistently deliver competitive investment returns while protecting downside risk, adding value for our clients and serving them well in volatile markets.

Our global partnerships, heritage, expertise and scale uniquely position us as the preferred investment destination for corporate and individual clients seeking superior investment solutions.

Administration



Alexforbes is the largest standalone administrator and the second largest in the umbrella fund market with over one million members.

As an entry point into corporate ecosystems, we build trust with our clients by driving automation to reduce cost and risk.

Consulting



We are independent and advice-led, a key differentiator that optimises client and member outcomes. Alexforbes's consulting capabilities extend across retirement, investments, healthcare, actuarial, sustainability and ESG, including multinational and individual consulting.

By equipping advisers and intermediaries with leading research and advice, we empower them to deliver exceptional consulting services to clients.

Retail advice offering

Individual consulting



Our value proposition is providing independent advice and solutions to influence the right financial decisions throughout our clients' lives.

Our focus is on educating, counselling and advising our members to achieve better retirement outcomes.

Our customer value proposition

Connection is at the centre of our growth strategy

Our customer value proposition captures the DNA of our business, which centres on our conviction that a deeper understanding empowers us to meaningfully help clients and members achieve their goals.

Impact: Effective execution reduces financial stress, improves retirement outcomes, and makes a positive societal and environmental impact. We empower clients and members to feel confident and secure in their financial journeys by making it easy for them to succeed.

Insight: We believe knowledge is power. It is through this lens that we aim to educate, inform and enable better choices to be made by a range of stakeholders.

Advice: High-quality advice leads to better decisions. Our insights inform advice frameworks across retirement, healthcare and investments, ensuring informed decision-making amidst complexity.

Solutions: Our solutions are built on platforms using a best-in-class philosophy and delivered based on their ability to best serve institutional or individual needs.



Alexforbes delivers truly member-centric connections that are timely, convenient and impactful.

We are committed to providing the guidance, tools and advice that every member needs to make informed financial choices and smart money decisions. Our personalised support aims to educate, inform and encourage engagement, ultimately helping members feel in control, confident and secure in their financial journeys. Targeted and timely member engagement has the potential to alter attitudes, reshape behaviours, foster commitment and significantly improve outcomes.

Our suite of member engagement tools are grouped into four categories:

- 1** **Counselling and advice**
Helping members make informed decisions
 Financial advice
 Wealth management
 Enhanced retirement benefit counselling
 Guided digital counselling for exits
 Automated advice via through AF INvest (previously OUTvest)
- 2** **Information**
Giving members easy access to information at their fingertips
 WhatsApp self-service for new and active members
 MyMoneyMatters toolkit
 AF Connect
- 3** **Engagement**
Encouraging members to be more engaged with their fund and their future
 Financial wellness days
 Worksite consulting - helping with individual advice and decisions
 Member education services
 Pre-retirement seminars
 My Retirement Picture online tool
 Two-pot retirement system readiness and support
- 4** **Value**
Giving members more value for money with added extras that other funds may not offer
 AF+
 AF Rewards

→ Refer to **Delivering to clients and members** on page 82.

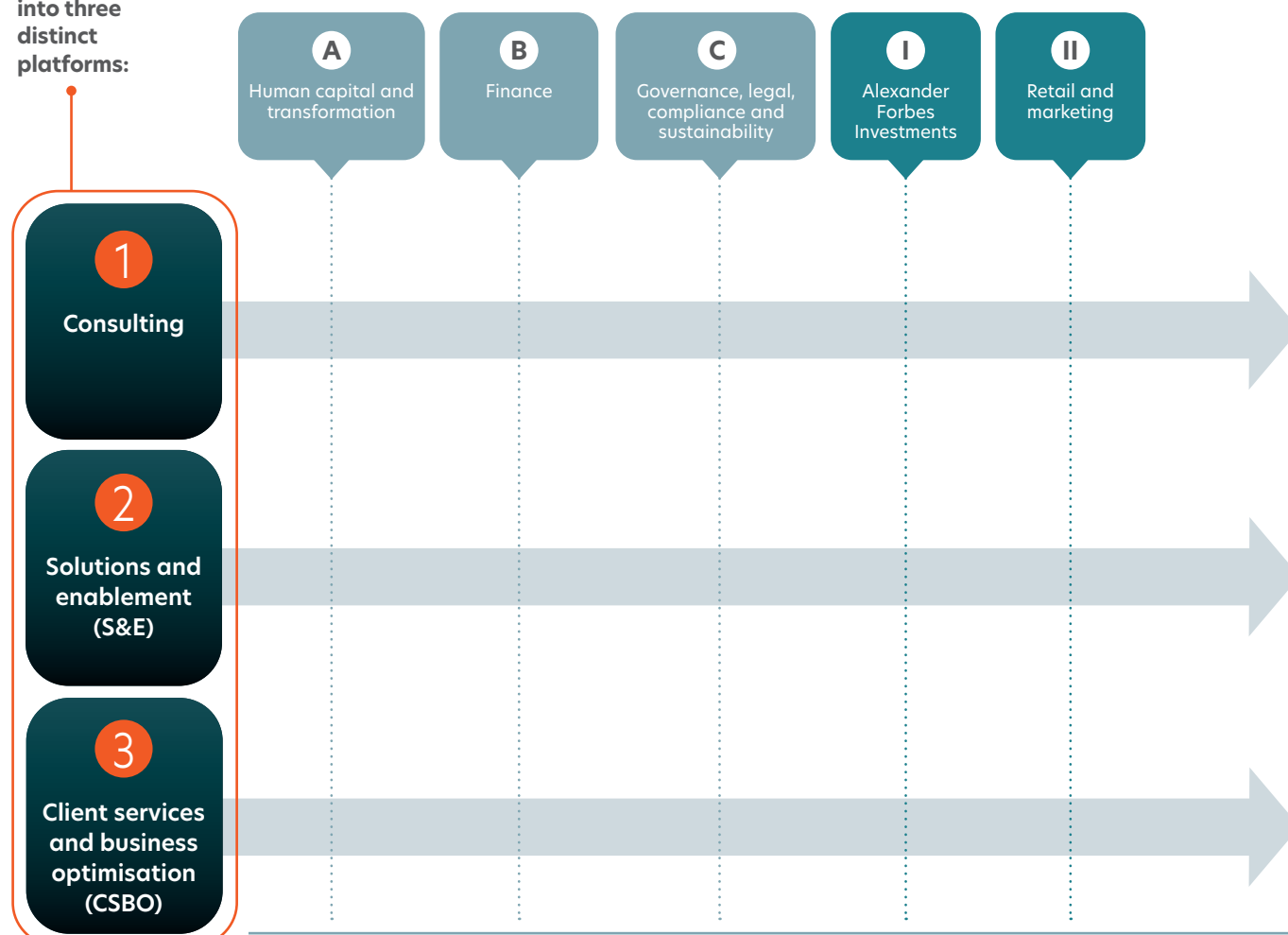
Our operating model

Our group structure

Our operating model is designed to connect our clients to their aspirations by integrating our consulting, solutions and administration platforms to present a holistic 'one company' experience to our clients.

The business is segmented into three distinct platforms:

The platforms are supported by the following enabling services with two strategic business operations (investments and retail):



Platforms

1 Consulting



Executive: Butši Tladi

Our consulting platform incorporates all client-facing business units and is arranged according to the advice needs of our clients. The consulting platform houses the revenue for the group as well as the costs for this platform.

These business units include:



Retirement consulting, Healthcare consulting, Investments, Individual consulting, Multinational consulting

Refer to **What we do** on page 22, **Our revenue model** on page 30, **Delivering to clients and members** on page 82.

2 Solutions and enablement



Executive: John Anderson

The S&E platform focuses on best practices, product management, strategic analysis, adviser tools and technical marketing. It engages with internal and external ecosystems, connects advice with practical solutions and empowers Alexforbes-affiliated consultants with the tools, knowledge and solutions they need to excel. In essence, S&E acts as a support system, connecting future thinking with present actions to drive sustainable change, foster innovation, develop member-centric solutions and, ultimately, improve our clients' financial well-being. The platform enables Alexforbes to stay at the forefront of industry practices.

Refer to **Delivering to clients and members** on page 82, **Creating operational excellence** on page 92.

3 Client services and business optimisation

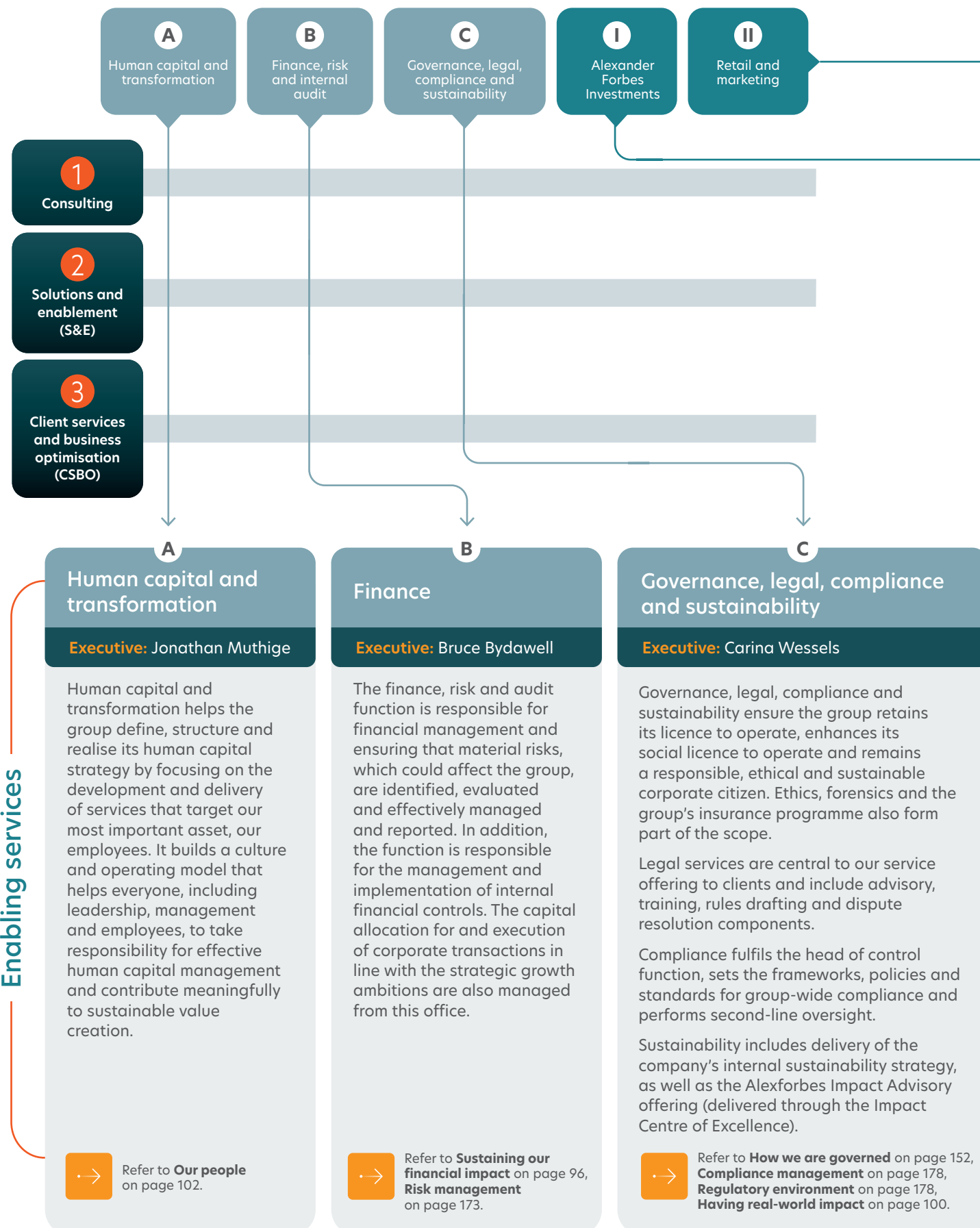


Executive: Laura Kukard

This platform includes our administration operations, technology and shared services units. The CSBO platform aims to embed operational excellence in administration, data quality and governance, automation and reporting to better service clients and to drive efficiencies to manage expenses.

Refer to **Delivering to clients and members** on page 82, **Creating operational excellence** on page 92.

Our operating model *continued*



Strategic business operations

I Alexander Forbes Investments **Executive:** Ann Leepile

The investments team researches the investment manager universe and applies a proven methodology in the construction of risk-profile solutions for retirement funds and individual investments. The multi-management approach is central to our investment philosophy. Our portfolio solutions are closely monitored by a team of knowledgeable and experienced investment professionals who maintain high-quality investment oversight on behalf of clients.

Part of our role in managing our multi-managed portfolio solutions is to continually ensure our solutions remain optimally structured and blended to achieve their desired investment objectives.

Refer to **An investment destination of choice** on page 44, **Driving excellence in investments** on page 85.

II Retail and marketing **Executive:** Viresh Maharaj

The retail business provides market-leading advice and investment solutions to individuals. The business consists mainly of our retail distribution force and independent financial adviser (IFA) focused areas, underpinned by evolving digital capabilities that continually improve our ability to interact with clients and enable advisers to better service clients. Our approach includes working closely with our institutional clients and their members to educate and advise them on the full breadth of their investment needs, including a specific focus on options made available through and recommended by their retirement fund structures. Our solutions include a range of compulsory, discretionary and offshore products, including Investment Solutions™, our recently launched discretionary fund management (DFM) capability tailored to support IFAs. Strategy, brand, marketing, insight and customer experience also vest within this unit owing to its enterprise-wide impact.

Refer to **Implementing our retail member engagement strategy** on page 90, **Our customer value proposition** on page 24, **Data-driven Member Insights™** on page 46.



Our revenue model

Our revenue is housed under our consulting platform and is derived from the fees we earn through both advice-led and consulting services as well as asset-based fees. We segregate revenue based on type, which categorises revenue by service, and based on driver, which categorises revenue on the basis of the fee calculation.

The recurring advice-led service fee income (approximately 47% of operating income) comprises fee income from services rendered to clients, monthly administration (either on a fee per member or a percentage of salary contribution basis), consulting fees, actuarial fees and commission income. As a material proportion of the group's income is linked to pension contributions, we are affected by the macroeconomic drivers of employment and wage inflation.

A key component influencing the group's revenue is the underlying asset base upon which fees are earned. The asset-based fee income comprises a larger proportion of our revenue (approximately 53%). Fees linked to the asset base include revenue from multimanager activities, administration fees and fees charged for financial advice. Therefore, it is important that we grow assets through new business flows and through asset performance.

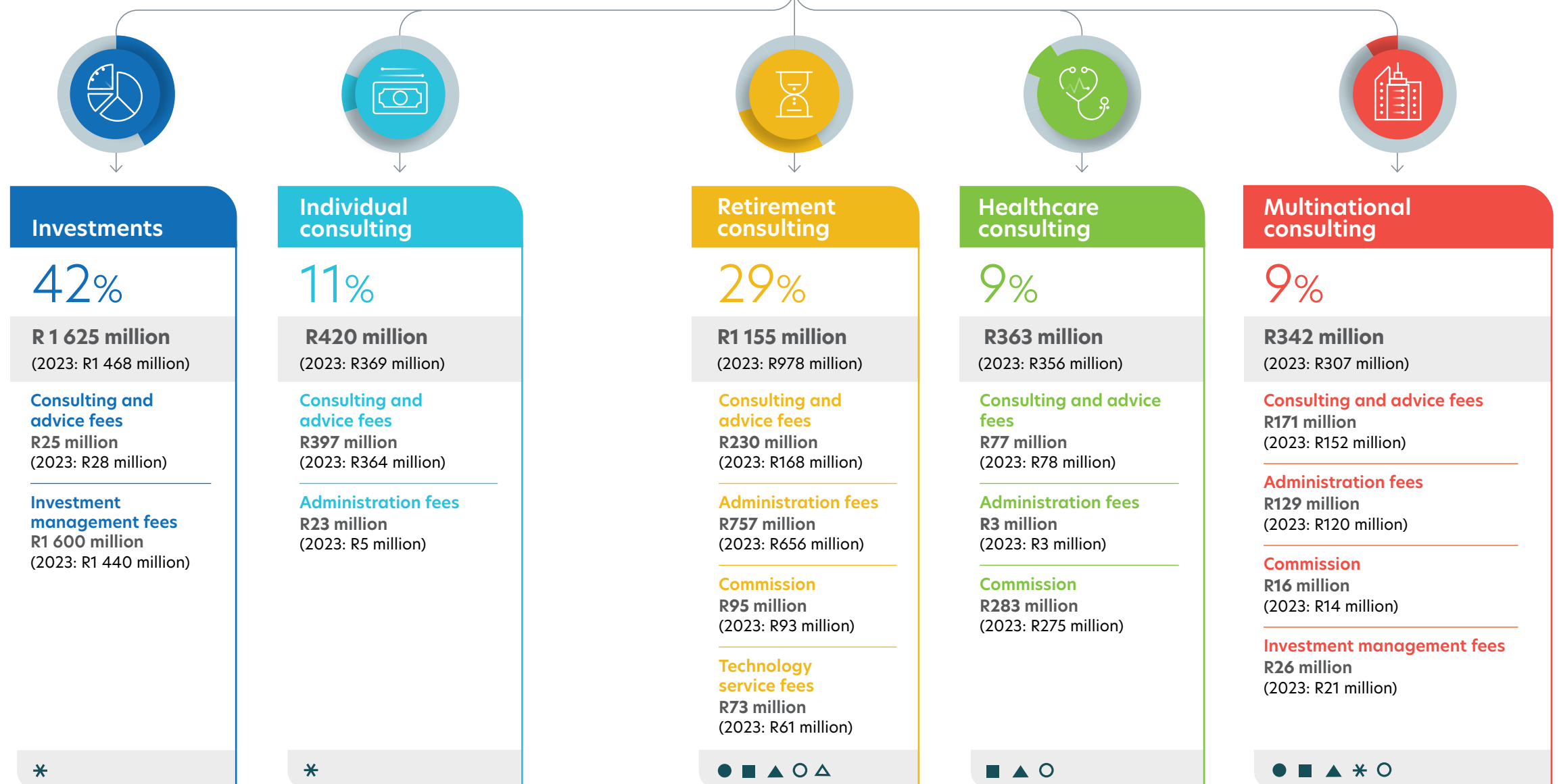
Some revenue drivers have immediate impact and others have a lagging impact. For example, new healthcare clients report revenue almost immediately after appointment. However, there is a much longer lag before the negative impact on revenue is reflected when an investment or administration client leaves.

Refer to **Sustaining our financial impact** on page 96 of this report.



- Drivers**
- Payroll expense
 - Members
 - ▲ Commission
 - * Asset-based
 - Ad hoc fees
 - △ Technology service fees

Disaggregation of operating income (total % and rand contribution, net of direct expenses)



Our business model

Inputs

Financial capital

FC

Strong balance sheet cash position and ability to leverage the balance sheet
 Strong regulatory capital position
 AuA and AuM of **R525 billion** (2023: R454 billion)

Human capital

HC

Remuneration structures aligned with performance and key drivers (group scorecard)
 Total skills development spend on employees: **R129.5 million** (2023: R88.1 million)
 Leadership development
 Experienced executive team
 Experienced board providing strategic input and oversight

Intellectual capital

IC

Trusted brand, strong reputation
 Market-leading solutions and relevant investment proposition for clients and members
 Our investment consulting footprint, with a focus on ESG, alternatives and impact investing
 Knowledge management - learning, development and talent management programmes
 Stakeholder collaboration - engagement with government on ongoing amendments to financial sector regulation
 New solutions developed and implemented

Social capital

SC

1.5 million (2023: 1.5 million) members reliant on our ability to have a positive impact on their financial goals
15 038 (2023: 13 549) members using our enhanced retirement benefit counselling (eRBC) services
 Influential position in the industry
 Well-known and trusted brand
R5 million (2023: R5.6 million) contributed to the Alexander Forbes Community Trust (including a grant contribution and dividends)
 Signatory to the UNGC and UN WEP

What we do



Retirement

This includes standalone retirement fund administration, umbrella fund solutions and beneficiary fund administration, retirement fund actuarial consulting, and retirement benefit counselling



Healthcare

This includes healthcare consulting and healthcare management services



Investments

This includes both individual and corporate client offerings of financial advice, investment consulting, administration and multimangement of investments



Individual

This incorporates financial advice, wealth management and member education services



Multinational

Comprises consulting activities where we have physical offices in countries outside South Africa



Impact advisory

Sustainability and ESG consulting, advice and solutions to corporates and retirement funds

2024 outcomes

FC

Cost-to-income ratio of **79.5%** (2023: 77.4%)
 Solvency capital requirement (SCR) cover ratio of **2.8 times** (2023: 2.1 times)
 Annual dividend declared: **50 cents per share** (2023: 42 cents per share)
 Special dividend declared: **60 cents per share**
 Normalised return on equity (RoE): **12.8%** (2023: 14.5%)
 Profit from continuing operations: **R801 million** (2023: R786 million)

HC

Retention rate of key talent: **96%** (2023: 96%)
 Employee engagement target met
 Increase in employee retention rate, with an **8.8%** employee turnover (2023: 11.2%)
 Group: **66%** female employees (2023: 65%)
 South Africa: **77%** black¹ employees (2023: 76%)
 Total payroll: **R2.0 billion** (2023: R1.7 billion)
 Total number of employees: **2 794** (2023: 2 587)
 Employees trained: **2 696** (2023: 1 993)

IC

Performer ranks in the first quartile of the Alexforbes Manager Watch Survey™ over the medium to long term
 Systems and structures for virtual delivery of our solutions
 Government adoption of our inputs on regulatory changes
 Our research reports, such as Member Watch and Alexforbes Large Manager Watch™, enable us to connect with our clients and members
 Total members engaged through a mix of face-to-face and virtual engagements: **189 694** (2023: 50 782)

SC

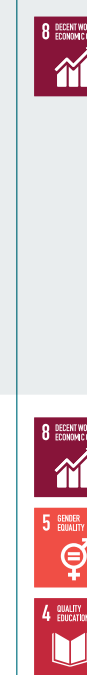
UN WEP survey score reached **Leader status** (79%) in 2024 from Achiever status (73%) in 2023
Level 1 B-BBEE contributor status (2023: Level 1)
 Contributed **R295 million²** (2023: R237 million) to the fiscus through income tax
 We have scored above global peers across the majority of the reporting modules in the PRI assessment

1. Black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003, and amended by Act 46 of 2013.
2. Excludes income tax expense relating to policyholder investment returns.

Stakeholders impacted



Aligned UN SDGs



Trade-offs

There is a need to sustainably balance our investment in people and technology with the revenue drivers of the business to deliver attractive growth while responsibly managing expenses.

Investing in our holistic people strategy is pivotal to ensure we attract and retain the best talent to execute our strategy. In addition, understanding and addressing the needs and priorities of employees resulted in the culture metrics reflecting that employee engagement, morale and trust in leadership remain resilient despite the challenges faced. Critical talent is in high demand across the industry, as well as the broader market and internationally. The business aims to attract and retain high-quality talent by providing meaningful work, incentivisation linked to outcomes and a flexible working environment.

Research and developing insights, undertaken at Alexforbes's cost, are shared widely with our stakeholders, at no charge, to reinforce awareness and drive positive change. In delivering our customer value proposition, our contributions to thought leadership enhance our position as an industry leader, creating additional channels to reach clients and members. The impact of our intellectual capital delivery approach is augmenting the financial outcomes of clients and asserting a competitive advantage.

Significant increase in our member satisfaction levels and experience is an outcome of our intent to invest in digital solutions to maintain and improve communication and engagement with our clients and members.



Why we exist

To pioneer insight to deliver advice and solutions that impact people's lives

How we add value

We make a real-world impact in people's lives by playing the role of the connector

Who we want to be

The most impactful provider of financial advice serving both institutional clients and individual customers

What influences us

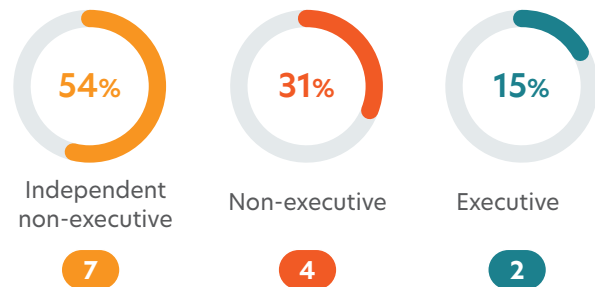
- Business operating environment
- Stakeholder expectations
- Opportunities and risks

Our demographic profile

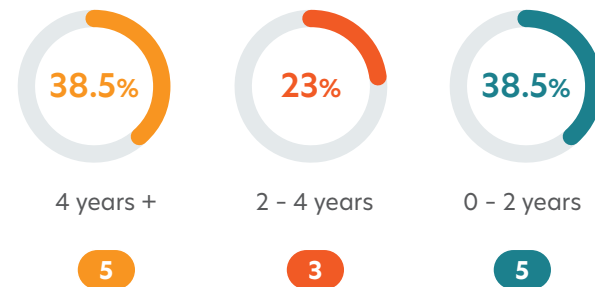
Board demographics

As at 31 July 2024

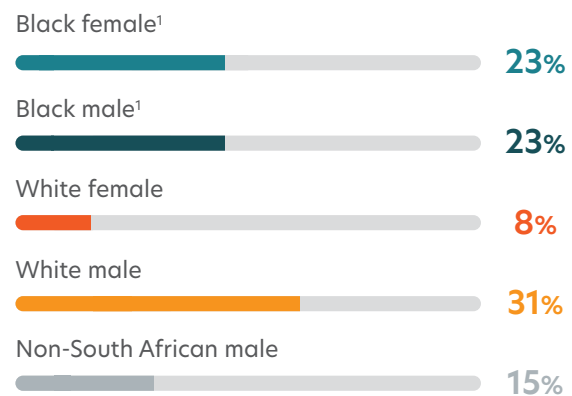
Categorisation



Tenure

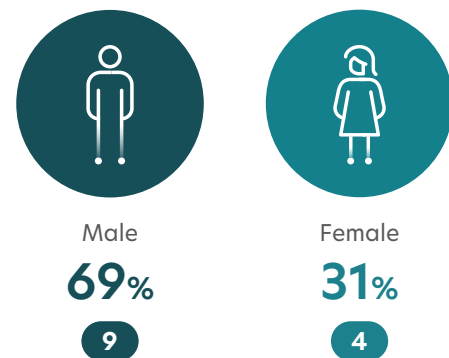


Diversity



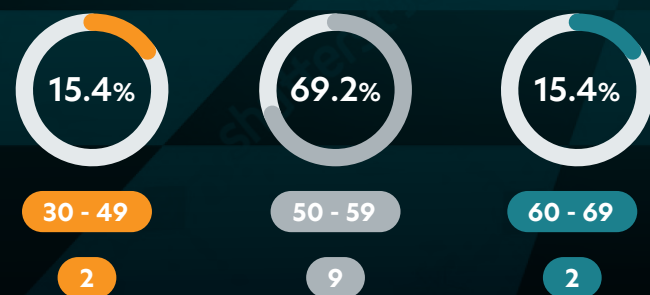
Target of 50% black¹ board representation not met as at 31 July 2024, although the 50% target was met for the financial year

Gender



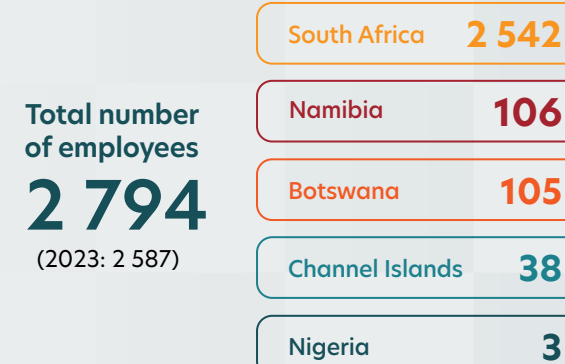
Target of 30% female board representation exceeded

Age

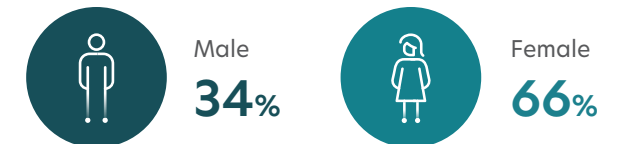


Our employees

Geography

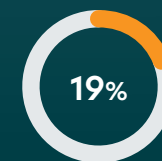


Gender

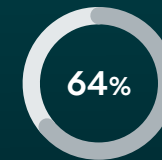


Age profile

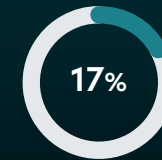
(percentage of employees)



Below 30

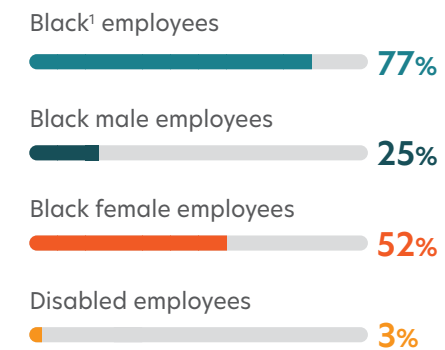


30 - 50



Over 50

Diversity (South Africa)



Other executive management²



Our senior management³



Employee attraction and retention⁴

Percentage of new employee hires
11.6%
(2023: 13.2%)

Percentage of employee turnover
8.6%
(2023: 12%)

1. Black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003 and amended by Act 46 of 2013.
2. Other executive management as measured in the amended Financial Sector Code (FSC) B-BBEE scorecard.
3. This refers to South African employees only.
4. For permanent employees only (excluding the impact of acquisitions and divestments). For the year, the percentage of new hires was 2.86% and turnover was 2.08% on non-permanent employees.

Our leadership






The group's board of directors is the highest governing body and is committed to the principles of good governance as espoused by King IV. It has the responsibility to ensure that the group is led in an ethical and responsible manner. The board is also responsible for setting the direction of the group, approving policy and strategy, and overseeing the implementation thereof.

The board charter, which sets out the board's roles, responsibilities, membership requirements and procedures, is reviewed regularly to ensure that it is aligned with the principles and practices recommended by King IV, in addition to other regulatory, legislative and best-practice requirements.

The board governs the group in a manner that enables and supports the achievement of our strategy and the long-term sustainability of the group. The board's actions set the tone by demonstrating a commitment to the organisation's integrity and reputation.

The board collectively, and each director individually, subscribes to the ethical characteristics of integrity, competence, responsibility, fairness and transparency. Board members are aware that their behaviours and actions set the tone for the culture within the group. With this in mind, the board sets the standards for ethical practices and the expected ethical culture by approving group-wide ethics-related policies and codes of practice.

As a responsible corporate citizen, the group is committed to adherence with all legislation and regulations and aspires to apply and comply with codes of good practice. The board ensures that the group's purpose and values, strategy and conduct are aligned to being a responsible corporate citizen. Our impact as a responsible corporate citizen is demonstrated in the following sections of the report:

-  **Our people**
on page 102.
-  **Responsible investing**
on page 136.
-  **Our social impact**
on page 118.
-  **Our ethical culture**
on page 158.
-  **Our environmental impact**
on page 146.



Our board of directors and executive committee

Board

Board chair (independent non-executive)

Kuseni Dlamini (56)

- BSocSci (Hons)
- MPhil (Oxford University)

Appointed 1 July 2023

Executive directors

Dawie de Villiers (54)

Chief executive officer

- FASSA
- BSc (Actuarial Science)
- Advanced Management Programme (INSEAD)

Appointed 1 November 2018

Bruce Bydowell (56)

Chief financial officer

- CA(SA)
- CFA

Appointed 1 April 2019

Non-executive

Refiloe Nkadimeng (43)

- CA(SA)
- SEPA (Harvard Business School)

Appointed 3 June 2020

Marinda Dippenaar (43)

- BCom (Accounting)
- BCompt (Hons) (CTA)
- CA(SA)

Appointed 26 August 2022

Pavan Dhamija (56)

- BTech Eng
- MBA

Appointed 26 August 2022

Gary Herbert (55)

- BCom (Accounting)
- BSc (Acc Sci)

Appointed 26 August 2022

Independent non-executive

Lead independent non-executive director

Thabo Dloti (55)

- BBusSc (Actuarial)
- Advanced Management Programme (Harvard School of Business)

Appointed 1 August 2018

Bob Head (66)

- CA
- Associate of the Chartered Insurance Institute
- Fellow of the Chartered Institute of Bankers
- MA (Politics, philosophy, economics)

Appointed 1 January 2018

Andile Mazwai (52)

- BCom (Hons)
- CSb(SA)

Appointed 9 November 2020

Ndumi Medupe (53)

- CA(SA)
- BAcc (Hons)

Appointed 8 June 2022

Nosipho Molope (59)

- CA(SA)
- BCompt (Hons) (CTA)
- BSc (Medical Sciences)

Appointed 1 July 2022

Robert Roux (60)

- CA(SA)
- BCompt (Hons)
- BAcc

Appointed 1 July 2024

Meeting attendance

	Board	Audit and risk committee	Mergers and acquisitions committee	Nominations committee	Remuneration committee	Social, ethics and transformation committee
Board chair (independent non-executive)						
Kuseni Dlamini	8/7		4/4	2/2	3/3	
Executive directors						
Dawie de Villiers	10/10	5/0	4/5	3/0	4/0	3/3
Bruce Bydowell	10/10	5/0	5/5	3/0	4/0	3/0
Non-executive						
Refiloe Nkadimeng	8/10	2/0	3/0			3/3
Marinda Dippenaar	9/10	4/0	5/3	2/0	4/0	
Pavan Dhamija	10/10		1/0			
Gary Herbert	10/10		5/5	3/3	4/4	
Independent non-executive						
Bob Head	10/10	5/5	5/5	3/0	2/0	3/0
Andile Mazwai	10/10	5/5	5/0	2/0	3/0	3/3
Ndumi Medupe	8/10	5/5				3/3
Nosipho Molope	6/10	4/5				
Thabo Dloti	9/10		3/5	3/3	4/4	2/3

- All directors are invited to all committees.
- Meeting attendance information presented for the year ended 31 March 2024.
- Meeting attendance includes committee meetings voluntarily attended as invitee (in such case, the denominator is shown as 0), or prior to becoming an official committee member (in such case, the attendance figure exceeds the denominator).

Executive committee

Ann Leepile (44)

Chief executive officer: Alexander Forbes Investments

- CFA
- Women in Leadership (Stanford Graduate School of Business)

Appointed 1 February 2022

Butši Tladi (50)

Executive: consulting

- MBA
- BCom (Hons)

Appointed 1 July 2019

Laura Kukard (51)

Executive: client services and business optimisation

- Post-graduate Diploma in Management
- Programme for Management Development in Business Administration

Appointed 1 August 2020

John Anderson (46)

Executive: solutions and enablement

- FASSA and Fellow of the Institute and Faculty of Actuaries
- BCom (Hons)

Appointed 1 August 2019

Jonathan Muthige (57)

Executive: human capital and transformation

- BA (Hons)
- Project management
- Strategic Human Resources
- Advanced Management

Appointed 1 October 2020

Viresh Maharaj (41)

Executive: retail and marketing

- FASSA
- CERA
- MBA (cum laude)
- BBusSc (Hons) (Actuarial Science)

Appointed 1 May 2021

Carina Wessels (46)





Executive: governance, legal, compliance and sustainability

- Fellow of Chartered Governance Institute of Southern Africa
- Advocate of the High Court of South Africa
- LLM: Extractive industry law in Africa (cum laude)
- LLM: Labour Law
- Advanced Labour Law (cum laude)
- LLB
- PMD (cum laude)
- Advanced Management Programme (Harvard Business School)

Appointed 1 March 2019

Section 2

What sets us apart

-  Our differentiators
-  An investment destination of choice
-  Data-driven Member Insights™
-  Delivering the Retirement Fund of the Future™

Our differentiators

Extensive scope and scale



Independent and advice-led

- Being advice-led is our key differentiator
- Market-leading independent advice optimises client and member outcomes
- We can switch service providers in or out of solutions, based on their ability to best serve the needs of our clients and members

Investments expertise

- Premier multimanager with 26+ years of experience
- Competitive returns through multimanager investment solutions
- Superior long-term performance and market-leading expertise
- Solutions designed from a blend of top-rated asset manager strategies

Thought leadership

- Leadership in responsible investing and shaping the future of retirement fund management
- Providing industry-shaping research and guidance for adapting to legislative changes
- Delivering sustainability-focused insights, practical advice and solutions through the Alexforbes Impact Centre of Excellence

Client-centric approach

- Member-focused strategy tailoring services to individual needs
- Proactive engagement promoting informed financial decisions
- Insightful, innovative solutions and personalised advice for improved long-term outcomes

Leveraging technology

- Embracing automation and technology for enhanced client experience and efficiency
- Leveraging data insights for better decision-making
- Convenient digital engagement channels to meet evolving member needs

Financial strength

- Capital-light business model
- Surplus capital returned to shareholders
- Dividend cover: 1.0 to 1.5 times
- Robust balance sheet supported by strong cash generation
- Low level of gearing
- Predictable revenue base and highly cash generative business
- Strong profit to cash conversion

1

multimanager in South Africa with R525 billion in total assets

We are the largest employee benefits (EB) advisory business in Africa

Service provider to 5 000+ corporates

1

retirement fund administrator in South Africa serving over 1.1 million members

Our consulting platform reaches across Africa

Decades of proven expertise in core activities

Holistic solutions spanning retirement, healthcare, wealth and investments



Global strategic partnerships

An investment destination of choice

Over the last 26 years, Alexforbes has established itself as a premier multimanager and provider of investment advice, solutions and administration services in South Africa. Our heritage, global partnerships, expertise and scale make us the preferred destination for both corporate and individual clients seeking superior investment solutions.

Pursue investment success together

In a fast-paced world, there is no shortage of new ideas or better ways to invest. We pride ourselves on offering local expertise with a global outlook, helping clients access what we believe to be the best-in-class and most relevant investment propositions wherever they exist in the world.

This is a world of investment possibilities with Alexforbes as a preferred investment partner and gateway to investment success.

Your goals, our solutions

Our objective is to help clients meet their goals. We have always sought to act as an extension of client teams, offering a wide range of capabilities and expertise when they need it most. We have stayed true to this ethos, leveraging our deep-rooted multimanager knowledge and skill sets to not only be innovative in our approach to investment management but also in the way that clients' best interests can be considered and met.

Our business model offers three distinct channels to help clients achieve their investment objectives:



Investment advisory

Understanding that each client's needs are unique, our investment consulting service offers customised solutions and personalised delivery approaches:

- Investment strategy
- Manager research
- Manager selection
- Portfolio construction
- Asset-liability modelling



Investment administration

We streamline the investment governance chain for retirement funds and institutional investors, automating processes and ensuring regulatory compliance:

- Unitisation
- Portfolio rebalancing
- Cash flow management
- Transition management
- Operational due diligence
- Performance reporting



Investment management

Prudently overseeing sizable pools of money requires a blend of expertise and innovation. Our multi-managed approach involves purposeful diversification, leveraging dedicated specialists, implementing checks and balances, and maintaining future-ready portfolios. This approach enhances performance prospects over time while mitigating risks:

- Multi-asset
- Specialist
- Real return
- Global
- Passive
- Alternatives
- Smoothing solutions

Our track record

Experienced

- Trusted team of 50+ local investment experts
- Global research with more than 30 000 different styles of money management covered
- Broad-based local coverage with over 360 local investment strategies and over 70 Africa investment strategies

Proven

- South Africa's largest multimanager with R525 billion in AuA and AuM as at 31 March 2024
- Over 20 years' experience in managing alternative investments, spanning investments in hedge funds and private markets with over R25 billion in AuM as at 31 March 2024, including:
 - over R14 billion invested in hedge funds
 - over R11 billion invested in private market investments, focusing on infrastructure, private equity, unlisted credit and direct property

Relevant

- Principles for Responsible Investment (PRI) signatory with scores consistently higher than global counterparts
- Endorse the Code for Responsible Investing in South Africa (CRISA)
- Level 1 B-BBEE, with a transformation intent to drive change in the asset management industry

Ready

- Dedicated, specialist teams
- Collaborative third-party providers

Recognised

- Consistent, competitive return streams compounding to superior long-term performance over time
- Recognised by reputable industry bodies such as Black Management Forum and Association of Black Securities and Investment Professionals for our continued efforts in driving transformation, diversity and inclusion throughout the industry
- HedgeNews Africa Awards 2023: AF Investments Performance QI Hedge Fund of Funds (1st place) - ten year (fund of funds)

The multimanager advantage - adding value to clients

At Alexforbes, we prioritise understanding the unique needs and objectives of each client as the cornerstone of unlocking investment success. Our comprehensive investment approach integrates extensive experience, deep expertise, innovative strategies and goal-based advice to deliver tailored solutions that effectively meet diverse investment goals. Our business model ensures we are always serving our clients' best interests.

In today's rapidly evolving investment landscape, where new ideas and strategies constantly emerge, we are committed to providing our clients with relevant and accessible investment opportunities. Whether they are institutional investors, intermediaries or individual members, we strive to offer best-in-class investment solutions that serve as a pathway to investment success in an increasingly dynamic environment.

Our investment solutions have always been built on the foundation of our multimanager proposition. This allows clients to invest in a complementary blend of the smartest strategies and most talented asset managers from one single, competitively-priced investment solution. This approach aims to ensure that investment portfolios achieve superior returns over time at below-average risk.

Competitive investment returns

Our flagship portfolio, Performer, continues to deliver consistent and competitive performance over time, resulting in improved long-term investment outcomes for clients. Performer's closing assets under management increased 12% year on year to R232 billion, with positive net cash inflows reported in the year underpinned by positive return growth of 11.4% for the year (2023: 6.5%). Performer consistently ranks in the first quartile of the Alexforbes Manager Watch Survey™ over a five-year period and remains well positioned in these volatile markets to continue to achieve superior returns on a risk-adjusted basis.

Performer

R232 billion

in assets under management

Beaten its benchmark over all five-year rolling periods since its inception

26 years
of delivery

Consistently ranks in first and second quartile performance over rolling five-year periods



Refer to **Responsible investing** on page 136, **Driving excellence in investments** on page 85.



Data-driven Member Insights™

Alexforbes's Member Insights™ reports are an integral part of our commitment to delivering impactful advice and solutions to our clients. These reports provide a comprehensive analysis of key metrics and trends related to member retirement outcomes, enabling us to tailor advice and solutions that directly address their financial needs and goals.

By analysing data from the diverse range of retirement funds under our administration, we gain valuable industry insights. These insights not only enable retirement funds and employee groups to benchmark their outcomes but also empower members to make informed decisions regarding their retirement savings. The reports also demonstrate the difference Alexforbes makes in terms of fee savings, tax benefits and the number of individuals benefiting from retirement counselling.

This approach allows consultants to identify areas where interventions may be needed to enhance member outcomes, providing actionable insights to employers. As we continue to track the progress of these interventions over time, we aim to demonstrate their real-life impact on securing better member outcomes through tangible and measurable benefits.

During the 2024 financial year, our member impact reports were improved to include insights into the ESG performance of underlying investments and the impact of withdrawals associated with the upcoming two-pot retirement system.

This page highlights the member impact report insights we used as part of our customer value proposition during the year. It is based on an average profile of our members.

Average member profile



Male members
(2023: 57%)



Female members
(2023: 43%)



Average age
43
(2023: 43)

Average expected retirement age
64
(2023: 64)

Average actual retirement age
62
(2023: 62)

Contributions

Average member contribution

4.5%
(2023: 4.4%)

Average employer contribution

9.1%
(2023: 9.0%)

Average total contribution

13.6%
(2023: 13.5%)

Average expenses (life, disability and administration cost)

3.5%
(2023: 3.5%)

Total average contribution to retirement fund
9.7%
(2023: 8.9%)

Average fund credit per year

R559 752
(2023: R485 215)

Average pensionable salary per year

R269 230
(2023: R394 379)

Minimum rate members need to contribute over a 40-year period to achieve a 75% replacement ratio
17%
(2023: 17%)

Percentage of total members who can expect a replacement ratio of above 75% of pensionable income
8.2%
(2023: 6.8%)

Average lump-sum death benefit insured by the fund (varies by industry)
2.06 x salary
(2023: 2.06 x salary)

Members with the worst projected replacement ratio outcomes

Age 60+
(2023: 60+)

Percentage of these members with a projected replacement ratio above 75%

5.6%
(2023: 8.7%)

Thanks to group schemes, clients have an estimated
R421 billion
more in savings than if they had saved on their own
(2023: R374 billion)

Estimated tax savings using group retirement schemes
R4 million
per annum
(2023: R3 million)

Estimated fee savings for members using group retirement schemes
R3 million
per annum
(2023: R2 million)

Preservation and replacement ratios

Average projected replacement ratio
35.4%
(2023: 34.5%)

Average actual replacement ratio of retirees
32.9%
(2023: 31.6%)

Retirees who achieved a replacement ratio of 80% or higher
8%
(2023: 7%)

Average exit rate
15.8%
(2023: 16.2%)

Average preservation rate
14.3%
(2023: 9.6%)

Delivering the Retirement Fund of the Future™

In an era defined by rapid change and evolving financial landscapes, retirement funds face a critical question: what does the Retirement Fund of the Future™ look like? The answer holds immense significance for the sustainability and success of retirement funds and their members in the long run.

At Alexforbes, we have amplified our focus on creating a sustainable future, leading our clients through emerging changes to ensure their resilience and safeguard their ability to deliver suitable retirement outcomes for their members, both now and into the future.

The changing landscape of retirement funds

Retirement funds play a vital role in financial markets, both locally and globally, contributing to household wealth and acting as a driving force in the economy. However, the landscape is not without its challenges. Past failures in retirement funds have demonstrated the catastrophic consequences of inadequate governance and oversight. These failures serve as a powerful reminder of the importance of well-governed, compliant and responsible retirement funds.

To thrive in the future, retirement funds must embrace sustainable ways of thinking and adapt to emerging megatrends such as globalisation, geopolitical shifts, population dynamics, technological advancements, climate change and shifting generational expectations. These trends are driving fundamental changes in mindsets, risks and opportunities for funds. By seriously considering what risks and opportunities the future might hold, retirement funds can ensure their fitness for the future and unlock numerous benefits.

The journey towards a future-fit retirement fund

The Impact CoE has designed a maturity process for clients to guide their journey towards becoming a sustainable, resilient Retirement Fund of the Future™. This design represents the ideal retirement fund that is aspirational in its design and sets the industry standard for a best-in-class, leading and future-fit retirement fund. Against this, we can assess the sustainability maturity of our retirement fund clients as a baseline and develop a tailored and practical maturity roadmap towards improved sustainability and resilience. Our comprehensive approach combines deep industry insights, cutting-edge solutions and a proactive stance towards emerging trends, ensuring our clients remain ahead of the curve.

Our solutions suite includes but is not limited to:

- Sustainability, ESG and megatrend-focused trustee training, including virtual reality training capabilities
- Maturity gap analysis and tailored improvement plans
- Increased responsible investing policy development
- Enhanced risk management policy and process development
- Digital member enablement
- Member impact reporting
- ESG integration advice and ESG performance reporting
- Portfolio stress testing
- Materiality assessments
- Stakeholder assessments and tailored stakeholder management plans
- Stakeholder reporting, including integrated reporting support

Our response

Alexforbes's Impact Centre of Excellence and Impact Advisory

With this in mind, Alexforbes has established an Impact Advisory service that focuses on delivering forward-thinking sustainability and environmental, social and governance (ESG) insights and advice to retirement funds as well as corporate clients. The service is supported by our Impact Centre of Excellence (CoE), which comprises the brightest sustainability minds in the business and is accountable for delivering Alexforbes's own sustainability objectives and impactful solutions for clients. Through the Impact CoE, clients are provided with insights, practical advice and solutions that enable sustainable outcomes.

We have recently entered into a partnership with Alternative Prosperity and its subsidiary companies, which expands our existing sustainability offering to retirement fund clients and also strengthens our sustainability offering to corporate clients. We provide bespoke advice and solutions, including sustainability strategy development and implementation, impact measurement and monitoring, sustainability reporting and access to high-quality sustainability-focused education (through the recently launched Alexforbes Impact Academy), among other sustainability-related offerings.



Leading the way to a more sustainable future

The future of retirement funds depends on proactive adaptation and innovative thinking. Alexforbes is at the forefront of leading this paradigm shift, making sure that retirement funds are not only prepared for the future but are active participants in shaping it.

"Our commitment to sustainability, governance and impactful solutions positions us as a leader in creating future-fit retirement funds that deliver long-term resilience and success."

Section 3

Our strategic context

- > Our strategy
- > Material matters
- > Regulatory environment
- > Stakeholder relationships
- > Material risks



Our strategy

Our strategic ambition is to best serve institutional clients and individual customers by delivering measurable benefits through our advice-led and integrated **one Alexforbes** experience. We will continue to invest in our core strengths of consulting, administration and investments to gain further scale, efficiencies and operating advantages.

By connecting with members to provide advice and affordable solutions to improve their financial decision-making, we aim to retain our members throughout their financial journey. Doing so creates a uniquely differentiated opportunity to impact the lives of clients and members, as well as their families.



Our five-year vision

To be the most impactful provider of financial advice serving both institutional clients and individual customers by:

S1

Extending leading positions across administration, retirement and healthcare consulting and investments

S2

Transforming into the most inclusive retail financial advice firm in South Africa

S3

Having real-world impact through our sustainability intent

S4

Growing our multinational consulting business model into Africa by enhancing distribution and automation of advice

S5

Expanding advisory capabilities into adjacent lines using our wealth of data

S6

Demonstrating a meaningful positive impact on the stakeholders we serve

Our strategic pillars

Underpinning our growth are the core principles of our strategy that inform our five-year vision.

Our strategy reaffirms Alexforbes's strength as a trusted adviser to our clients with a focus on the core businesses of consulting, administration and investments.

Refer to **Performance against our strategy** on page 78 for more information.

Best advice as north star

As an advice-led business, we provide choice, information and guidance to ensure fulfilment through best-in-class solutions. Our best advice continually informs the products and solutions we deliver.

Deliver measurable benefits

We leverage institutional pricing to deliver price competitive solutions to individuals and empower them to make informed financial decisions. Our clients experience tangible impact in their lives across a range of dimensions from net returns to financial inclusion and ESG-related matters.

Pan-African solutions

We provide advice and solutions to members of multinationals operating across Africa. Our client-led strategy is underpinned by our best advice and delivered through an integrated and seamless distribution platform across Africa.

Focused business model

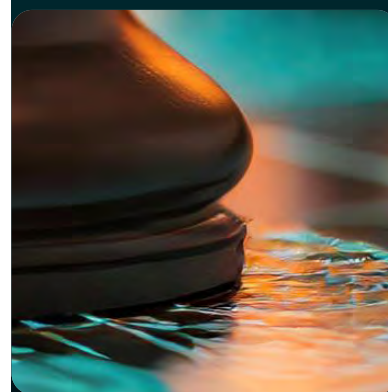
By concentrating on our core capabilities of consulting, administration and investments we make sure these business lines are best in class through continued investment and innovation.

Capital-light business

We focus on allocating capital and resources to areas of the business that optimise our capital requirements and generate superior returns.

Serve clients as one Alexforbes

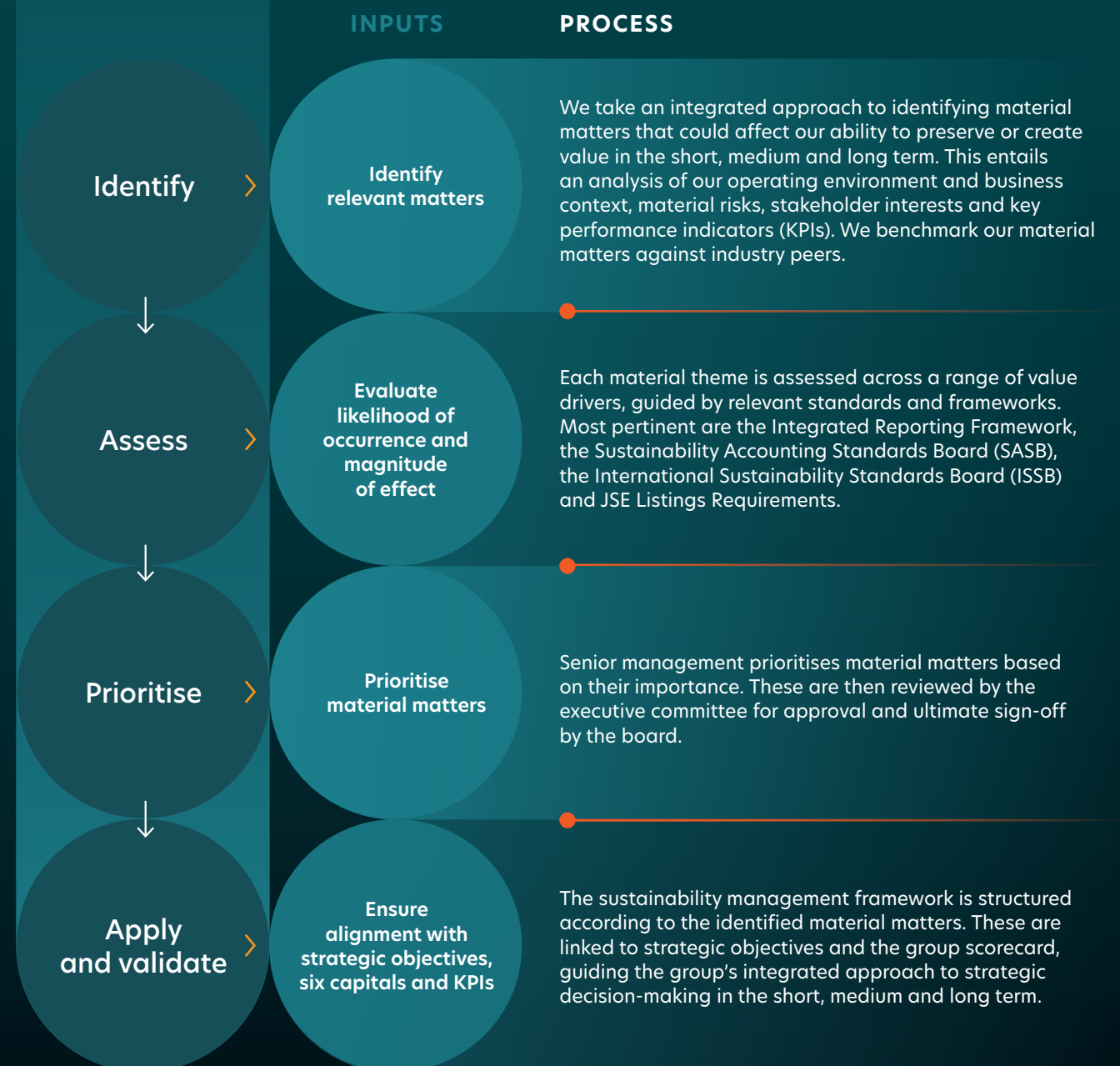
With our vertically integrated value chain as the enabler and scalability as the driving force, our aim is to deliver a consistent group-wide customer experience that makes an impact in people's lives.



Material matters

Materiality determination approach

In determining material matters, we assess the risks and opportunities in the group's operating environment, and we reflect on the meaningful interests of our stakeholders and our strategic objectives and value-creation model.



Our material matters

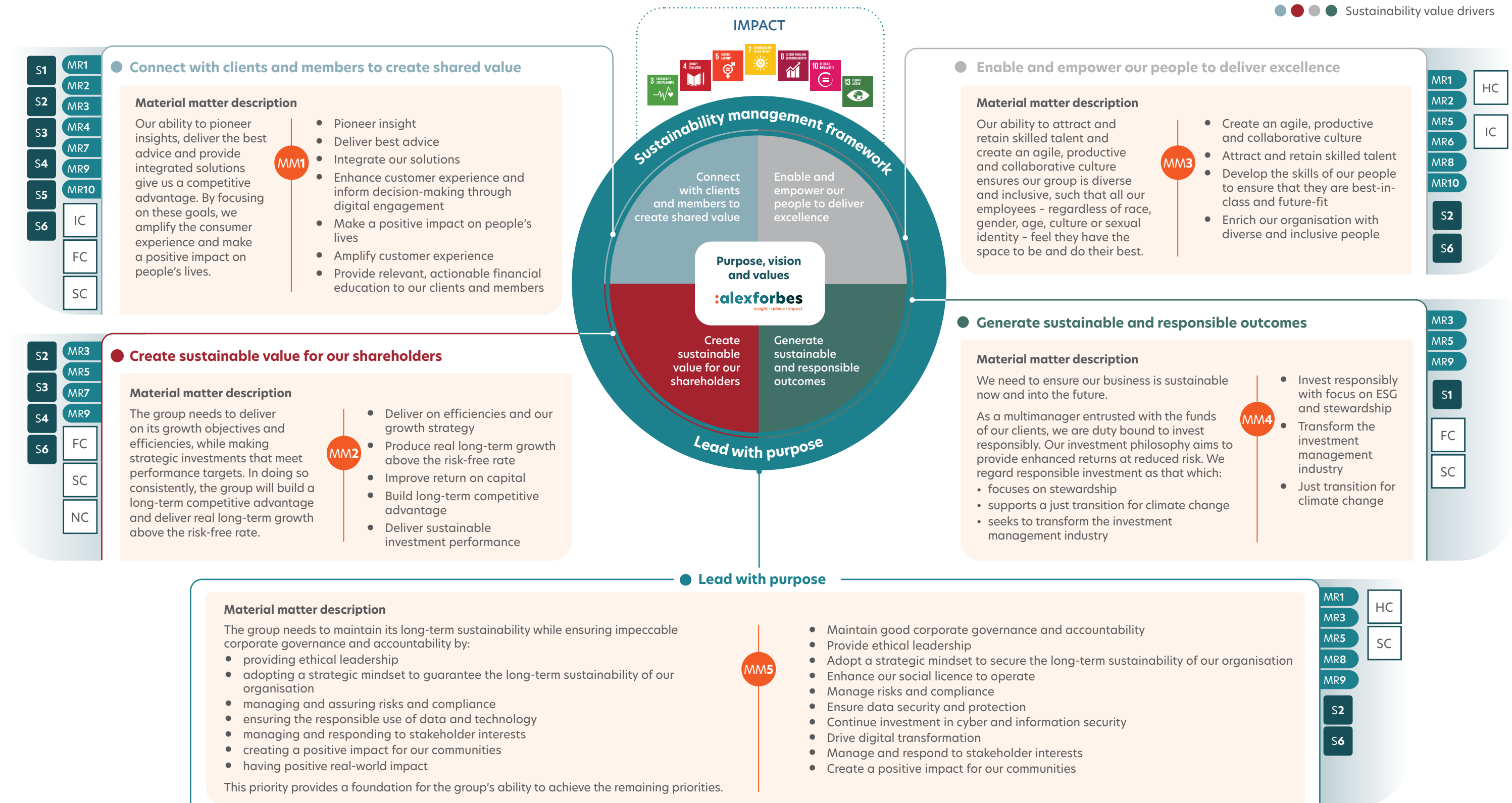
Alexforbes has identified and prioritised the following sustainability value drivers and material matters. These are managed through our sustainability management framework (SMF) to address the legitimate needs and concerns of our stakeholders, while supporting the delivery of our vision to be the most impactful provider of financial advice, serving both institutional clients and individual customers.

The SMF was developed and approved by the board in the 2022 financial year. This framework:

- Integrates and manages our ability to impact, initially taking into consideration two primary UN SDGs most aligned to our strategic intent, as well as five secondary SDGs where we have an indirect impact. We have also committed ourselves to these practices as signatories or members of the UNGC, UN WEP, PRI and CRISA.

- Draws on, and contributes to, the group's overall strategy and identifies the following high-level priorities to ensure good governance and secure the group's future financial, social and environmental health.

● ● ● Sustainability value drivers



Regulatory environment

Our approach to the regulatory environment

Alexforbes is entrusted with the financial goals and outcomes of our clients and members, and therefore we adopt the highest standards of regulatory compliance.

As the regulatory environment continues to evolve, to remain in step with global best practice and ensure customers are treated fairly, we are expected to adapt quickly to regulatory advances. By entrenching good governance practices, we can respond proactively to these changes while retaining the flexibility to deliver on our strategic imperatives and the priorities of our stakeholders.

The regulatory universe is continually monitored by management to identify changes and developments that may have an impact on the group, as well as our clients and members:

- New legislation that impacts the group is discussed at board meetings.
- Training sessions are held with key management regarding updating new legislative requirements.
- Ongoing monitoring is undertaken for compliance with new legislation and the effective embedding of the new legislation into the business.
- We proactively and regularly engage on regulatory changes and new legislation and regulation through industry bodies and associations, and are also often consulted by regulators for input and advice.

We are committed to playing a role in making certain the country retains a positive reputation and can effectively participate in the global economy by adhering to international best practice and complying with anti-money laundering legislation.



Update on key regulations

The table below provides a summary of regulatory developments during the year:

Regulator

National Treasury

Two-pot system

The two-pot system (also known as the two-component system), as proposed by National Treasury in 2022, is set to take effect on 1 September 2024. Recent developments include:

- The Pension Funds Amendment Act, containing the necessary legislative amendments for pension funds to implement the first phase of the two-pot retirement system, was signed into law by the President Cyril Ramaphosa on 21 July 2024. This means that the Financial Sector Conduct Authority (FSCA) can now approve compliant rule amendments submitted to it, as the enabling legislation to do so is in place.
- The Revenue Laws Amendment Act of 2024, which is also a prerequisite for the two-pot system to take effect, was signed into law by the president on 1 June 2024.

To finalise the implementation of the two-pot system, the South African Revenue Services (SARS) must ensure its systems are ready to handle the tax component of the payouts. Retirement funds must also apply to the FSCA to amend their fund rules to accommodate the necessary changes.

More detailed information about the two-pot system is available on the next page.

Regulatory developments

Financial Sector Conduct Authority (FSCA)

Conditions for investment in derivative instruments for pension funds

The FSCA has issued Conduct Standard 1 of 2023, effective 11 May 2024, outlining conditions for retirement funds investing in derivatives. This standard aims to balance the benefits and risks associated with derivatives, setting principles for their use, valuation, counterparty conditions and reporting requirements. It ensures funds use derivatives responsibly to enhance returns while mitigating associated risks.

Conduct of Financial Institutions (COFI)

The COFI Bill, set to become the overarching market conduct framework for South Africa's financial sector, aims to consolidate existing legislation, promote fair customer treatment and improve regulatory oversight. While its promulgation in 2024 remains uncertain, the bill represents a significant step in regulatory reform, impacting insurers, financial advisers, retirement funds and banks.

Prudential Authority

Quarterly Regulation 28 reporting for retirement funds

The Prudential Authority has introduced new quarterly reporting requirements under Regulation 28 of the Pension Funds Act. These updates make sure retirement funds comply with asset class limits, enhancing transparency and risk management. Effective 2 April 2024, funds must now submit detailed quarterly reports on non-compliance, replacing the previous exception reporting method. This change aims to improve proactive supervision and timely corrective actions, with the first reports due by the end of September 2024.

Prudential Authority and Financial Sector Conduct Authority

Joint Standard: cybersecurity and cyber resilience requirements for financial institutions

Effective 1 June 2025, this joint standard mandates robust cybersecurity practices for financial institutions. Published in May 2024, it requires institutions to implement comprehensive cybersecurity measures to protect against and respond to cyber threats, ensuring resilience and regulatory compliance.

Information Technology (IT) governance and risk management requirements

Effective 15 November 2024, the joint standard 1 of 2023 on IT governance and risk management sets out requirements for financial institutions to establish IT governance structures and risk management frameworks. These requirements aim to enforce sound IT practices, including data protection, risk mitigation and business continuity planning. Institutions must comply with the standard within one year of its commencement.

Regulatory environment *continued*

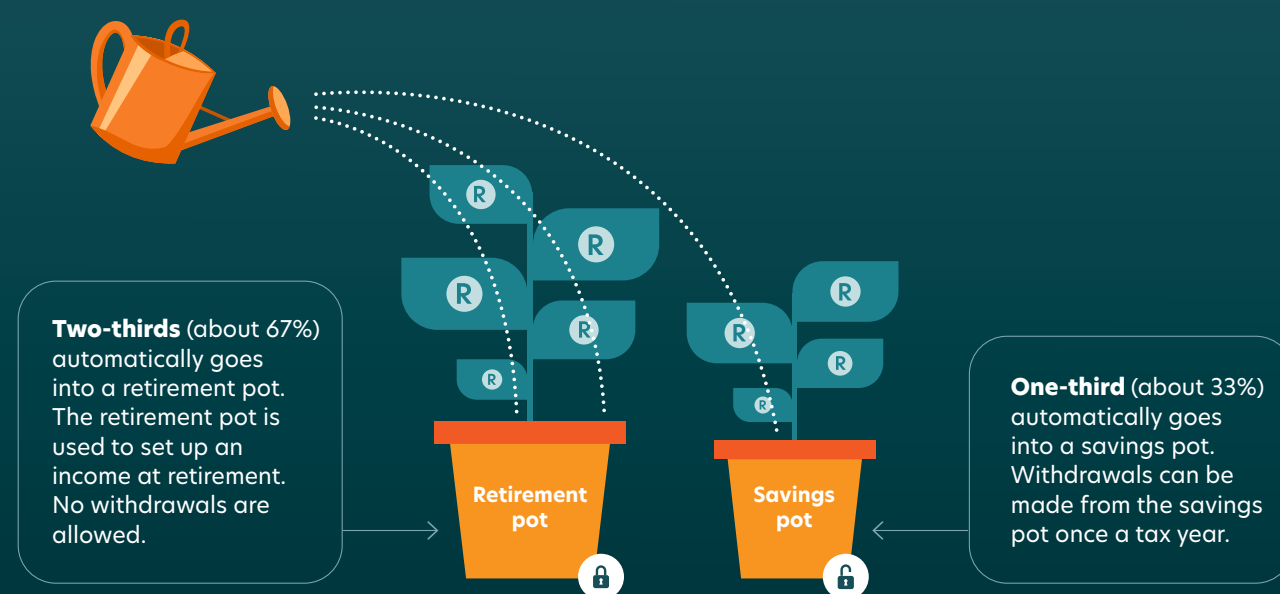
Navigating the two-pot system

About the two-pot system

Through the two-pot system, members will be allowed to access up to one-third of their net retirement fund contributions made to a fund after 1 September 2024 and accruing investment returns every year to provide short-term financial relief, from the savings component. This will be accompanied by the requirement that the remaining two-thirds are preserved over the long term, in the retirement component.

Prior to 1 September 2024, retirement savings were invested in one pot. Members could withdraw cash from these savings only if they left their employer or retired.

From 1 September 2024 any new retirement savings will be split into two new pots:



The two-pot retirement system heralds a new era in retirement fund management, promising to improve member outcomes by:

Enhanced preservation:

By segregating retirement savings into two distinct pots, the system encourages greater preservation of funds meant for retirement. The locked retirement pot ensures that a substantial portion of a member's savings remains untouched until retirement, thus bolstering long-term financial security.

Flexibility and emergency access:

Simultaneously, the accessible savings pot provides members with a degree of flexibility to address pre-retirement emergencies or financial challenges without compromising their core retirement savings. This duality fosters a balanced approach to financial planning, catering to both short-term needs and long-term goals.

For retirement fund members, this system brings both opportunities and responsibilities. On one hand, it offers a safety net for managing unforeseen financial challenges before retirement. On the other hand, it underscores the importance of prudent financial planning and responsible debt management, making sure that retirement savings remain intact for their intended purpose – securing financial stability in retirement.

The implementation of the two-component system is anticipated to have a positive net impact on group revenue over the long term as a result of compulsory preservation of the retirement pot, increasing the pool of assets within our base. In addition, greater engagement is required to counsel members on their decisions, creating further opportunities to retain assets.

Key factors to safeguard a seamless transition benefiting fund members

During the year, Alexforbes has made significant strides towards accommodating the new system effectively and preparing our members for adoption of the two-pot system.

Member communication and education

One of the primary challenges during this transition is dispelling misconceptions and managing expectations among members. Alexforbes has launched extensive educational campaigns to inform the broader South African community about the two-pot system's intricacies, withdrawal protocols, tax implications and the importance of prudent financial planning. These campaigns include workshops, webinars and informational materials to empower members with the knowledge needed to make informed decisions.

We have also proactively leveraged the group's member communication channels, such as newsletters, our website, member portals and media publications, to directly engage with our members. By managing expectations and empowering members with knowledge we aim to facilitate a smooth transition to the two-pot retirement system and optimise outcomes for all fund members.

System readiness

On the implementation date, several events will unfold, including the implementation of new fund rules, transfer of seeding capital to the savings component and members' first withdrawals from their savings. With an anticipated rush of withdrawals from millions of retirement fund members in South Africa, it is imperative that our people and systems are fully prepared to maintain service level standards.

We have taken proactive measures to make certain that our systems are primed to accommodate the new regulations. This includes updating software, streamlining processes for fund rule amendments and enhancing member communication protocols.

We have implemented several mitigating measures to address potential challenges and uphold service level standards. These measures include:

- Employing skilled legal experts to interpret regulations, recommend best practices and maintain industry relationships.
- Providing additional training and awareness on the two-pot system to our staff to ensure readiness.
- Actively participating in industry bodies like Association for Savings and Investment South Africa (ASISA) to stay informed and aligned with industry standards.
- Implementing agreed-upon policies and processes to safeguard the best interests of our clients and members.
- Providing regular reporting to the board to maintain awareness and enable board interventions to support risk management and brand management during this transition.

**Our next move**

Overall, Alexforbes is supportive of the changes, given that over the long term the outcomes of retirement members will be much improved. In the short term, however, there will be pressure on administrators to process significant amounts of small claims given that a portion of accumulated savings up to 1 September 2024 may be immediately accessible.

As we approach the two-pot regulation implementation date, Alexforbes remains committed to compliance, member-centric education and optimal financial outcomes. We are actively developing investment strategies to meet the diverse needs of our members across different pots.

We anticipate that the implementation of the two-pot system will have a positive net impact on group revenue over the long term owing to compulsory preservation of the retirement pot, increasing the pool of assets within our base. In addition, with greater engagement required to counsel members on their decisions, we are creating further opportunities to retain members and assets.

Stakeholder relationships

Alexforbes is committed to making a meaningful impact in the lives of our stakeholders. Our sustainability management framework supports this commitment by mandating us to manage and respond to stakeholder interests, with the ultimate goal being to lead with purpose.

We take a pragmatic and proactive approach to our stakeholder engagement to create value through long-term relationships and the enhancement of our reputation. The stakeholder management function is integrated into the strategy and customer office function to make sure that it receives the necessary degree of focus and support.

Our pragmatic stakeholder management framework ensures appropriate governance arrangements and organisational policies are in place so that stakeholder engagements across the group are aligned with our organisational philosophy, brand ethos, values, material matters and overall strategic imperatives.

Principles underpinning our stakeholder engagement framework include inclusivity of all stakeholders, as well as responsiveness through our decisions, actions, performance and communication. Based on these principles, we seek candid and constructive discussions in all engagements with our stakeholders.



Institutional clients

Alexforbes has a diversified spectrum of institutional clients across our lines of business and across our respective regions of operation. The quality of our relationships with these clients dictates our ability to impact people's lives through the delivery of our integrated best-advice model.

How we engage

- We have a systematic voice-of-the-customer process dubbed 'Boitumelo' that provides direct engagement with a representative sample of clients to explore their concerns and aspirations
- We derive net promoter scores (NPS) across our lines of business to identify areas of risk
- Clients have direct access to senior executives to address escalations and to build corporate relationships
- We host a series of client engagement events where topics of particular relevance are discussed to provide our clients with insight in order to engage further as they see fit

Their concerns

- Navigating the complexities of managing retirement funds and healthcare benefit arrangements
- Changes in legislation such as Regulation 28, the two-pot system and National Health Insurance
- Expectations of the two-pot system and how this impacts on business as usual and Alexforbes's ability and capacity to manage the changes
- Increasing cost of traditional medical aid schemes
- Administration and investment of contributions, reporting and benefit payments
- ESG and sustainability, and the impact this has on the resilience of the corporate and retirement funds
- The impact of macroeconomic matters on the financial outcomes of their members
- Investment performance in the context of volatile markets
- Understanding the Alexforbes strategy in the context of the corporate transactions that were concluded during the year

Our response

- Develop insights to address a wide range of clients' needs and challenges
- Provide education and a greater opportunity to engage with individuals to assist and guide them throughout their lifetime
- Provide alternative medical solutions to assist with better decision-making
- Provide additional touchpoints for the individual to engage with Alexforbes through AF Connect or the newly introduced WhatsApp facility
- Deliver action where concerns are raised, which mitigated potential client losses in certain circumstances
- Present regular feedback to setco to create visibility and allow the opportunity to provide input

Refer to **Creating operational excellence** on page 92, and **Delivering to clients and members** on page 82.

Individual clients

Alexforbes serves approximately 1.1 million members. Unfortunately, the majority do not consistently engage their retirement fund arrangements and remain exposed to the risk of poor decision-making as a consequence.

How we engage

- Our member engagement suite provides access to financial learning opportunities, online portals, enhanced retirement benefit counselling (eRBC) and financial advice
- We offer convenient and accessible self-service channels, including WhatsApp
- Members are given the option to ask for an adviser should they prefer more personal engagement
- Members can access automated advice to manage their investment goals through AF INvest
- We derive NPS and customer satisfaction scores after interactions with individual customers
- Where proactive engagement has failed, we have a robust complaints process to ensure customers are treated fairly and issues resolved expeditiously

Their concerns

- Understanding their retirement funds and employee benefits
- The short-term impact of investment volatility on their portfolios
- Access to their retirement funds to alleviate immediate financial circumstances
- Impact of regulatory change on their ability to access their funds
- Servicing matters related to withdrawal claims
- Access to Alexforbes to address general queries

Our response

- Our refreshed brand and strategy have been crafted to enable Alexforbes to better connect with individuals
- We are implementing our member engagement suite across our institutional client base and supporting fund employers to optimise adoption among their members
- We launched a new advice campaign to drive customer engagement with our financial advisers
- We are aggressively growing our adviser force to meet the needs of our members and be a more holistic financial advice provider
- We have upgraded our customer retention management (CRM) system
- We have launched Adviser Connect, our new adviser planning platform
- We have supported the roll-out of various individualisation initiatives and digital engagement channels
- We have integrated OUTvest capabilities, an intelligent digital investment product with advice that simplifies investing

Refer to **Creating operational excellence** on page 92 and **Delivering to clients and members** on page 82.

Stakeholder relationships *continued***Our people**

Our highly skilled and specialised employees provide the valuable expertise we need to fulfil and exceed our commitments to stakeholders. They are critical to delivering on our integrated, advice-led value proposition and the sustainability of the business.

How we engage

- We engage with employees both formally and informally, allowing us to obtain insight into their needs and expectations, and devise appropriate responses to these
- We conduct employee engagement meetings and also engage our employees through newsletters, one-on-one meetings (formal and informal), team meetings and line manager discussions
- Performance management process interactions and cultural transformation sessions also allow for consistent and meaningful engagement

Their concerns

- Fair remuneration and recognition
- Career development and advancement opportunities
- A positive work environment that embraces diversity, inclusivity and fairness
- Mental health and personal wellness
- Flexibility in working arrangements

Our response

- We introduced the new Ways of Work programme, offering a diverse range of services and resources to support employee wellness and engagement
- We provided our employees with a range of learning and development and mentorship opportunities
- We enhanced our employee assistance programme with holistic support focusing on mental, emotional, physical and social aspects of wellness
- We have shifted to a hybrid work environment to allow for flexible work arrangements

Refer to **Our people** on page 102.

**Investors**

Our shareholders, as the owners of Alexforbes, express confidence in our sustainable business model and strategy by investing in the company. In turn, we are accountable to them as we grow and realise our strategic ambitions.

How we engage

- Continued and extensive engagement through formal meetings, including one-on-one management results roadshows (semi-annually), conference attendances, ad hoc meeting requests and discussions with investors
- Investor roadshows
- Investor relations information is made available on our website
- We hold analyst presentations for the release of our interim and final results to enhance understanding of our performance and provide updates on strategy to the market
- We participate in engagements before and after the annual general meeting (AGM)
- We hold bespoke governance-focused meetings to address non-financial matters

Their concerns

- Sustainable growth strategy and overall resilience of business model
- Company performance in a low-growth, low-return environment
- Balanced, transparent and timely reporting and disclosures, aligned with best practice
- Delivery against the strategy
- Return on equity and capital allocation
- Lack of liquidity of the share and merits of remaining listed

Our response

- We have consistently demonstrated clear execution on several of our strategic objectives
- We continue to deliver on the capital-light strategic objective
- Improved return on capital
- Improved reporting and disclosure
- Executive management and the board assess the liquidity of the share and consider merits of remaining listed on an ongoing basis

Refer to **Sustaining our financial impact** on page 96, **Remuneration report** on page 190.

**Suppliers**

Alexforbes partners with suppliers to help enable the business to deliver on our customer value proposition. These range from corporate suppliers who support our business operations to our provider panels on insurance and investments. The quality of our proposition is greatly influenced by our ability to procure from suppliers who share our values and commitment to clients.

How we engage

- Formal and informal engagements to share our needs and feedback on the services delivered
- A regular assessment of our requirements to make sure that our best advice is executed through our supplier panels
- Formal engagement to communicate our requirements

Their concerns

- Service providers (including asset managers and insurers) maintaining their respective positions on our procurement panels by delivering on service levels, which now include ESG-related requirements
- Complying with our group's transformation policy and B-BBEE targets

Our response

- The Alexander Forbes Investments transformation policy has been socialised with the asset managers to create a clear understanding of the principles of diversity, equity and inclusion and requirements to be considered as part of our asset manager panel. The policy works alongside our asset manager research function, which focuses on investment process and philosophy to find the best investment strategies and top-rated asset managers that will be part of the optimal blend we achieve in our portfolio solutions
- We take proactive steps to engage with suppliers and internal business stakeholders who oversee suppliers with lower B-BBEE ratings resulting from market constraints. Together, we explore opportunities to augment or establish targets

**Media**

The media is a key stakeholder for Alexforbes, shaping public perception, influencing change and disseminating insights. Building strong relationships with the media is essential for fostering trust in Alexforbes as a leading provider of retirement solutions and insightful information. Recognising the media's role, transparent and proactive engagement remains crucial for strengthening these relationships, underscoring their valuable contribution to our objectives.

How we engage

- We collaborate with financial journalists to provide information and foster mutual trust
- Regular press releases covering a variety of pertinent subjects are disseminated to the media
- We hold press briefings to discuss topics of specific significance, such as economic trends, investment themes and the Alexander Forbes Retirement Fund Survey (Manager Watch)
- We respond promptly to media queries to maintain efficient communication and support

Their concerns

- The low-return investment environment induced by global and local factors
- Transformation of the industry
- Changes associated with the two-pot retirement system
- Handling of unclaimed benefits
- Audience apathy towards planning and saving for long-term financial goals
- The low levels of financial understanding across audiences

Our response

- Continued to assert our leadership position by providing insightful commentary on key industry topics, including the two-pot retirement system
- We have updated our authorised spokespersons list to ensure alignment of senior and specialist spokespersons with specific topics
- A media engagement plan has been implemented as part of our stakeholder management framework
- We monitor coverage of Alexforbes across the media (including social media)

Stakeholder relationships *continued*
 Regulators

Our regulators ensure we treat our clients fairly and protect their information and assets, while acting in the best interests of all our stakeholders.

How we engage

- Regular and extensive interaction and engagement with the regulators
- Accurate, timeous and comprehensive statutory reporting
- Formal interaction and participation in industry forums and policy discussions
- Board and executive presentations and on-site visits

Their concerns

- Maintaining legal and regulatory compliance in an increasingly complex regulatory environment
- Timeous and transparent reporting and disclosures
- Active participation in and contribution to policy development and best practice
- Treating customers fairly

Our response

- Regular, transparent and proactive engagement
- Compliance with regulation is the minimum standard expected of Alexforbes. We aim to exceed this threshold to deliver meaningful benefits to our clients and society
- We provided regular status updates to regulators, as required
- Our philosophy is premised on proactive engagement: we give regulators advance notification of transactions or any other material items
- We provide opinions and solutions to matters raised by regulators, which are in the industry's and the public's interest

→ Refer to **Regulatory environment** on page 58.

 Society

Alexforbes, as a leading retirement fund administrator, is a key player in the savings and investment industry in particular. Our impact on society is that we help ensure, through best advice, that people retire with better financial outcomes. In various ways - from research and best practice to advice and product development - we can influence society for the better. Alexforbes's reputation and insight carry weight in public discourse and we have the responsibility to lead relevant discussions.

How we engage

- We have implemented a treating customers fairly (TCF) framework
- We engage with asset managers on ESG matters to influence meaningful change on an ongoing basis
- We contribute to discussions on relevant policy matters, such as regulatory reform through various professional bodies, by engaging government directly and participating in public discourse
- We make a positive impact on society through our corporate social investment (CSI) initiatives implemented through the Alexander Forbes Community Trust

Their concerns

- Treating customers fairly
- Acting as a responsible corporate citizen in all of our dealings
- Improved social and environmental outcomes using responsible investing through the value chain
- Ethical practice, fairness and transparency at all levels of the group's operations
- Promoting public interest when engaging on matters of national impact such as climate change, the basic income grant and national social security

Our response

- Our primary mechanism to impact societal outcomes is in the delivery of our purpose by meeting client expectations consistently
- We freely provide insight to all stakeholders so that better decisions can be made. The Alexforbes suite of Member Insights™, Health Diagnosis and Alexforbes Manager Watch™ reports are made widely available to the public
- We participate with industry bodies to improve the regulatory environment for society, with our contribution to the two-pot system being of particular relevance
- We continue on our journey of embedding ESG requirements as an opportunity to apply the significant intellectual property we have established in this space to the benefit of our clients

→ Refer to **Our social impact** on page 118.



Material risks

Overview

We manage our risks through a clearly defined risk management framework, which includes a risk-rating matrix that assesses the likelihood of certain risks and the magnitude of their impact.

The board is ultimately responsible for risk governance within the group and is assisted by the audit and risk committee to implement processes that ensure risks are identified and managed within board-approved risk appetite and limits. The board discharges its duties by mandating specific risk management duties and responsibilities to its committees and to the group's executive management.

Our risk appetite and limits are set at business entity and group levels, with clear accountability and reporting requirements. We apply the four-lines-of-defence model to identify and manage material risks.

In addition, we continually embed our combined assurance model, which addresses our significant strategic, financial, operational and compliance risks.

Our risk methodology requires that we regularly review our top risk profile with a view to maintaining its relevance and reflection of the company's most pertinent risk matters. This allows us to prioritise our risk responses accordingly.

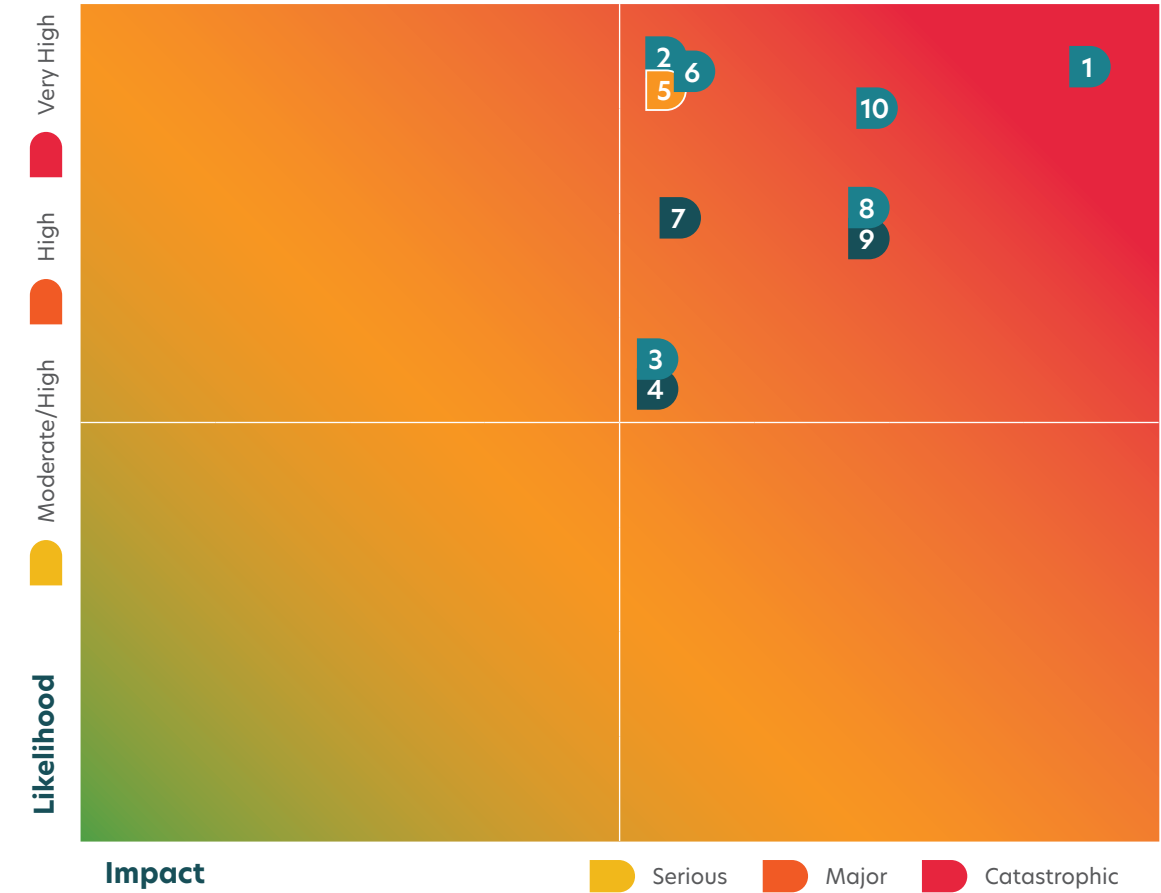
We use a top-down and bottom-up approach to risk management. This means that while we present a consolidated list of our top risks in this report, more detailed analyses of the composition of our top risks are regularly carried out, and our risks are monitored across the various levels of governance in the group on a de-aggregated basis. Most of our material external risks are evaluated via our Own Risk and Solvency Assessment (ORSA) programme, which features extensive scenario analyses and management interventions.

Our scenario analyses allow us to more thoroughly examine the relationships between the typical top risks that dominate in our environment (e.g. political and economic risks), which provide more consolidated risk analyses, responses, decision-making and positioning for the company.

During the year, the top risk profile improved as the internal control programme gained ground, and several of our strategic initiatives began landing. Moving forward, we anticipate that our business and operational risks will continue to dominate our top risk profile, with even deeper work required to grow the company's resilience.

Our business model is the primary lens through which we assess our operating environment, stakeholder relationships and use of capital. From this universe, we derive our top-of-mind risks and opportunities that are updated throughout the year.

Gross impact and likelihood of our top 10 material risks



Top 10 material risks

Our top 10 material risks (MR) are grouped and ranked according to gross position as determined by our risk quantification model. In determining our top risks, we undertake considerable environmental analyses and consider consequences to our strategies, business model, objectives and primary stakeholders.

The results from our climate change risk and opportunity assessment are still being refined for incorporation into the enterprise risk management process. With the recent issuance of guidance from the Prudential Authority, this will continue to receive further attention and will be more fully described in 2025.

Risk category	Description (summarised)
MR1 Operational	Cyber attacks and data leaks
MR2 Operational	Operational breakdowns
MR3 Operational	General failure in strategic execution
MR4 Business	Failure to deliver strong, consistent, focused client service, care and experience (considering all Alexforbes's platforms)
MR5 Regulatory	Non-compliance with prevailing regulations
MR6 Operational	Erosion of employee value proposition , threats to employee well-being, loss of talent and employee disengagement

Risk category	Description (summarised)
MR7 Business	Challenges in maintaining (and growing) relevance and retaining (and growing) clients/assets - consequent loss of clients/assets to competitor activities
MR8 Operational	Actual and/or perceived acts of fraud, bribery and/or corruption
MR9 Business	Insufficient management responses to macroeconomic and market trends
MR10 Operational	Failure of third-party providers creating disruption or unexpected termination of services to clients

MR: material risks → Refer to **Risk management** on page 173.



Operational risk

Our investment in our conduct programmes, as well as in our holistic employee value proposition, continues to underpin our goals of sustainable operations and sound and sustained resilience during shifting business conditions. Our digitisation and automation efforts are progressing, improving the streamlining of our processes and enhancing our overall agility. Our cybersecurity capabilities are constantly evolving and expanding. We remain mindful of the dynamic and challenging threat landscape and the potential disruptions that may result. Our response plans continue to deepen and our capabilities remain agile in response to changing circumstances.

MR1

Cyber attacks and data leaks

Management mitigation

- Dedicated team and resources including specialist third parties
- Regular external penetration testing and vulnerability management
- Cloud-based denial of service solutions
- Deployment of advanced anti-malware protection owing to the move to remote working, encrypted devices and constant review of firewall and other server logs
- Employee training and awareness
- Incident management response programme and dedicated team
- Disaster recovery policy and programme
- Physical and logical access management policy and programme
- Group data management policy and group data privacy policy and programme
- Service level agreements stipulate the company's data protection requirements for third-party service providers and include clauses to provide for legal protection in the event of a breach
- Client communication strategies and programmes

Link to strategic objectives

S1 S2 S3 S4 S5 S6

Stakeholders impacted



Outlook

Cyber threats have escalated in the business environment, as recent high-profile incidents demonstrate. At Alexforbes, we continue investing in, and refining, our cyber protection capabilities to support ongoing confidence in our infrastructure.

MR2

Operational breakdowns

Management mitigation

- Regular operational due diligence processes of systems
- Performance indicators and legal clauses set up with third-party providers, and regular monitoring reports received regarding performance and errors
- Succession planning for critical roles
- Business continuity planning and disaster recovery planning and testing
- Business policies, process maps and standard operating procedure manuals
- Ongoing employee training
- Monitoring techniques to identify errors
- Automation programmes under way for significant processes
- Business risk and impact assessments
- Cloud back-up and replication solutions
- Data and information technology management strategies, plans and programmes
- Back-ups are checked and tested frequently
- Large programme management through a dedicated enterprise project management office

Link to strategic objectives

S1 S2 S4 S5

Stakeholders impacted



Outlook

Our Khulisa initiative, which is digitising Alexforbes's manual claims and contributions processes, has successfully reduced our errors and omissions experience over a four-year period. We anticipate further gains as more automation initiatives gain ground.

In addition, a significant segment of our digital roadmap programme has been integrated into our large-scale change programmes (e.g. two-pot), supporting overall resilience.

Our ongoing investment in automation and data management, as well as our other supportive risk and control improvement programmes, reinforce our control and overall oversight capabilities. Going forward, we see our strategic and tactical choices delivering further gains in risk and control insights and capabilities.

MR3

General failure in strategic execution

Management mitigation

- Dedicated group enterprise programme office, supported by frameworks and tools, to ensure disciplined change and benefits realisation
- Key performance indicators are well articulated, relevant and measurable
- Accountability framework in place
- Executive management processes focus on strategic priorities, resource allocation and business performance management
- Leadership skill sets, competences and experience assessed and co-ordinated to ensure fit to optimal execution
- Approved remuneration and reward frameworks, policies and models align with the high-performance criteria

Link to strategic objectives

S1 S2 S3 S4 S5 S6

Stakeholders impacted



Outlook

By investing in robust centre-led capabilities, we maintain disciplined execution and promptly adjust our course when necessary.

Operational risk *continued*

MR6

Erosion of employee value proposition, threats to employee well-being, loss of talent and employee disengagement

Management mitigation

- Employee well-being, strategies and programmes, including People Promise
- Structured deployment of continued improvement programme
- Approved leave policies, including annual leave and specialist leave
- Hybrid working model, offering flexibility
- Ongoing workshops on resilience and emotional well-being
- Employee access to confidential counselling services
- Employee development programmes and learning solutions to support personal development goals
- Recruitment and retention strategies and plans include workforce, succession and capability planning
- Organisation's reputation for providing a high-quality work experience
- Communication strategies address areas that may result in loss of employee morale, with associated programmes and actions
- Succession plans and business continuity solutions
- Building external pipeline

Link to strategic objectives



Stakeholders impacted



Outlook

Remote work has offered flexibility and improved employee experience. We have responded to issues of isolation, decreased collaboration and the difficulty in maintaining work relationships through (among other mechanisms) hybrid arrangements.

Moving forward, with the severe economic conditions experienced by a large portion of our employees, we believe financial hardship may contribute to further stress and may also prompt discussions as to remuneration and reward, as well as the fairness of workload distribution.

MR8

Actual and/or perceived acts of **fraud, bribery and/or corruption**

Management mitigation

- Strong tone at the top established through governance structure, code of conduct and ethics training programme
- Group economic crime and fraud risk management policy
- Approved and communicated policies and procedure manuals are in place to deal with the integrity to support claims-handling processes
- Members of staff are trained to identify 'red flags' before settling claims
- System controls in place to enforce segregation of duties and establish fraud detection checks
- Criminal and credit checks at onboarding of employees and on an ongoing basis
- Dedicated forensics function with further access to specialist forensic skills when needed
- Account holder validation processes in place to detect possible fraudulent transactions

Link to strategic objectives



Stakeholders impacted



Outlook

We anticipate heightened fraud risk given the strained economic climate and the rapid evolution in technologies. Management of fraud risk demands ongoing vigilance, and we continue to invest and transform accordingly.

MR10

Failure of third-party providers creating disruption or unexpected termination of services to clients

Management mitigation

- Approved delegations of authority are in place and cover all necessary transacting, including third-party management
- Approved standard operating procedures govern the third-party management processes
- Business continuity plans and programme address material third-party reliance
- Due diligence processes in place over material third parties
- Certain third parties subject to requirements for fidelity cover and/or business continuity requirements

Link to strategic objectives



Stakeholders impacted



Outlook

We anticipate ongoing threats of supply chain disruption, as well as growing cyber threats.

We continue to invest in our third-party risk management model to ensure it remains fit-for-purpose and agile in a rapidly changing environment.

Regulatory risk

Intensifying regulatory requirements and enhanced regulatory reporting continue to consume an increasing share of organisational investment, effort and prioritisation. While current and emerging regulations present potential opportunities for the group, regulatory complexity and capability management continue to present challenges.

MR5

Non-compliance with regulations could lead to enforcement actions, fines and penalties and loss of confidence in our group

Management mitigation

- Established regulatory change management processes
- Maintenance of regulatory relationships and environmental scanning
- Financial crime compliance policies, standard operating procedure and processes
- Compliance risk management plans for key regulations
- Intelligent, forward-looking software is utilised to manage regulatory scanning and projects
- Training and supervision of employees
- Records management processes

Link to strategic objectives



Stakeholders impacted



Outlook

Our regulatory programmes remain well capacitated and monitored, and there remains healthy progress in meeting core requirements in the face of increasing regulatory output over the period. We have seen a dramatic decline in our pension fund-related exposure as we focused efforts on improving the submissions processes (including interactions with external administrators to resolve delays in section 14 transfer processes). We expect our capabilities to continue to grow and to ably support increasing regulatory demands.

Business risk

Our business risks comprise risks arising from the group's business decisions, the environment in which it operates and its ability to provide suitable products and services to its customers. Our top business risks recognise our capacity to navigate shifting business and market changes.

MR4

Failure to deliver **strong, consistent, focused client service, care and experience** (considering all Alexforbes's platforms)

Management mitigation

- Integrated advice framework
- Data and digital strategies and programmes
- Re-engineering projects across operations and administration include enhancing our digital touchpoints to enable self-service and drive further automation
- AF Online refresh supports our member experience
- Employer digital solutions: continual refinement based on feedback
- Uptake of digital solutions: improved turnaround times and built-in communications
- Call centre: new management input, monitoring and process refinement, upskilling drive
- Attracting and retaining skilled and experienced employees
- Client insights unit

Link to strategic objectives



Stakeholders impacted



Outlook

Our NPS scores have improved over the period, and we are committed to progressing our digital strategies to better understand our client needs and systemically address process improvements.

MR7

Challenges in maintaining (and growing) relevance and retaining (and growing) clients/assets - **consequent loss of clients/assets to competitor activities**

Management mitigation

- Competitor intelligence and management processes
- Fee committee and processes
- Strategic account management processes
- Integrated advice proposition
- Ongoing enhancements to our customer value proposition
- Managing and monitoring efficiencies and effectiveness across the group, including our products, client services and the value chain
- Strategic partnerships ensure we incorporate the most intelligent and valuable international trends
- Adaptation of business model components
- Digital and AI strategies and programmes
- Continual improvement programmes
- Measurable performance indicators track innovation
- Legal and regulatory skills and experience to ensure that innovation initiatives comply with legal and regulatory requirements, such as data privacy laws and industry standards, to help minimise legal and reputational risks

Link to strategic objectives



Stakeholders impacted



Outlook

We believe our integrated advice proposition and processes - in combination with our focus on sustainability - have protected our clients and the company during a turbulent period. We continue to hone our responses as we look to improve client outcomes and grow our business. The outlook for innovation remains positive with ongoing opportunities in digital technologies, regulatory changes, sustainability considerations and member engagement.

MR9

Insufficient management responses to **macroeconomic and market trends**

Management mitigation

- Integrated advice proposition, supported by our core institutional and retail capabilities
- Multimanager proposition that ensures investment portfolios offer improved long-term returns with some degree of downside risk protection
- Clear client communication strategies that draw from our insights. Member communication, education and awareness programmes
- Company-wide tactical team meetings consider the impact of changes in the business environment
- Our skilled, experienced people contribute to industry knowledge, capabilities and plans, thereby influencing policy direction and introducing market-leading thought leadership
- Building overall resilience in earnings through stress testing and scenario analyses
- Revenue diversification strategies and programmes
- Expense and workforce management strategies and plans
- Innovation programmes for advice proposition and financial products
- Quality control of service delivery and client engagement
- Increase in complementary service offerings and expansion of client segments
- Multimanager proposition, including diversification through offshore earnings stream

Link to strategic objectives



Stakeholders impacted



Outlook

Persistent income inequality, rising unemployment and poor service delivery means that the country remains vulnerable to socio-economic stressors. We constantly monitor the progress of economic policy reform, including changes within the retirement fund industry. We regularly engage with government to support the remediation of pressing economic and social issues in the country and to encourage government actions for job growth to enable South Africans to have full participation in the economy.



Credit risk

Our main counterparties are the South African banks who remain financially sound and, according to both the South African Reserve Bank and management at the respective financial institutions, are expected to continue to do so over the medium term.



Market risk

The majority of our currency exposure relates to certain USD-denominated contracts, such as Microsoft, and we anticipate ongoing currency depreciation to create risks. That said, fee income attributable to our clients' increased investment in offshore assets does provide a natural hedge to some extent. Management is considering the costs and benefits of hedging against these risks. The group does not currently have material market risk exposure. That said, extreme market events, such as material market crashes, impact our fee expectations (business risk) and are assessed through the ORSA processes.



Liquidity risk

Our liquidity risk management involves maintaining sufficient cash and ensuring the availability of funding through an adequate amount of cash resources and credit facilities. Monitoring of budgeted and projected cash flows supports the fact that the group will generate sufficient cash flows from operations to limit the impact of liquidity risk. The group is highly cash generative and has a short collection period. The group is well positioned to engage in shorter-term funding matched to the cash flows in order to ensure maximum efficiency in its funding rates. In terms of our multimanager operations, liquidity risk arises from unexpected lapses and withdrawals by policyholders. Standard contractual provisions and liquidity contingency programmes are in place to ensure that the group does not suffer significant negative consequences. There has not been any material deterioration in liquidity to date. Liquidity continues to be closely monitored as the group tracks the impact of client distress, which translates into more severe cash implications. As such, the group does not currently have material liquidity risk exposure.

Section 4

Our strategic execution

- > Performance against our strategy
- > Delivering to our clients and members
- > Creating operational excellence
- > Sustaining our financial impact

Performance against our strategy

S1 Extending leading positions across administration, retirement, healthcare and investments organically or inorganically

Performance against strategy

- Strong new business flows and pipeline
- Successful implementation and integration of corporate transactions
- Investment into our employee benefits administration capacity
- Maintained the performance of our portfolios, including Performer and other key portfolios, against benchmark and Alexforbes Manager Watch™ position
- Continued to make additional improvements to standardisation and automation
- Enhanced workflow and case management solutions fully rolled out internally
- AF Connect launched as the new member engagement tool, together with WhatsApp functionality
- Established a comprehensive two-pot programme structure, together with operational protocols and ensuring the administration system readiness
- Launched Alexforbes Impact Advisory to extend our expertise to deliver ESG and sustainability-focused advice to retirement funds and corporates in South Africa
- Launched Investment Solutions™ by Alexforbes, our discretionary fund management (DFM) capability

2025 objectives

- Continue to implement the two-pot system with the aim to connect with, engage and educate members
- Alexforbes as an investment destination
- Focus on driving new business with our value proposition
- Position retail investment management capabilities
- Implementation of corporate transactions
- Continue to explore and consider appropriate acquisitions
- Continue to drive efficiencies in administration
- Increase digital adoption by employers to at least 80%
- AF Connect will be enhanced to allow members to submit their two-pot claims, and to manage expected volumes and client experience

S2 Transforming into the most inclusive retail financial advice firm in South Africa

Performance against strategy

- Continued with the migration of the AFICA group to the Glacier system and processes by Sanlam
- Growth in adviser base from 224 to 250
- Launched AF Connect
- Launch of the Alexforbes WhatsApp channel resulted in 124 260 successful engagements with members
- In addition, WhatsApp self-service launched in Q3 2024
- Completed acquisition of OUTvest to enable digital experience and diversify discretionary product range. Rebranded OUTvest to Alexforbes INvest (AF INvest)

2025 objectives

- Continued plans for adviser expansion
- Increase scale and frequency of financial wellness days and pre-retirement sessions
- Increase utilisation of AF Connect and WhatsApp self-service
- Transition AF INvest into our environment and scale adoption among our advisers and members
- Finalise the migration of the AFICA products to Glacier by Sanlam

S3 Having real-world impact through our sustainability intent

Performance against strategy

- Launched the Alexforbes Impact Advisory to extend our expertise to deliver ESG and sustainability-focused advice to retirement funds and corporates in South Africa
- Access to ESG and impact investment thought leadership and expertise to augment advice and solutions
- Approved the group and Alexander Forbes Investments climate change policies
- Maintained our PRI ratings relative to global peers
- Progressed and matured our carbon emission disclosures
- Conceptualised and designed the Retirement Fund of the Future™ as the industry gold standard for sustainable, relevant and future-fit retirement funds
- The Alexander Forbes Retirement Fund endorsed the Retirement Fund of the Future™ concept and took initial steps to align with the design by, as an example, publishing its first integrated annual report
- Participated in and contributed to key sustainability-focused discussions like the South African National Working Group for the first two International Sustainability Disclosure Standards (IFRS S1 and S2) and several critical debates during sustainability-focused conferences and seminars
- Launched inaugural stewardship report and Jersey sustainability report

2025 objectives

- Launch the Alexforbes Impact Academy to provide sustainability-focused education and training to retirement funds and corporates
- Continuing to grow our investment consulting footprint with a focus on ESG, alternatives and impact investing
- Continued implementation of holistic sustainability strategy, including embedment of climate change policies
- Further sustainability reporting and ESG advice enhancements to clients and customers
- Continued meaningful contribution to sustainability-focused conversations and maturity enhancement within southern Africa, especially within the retirement fund landscape
- Launching the Alexforbes Infrastructure Impact Fund-of-Funds, providing clients with exposure to an asset class offering long-term inflation-beating returns while addressing South Africa's critical infrastructure needs

S4 Growing our multinational consulting business model into Africa by enhancing distribution and automation of advice

Performance against strategy

- Transition from legacy administration systems under way
- Investment business offering embedded in Namibia with multi-management and investment consulting capabilities
- Botswana investment capabilities progressing beyond investment consulting
- Continued roll-out of digital capabilities to support multinational companies across the continent
- Health consulting implemented in Botswana
- Actuarial consulting extended across the continent with engagements in Nigeria, Ghana, Kenya, Zambia, Malawi, Lesotho, South Sudan and Eswatini
- Improved and extended strategic partnerships on the continent in addition to global broker partnerships

2025 objectives

- Complete the transition from legacy systems.
- Extension of investment management capabilities in Botswana
- Embed digital capabilities to support multinational companies across the continent
- Continued focus on extending actuarial capabilities and support to clients wherever they operate on the continent
- Strengthen strategic partnerships and initiatives on the continent
- Embed retail advice and individual consulting capabilities and offering in Namibia and Botswana

Performance against our strategy *continued*

S5 Expanding advisory capabilities into adjacent lines using our wealth of data

Performance against strategy

- Enriched member data facilitated by regulatory requirements
- Expanded the reach of the rewards programme
- Continued to explore and assess potential acquisitions to grow adjacent lines
- Launched Impact Advisory offering (as discussed under S3)

2025 objectives

- Integration of digital platforms to unlock efficiencies, enhance our client experience and enable retail growth
- Utilising data, as appropriate, to enhance all advisory offerings

S6 Demonstrating a meaningful positive impact on the stakeholders we serve

Performance against strategy

- Continued to provide measurable benefits in the form of the Alexforbes Member Insights™ report, including enhanced ESG-focused reporting, powering institutional consulting
- Continued to improve claims payment and contribution investment time by rolling out digital solutions to more employers
- Provided financial education to members through pre-retirement sessions and financial well-being days
 - 425 financial wellness days conducted at employers
 - 73 retirement sessions held nationally with groups of pre-retirees
- The Alexander Forbes Community Trust increased the number of CoHubs to 10 (2023: 3)
 - The total number of beneficiaries for 2024 is 5 629 (2023: 1 000)
 - A total of 153 jobs were reported during the current year and 47 people received salaries and stipends paid from the funds received by the CoHubs
- The impact assessment of the broad-based livelihood (BBL) programme was conducted during 2024, confirming that it is an economically viable initiative for local communities. Ninety-two greenhouse vegetable tunnels were constructed to generate income and create jobs in Gauteng, Limpopo and Mpumalanga
- Implemented a two-pronged strategic approach encompassing both a broad-based and targeted consumer financial education strategy

2025 objectives

- Continued commitment to ensure that we embed and maintain the six Treating Customers Fairly (TCF) outcomes within our business culture and our processes
- Digitally enhance our advice reviews to provide even greater assurance over advice quality
- Increase scale and frequency of financial wellness days and pre-retirement sessions
- Provide members with advisory services and tools to navigate the new two-pot system, ensuring they make optimal financial decisions and receive convenient, efficient payouts
- Continue to implement our positively impacting society strategy
- Support flexible, productive and engaging work environments through our Ways of Working (WOW) programme
- Continue on the journey to influence the asset management industry by setting demonstrable and pragmatic transformation, diversity, inclusion, equity and ESG requirements for asset managers
- Uphold high standards of corporate governance and accountability
- Continue to play an active role in shaping regulatory developments through research, engagements with regulators and by participating in industry working groups



Delivering to our clients and members

Our business exists to make a positive impact on our clients' lives. Their changing needs and priorities motivate us to remain relevant by delivering insightful market-leading solutions that are advice-led and independent.

We are the leading independent adviser in the corporate space and are strategically building deeper connections with individual customers. We aim to provide a broader spectrum of customers with appropriate advice and effective solutions that lead to informed and improved financial outcomes. This involves significant investment in the tools and solutions that improve the financial well-being of our clients and members.

Expanding service and solutions channels

S1 Becoming more relevant to independent financial advisers

TSA acquisition

Alexforbes acquired a majority stake in TSA Administration (TSA) on 1 June 2023. TSA is an independent provider of institutional group risk insurance administration services in South Africa, serving over 120 000 insured members across more than 2 000 institutional clients.

This acquisition aligns with our broader strategy of becoming more relevant in the financial services landscape, especially in the intermediary space. By leveraging TSA's scale, systems and experienced personnel, we are developing our capabilities to serve a broader market segment, including independent financial advisers (IFAs).

Key features of TSA business include

- Personalised service:** TSA differentiates itself by providing faster turnaround times and more personal service compared to industry standards. This high-touch engagement ensures that no client ever feels like they are dealing with a generic call centre, enhancing the overall customer experience.
- Specialised teams:** TSA operates with seven specialised teams, replicating entire departments found at insurers. This structure allows consultants to contact teams directly for quick and efficient responses in their respective areas, ensuring prompt and tailored service.
- Administration capabilities:** With over 2 000 employer groups and 120 000 lives under administration, TSA manages policies with a dedicated team of about 60 people. This focused approach ensures efficient policy management and client support, reducing administrative burdens for IFAs.
- Pool management:** TSA actively manages rates and pooling arrangements, working with insurers to link experience and impact on rates accurately. This proactive approach benefits clients by optimising rates while maintaining competitive pricing in the market.

Since the acquisition, TSA has been integrated into the Alexforbes group, maintaining a seamless transition and improved service delivery. The goal is to provide a hassle-free experience to intermediaries and their clients by combining TSA's service specialists with Alexforbes's administrative strengths. This integration is helping to keep our services more relevant and accessible to the IFA market as we expand our distribution channels beyond traditional consultants.

S1 S2 Enhancing digital wealth management

OUTvest acquisition

Alexforbes completed the acquisition of 100% of OUTvest in February 2024, integrating the digital wealth management platform into our group operations. OUTvest is a leading digital wealth platform that is accelerating Alexforbes's digital journey and supports our strategy of transforming into the most impactful provider of advice to retirement fund members. It unlocks the ability of our advisers to serve more members, across more investment needs, more efficiently. We have rebranded OUTvest to Alexforbes INvest (AF INvest).

Key AF INvest features include

- Goal-based advice:** AF INvest allows clients to set specific financial goals and track their progress over time. This approach helps clients align their investments with their individual objectives, leading to more meaningful wealth outcomes.
- Performance tracking:** Clients can monitor the performance of their investments in real time, gaining transparency and insights into their portfolio's growth and its alignment with their financial goals.
- User-friendly digital platform:** The AF INvest platform provides clients with access to a user-friendly website and app, enabling convenient investment management and tracking from anywhere at any time.
- Human advisory support:** While AF INvest leverages technology for automated services, it also offers human advisers based in a call centre. This blend of technology and the human touch ensures that clients receive personalised assistance and guidance when needed.

The integration of AF OUTvest into Alexforbes's environment is expected to deliver efficiencies for financial advisers and retail clients. The platform unlocks the ability to provide advice and servicing journeys at scale across the entire client base. Over time, the full integration is expected to enhance our value proposition to IFAs by improving the experience and ease of engaging with Alexforbes.

We believe that combining the transformative power of financial inclusion with cutting-edge technology presents a unique opportunity to make an impact on people's lives by helping them attain their chosen investment outcome.

S1 S5 Empowering investment decisions with discretionary fund management

Investment Solutions™ by Alexforbes

In March 2024, we launched Investment Solutions™, our discretionary fund management (DFM) capability, marking a strategic move to expand our suite of investment solutions, enhance services for financial advisers and enlarge our retail footprint.

Key features of the DFM offering include

- Outsourced investment decisions:** IFAs can leverage Alexforbes's DFM to outsource investment decisions and implement customised investment solutions for their clients.
- Comprehensive investment solutions:** The DFM offers a suite of investment solutions, including research insights, offshore investment opportunities and portfolio structuring tailored to client goals.

Born out of South Africa's largest multimanager, with a manager research capability that is second to none, our size reflects not just buying and negotiating power but depth of expertise. Our services streamline product selection, research, analysis, reporting and compliance, allowing IFAs more time to guide clients and grow their business.

Delivering to our clients and members *continued*

S1 S3 S5 Driving sustainable outcomes

Launching sustainability consulting services

Alexforbes has launched a sustainability consulting service, Impact Advisory, to provide comprehensive environmental, social and governance (ESG) advice and solutions to retirement funds and corporates in South Africa.

By conducting research, simplifying insights and providing tailored advice and solutions, we aim to address the complexities of sustainability frameworks and empower clients in achieving sustainable success.

Key features of our sustainability consulting offering include

- **Impact advisory:** The Alexforbes's Impact Advisory offering focuses on sustainability strategy development, impact measurement, monitoring and access to sustainability-focused education through the Impact Academy.
- **Expert collaboration:** Leveraging the expertise of sustainability specialists and strategic partners, the service provides clients with insights, practical advice and solutions aligned with ESG best practices and responsible investment strategies.
- **Positive social and environmental impact:** The collaboration emphasises the correlation between robust ESG strategies and long-term financial performance, aiming to drive financial returns while contributing to sustainable social and environmental outcomes.

The sustainability consulting market in South Africa is rapidly evolving, driven by the growing recognition of the impact of ESG factors on financial performance and stakeholder value. Our partnership with Alternative Prosperity addresses the growing demand for sustainability-focused advice and solutions, providing clients with a distinct advantage in navigating the sustainability landscape.

Driving excellence in investments

S1 S6

Alexforbes specialises in investment services and solutions centred on multi-management, purposeful diversification and marketing-leading research. These strategies are designed to navigate investment complexities, minimise risk and improve returns for clients and members, with the primary goal of growing and safeguarding their investments over time.

Our best-in-class multi-management philosophy involves selecting and blending top-rated asset managers across various asset classes and management styles into a single, cohesive solution. This approach has consistently delivered competitive, risk-adjusted performance, weathering diverse market conditions.

By optimising returns and emphasising positive risk-adjusted performance, our asset management approach builds wealth and earns the trust and loyalty of our members.

→ Refer to **An investment destination of choice** on page 44.

Delivering investment success

Our multi-management investment strategies delivered exceptional returns in the 2024 financial year, showcasing our investment team's expertise in navigating complex markets. Our proactive approach to diversification, both in terms of asset classes and investment strategies, has been instrumental in optimising returns and minimising risks. Enhanced margins, particularly within the institutional segment, contributed to the overall financial strength of our investment division.

An indication of the success of our investment division is the fact that our AF Investments Performance QI Hedge Fund of Funds won the coveted award for the best fund of funds over ten years at the 2023 HedgeNews Africa Awards. The awards recognise the best risk-adjusted returns of alternative strategies and hedge funds in South Africa and the broader Africa region each year. The results are based on an established methodology and independently verified data submitted to the HedgeNews Africa database, the region's leading independent publisher focused on the hedge fund and alternative asset management industries.

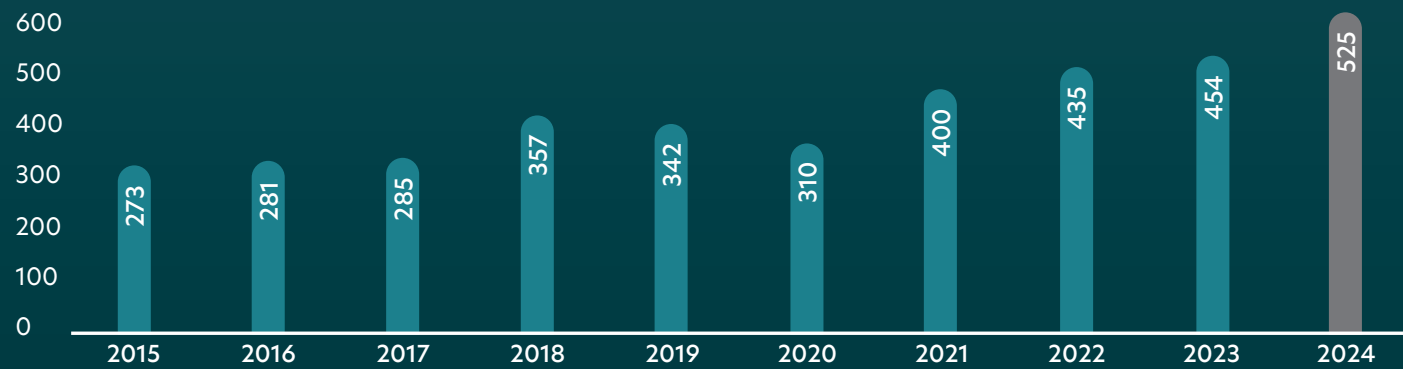
Our ability to attract new institutional business, especially in our multimanager product offering, reflects the trust and confidence that clients place in our investment capabilities. This is evidenced by the significant business inflows and high client retention during the year. Our product offering (AuM) grew at 8% year on year. Within our product offering, we continue to see inflows into our umbrella fund both from new business and client conversions from standalone administration.

Our platform administration offering (AuA) allows us to leverage our leading in-house administration system, scale and capabilities for our clients, albeit at lower margins than our traditional business. Our platform administration offering grew 55% year on year. The significant increase in new business into our platform administration offering is attributable to two large client mandates won in the year and clients onboarded from the Sanlam standalone retirement fund administration business operations acquisition that require unitisation administration services for their investments.

Delivering to our clients and members *continued*

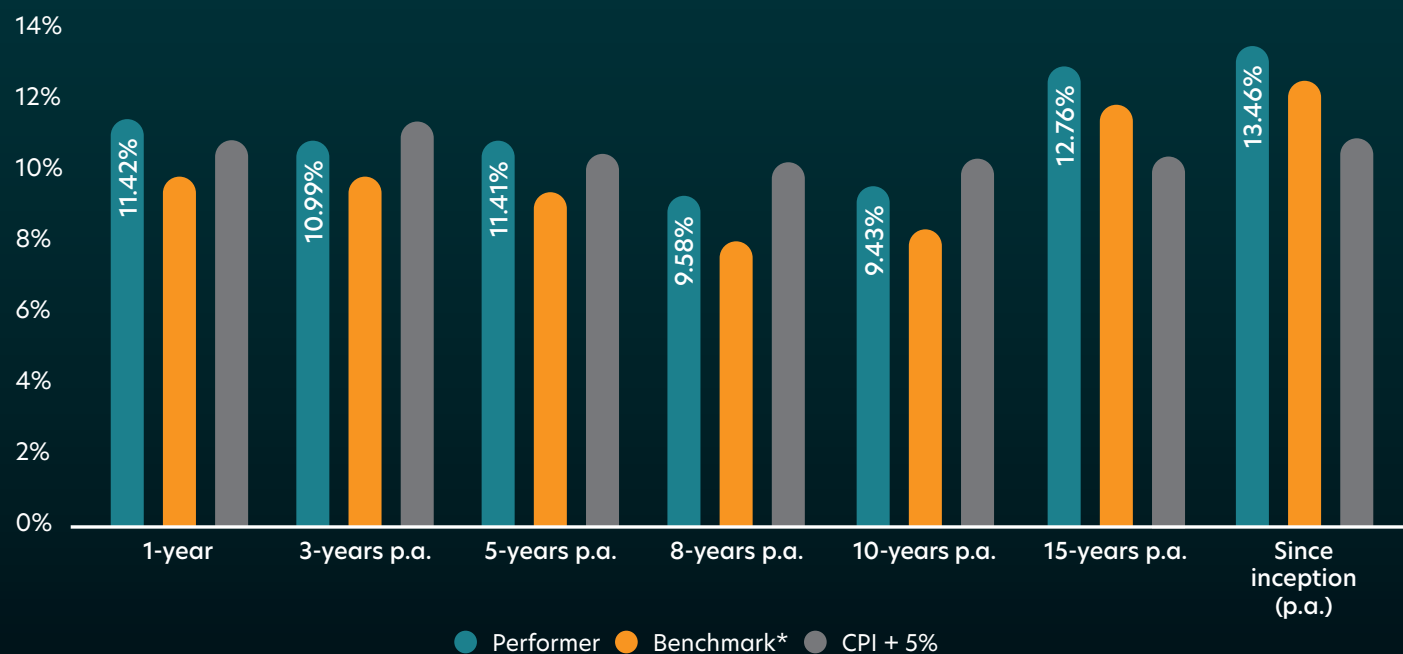
The steady growth in total assets under management and administration supports our reputation as a preferred investment partner, capable of delivering consistent value and wealth creation for our clients and members.

Alexforbes AuA and AuM (R billion)



Our flagship portfolio, the Alexander Forbes Investments' Performer fund, remains a dominant institutional multi-management portfolio in South Africa, a clear indication of the value placed in Performer's ability to deliver on investment success. Year on year, Performer's AuM grew by 12% to a total of R232 billion at 31 March 2024.

Performer returns (gross of fees) versus its peer benchmark and inflation as at 30 June 2024



Enhancing investment services and solutions

During the reporting period, our investment team prioritised streamlining operations by focusing on closing legacy portfolios. They reviewed portfolio numbers for potential simplification, continued to automate processes to simplify operations and finance, and upgraded our online portal for institutional clients to provide a comprehensive self-service environment and enhance unit trust online transactability functions.

Optimising portfolio structures

As part of our ongoing commitment to being the preferred provider of investment solutions, we periodically review and adapt our investment portfolios to ensure that they remain optimally structured and blended to achieve desired investment objectives.

During the 2024 financial year, we increased exposure to global bonds in our Performer portfolio and introduced the Sanlam Investment Group (SIG) Global Portable Alpha strategy to grow our global equity tracker portfolio. The implementation supporting this enhancement followed a phased approach and was completed in October 2023.

Additionally, we integrated a dynamic asset allocation (DAA) framework into our flagship passive multi-asset solutions to improve risk and return characteristics over time. This framework allows intentional allocation tilts across asset classes based on our medium-term investment views, enhancing portfolio diversification and performance. These improvements were implemented in the AF Passive Bold and AF Passive Cautious solutions in November 2023.

Responding to market needs with new services and solutions

Alexforbes introduced numerous innovative solutions to cater for the evolving needs of clients and members during the reporting period.

Expanding our portfolios

AF Explorer is a new portfolio offering by Alexforbes aimed at investors seeking maximum offshore exposure within regulatory limits. It is a growth-focused, multi-managed asset class portfolio designed to achieve inflation-beating returns of CPI + 6% per annum over rolling five-year periods. Investors also have the option of AF Passive Explorer, a low-cost passively managed equivalent that maintains the same strategic asset allocation views while offering a range of benefits without compromising on cost or portfolio focus.

Our AF Retirement Navigator portfolio provides investors access to a diversified multi-asset class portfolio that is expected to generate real growth over the long term. At the same time AF Retirement Navigator uses a monthly bonus declaration formula to distribute the underlying returns in a manner that provides the investor with a smoother investment journey in the short term. We use Performer as the growth engine and Momentum provides the smoothing mechanism. During 2024, the value of investments into AF Retirement Navigator grew to over R2 billion, demonstrating significant market trust in the portfolio.

The AF Investments Conserver Managed Unit Trust, also launched in 2024, offers a strategic portfolio composition that emphasises South African multi-asset low equity advantages while accessing global opportunities through offshore components. This multi-managed solution is tailored to meet the needs of those seeking active management in a low-equity portfolio.

Expanding our service channels

During the year, Alexforbes introduced transition management services to help clients manage investment strategy transitions seamlessly. This service leverages our capabilities in portfolio management, risk management and trading to optimise performance while minimising disruptions and costs associated with changes in investment strategies.

To better serve the intermediary market we launched Investment Solutions™, our new DFM, which leverages Alexforbes's extensive capabilities to assist independent financial advisers (IFAs) to deliver exceptional service to their clients. Our DFM offering takes care of critical aspects such as research, analysis, reporting and compliance, freeing IFAs to focus on guiding clients and growing their businesses.

In addition, the integration of the OUTvest digital platform into our array of investment offerings marks a significant advancement towards providing accessible, convenient and personalised financial journeys for our retail customers.

Delivering to our clients and members *continued*

Expanding our consulting reach

S1 S3 S4

In a constantly evolving market characterised by new regulations and an overwhelming flow of information, Alexforbes excels by simplifying the complexities. We work closely with our clients to understand their specific needs and goals, providing insights and guidance that empower them to make confident, informed decisions.

Providing a best-in-class, advice-led approach

Our key differentiator lies in offering market-leading independent advice that optimises outcomes without being tied to specific products. We leverage the breadth of our specialist capabilities to offer collective engagements across multiple consulting appointments. The **one Alexforbes** approach enables a coordinated team to service a corporate client, integrating efforts across trustees, employers, members and countries. Our integrated consulting team offers holistic solutions spanning retirement benefits, investments, healthcare and life benefits through a single point of entry.

In the 2024 financial year, we continued to unlock additional value and opportunities in a mature market by deepening our data-based insights and expanding our consulting scope.

During the year we increased our team of individual financial advisers by 12% to 250.

Insight-driven employer consulting model

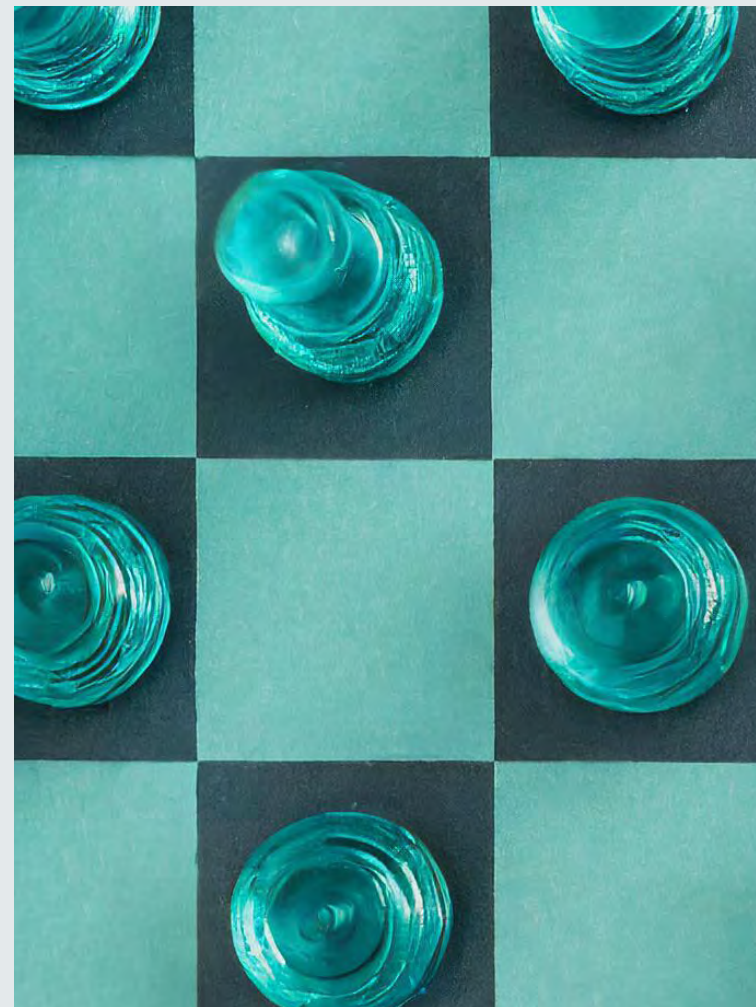
We continued to strengthen our insight-driven consulting model for employer groups, focusing on improving member outcomes through the information gleaned from our member impact reports. By monitoring outcomes, we, together with our clients, are in a strong position to explore and identify key interventions and solutions that can drive positive and impactful change. This also helps employers to connect members to our advice and solutions through their workplace.

During the reporting period, we enhanced our member impact reports by including portfolio level ESG information, which provides insight into the performance of underlying investments on a range of environmental, social and governance factors. Many of these data points are non-financial in nature, but may translate into financial risk or opportunity over time.

Furthermore, the upcoming implementation of the two-pot system will allow members the flexibility to make partial withdrawals from their retirement savings while employed. We intend to provide employers with data regarding seed capital and the impact of withdrawals once the system is implemented.

Our member impact consulting approach has been successfully rolled out to 961 corporate employers (2023: 776) and now covers 461 811 members (2023: 344 969).

We have further aligned our consulting strategy to amplify the reach and relevance of individualisation through workplace financial wellness capabilities, enhanced retirement benefit counselling (eRBC) and the implementation of an incentive model for retirement consultants.



Impact advisory and sustainability consulting services

As highlighted on page 84, during the 2024 financial year we launched our Impact Advisory offering to deliver ESG and sustainability-focused advice to retirement funds and corporates in South Africa. Additionally, our CoE conducted extensive research to design an ideal, future-fit retirement fund, which is described in more detail on page 48.

Supporting clients through regulatory changes

Optimising two-pot system financial outcomes

The two-pot retirement system represents a significant change in retirement planning, providing financial advisers and their clients with a valuable opportunity for transformation. Retirement funds and advisers should assist members in balancing the pros and cons based on their circumstances, aligning short- and long-term goals. By walking the journey with members, providing guidance on improving their current financial situation and building trust, advisers can offer long-term and other financial solutions.

Preparing for National Health Insurance (NHI)

Our health consulting team has developed a toolkit to help clients understand the potential impact of NHI bill, which was passed by the National Assembly on 12 June 2023. This toolkit offers scenario-based advice to help corporate clients prepare for potential changes, reflecting our commitment to diversifying our revenue streams and responding to client needs.

Expanding pan-African consulting

Our multinational consulting capability focuses on supporting clients or companies with their health, wealth and career requirements wherever they operate on the continent, without requiring an in-country presence. This approach minimises our risk and capital investment, aligning with our strategic goal of becoming more capital-light while providing excellent client experiences.

We have developed a capability to deliver advice and solutions across all countries, ensuring alignment with global compliance, reporting standards and benefit objectives. The capability delivers comprehensive in-country employee benefit solutions across the continent through a single point of contact. The solution has helped clients reduce complexity, maintain compliance, reduce costs and standardise benefits across borders.

Leveraging core competencies to drive African growth

Our multinational consulting offering, which provides consulting advice outside South Africa, continues to grow reporting strong growth in operating income of 31% year on year. This growth is due to client wins in our health and consulting solution offerings and high client retention. During the year, we launched a platform business in Namibia, marking a significant expansion of our operations. This platform supports various services, including retirement fund administration, investment solutions and financial advice tailored to the needs of the

Namibian market. We are in the process of onboarding our first client, with assets of N\$1.3 billion.

The benefits of a coordinated consulting and service approach across Africa are evident. Our partnerships in Namibia and Botswana have complemented our work in South Africa, leading to closer synergy between South African operations and our African business. This alignment has facilitated client acquisition and revenue growth.

Importantly, we are introducing new solutions to the continent. In the 2024 financial year, we rolled out several initiatives to enhance services in our African markets, including people capabilities and investment capabilities previously unavailable in these regions.

As the largest retirement fund administrator in South Africa, we are expanding our presence and strengths into the African market. Notably, we provide investment advisory services to three of the largest pension funds in Southern African Development Community regions. Our strategy has always been to leverage the core of our South African business and operate across the continent on a capital-light basis, and we are now delivering the capability to support our clients wherever they operate, reflecting a positive trajectory and a strong commitment to the continent.

Delivering to our clients and members *continued*

Implementing our retail member engagement strategy

S2 S6

Our individualisation strategy is revolutionising the retirement funding experience by empowering individuals to make better financial choices. In so doing, we are increasing financial inclusion, reducing levels of financial stress, creating wealth, improving physical and mental health, and having a positive effect on society.

We recognise that to truly serve our members we must not only safeguard their financial futures but also nurture their financial well-being throughout their lives. In this vein, Alexforbes has embraced a member-centric approach that encompasses accessible advice and lifelong education. We communicate with members at every stage of their financial journey, empowering them to make decisions that positively impact their retirement outcomes.

Accessible advice and solutions

Our commitment to financial inclusion ensures that every member, regardless of their financial background or level of investment knowledge, can grow their retirement benefits to achieve their desired outcome. By providing access to convenient digital services, we have reduced barriers to entry. Now members can access their accounts, investment options and educational resources from the comfort of their homes. We are tailoring our communication and engagement strategies to be more inclusive, reaching out directly to members, not just through employers. This inclusivity allows us to understand individual member needs and serve our diverse membership base throughout their financial planning journeys.

Alexforbes understands that the journey to financial security is not one-size-fits-all, which is why we have expanded our services to include a wide range of advice and solutions at different life stages. Whether a member is starting their career or planning for retirement, we provide access to tailored advice and solutions through accessible digital platforms, such as the My Money Matters toolkit and Digital Exits. By offering personalised investment guidance and planning tools, such as AF INvest, we make it easier for members to set and achieve their financial goals.

Targeted and timely member engagement

We are dedicated to meeting fund members where they are, recognising the critical milestones where our support will matter to them most.

The individualisation of the member's experience of retirement funding is the biggest opportunity we have to make an impact on people's lives by educating, informing and engaging with them to make better financial choices. Our communication gives members the right information at the right time, using clear and plain language.

Alexforbes Rewards

The Alexforbes Rewards programme is designed to augment the financial well-being of our members without imposing any additional obligations or requirements. The benefits offered through this reward scheme encompass a range of advantages such as supermarket coupons, wellness coupons, travel deals and airtime discounts.

Alexforbes Rewards benefits

Member savings of
R20.1 million
since inception

Impact on retirement outcomes

Most of our members depend on their retirement savings as their primary source of long-term financial security.

Our strategy to engage with more members across a wider range of financial needs is progressing well.

We continue to deliver high-quality counselling and education to a broader audience, resulting in increased visibility, higher client numbers and improved retention rates.

Counselled

15 038 members

(2023: 13 549)

through our enhanced retirement benefit counselling (eRBC)

Of these, **93%**

reported understanding their benefits (2023: 94%)

while **93%**

felt more confident about making decisions (2023: 95%)

Provided member education services to

32 038

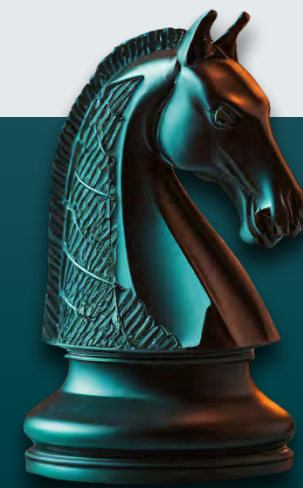
(2023: 27 567)

individuals, including pre-retirement sessions and financial wellness days

Our Digital Exits tool has led to a significant increase in active preservation decisions and a better understanding of the financial impact of withdrawal on retirement outcomes

Our My Money Matters portal provides targeted support across curated member journeys, with access to financial advice and learning opportunities and eRBC

Launch of the Alexforbes WhatsApp channel resulted in 124 260 successful engagements with members.



Our next move

We will continue executing our strategic objectives, focusing on our multimanager investing advantage, insights-driven consulting, advice-led employee benefits and multinational capabilities as a key differentiator. Our focus is on improving and scaling these core strengths to contribute to our retail growth journey.

This will lead to improved returns through meaningful organic and inorganic growth.

We have prioritised:

- the continued growth in our team of advisers in preparation of the opportunities inherent in the two-pot system
- technology integration to streamline processes, improve accessibility and enhance the digital experience for clients and members

We are continually looking for ways to improve our solution set for clients and members, including sustainable and socially responsible investment options. To this end we intend to launch South Africa's first multi-managed infrastructure fund during the year ahead, blending the views of significant insurers and originators in the infrastructure space.

We have also noted growing demand for and consumption of passive offshore portfolios and are in the process of launching a global passive portfolio range.

These strategies align with Alexforbes's commitment to delivering high-quality services and staying ahead of industry trends to meet the evolving needs of its clients and members.

Creating operational excellence

Operational excellence underpins the execution of our strategic commitment to growth and best serving customers through an optimised and integrated **one Alexforbes** experience.

We remain committed to investing in the right technology and client support initiatives to proactively respond to client needs and transform our operations in an agile manner, while being prudent on expense management.

Customer experience excellence

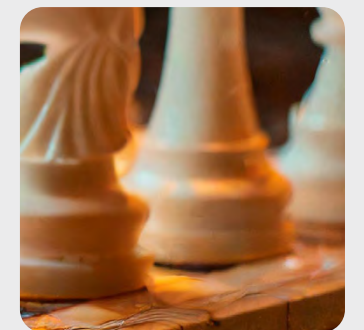
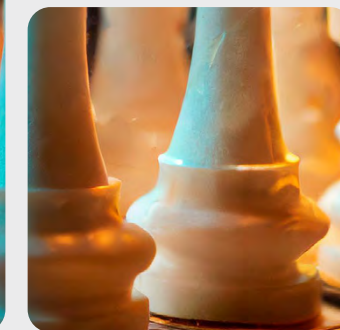
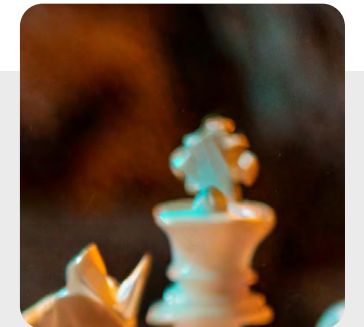
Digitisation and personalisation are the cornerstones of our member-centric approach. By harnessing technology, we are able to provide personalised advice, recommend suitable investment options and deliver relevant content throughout a member's lifecycle.

By consolidating our services into a single accessible point, we aim to reduce complexity and enhance client engagement. One of our key initiatives is the Alexforbes Connect secure member portal, which provides members and clients with a convenient access point at all times. Our online platform offers an intuitive and straightforward experience where users can easily access essential documents, update personal or policy details or request financial advice with the click of a button. Additionally, our mobile app and WhatsApp channel provide user-friendly access to secure information using the latest technology.

To reduce complexity and increase client engagement, Alexforbes is delivering efficient self-service capabilities. This is being achieved through a number of initiatives, including the roll-out of new products and platforms such as My Money Matters, enhanced retirement benefit counselling (eRBC) and Digital Exits.

To enrich the customer experience, we have refreshed our call centres by refining management structures, upskilling staff and implementing self-service solutions for claims queries. This led to reduced call hold times, dropped calls and repeat callers, consistently exceeding our best-practice industry benchmarks through the latter part of the financial year. Direct call centre access to our Horizon workflow platform has improved first-call resolution rates, enhancing member satisfaction. The stabilisation of the call centres provides a solid foundation for the establishment of a dedicated service centre to support members through the two-pot legislation implementation and beyond.

We take pride in managing claims and benefit payments efficiently, making sure members receive their benefits promptly. In the 2024 financial year, we disbursed a total of R58.4 billion in benefits to approximately 187 000 members and their families. This equates to approximately R220 million in benefit payments made every working day, comprising death claims, retirement claims and withdrawal claims. Additionally, we have established a clear complaints process to ensure fair treatment of our clients and members, with a swift resolution process for any issues that may arise.



Data-driven advice

Developing a single view of clients

Significant investments have been made in infrastructure to consolidate client records into a comprehensive data platform. This data serves as the foundation for high-quality business analytics, empowering informed decision-making and contributing to our member impact reports. This responsibility extends to acting as a positive force by leveraging our expertise, data access and client reach to consult on sustainability matters with retirement funds and employers.

Alexforbes has invested in infrastructure to establish a unified view of client records across our organisation, supported by high-quality data. This data is used to provide business analytics that feed into a range of client reports, including our member impact reports, which can be used by consultants to provide member-oriented advice. This enables us to provide increased value to corporate clients, deliver on our individualisation strategy and enhance our sustainability-focused advice and solutions.

Substantial strides have been made in achieving a unified client view, including consolidating our data platform, refining data collection from diverse sources, ensuring data quality and improving data analytics capabilities.

We also developed an ESG analytics suite that will assist advisers and clients to monitor their ESG risks and impacts.

Upcoming regulatory change will facilitate the enrichment of member contact data across our base, enabling us to connect directly with more members more regularly to support their respective financial journeys.

Customer privacy and data security

We view securing our digital platforms as a strategic advantage, essential for safeguarding the data and confidentiality of our clients and members. Our proactive measures align with applicable regulations, guarantee data privacy and enhance our cyber and information security environment. Key initiatives include:

- an in-depth defence strategy with multiple security layers against cyber threats
- utilisation of advanced security technologies like AI and machine learning for proactive threat detection and response
- establishment of robust incident response plans to effectively manage and mitigate cybersecurity incidents

Creating operational excellence *continued*

Optimised administration

Automation and digitalisation

Our engineering team has successfully implemented automation in core administration processes, leading to significant time savings and improved competitiveness. This automation has resulted in increased efficiencies, digital solutions for various processes and a notable reduction in errors. We are in the process of migrating funds from legacy systems to modern platforms, further improving operational efficiencies.

Our efforts at standardising and automating administration services have resulted in improved digital platforms for bulk and individual processing of claims and contribution reconciliations, reduced errors, improved service level standards and greater transparency from both an internal and external reporting perspective. This has driven significant client adoption throughout the 2024 financial year.

Our strategy to further develop administrative services focuses on increasing the automation of tasks that do not require manual intervention. In the 2024 financial year, we exceeded our automation targets through an increased focus on digital statement distribution, partial and full automation of cash claims and contributions reconciliations, and the implementation of automation in bank reconciliations and year-end audit working papers. Moreover, we initiated additional automation projects aimed at reducing timelines for monthly and annual processes, thereby aligning with impending legislative changes such as the Conduct of Financial Institutions (COFI) bill.

The reduction in the number of errors and omissions (E&O) claims, attributable to the execution of our control reset programme, improved controls and the continued execution of automation projects, reinforce our standing as a trusted adviser and strategic partner.

Integration of acquisitions

We progressed with the integration of TSA Administration in the first half of the year, continued with the consolidation of the EBS International business. Furthermore, we successfully implemented various funds acquired through the acquisition of Sanlam's standalone retirement fund administration business operations and integrated the BWEB business and staff into our operations and administration environment.

In addition, the migration of members from a legacy system to the new EBS International system is under way, supported by a dedicated project steering committee. The active South African membership base on this legacy platform will also be converted to modernised platforms by the end of the 2025 financial year, with over 80% of active members already converted.

Two-pot system processing readiness

During the 2024 financial year, Alexforbes invested a significant amount of time in preparing our systems and resources for the two-pot implementation. It remains a challenge to be fully prepared, given that there are still queries around some of the legislation, which may mean that further changes will need to be made. We are establishing administrative processes for allocating seed capital and accessing the savings component, including record keeping, digital development to claim online, approvals and stringent checks to prevent fraud. We are also preparing our systems to integrate with the South African Revenue Service (SARS) for seamless data exchange and compliance with tax regulations under the new retirement system. A dedicated group-wide project team is supporting the business to implement all the components required by September 2024.

IT infrastructure enhancements

Operational service improvement is central to our IT strategy, ensuring the availability and performance of critical business applications. This includes implementing best practices in service management, capacity planning and performance management and continued improvement.

Our IT infrastructure plays a crucial role in supporting diverse business needs such as fund administration, actuarial services, risk management and customer relationship management. Key components of our technology landscape include cloud computing for flexibility and scalability; robust data management practices focusing on data governance, quality and security; the utilisation of advanced analytics tools for business intelligence, and an emphasis on integration and automation for seamless data flow and efficient processes.

Ongoing strategic initiatives to drive operational service improvement include:

enhancing service availability through proactive monitoring and alerting systems

implementing robust backup and disaster recovery strategies for business continuity

application performance management to identify and resolve performance bottlenecks

strengthening service desk and incident management processes aligned with ITIL practices

fostering a culture of continued service improvement to optimise processes and deliver superior service

In the 2024 financial year, our key focus areas included application and IT cost optimisation, cyber and information security enhancements, AI implementation, and operational service improvement to ensure greater availability of critical business applications for users and clients. These efforts aimed to minimise disruptions, boost user satisfaction and enhance the client experience on our digital platforms.



Our next move

- Increase number of tasks not requiring manual intervention to 60% in 2025 (from 50% in 2024)
- Continued migration of funds from legacy systems
- Roll-out of our new digital claims and contributions solutions to the wider client base
- Development of digital platforms to cater for all claim types
- Re-engineering and automation of more investment operations processes
- Further enhancements of our call centre environment, exposing more data services that are currently in development to reduce hold and talk time and increase the first-call resolution rate
- Finalise and embed robotics process automation, using optical character recognition to read manual forms received onto the business systems, thereby reducing turnaround times and improving client experience
- Enhancements of our digital solutions to enable seamless and straight-through processing of member claims for the two-pot system



Bruce Bydowell

Sustaining our financial impact

Sustaining our financial impact

The strength of our results for the year ended 31 March 2024 lies in the disciplined and consistent execution of strategy for the past five years starting in 2019.

We have strengthened our core business in investments, administration and consulting, while also investing in our retail capabilities and expanding through organic growth and acquisitions. Our journey has required the sale and discontinuation of certain businesses, and purchases to build scale and acquire capabilities of others. We have reduced the equity invested in the business while maintaining and growing operating income and profit. We are well placed to grow our business operations and improve the returns to shareholders.

Financial highlights

12% increase in operating income (8% organic growth and 4% acquisitive growth)

29% increase in headline earnings per share from total operations

9% increase in normalised profit from operations¹

Final dividend of **30 cps** taking the annual dividend to 50 cents per share, up 19% year on year

Special dividend of **60 cps**

Sustained growth in our top line

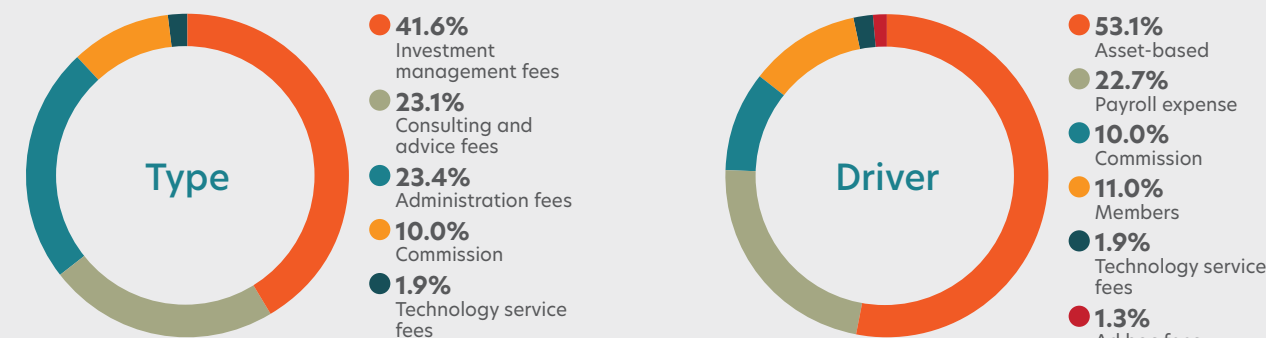
Alexforbes delivered strong revenue growth in an uncertain economic environment, reporting a 12% increase in operating income to R3 905 million. The growth in revenue is a result of the deliberate execution of our strategy, new business wins and the implementation of acquisitions, and reflects positive market performance in the current year.

During 2024, we acquired and integrated OUTvest and TSA Administration. Together with previous acquisitions these businesses added R243 million to operating income and contributed R67 million to profit from operations (before non-trading and capital items), notwithstanding an impairment of goodwill and associated intangible assets relating to EBS International.

¹ Profit from operations before non-trading and capital items.

Quality and sustainability of operating income and profit

The following charts demonstrate the nature of the group's operating income based on the year ended 31 March 2024:



Analysis of operating income (net of direct expenses)

- Operating income by type reflects the revenue based on services provided
- Operating income by driver reflects the basis upon which the fees are calculated
- Retail advice is driven by assets under management
- Key dependencies for growth in income are:
 - new business
 - growth in formal employment and employee payroll inflation
 - cash flows: contributions, preservation and withdrawals
 - market growth in our diversified investment portfolios

Other than the indirect exposure to equity markets, there is limited volatility in the group's revenues owing to the relatively low proportion of one-off consulting fees, ad hoc

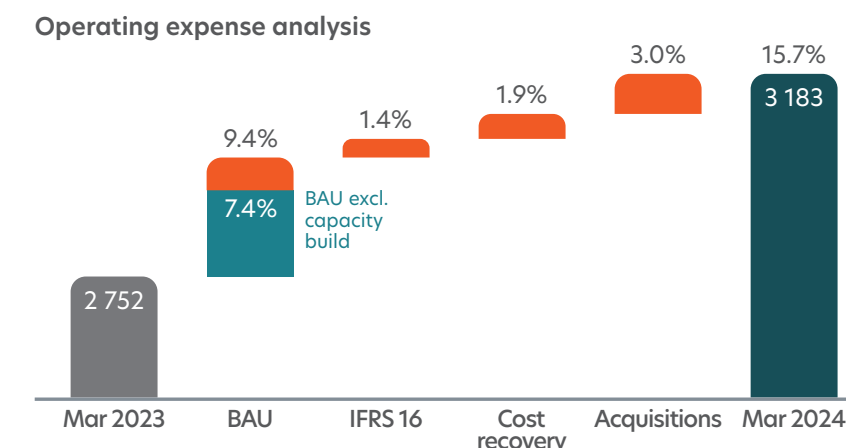
retirement fund administration services and underwriting income. As a material proportion of the group's income is linked to the equity markets and formal employment pension contributions, we benefit from the macroeconomic drivers affecting employment and wage inflation, which have been low but positive in recent years.

The group has limited working capital requirements, high cash flow generation and minimal credit risk exposure. A significant proportion of our income is collected from the retirement funds and investments we administer, ensuring reliable and steady revenue streams. Our exposure to debtors remains limited since fees are collected from investment and pension payments made by our clients.

Managing expenses and investing in capacity

Operating expenses of R3 183 million increased by 15.7% year on year, with the increase in core business-as-usual operating expenses (up 9.4%) in line with our previously announced plan to invest in capacity, as well as inflationary pressures that are prevalent in the current market environment.

The increase in operating expenses also includes the effect of the one-off lease adjustment from the prior year, reduced cost recovery from discontinued operations and an increase in expenses from acquisitions.



Sustaining our financial impact *continued***Capacity build - investment into employee benefits administration**

The investment into our employee benefits administration capacity amounted to R60 million in the current year, largely relating to an increase in employees. This investment improved capacity in the client-servicing call centre, claims department and new business onboarding teams. We also continued to make additional improvements in standardisation and automation with more technology modernisation on the go and in the pipeline. These investments will continue to allow for added scale to our business.

Property management - reducing our property footprint

Our property management strategy has delivered a meaningful reduction in costs, including a 58% reduction in office space compared to 2021. This reduction led to a 14% decrease in the actual underlying rental expense to R187 million and a 9% decrease in total property costs to R234 million. Importantly, the actual cash cost of property leases will decline from the current year onwards, while the IFRS 16 lease accounting cost reflected a significant saving in the prior year. The difference between the cash cost and IFRS lease cost is reflected in our adjustments to normalised profit from operations.

Other operating expenses

Personnel costs, which account for 63% of total operating expenses, increased by 15%, attributable to acquisitions, inflation and increased headcount. Growth in technology costs was well contained at 6% year on year. We faced a significant increase in regulatory and compliance costs, reflected in fee increases from regulators.

Overall, our focus remains on managing expenses prudently while investing strategically to support our growth ambitions.

Capital optimisation

We have successfully concluded our capital optimisation journey that began a few years ago. All the planned changes have now been implemented, providing a solid foundation for our future growth and stability. Our cash flow generation remains strong, with a high conversion of profit from operations to cash, supporting our solid balance sheet.

Capital-light business

The strategic reset announced in 2019 reaffirmed our intent to remain capital light. The decision to exit our insurance businesses has reduced the regulatory capital requirement across the group. We also made a commitment to reduce the surplus capital position within prudent capital parameters and indicated that we do not intend to hold excess cash on our balance sheet.

Our capital journey since then has included the following:

- concluding the sale of the group risk business
- reducing our dividend cover ratio to 1.0 to 1.5 times (from the previous 1.5 to 2.0 times)
- utilising the available surplus cash released to invest in core businesses and any surplus returned to shareholders by way of share buyback (under the general authority) and through the payment of special dividends

Our measure of success over the medium term will be to deliver an improvement in our return on equity to above 14% (including intangible net assets in the calculation of equity value).

Regulatory capital requirements

All regulated entities within the group comply with their respective liquidity and regulatory capital requirements. On 28 June 2023, Alexforbes received confirmation from the Prudential Authority that we would not be designated as an insurance group.

As a result, from 1 April 2023, each regulated entity within the group must comply with capital requirements set by sector-specific rules and legislation. Our insurance entities continue to maintain capital in line with the solvency capital requirements outlined in the Prudential Standards of the Insurance Act.

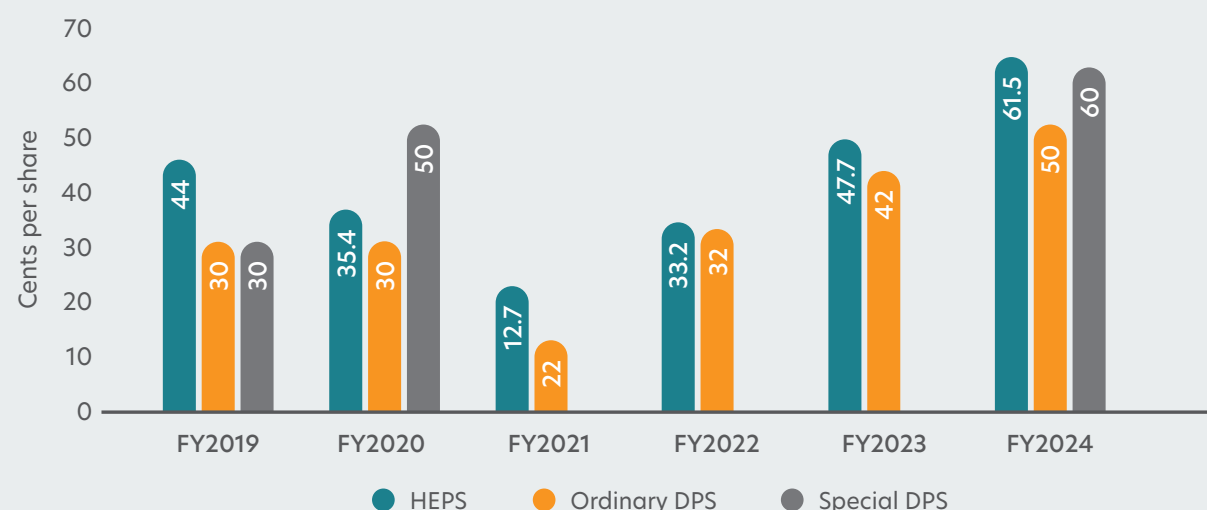
As of 31 March 2024, the consolidated regulatory capital requirement for the group stood at R1 097 million, a 23% decrease year on year. This reduction is due to the group no longer being required to hold capital as a designated insurance group. With a regulatory surplus of R1 949 million, our capital cover ratio is 2.8 times, well above our target solvency cover ratio of 1.2 times. This ensures strong financial stability and resilience.

Returning surplus cash to shareholders

As outlined above, the group has accumulated surplus capital due to several strategic actions, robust cash generation and reduced regulatory capital requirements.

Over the past four years, we have returned circa R5 billion to our shareholders in line with our stated strategy. In the current year we declared a gross final dividend of 30 cents per share, up 11% year on year, distributing a total of R389 million to shareholders. This brings the total annual dividend to 50 cents per share, up 19% year on year.

In addition, the board has declared a gross special dividend of 60 cents per share, distributing a further R778 million in available cash to shareholders and reducing the surplus capital position of the group.

Total cash of R5 billion returned to shareholders since FY2019**Our next move**

We are confident that our strategic investments in capacity building, digital transformation and value-adding acquisitions will continue to drive growth and operational efficiency. The ongoing improvements in standardisation and automation will enable us to scale our business effectively and support our growth ambitions. We believe that our commitment to delivering exceptional service and innovative solutions will drive continued success in the years to come.

As previously indicated, we remain focused on ensuring that we continue to make further investment in areas of our business that will unlock efficiencies and enable operational excellence to be achieved. We will balance our need to invest with affordability constraints over time. There is a continued focus to manage cost growth to within our target of inflation plus 1% through structural changes and efficiencies.

We remain open to exploring additional strategic opportunities that align with our long-term vision and can generate substantial returns for our stakeholders. We continue to look for organic as well as inorganic growth opportunities in our core businesses of consulting, administration and investments to realise synergies and scale opportunities. Our capital-light model remains key in terms of the capital allocation and return hurdles that need to be met for us to pursue potential growth opportunities. We will look to raise capital-efficient funding as part of any anticipated acquisition.

Bruce Bydawell

Chief financial officer

Dividend policy

The group's dividend policy is to consider an interim and a final dividend in respect of each financial year.

The dividend is set with reference to underlying core operating earnings taking cognisance of the need to:

- maintain regulatory capital solvency with an appropriate margin which anticipates regulatory developments and economic and market volatility
- ensure the legislative requirements with regards to solvency, liquidity and good corporate governance, and
- retain earnings and cash flows to support investments in the group's growth initiatives

After consideration of the above, the group's dividend policy is set at a target range of 1.0 to 1.5 times earnings cover, recognising that some earnings fluctuations are to be expected. The annual dividend will reflect the board's view of the earnings prospects over the entirety of the cycle.

At its discretion, the board may also consider special dividends where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

Section 5

Having real-world impact

- > Our people
- > Our sustainability impact
- > Our social impact
- > Responsible investing
- > Our environmental impact

Our people

Our human capital strategy is central to our success in delivering the group's purpose of pioneering insight to deliver advice and solutions that positively impact people's lives. We recognise the value of providing opportunities for employees to make a meaningful contribution to the attainment of our strategic goals in pursuit of this purpose. Our human capital approach aims to enable our employees to reach their full potential, while providing advice to our clients to assist them in their own human capital journey.

Performance highlights

Retention rate of key talent

96%
(above target)

B-BBEE score

Level 1
maintained

Our People Promise

We are financial specialists, industry innovators and insight pioneers. We invest in our clients' needs and dreams, changing mindsets, habits and futures. We deliver advice and solutions that positively and powerfully impact our communities and society. We attract and celebrate vibrantly talented individuals, who wish to be a disruptive force for good. We are high performers with a passion for putting clients first - with ease of access and seamless service. Together, we break boundaries, transform lives and accelerate growth for our people, our markets and our business.

Our People Promise is made up of the following four pillars:

CONNECT

We create opportunities for our employees to connect with people who are making a dramatic impact in the world of employee benefits and overall well-being.

This is achieved through the following initiatives:

- Induction and onboarding
- Six-month new starter socialisation programme
- Employee culture experience
- Employee engagement sessions, manco huddles, coffee connect sessions and virtual/in-person team building

GROW

We support our employees in accelerating their growth and unlocking their creative genius so they can transform their potential into profit.

This is achieved through the following initiatives:

- The Alexforbes leadership framework
- In-house learning and development courses
- Bursaries for industry-related studies
- Leadership development courses
- Succession plans and talent development
- Employee wellness and financial services

FLOURISH

Our goal is for our employees to enjoy meaningful and rewarding work, with good balance and support in every stage of their journey with Alexforbes.

This is achieved through the following initiatives:

- Short-term incentive structure
- Expanded long-term incentive scheme
- Employee share scheme
- Power of One recognition programme
- Employee assistance programme
- Health services, retirement fund and investment options

IMPACT

We are a vibrantly diverse, authentically inclusive community, committed to impacting our customers' lives and futures. This is achieved through the following initiatives:

- Diversity and inclusion initiatives
- Group transformation strategy
- Charity Begins at Home - employee support fund, financed by employees



Our people continued

Our employee profile

We employ 2 794 (2023: 2 587) people across the group. The increase in our employee headcount is due to capacity building within our administration business as well as acquisitions, including the Sanlam large standalone retirement fund administration business operations, TSA Administration and OUTvest.

This section provides a breakdown of our employee complement by race, gender, age, employment type and employment category in the organisation, either at group or South African level. The racial breakdown of South African employees is in line with our B-BBEE verified submission for the year.

Group employee profile by gender and employment type (as at 31 March 2024)¹

Employee category	Male	Female	Total number of employees by type
Permanent employees (full-time)	32.5% (2023: 34.0%)	62.8% (2023: 62.0%)	95.3% (2023: 60.0%)
Temporary employees (full- and part-time) ²	1.6% (2023: 1.3%)	3.1% (2023: 2.7%)	4.7% (2023: 4.0%)

- Alexforbes does not have employees categorised according to non-guaranteed hours and we do not calculate the number of non-workers as defined by the JSE Sustainability Disclosure Guidance.
- Temporary employees include learners, interns, temporary contractors and fixed-term contractors.

Age profile of South African employees, by race and employee category (as at 31 March 2024)

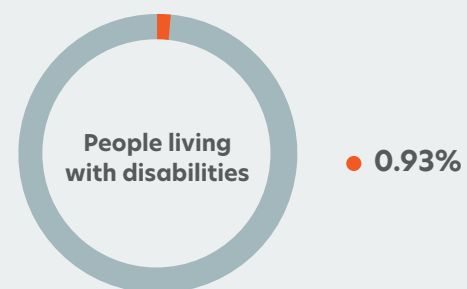
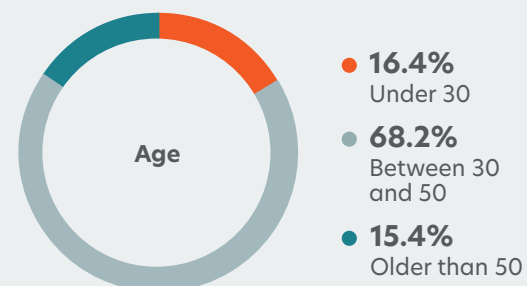
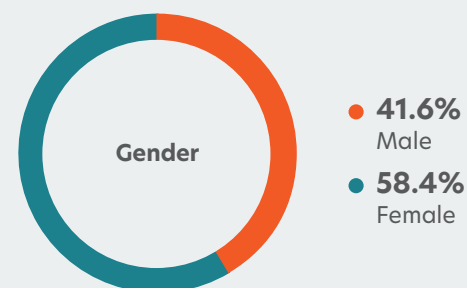
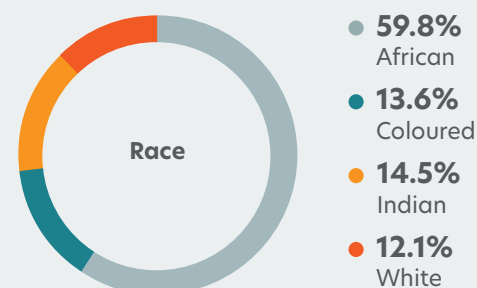
Employee category	Under 30 years old	30 to 50 years old	Over 50 years old	Total
Executive management	-	0.08%	0.04%	0.36% (2023: 0.3%)
Senior management	-	0.75%	0.12%	5.07% (2023: 5.4%)
Middle management	0.04%	2.24%	0.12%	10.50% (2023: 10.9%)
Junior management	6.69%	20.97%	1.69%	61.69% (2023: 59.7%)
Non-management	5.98%	6.41%	1.06%	22.38% (2023: 23.8%)
Total	12.71%	30.45%	3.03%	9.83%
Total per age group	17.6% (2023: 18.2%)	63.9% (2023: 64.5%)	18.0% (2023: 17.3%)	

Legend: African (Red), Coloured (Green), Indian (Blue), White (Grey)

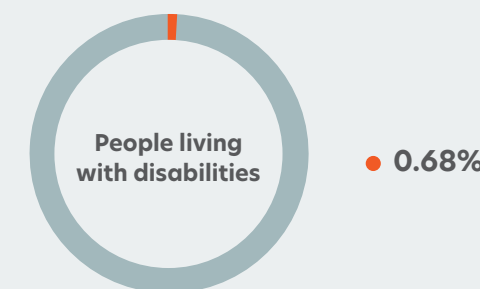
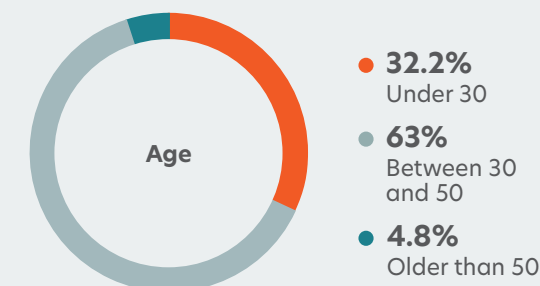
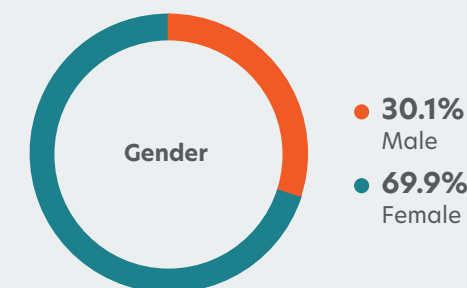
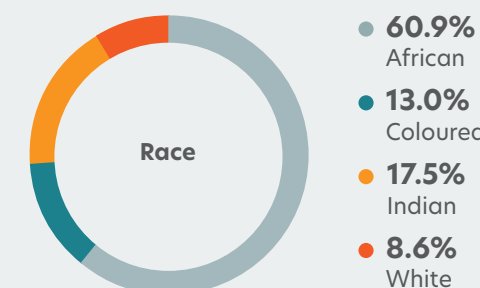
Age profile of South African employees, by gender and employee category (as at 31 March 2024)

Employee category	Under 30 years old		30 to 50 years old		Over 50 years old		Total
	Male	Female	Male	Female	Male	Female	
Executive management	-	-	0.08%	0.16%	0.12%	-	0.36% (2023: 0.3%)
Senior management	-	-	1.97%	1.49%	1.06%	0.55%	5.07% (2023: 5.4%)
Middle management	0.04%	-	3.42%	3.46%	1.65%	1.93%	10.50% (2023: 10.9%)
Junior management	3.78%	6.10%	13.77%	28.05%	3.11%	6.88%	61.69% (2023: 59.7%)
Non-management	2.75%	5.00%	2.12%	9.44%	0.39%	2.68%	22.38% (2023: 23.8%)
Total	6.57% (2023: 6.8%)	11.10% (2023: 11.4%)	21.36% (2023: 22.4%)	42.60% (2023: 42.1%)	6.33% (2023: 6.4%)	12.04% (2023: 10.9%)	

South African permanent employees turnover by diversity indicator for the 2024 financial year (as % of 214 total resignations)



New hires of South African permanent employees by diversity indicator for the 2024 financial year (as % of 292 total new hires)



Our people *continued*

New ways of working

An effective strategy requires a motivated and engaged workforce to ensure it is successful. We seek to create a culture that is agile, productive and collaborative to enable and empower our people to deliver excellence. This culture is premised on our purpose and corporate values.

In 2023, we initiated our Ways of Working (WOW) programme, which commenced with engagements with our executive committee, management committees and employees from across the group. The purpose of these engagements was to reimagine ideal ways of working after the disruption of the Covid-19 pandemic. A dedicated project team and workstreams were formed and the programme was launched during the 2024 financial year.

The WOW programme has four key initiatives, each of which has various key components. During the year, progress was made on implementing certain components with further implementation planned for next year.

Enablement

Enabling all employees

Flexible ways of work

Flexible ways of work embraces the idea that employees can be productive no matter when or where they perform their work. It acknowledges individual needs and supports better work-life balance and employee well-being. This is a source of competitive advantage in our markets.

Key components

- Hybrid WOW toolkit, enabling employees to function optimally in whichever environment they choose to work
- Flexible work locations continued as a part of our flexible ways of working framework

Engagement and productivity

Supporting productive employees

Outcomes-focused pay

Rewarding employees based on the outputs delivered rather than pay based on job description or set tasks/activities to be completed. This initiative is still being rolled out with the aim of providing more flexibility and enabling employees to contract on pay related to specific outcomes.

Key components

- Two incentive programmes have been designed and will be piloted during 2025:
 - Call centre incentive scheme
 - Two-pot incentive scheme

Learning and career growth

Growing all employees

Career and learning centre

Guiding employees on how to become experts and more productive in their respective fields. Providing opportunities to grow through new skills, experiences and tailored learning.

Key components

- Accreditation of the Alexforbes Leader Learning Programme (aLLP) modules, inclusive of leadership coaching
- Dedicated Career Hub capacitated with career advisers, enabling employees to engage on career pathing and chart their own development pathways

Reward

Personalising reward

Flexible benefits

Personalised reward structures chosen by employees through a system that enables each employee to determine their choice of benefits and rewards. This caters for different needs and lifestyle changes in our employees.

Key components

- Enabled employees to purchase additional holiday leave
- Flexible benefit options currently being explored with the AFRF and Total Rewards teams

In order to focus on embedding the WOW programme, we did not conduct our employee engagement for the year. We have, however, solicited employee feedback on the initial roll-out of the WOW programme, which was overwhelmingly positive, demonstrating the impact this programme is having on our employees.

Human capital operational service delivery

We provided human capital operational service delivery to several clients as part of our efforts to build a commercial human capital capability that extends Alexforbes's advisory capabilities. In the 2024 financial year, we extended our reach to new clients through our consulting capability.

Top employer award

The Top Employers Institute, globally recognised for its authority in identifying excellence in people practices, has certified Alexforbes as a Top Employer for 2024. This prestigious recognition underscores our dedication to creating an environment where our employees can thrive and reach their full potential.

Our businesses in South Africa, Botswana and Namibia participated in the rigorous certification process, which involved a comprehensive survey covering six human resource domains and 20 topics, including people strategy, work environment, talent acquisition, learning, diversity, equity and inclusion and well-being. We are pleased to report that all three regions were successful in attaining their certification, each achieving scores of over 75%.

This certification is a testament to our commitment to excellence in people practices and human capital policies. By meeting the stringent criteria set by the Top Employers Institute, Alexforbes has demonstrated a commitment to fostering a better world of work.



High-performing people

We seek to create value for our employees by embedding a compelling employee experience, providing employees with opportunities to make a meaningful contribution to the business and by connecting our employee experience to our purpose and brand. This commitment underpins our people strategy and drives innovation and skills development.

We introduced a list of key talent in 2023 and started tracking the retention rate of these employees. During the year we maintained a 96% retention of key talent, which underpins our success in attracting and retaining high-performing people. We will consistently track this going forward.

We use the balanced scorecard methodology throughout the organisation to align all incentives with the strategic objectives of the company. We measure, monitor and respond to good and poor performance through the scorecard management system.

During 2024 we continued activities to promote a culture of accountability through KPIs and expected behaviours. We further embedded personal development planning into the performance enablement process for all employees to make sure the company retains the relevant skills for both current and future roles. We also progressed in maturing our performance management capabilities, improving our ability to manage poor performance decisively.

Crucial to ensuring we attract and retain the best employees is the repositioning of our talent strategy, which was initiated during the 2023 financial year. We continually enhance our segments, which were introduced across the organisation, and focus on building a robust pipeline for critical roles, both internally and externally.



Our people *continued*

Learning and development

Our contribution to SDG 4 includes various interventions aimed at developing our workforce. In the 2024 financial year we invested R4.8 million (2023: R3.2 million) towards the acquisition of formal qualifications by our employees. The majority of bursaries were awarded to junior management and semi-skilled employees.

Total skills development spend on black¹ employees increased to R97.6 million (2023: R71.7 million) and increased to R61 million for black female employees (2023: R41.3 million).

Alexforbes has taken a proactive step towards nurturing leadership talent within our organisation through the development of the Alexforbes Leader Learning Programme (aLLP). This bespoke leadership development initiative is designed to empower both existing and aspiring leaders with the skills, knowledge and capabilities needed to drive excellence and innovation in their respective roles. In June 2023, the aLLP received official endorsement from the South African Board for People Practices (SABPP), marking a significant milestone as the first-ever Alexforbes learnership programme. This endorsement underscores our commitment to meeting and exceeding industry standards in leadership development and demonstrates our dedication to investing in the growth and advancement of our employees. Currently, we are proud to have 56 employees enrolled in the aLLP, 73% of whom are black individuals.

In addition to our bespoke leadership programmes, we continue to offer the Management Essentials programme. During the reporting period, we focused on newly hired and newly promoted managers. Comprising 83% black participants, the programme reflects our dedication to fostering diversity and inclusion at all levels of leadership.

Our commitment to leadership development extends beyond our internal initiatives to encompass strategic partnerships with renowned institutions. We are proud to collaborate with the University of Cape Town Graduate School of Business to offer two flagship leadership programmes: the Programme for Management Development (PMD) and the Executive Development Programme (EDP). These are designed to equip participants with the skills, insights and perspectives needed to excel in their respective leadership roles.

- The PMD, attended by 15 individuals, focuses on developing core competencies required for effective leadership at the middle management level. Through a combination of academic rigour and practical application, participants gain a deeper understanding of key leadership principles and learn how to apply them in real-world scenarios.

- The EDP, attended by 10 individuals, is tailored for senior leaders and executives seeking to enhance their strategic leadership capabilities.

By partnering with prominent institutions, we provide our leaders with access to world-class education and training opportunities. Through these programmes, participants not only expand their knowledge and skills but also build valuable networks and connections within Alexforbes.

We remain committed to investing in the continued development of our people, equipping them with the tools and capabilities needed to lead with confidence, vision and integrity in an ever-evolving business landscape. We are proud to cultivate a culture of continual learning, growth and excellence, empowering our leaders to realise their full potential and drive positive change within our organisation and beyond.

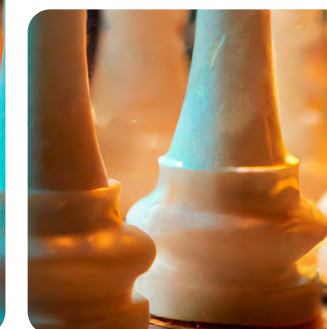
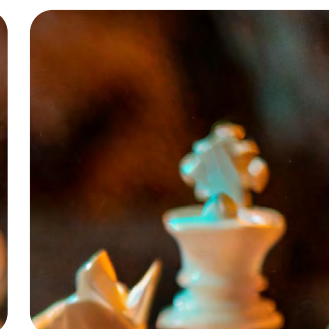
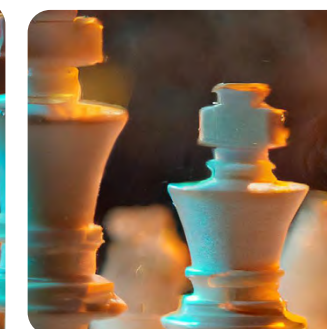
Two-pot training and awareness

Alexforbes launched its two-pot legislation awareness initiative in July 2023, with the aim of educating internal stakeholders about the framework of the legislation and its implications for retirement funds and their members. Recognising the importance of making sure that all relevant parties are well informed, the initiative targeted key stakeholders who play a critical role in implementing and adhering to the legislation.

As part of this initiative, we conducted sessions to provide comprehensive explanations of the two-pot legislation and its potential impact on retirement funds. These sessions were tailored to address the specific needs and concerns of internal stakeholders, equipping them with the knowledge and understanding necessary to effectively navigate the new regulatory landscape.

In addition to focusing on internal stakeholders, we also extended this initiative to independent advisers within the industry. A dedicated session was held in August 2023 to facilitate a deeper understanding of the legislation among external advisers, further enhancing collaboration and alignment across the industry.

To ensure ongoing awareness and compliance, regular updates and monthly training sessions are conducted for all stakeholders. These sessions are guided by insight from best practice and legal advisers, making certain participants receive the most accurate and up-to-date information.



Mentorship

At Alexforbes, we recognise that mentoring plays a vital role in accelerating the growth of our people, expanding their thinking, improving their job satisfaction, career opportunities and employee experience. Mentoring achieves this by enabling experienced professionals to impart their wisdom and support their mentees to unlock their full potential.

We provide mentorship opportunities for our people through two dedicated programmes.

Mentoring for impact

Our Mentoring for Impact programme is designed to facilitate meaningful connections between experienced professionals and mentees, with the goal of accelerating the growth and development of both parties. Mentors have the opportunity to share their expertise, insights and experience, while mentees benefit from guidance, support and encouragement as they navigate their career paths. One of the key strengths of this programme is its inclusivity, bringing together individuals from different platforms and regions within Alexforbes, creating a rich and dynamic learning environment. We believe mentoring is not just a programme but a mindset. By fostering a culture of mentorship and continual learning, we are able to create a supportive and collaborative environment where everyone has the opportunity to thrive and succeed.

The Mentoring for Impact programme includes 20 mentees and mentors across Alexforbes platforms and regions.

Alexforbes women's mentoring programme

The Alexforbes women's mentoring programme represents a significant commitment to the development and empowerment of women within our group. Launched as part of a Women's Month initiative and led by our executive committee, this programme aims to provide targeted support and guidance to female employees as they navigate their career paths.

Selected from diverse backgrounds and disciplines, eight women from across the business were chosen to participate in this transformative initiative and were mentored by our female executives over a ten-month period. The primary objective was to equip mentees with the tools and resources needed to overcome challenges, address development areas and achieve their professional goals. Through one-on-one mentoring sessions, mentees had the opportunity to receive personalised guidance and support, tailored to their unique needs and aspirations. Through exposure to connections and collaboration across different areas of the business, mentees were also able to expand their professional horizons and access new opportunities for growth and advancement.



Refer to **Our social impact** on page 118 for more information.

1. Black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003, and amended by Act 46 of 2013.

Our people continued

Developing a transformed Alexforbes with a winning culture

We are committed to building a transformed Alexforbes with a winning culture, which is demonstrated by our fourth year of attaining a Level 1 broad-based black economic empowerment (B-BBEE) accreditation.

We seek to harness the individual and collective creativity of our employees and foster an organisational culture in which diverse perspectives drive innovation and performance. As part of our transformation strategy, we matured our journey of accelerating the delivery of our employment equity goals with the aim of instilling confidence in our ability to be authentically inclusive and vibrantly diverse.

We aim to improve our employment equity performance at middle and senior management level, where we have the greatest opportunity to improve our performance.

The strategy is aimed at ensuring effective succession planning as it relates to black and female employees across the business, and covers hiring, promotion, development and retention practices. We engaged in multi-pronged strategies with various employee forums during the year to encourage increased leadership accountability for transformation.

In 2023, we relaunched the I am Impact employee volunteering programme, which positioned Alexforbes as a force for good in society aligned with our strategic intent. The programme gained traction among employees during 2024.

Refer to **Our social impact** on page 118 for statistics relating to I am Impact.

As signatories to the United Nations Women's Empowerment Principles (UN WEP), we strive to make sure women are treated with dignity and respect, enjoy their human and labour rights and that their health and safety are protected. Our focus on female equity includes

ensuring women have access to education, training and professional development opportunities. Our policies on procurement contribute to this strategic imperative, ensuring that women are included in our supplier and enterprise development activities.

Refer to the **Improving gender parity** section on page 120.

Being affiliated to the UN WEP and United Nations Global Compact (UNGC) has strengthened our commitment to invest in our people and our stakeholder relationships, as part of a process to develop and innovate products and solutions that are premised on best advice and the well-being of society.

Refer to **Our sustainability impact** on page 112 (UN WEP) and **our performance on United Nations Women's Empowerment Principles** on page 227 for further information.

Refer to **Our social impact** on page 118 for further information on our B-BBEE performance.

Workplace health and safety

Our people are our most valued resource and their health and safety is of paramount importance to us. We invest in various health and wellness initiatives and, during the year, we maintained ongoing communication with employees and delivered health messaging through our internal communications channels.

The financial services sector is not as inherently dangerous as labour-based sectors, therefore our operations do not typically pose a threat to our people. Even so, we have adopted the OHSAS 18001 standard for occupational health and safety management and have an employee health and safety team in place, in line with our occupational health and safety policy.

During the year we recorded no work-related fatalities, injury or ill health, and no work-related injuries to either our employees or those who work at our premises (2023: 0).

Freedom of association and collective bargaining

While we have no recognition agreements in place with any unions, all colleagues have the right to become members of any trade union of their choice.

Labour principles and policies

We work in close partnership with the Department of Employment and Labour in South Africa to make certain we have sound employment practices, underpinned by fair labour practices, and a zero-tolerance approach to unfair discrimination within the Alexforbes environment. We are consistently monitoring our environment to ensure we remain flexible to the changing global employment and labour market requirements.

Our policy management system outlines both the company's and our employees' roles and responsibilities as they relate to fair and ethical treatment of all stakeholders, as well as the elimination of unfair discrimination practices. Our human capital and transformation teams, as well as the internal risk and audit teams, consistently consider risks, barriers and employment-related practices. The group is subject to both internal and external audits, the findings of which are presented at board level.

In the event of any adverse findings, there are several mechanisms for corrective action that include the health and safety team, training interventions, employee engagement survey action plans, analysis of barriers with internal stakeholders (such as the diversity and inclusion forum), revised standard operating procedures as identified in our audit action plans, and supportive policies which give effect to labour principles and priorities.

We have dedicated policies that focus on labour, health and safety, employee development and human rights.

These policies are complemented by a sound remuneration philosophy that supports the protection of employee rights within the group. A culture of respect and collaboration is encouraged through a formal recognition system.

Adherence to conduct and culture expectations is part of the performance management process. No employee can achieve a good performance rating without demonstrating the core values of customer first, leadership, integrity and care in their day-to-day dealings with colleagues.

Permanent employees are entitled to benefits that form part of their employment contracts. These include retirement fund membership and insurance benefits. Insurance benefits include life assurance cover, spouse's cover, disability cover, funeral benefits and compulsory medical aid cover.

We have an on-site day crèche, which is not subsidised by the business. However, employees are offered special rates to use the facilities.

Alexforbes employees also have free access to 24/7 support from clinicians and healthcare professionals through our employee assistance programme. The employee assistance programme provides information and professional advice or guidance on different life challenges (stress, financial problems, legal issues, relationships, addiction, health, work, family, loss or trauma). This resource is accessible to employees and their immediate families at all times.

Our financial programme allows employees to access support to understand their employment benefits and financial advice to make informed decisions based on their personal circumstances.

Over the past financial year we had at least 12 audits from the South African Department of Employment and Labour for compliance with the following:

- Basic conditions of employment
- Minimum wage
- Occupational health and safety
- Employment equity

These audits are not planned or cyclical. We receive notice three days before the audit and have to respond to it within the same period. They take place over all our offices in the different provinces. We have had clear audits across all our branch networks.



Our next move

In the year ahead our focus on building a culture of deliberate execution and fostering a high-performance culture in the organisation. We want to increase the pace of delivery on the WOW programme which is our key competitive advantage.

We will continue to strengthen the capability of our human capital function to enable the delivery of the corporate plan and overall mandate of the group.

Key priorities for the year include:

- Maintaining our Top Employer status across all participating countries
- Consistent implementation of our talent management and succession plans
- Sustained focus on driving a high-performance culture underpinned by our treating customers fairly values
- Implementation of organisational climate and culture initiatives
- Developing and launching a knowledge management and best-practice sharing strategy and platform
- Developing and embedding new WOW programmes

Our sustainability impact

Alexforbes is on a journey to build a future for clients and customers that delivers growth, inclusivity and sustainability. We will do this by pioneering insight to deliver advice and solutions that positively impact people's lives as well as wider society. This means orientating our actions, decisions and intent to build a future that we can all connect with.

Advancing sustainability initiatives

As a business that is trusted across South Africa and beyond, the group's aim is to lead as a model of corporate citizenship. Our governance framework is informed by principles of ethical trade, transparency, accountability and sustainability. We maintain the highest standards of corporate governance and ethical leadership to deliver confidence to our stakeholders.

We have continued our efforts to embed ESG considerations across the group in our respective roles as a corporate citizen, a trusted adviser to our clients (which include a substantial number of retirement funds) and as an investment multimanager.

Notable highlights during the 2024 financial year include:

- Management sustainability committee:** Introduction of a management sustainability committee dedicated to overseeing our group-wide sustainability strategy
- Impact Centre of Excellence (CoE):** Established and resourced our CoE
- Alexforbes Impact Advisory:** Expanding our ESG advisory services to provide high-quality consulting advice and solutions for both retirement funds and corporate clients
- Alexforbes Impact Academy:** Launching an academy to deliver affordable, high-quality sustainability-focused education for retirement funds and corporate clients
- Climate change policies:** Inaugural group climate change policy and the Alexander Forbes Investments climate change policy
- Sustainability reports:** Publishing an inaugural Jersey sustainability report in September 2023 and the inaugural integrated annual report for the Alexander Forbes Retirement Fund in December 2023, making it one of the first retirement funds in South Africa to do so
- Member Insights™ reports:** Improving reports to include insights into ESG metrics of underlying investments and the impact of withdrawals associated with the upcoming two-pot system

Core sustainability beliefs

In delivering sustainable outcomes, we adhere to the following core sustainability beliefs:

- A purposeful strategic focus on sustainability and our own ESG performance as a corporate entity, right from the board and throughout the company, ensures our continued relevance as an impactful corporate citizen and protects our ability to sustainably deliver on our objectives to all stakeholders
- Incorporating sustainability (including ESG considerations) into advice intermediary services and intermediated discretionary financial solutions ensures better risk-adjusted returns for our clients and members
- Incorporating sustainability (including material ESG considerations) into investment advice and our multi-managed portfolios ensures improved risk and returns to clients in the long run

Our response to climate risks

Climate change is an increasingly urgent matter, not only for our company but for the countries in which we operate and the planet as a whole. In recognising its importance and criticality, in our previous report we indicated a heightened strategic focus on climate change.

This year, we conducted our second assessment of greenhouse gas (GHG) emissions, covering Scope 1, Scope 2, and Scope 3 emissions.

In 2024, we significantly improved our process for measuring Scope 3 emissions, which mainly pertain to financed emissions. Given the complexity of this process, we are committed to continually enhancing our measurement methods, including improving data availability and quality, with the goal of fully disclosing our Scope 3 emissions in the future.

Our transformation intent

The group has a long-standing transformation vision that goes beyond the regulatory requirements of the B-BBEE codes. Supporting South Africa's transformation agenda is an important aspect of our responsibility to society.

For us, it is about creating realistic, impactful and sustainable broad-based opportunities in partnership with those who have previously been denied such prospects.


Our approach to financial education and learning

Equipping our members with information, advice and skills to proactively manage their finances, investments and risks remains a key part of our social impact strategy. Additionally, we are committed to providing consumer education through targeted programmes that equip individuals with the knowledge and skills to make informed financial decisions, thereby enhancing their financial literacy and overall well-being.

We align with and are signatories to a number of sustainability initiatives as part of our commitment to deliver sustainable impact to our stakeholders:

Aligned to United Nations Sustainable Development Goals (SDGs)


Our business activities primarily have the potential to contribute to SDG 8 (decent work and economic growth) and 10 (reduced inequalities), with secondary goals being SDGs 3 (good health and well-being), 4 (quality education), 5 (gender equality), 7 (affordable and clean energy) and 13 (climate action).

 Read more on our **contribution to SDGs** on page 114.

Signatory to the United Nations Global Compact (UNGC) since 2020

We aim to make progress by aligning our goal-setting, monitoring and measuring process with strategic business priorities, focusing on goals where we can have the biggest positive impact. We maintained our 'active' status following the submission of our Communication of Progress report to the UNGC in June 2023.


We continue to support the UN SDG Innovation Accelerator for Young Professionals programme, ensuring we contribute to the creation of a new generation of sustainability leaders.

 Read more on our **UNGC communication of progress index** on page 242.

Signatory to the United Nations Women's Empowerment Principles (UN WEP) since 2020

Alexforbes has incorporated the UN WEP's gender gap analysis tool to strengthen and expand on our policies to better support gender parity.

During 2024 we materially improved our own status and hosted events to contribute to the community of practice, sharing learnings for the benefit of other signatories.

 Read more on our **performance on United Nations Women's Empowerment Principles** on page 227.

Our sustainability impact *continued*

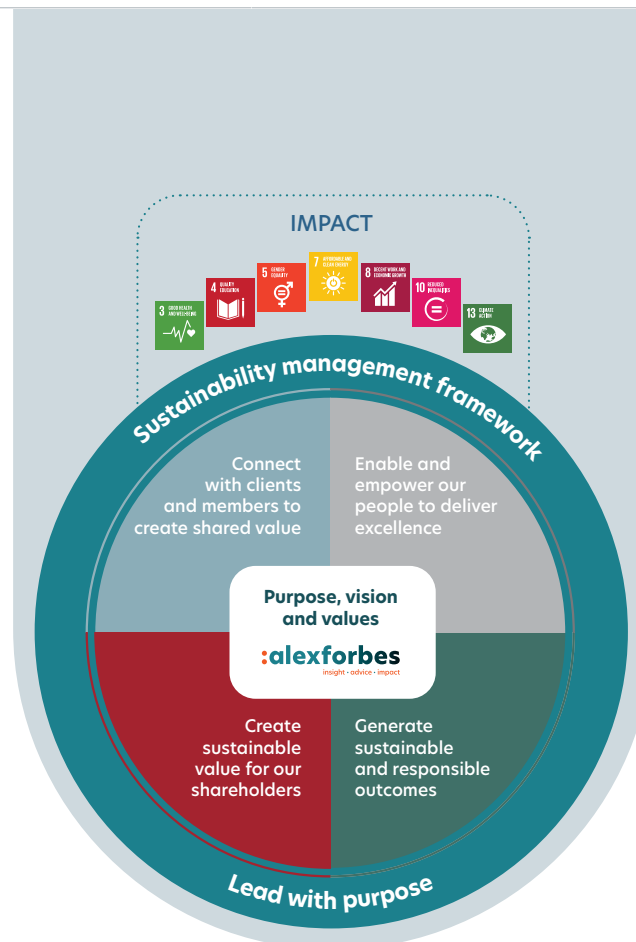
Our contribution to SDGs

Our primary SDGs reflect where we have the greatest impact and level influence. They and focus primarily on our client value proposition, as well as on our people, who enable our success.

Primary SDGs	How we contribute
<p>SDG 8: Decent work and economic growth</p>	The advice and solutions we provide our clients and members support better decision-making and optimal employee benefit structures, and enhance their human capital potential through targeted skills development.
<p>SDG 10: Reduced inequalities</p>	We deliver financial inclusivity across diverse groups in an accessible manner so that all of our members have an equal opportunity to improve their financial outcomes. Our investment approach incorporates ESG principles to benefit the living standards and sustainable working conditions of members of society.

Our secondary SDGs reflect where we have some level of influence and impact.

Secondary SDGs	How we contribute
<p>SDG 3: Good health and well-being</p>	We provide a holistic consulting framework for the management of health, absenteeism, disability, mental well-being and financial stability.
<p>SDG 4: Quality education</p>	We improve the health, education and skills development of our employees as part of our People Promise.
<p>SDG 5: Gender equality</p>	Alexforbes is a signatory to the UN WEP and has set clear goals to align with its objectives. We also contribute to South Africa's Gender-Based Violence and Femicide Response Fund.
<p>SDG 7: Affordable and clean energy</p>	Influencing our asset managers to place focus on climate change forms part of our responsible investing approach.
<p>SDG 13: Climate action</p>	Through the board's expanded charter that addresses climate risk, we have integrated climate change measures into its policies, strategies and planning with regard to our advice, solutions and responsible investing approach. This will indirectly contribute to South Africa's climate action goals.



Our sustainability impact and contribution to SDGs

S3

We track our performance through our sustainability management framework, which is linked to the group's strategic scorecard, to ensure ESG factors are embedded into our business processes. In the 2023 financial year, the group started the process of integrating the sustainability management framework into its quarterly reporting processes. Further work needs to be done to refine and enhance the reporting process going forward.

The sustainability impacts alongside and on the next page highlight some of the activities and outcomes undertaken to manage the material issues identified in the framework.

Connect with clients and members to create shared value

Material matters we manage

- Pioneer insight
- Deliver best advice
- Integrate our solutions
- Enhance customer experience and inform decision-making through digital engagement
- Make a positive impact on people's lives
- Amplify customer experience
- Provide relevant, actionable financial education to our clients and members

2024 activities and outcomes

Research, improvements, and marketing and communication that:

- Influenced new business and business retention
- Provided financial education to members through pre-retirement sessions and financial well-being days
 - 425 financial wellness days conducted at workplaces
 - 73 retirement sessions held nationally with groups of pre-retirees

Activities aligned to customer engagement strategy, consulting model plan, individualisation strategy and our discretionary financial services platform:

- Internal shift toward operating as a retail-oriented financial services provider increased our adviser base to 250 consultants (2023: 224)
 - Retail new business assets up 25% to R20.8 billion
 - A fourfold increase in the number of members engaged
- The enhancement of technology to simplify client experience:
- Our digitised communication channels, such as the AF Connect client portal, AF+ and WhatsApp self-service option, allow clients to connect with us with ease and simplicity
 - The acquisition of OUTvest has further enhanced our digital suite, which is now able to inclusively offer personalised investment advice at scale

Increased automated transactions:

- Continued to improve claims payment and contribution investment time by rolling out automation and robotic solutions
- Increase in automated transaction percentage
- Launched Impact Advisory and the Impact Academy to address our clients' need for sustainability-focused advice and solutions
- Implementation of member impact reports to 961 (2023: 776) clients, covering 461 811 members (2023: 344 969) in 2024

Related material matter **MM1**

Related strategic pillar **S6**

Contribution to



Our sustainability impact *continued*

Create sustainable value for our shareholders

Material matters we manage

- Deliver on efficiencies and our growth strategy
- Delivering real long-term growth above the risk-free rate
- Improve return on capital
- Build long-term competitive advantage
- Deliver sustainable investment performance

2024 activities and outcomes

- Strategic clarity and a sharp focus on execution have culminated in solid financial performance
- Successful implementation and integration of corporate transactions:
 - Implemented funds acquired from Sanlam EB transactions and TSA Administration
 - Acquired OUTvest
- Top-line growth of 12%
- New business wins representing R141 million in annualised revenue across core business lines
- In the current year, acquisitions added R243 million to operating income and contributed R67 million to profit from operations
- 58% reduction in office space compared to 2021 with a 14% decrease in the actual underlying rental expense
- Normalised return on equity of 12.8% (2023: 14.5%)
- 11% increase in the final dividend per share to 30 cents per share, taking the annual dividend to 50 cents per share, up 19% year on year
- Special dividend of 60 cents per share

Related material matter **MM2** | Related strategic pillar **S2**

Contribution to



Enable and empower our people to deliver excellence

Material matters we manage

- Create an agile, productive and collaborative culture
- Attract and retain skilled talent
- Develop the skills of our people to ensure that they are best-in-class and future-fit
- Enrich our organisation with diverse and inclusive people

2024 activities and outcomes

- Launched WOW programme to enable and empower our people to deliver excellence
- 96% (2023: 96%) retention rate of key talent
- R129.5 million (2023: R88.1 million) total skills development spend on employees
- 442 people (2023: 346) participated in learnership and internship programmes
- 206 (2023: 171) tertiary students provided with bursaries
- Continued activities aligned with our balanced scorecard performance management system, leader framework, talent strategy and our People Promise
- Top Employer in South Africa, Botswana and Namibia
- Maintained a Level 1 B-BBEE rating
- Improved our UN WEP ranking to 79% (Leader) from 73% (Achiever) in 2023

Related material matter **MM3** | Related strategic pillar **S2** **S6**

Contribution to Primary SDGs



Secondary SDGs



Generate sustainable and responsible outcomes

Material matters we manage

- Invest responsibly with focus on ESG and stewardship
- Transform the investment management industry
- Just transition for climate change

2024 activities and outcomes

- The Alexforbes Impact Centre of Excellence continues to enhance integration of sustainability and ESG best practices across the group
- Maintained our strong PRI ratings relative to global peers
- Maintained a positive trajectory of the average ESG integration rating of our primary portfolios
- We have engaged in over 200 formal and informal interactions with more than 70 asset managers since launching the Alexander Forbes Investments transformation policy, leading to positive changes in the diversity of investment teams across the asset management industry
- The board approved the group and Alexander Forbes Investments climate change policy, in continuation of the deepened focus on climate change
- Matured the quality of carbon emission disclosures and made progress towards finalising disclosure of scope 3 emissions
- Scopes 1 and 2 GHG emissions at 0.15 tCO₂e/m² of general letting area

Related material matter **MM4** | Related strategic pillar **S2** **S3** **S4** **S6**

Contribution to Primary SDGs



Secondary SDGs



Lead with purpose

Material matters we manage

- Maintain good corporate governance and accountability
- Provide ethical leadership
- Adopt a strategic mindset to secure long-term sustainability for our organisation
- Enhance our social licence to operate
- Manage risks and compliance
- Data security and protection
- Continued investment in cyber and information security
- Drive digital transformation
- Manage and respond to stakeholder interests
- Create a positive impact for our communities

2024 activities and outcomes

- Board and committee evaluation confirmed board performance, strategic leadership and value creation
- Ethics risk assessment conducted by the Ethics Institute of South Africa: ranking in the 82nd percentile
- Zero incidents of corruption confirmed during the year (2023: 0)
- Zero significant ESG-related incidents, including zero incidents of legal noncompliance, were reported during the year (2023: 0)
- Zero complaints received from regulatory bodies regarding leaks, thefts or losses of private data (2023: 0)
- Contribution to consumer financial education of R2.9 million (2023: R2.5 million)
- Enterprise and supplier development spend of R31 million (2023: R23.6 million)
- Maintained a Level 1 B-BBEE rating

Related material matter **MM5** | Related strategic pillar **S6**

Contribution to Primary SDGs



Secondary SDG



Our social impact

Our social impact has touched the lives of our clients, members and our people, as well as communities and society at large. This section provides more information on the outcomes of those and other initiatives. Having a lasting, positive impact on society is integral to our vision. This includes having a meaningful impact in our communities, helping to foster a growth and investment-enhancing savings culture and closing the retirement savings and risk benefit gaps.

The group has a long-standing transformation vision that goes beyond the regulatory requirements of the B-BBEE codes.



Social impact on members and clients

S6

Our goal is to reduce levels of financial stress, create wealth and improve overall financial well-being among our members and clients. We also aim to influence change in our industry and to have a positive effect on society.

Supporting members and clients through research and insights

Our research reports, such as Member Insights™ and Manager Watch™, are central to supporting members and clients. The research undertaken is shared widely with our stakeholders to reinforce awareness and drive positive change. We also use our research and knowledge to shape our business strategies in order to deliver on our promise to mutually benefit our stakeholders, grow our business and positively impact society.

During the year we maintained focus on remaining connected with the needs and priorities of our members. We counselled 15 038 (2023: 13 549) through our enhanced retirement benefit counselling (eRBC). Of these, 93% reported understanding their benefits (2023: 94%) while 93% felt more confident about making decisions (2023: 95%). Our eRBC offering is part of our My Money Matters portal, which provides targeted support across curated member journeys with access to financial advice, financial learning opportunities and eRBC.

Pre-retirement sessions

Our pre-retirement sessions provide members with important information they need to plan and prepare for a retirement they can look forward to. These regular, in-person engagements help our members to better understand their circumstances and how to achieve their retirement goals.

Refer to **Implementing our retail member engagement strategy** on page 90.

Financial wellness days

Alexforbes financial wellness days present a unique opportunity to reach our members through dedicated events held in the workplace. During these engagement events we provide information about our products and solutions to help our members make informed financial decisions for their own unique circumstances. Our experts provide actionable advice which members can leverage to improve their financial well-being.

We successfully delivered 425 financial wellness days across South Africa (2023: 15), which were attended by 7 981 members (2023: 702). These events were complemented by analysis and relevant information made available on the Alexforbes platforms.

Hot Topics

Our Hot Topics events are an opportunity to discuss shifts in regulation, sustainability and employee benefit design that can help shape the Retirement Fund of the Future™. Stakeholders in our retirement fund ecosystem are given access to insights, actionable strategies and valuable connections within the industry by attending these sessions.

Our detailed presentations empower clients to maximise retirement benefits through in-depth knowledge of our innovative solutions. By equipping them with insights to effectively navigate the retirement landscape effectively, we ensure informed decisions that create a positive impact for clients and members.

Charting a course to financial freedom

Hosted by respected business journalist and radio host Michael Avery on the Classic Business show, this series of radio shows features guests from across the financial services industry discussing important financial topics across investments, retirement and financial planning. The shows provide valuable educational content on personal finance and are an important channel for Alexforbes to provide financial learning opportunities to a wide audience.

During the 2024 financial year, we shared valuable insight into health and wellness topics through a 12-part podcast series, *Health and Wellness Insights: Navigating Medical Schemes and National Health Insurance for Employee Benefits in South Africa*.

We covered a wide array of essential themes, starting with an exploration of the current health landscape in South Africa and the critical role of medical schemes and National Health Insurance (NHI) in employee benefits. Later episodes discussed topics such as choosing the right medical scheme, understanding benefit options, managing healthcare costs and leveraging technology for improved healthcare access.

Research, development and changes to products

One of the core purposes of the solutions and enablement platform is to research and design advice, tools and solutions that ultimately make a difference in the lives of our members to improve their financial well-being. During the year, the group spent R121 million on research and development (2023: R76 million) aimed at enhancing attributes of products and services.

Member education and financial learning opportunities

Alexforbes is committed to promoting financial learning and capability through a range of initiatives. Our goal is to equip individuals with the knowledge and skills they need to make informed financial decisions and manage their money effectively. To achieve this, we provide programmes that inform individuals about their retirement funds and other benefit options, and how to make the most of their money. Our programmes build financial capabilities that enable individuals to take responsibility for their financial choices and feel confident in their decisions.

We take a contextually relevant and culturally sensitive approach to delivering our content and messages. Our initiatives are tailored to the language preferences of our audience and are accessible in various ways, including local radio stations, social media, face-to-face workshops and technology platforms. This approach allows us to reach a wider audience and help build financial awareness.

We believe that the benefits of financial solutions can only be enjoyed to their full extent when customers have the knowledge required to make informed decisions. Member education and financial learning opportunities are embedded in our customer touchpoints and integral to our business approach.

We measure our member education activity and the quality of our impact. To do this we ask customers about their experience, how confident they feel about the financial choice they face and if they have been adequately prepared to make an informed decision. Workshops, webinars, guided digital learning experiences and comprehensive materials go hand in hand with retirement benefit counselling and financial advice. Retirement benefit counselling provides support to customers who need it after engaging with information and to those who prefer to be guided through information by a qualified counsellor. Financial advice is available to help informed customers to make decisions that are right for them based on their personal circumstances.

Our online portal and mobile app provide user-friendly access to secure information using the latest technology. Our member education services team provides engaging interactive learning experiences. These services are extended to individuals through our institutional clients, benefiting a significant number of individuals.

In 2024 we provided member education services to 32 038 (2023: 27 567) individuals, including pre-retirement sessions and financial well-being days, as previously mentioned.

Our social impact continued

Improving gender parity

In the 2024 financial year, the group continued to close gaps identified through the UN WEP gender gap analysis in order to strengthen and expand on our policies and framework to better support gender parity.

The seven Women's Empowerment Principles

Principle 1

Establish high-level corporate leadership for gender equality

Principle 2

Treat all women and men fairly at work: respect and support human rights and non-discrimination

Principle 3

Ensure the health, safety and well-being of all women and men workers

Principle 4

Promote education, training and professional development for women

Principle 5

Implement enterprise development, supply chain and marketing practices that empower women

Principle 6

Promote equality through community initiatives and advocacy

Principle 7

Measure and publicly report on progress to achieve gender equality

Our action plan was based on a conservative approach to the gap analysis, with the intent to maintain 'Achiever' status. The following practices were introduced into our standard operating procedures, ensuring that addressing the UN WEP gaps are not merely regarded as project deliverables, but truly entrenched in our ways of working:

- Group-wide non-discrimination and unconscious bias training
- Functional area process enhancements such as procurement use of supplier databases
- Transformation dialogues and surveys with suppliers
- Continued application of a gender lens across corporate social responsibility, board, integrated annual report and sustainability framework reporting

Through these efforts, our gender gap score improved from 73% in 2023 to 79% in 2024. This score has enabled us to move up to the 'Leader' category.

Going forward, we will focus on improving our score even further by addressing the remaining gaps in our implementation, fully integrating gender equality into our corporate sustainability strategy and increasing transparency for our stakeholders. Our aim is to become a true leader on gender equality.

Our action plan for the 2025 financial year will be informed by the Alexforbes ecosystem of strategies, policies and initiatives in the following areas:

- Setco objectives and oversight
- Group-wide holistic sustainability management framework
- Transformation strategy (transformation, diversity and inclusion, and society)
- Human capital people strategy
- Procurement
- Diversity and inclusion forum priorities
- Wellness

We will monitor our progress annually through the UN WEP gap analysis.



Contribution to economic sustainability and inclusion

S2 S6

Transformation intent

The group has a long-standing transformation vision that goes beyond the regulatory requirements of the B-BBEE codes. Supporting South Africa's transformation agenda is an important aspect of our responsibility to society. For us, it is about creating realistic, impactful and sustainable broad-based opportunities in partnership with those who have previously been denied such prospects.

Our transformation intent

Transformation

Transformation is a key strategic business imperative and our commitment goes beyond compliance with legislation. It is about creating impactful and sustainable broad-based opportunities to the benefit of all stakeholders.

Diversity and inclusion

Diversity and inclusion focus on inclusivity, co-existence and tolerance in areas such as gender, ethnicity, religion and generational differences.

Empowerment

Empowerment is linked to our B-BBEE transformation objectives, with the intention to remain a Level 1 contributor.

Society

Society focuses on socio-economic initiatives to support the communities in which we operate.

Transforming the investment management industry

The business is committed to transformation with the intent to impact. As the largest investments multimanager in South Africa, Alexforbes is in a position to amplify its impact on people's lives beyond their financial circumstances. The Alexander Forbes Investments transformation policy is aimed at making an impactful contribution to the sustainability and relevance of the asset management industry in South Africa. It is an extension of our overall commitment to the transformation of the South African economy through broad-based black economic empowerment.

The policy outlines the following key points regarding our strategic intent:

Supporting start-up and emerging black asset managers

We actively support and identify start-up and emerging black asset managers who satisfy a competitive advantage that meets our requirements in asset allocation, strategy selection and ongoing investment management activities. By nurturing their growth, we contribute to a more diverse and dynamic industry.

Supporting black-owned stockbroking businesses

Asset managers with existing contractual agreements are encouraged to allocate an increasing portion of their brokerage services to black-owned stockbroking businesses. This collaborative effort strengthens the ecosystem and promotes inclusivity.

Gender representation in investment management teams

Our policy places a strong emphasis on gender diversity within investment management teams. We have set specific criteria to ensure adequate representation of females in critical strategic and investment decision roles. By championing gender representation, we believe we can drive a more representative and sustainable industry.

Refer to **Responsible investing** on page 114 for more detail regarding our investments transformation policy impact.

Our social impact *continued*

Positively impacting society through the Alexforbes Community Trust

We are a company that prides itself on making a meaningful impact in our communities through the Alexforbes Community Trust (the trust), established in 2003 to facilitate the implementation of the group's corporate social investment and socio-economic development programme.

Throughout the year, we refined our strategic approach to implementing transformation across the group to consolidate our efforts and create a holistic Alexforbes story of positively impacting society. We identified and prioritised four socio-economic factors adversely affecting the country in its quest for positive social change. Our consolidated socio-economic development interventions are geared towards making a meaningful contribution to these societal factors.

Socio-economic focus areas

Care and support of vulnerable groups

Our response

Vulnerable groups face a higher risk of poverty and social exclusion. We provide financial and non-financial support through the CoHubs programme, which focuses on providing services and support for orphans, vulnerable children, people living with disabilities and women. The programme supports non-profit organisations (NPOs) in communities across Gauteng, KwaZulu-Natal and the Western Cape.

Poverty alleviation

Our response

We define poverty as a lack of means to satisfy basic needs. Through our participation in the CoHub programme, managed by the Alexander Forbes Community Trust, we provide meals to beneficiaries attending community centres and distribute food parcels to destitute families.

Education and youth empowerment

Our response

Youth in South Africa face challenges accessing education and employment. Alexforbes focuses on empowering tertiary-level youth through learning and development programmes, including bursaries and internships, to facilitate economic opportunities. The support also caters for youth who have been unable to access tertiary education by training and placing them in entry-level jobs.

Economic inclusion

Our response

Economic inclusion, in terms of transformation, is described as a process where previously disadvantaged communities are empowered to enjoy sustainable livelihoods. For our purposes, economic inclusion is mainly achieved through the implementation of the B-BBEE scorecard elements, focusing on:

- Enterprise and supplier development programmes
- Preferential procurement
- Employment equity
- Skills development
- Socio-economic development and consumer education

Making an impact through our transformation intent

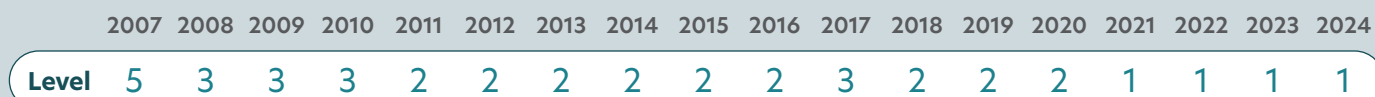
We implement our transformation goals through the sustainable transformation framework, which outlines specific objectives aligned with the Amended Financial Sector Code, B-BBEE Act requirements and the UN SDGs.

An outcome of the transformation framework is our B-BBEE scorecard verification, which is based on the amended Financial Sector Code (FSC) and has been certified by an authorised independent verification

agency, AQRate Verification Services. This verification applies to all South African companies within the group.

Our performance trajectory has been consistently positive over the past 15 years, progressing from a Level 5 contributor in 2007 to achieving Level 1 from 2021 to 2024. Management is taking appropriate steps to address the decline in overall score in 2024 (notwithstanding retaining our overall Level 1 status).

We have steadily improved our performance over the last decade and a half, moving from being a Level 5 contributor in 2007 to Level 1 from 2021 to 2024.



The table below highlights our summary scorecard per element under the amended FSC for the period 1 April 2023 to 31 March 2024.

Element	Amended FSC target	2024 Total score	2023 Total score
Ownership	25.00	25.00	25.00
Management control	20.00	12.89	12.70
Skills development	23.00	15.73	16.55
Procurement, enterprise and supplier development	43.00	37.15	41.02
Socio-economic development and consumer education	8.00	6.00	7.81
Overall score	119.00	96.77	103.08
B-BBEE status		Level 1	Level 1
B-BBEE recognition level		135%	135%
Issue date		24 June 2024	30 June 2023
Expiry date		23 June 2025	29 June 2024

Ownership

Alexforbes reported a verified black¹ ownership of 60.70% (economic interest) and black female ownership of 23.73% (economic interest), comprising direct shareholding, sale of assets and continuing recognition.

Direct shareholding

The scorecard reflects the interest of ARC, our strategic shareholder and empowerment partner, as well as our employee share ownership plan, the Isilulu Trust and mandated investments in the direct shareholding sub-category of the scorecard.

The Isilulu Trust was established in 2015 when an effective 2.9% direct ownership in the group was transferred to employees and to qualifying black female employees in particular.

At the time of verification, ARC held 42.3% of Alexander Forbes Group Holdings Limited.

→ Refer to **Employee share ownership plan (ESOP)** in the **Remuneration report** on page 216.

Sale of assets

We benefit from the recognition of points achieved through historical transactions (relating to the sale of AF Risk Services and Guardrisk). Collectively, these transactions result in an effective verified ownership of 8.68%.

Continued recognition

Based on the principle of continuing consequence, we recognise black ownership from a prior B-BBEE transaction. One important consequence of our listing was that our empowerment equity partners, including Shanduka, the Staff Share Trust and the Alexander Forbes Community Trust, all realised value at the time. Through the principle of continuing consequences, the group recognises 7.85% verified ownership.

1. Black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003, and amended by Act 46 of 2013.

Our social impact *continued*

Management control and employment equity

We are dedicated to fostering a capable, diverse and inclusive workforce comprising a mix of skills, experience, cultures, gender, age and race. As a business, we are committed to treating all employees fairly and honestly. Discrimination on any basis is not tolerated. To achieve this, we take a focused approach to recruiting, developing, retaining and promoting black talent.

→ Refer to **Our people** on page 102 for more information.

Recruitment and promotion practices are the key means by which we are able to improve our performance against set targets. We recognise the importance of a focused talent strategy that is aligned with our transformation, diversity and inclusivity aspirations in the workplace.

The implementation of our employment equity plan is geared towards enhancing opportunities and representation for designated groups.

Our transformation strategy aims to improve our employment equity performance at middle and senior management level through effective succession planning. It covers hiring, promotion, development and retention practices. In line with our transformation strategy, appropriate skills development interventions have continued to be implemented to create a healthy pipeline of potential future senior managers. In line with the spirit of the Codes of Good Practice, our intent is to promote fair representation in the workplace by opening jobs and opportunities that will drive economic inclusivity.

We have 77.2% black¹ employees (2023: 76%) and 52.1% black female employees (2023: 50%) in South Africa.

- Of the 292 new appointments in South Africa during the year, 61% were black employees.

- In addition, we reported 136 promotions in South Africa, 76.3% of which were female (2023: 65%), including two people with disabilities (2023: 5).
- Employees with disabilities are represented on our diversity and inclusion forum and are a part of our objective to bring about equitable representation at all occupational levels.

Our overall improvement on the B-BBEE scorecard was led by the improvement in senior management's black representation, which increased to 42.9% (2023: 41%), while black female representation at senior management level reported a slight increase to 21.1% (2023: 19%).

We have also seen a consistent improvement in black representation at middle management now at 52% (2023: 47%), with junior management level over the years. It is now at 78% (2023: 76%). We have maintained this improvement over the years, indicating a future potential pipeline of black senior and executive managers. black female representation at middle management was 26% (2023: 25%) and 53% at junior management (2023: 49%), also showing potential for a future pipeline of black female management succession.

During the measurement period, black representation on the board remained unchanged at 50% with 25% (2023: 25%), of board members being black women.

Other executive management, which comprises the executive committee for the group, remained unchanged year on year at 57% black representation and 29% black female. The executive management's overall female representation also remained unchanged at 57%.

→ Refer to **Appendix A** for a summary of the employment equity progress report on page 226.

Skills development

Total skills development spend was **R129.5 million** for the group (2023: R88.1 million)

Skills development spend for black employees **R98.6 million** (2023: R71.7 million)

Skills development spend for black female employees **R61 million** (2023: R41.3 million)

442 People participated in learnership and internship programmes (2023: 346)

206 Bursaries awarded to employees and unemployed youth (2023: 171)

Upskilling employees with future-fit skills

As Alexforbes grows and evolves, so too should our employees. We remain committed to developing the skills and experience of our people, enabling them to pursue successful careers in support of our strategic intent through formal and informal training. To remain competitive and attract and retain the best talent, we recognise the need to enable our employees and support them to develop career-enhancing skills to meet the changing demands and priorities of our business.

Part of our employee value proposition is offering our employees the opportunity to grow professionally. All employees have access to a shared competency-based learning framework through e-learning platforms.

Leadership development

In the 2024 financial year, an important strategic initiative was to develop our leaders through various initiatives. These include Mentoring for Impact, the Alexforbes women's mentoring programme, our Alexforbes Leader Learning Programme (aLLP) and the Management Essentials programme, all of which are aimed at elevating our leaders and improving their management capabilities. Currently, we are proud to have 56 employees enrolled in the aLLP, comprising 73% black individuals.

We also enabled a number of our senior and middle managers to attend a management development course delivered by the University of Cape Town's Graduate School of Business (UCT GSB). We are proud to collaborate with the UCT GSB to offer two flagship leadership programmes: the Programme for Management Development and the Executive Development Programme (EDP).

→ Refer to the **Our people** section page 102.

Internship and learnership programmes

During 2023, we provided learnership and internship development opportunities to 25 unemployed black youth and one of these participants continued on the internship programme this year. In addition, a new group of 25 unemployed people were enrolled in learnerships and internships during 2024.

In addition, 72 black employees living with disabilities (2023: 40) participated in our learnership opportunities to acquire further National Qualifications Framework (NQF) qualifications and gain work experience towards their employability in the mainstream economic sector.

To further support youth empowerment, during the year our learning and development unit:

- empowered our sponsored Ikusasa Student Financial Aid Programme (ISFAP) students by providing them with a workplace readiness programme, making sure they are well prepared for the workforce
- conducted training sessions for unemployed youth to enhance their CVs and improve their employability in the job market
- implemented a contact centre learnership programme to build a talent pipeline for future opportunities

Currently, 34% of the Alexforbes group's workforce consists of youth, with a total of 842 young individuals employed out of a headcount of 2 451 employees in South Africa.

During the year, there was a decrease in unemployed interns and learners who could be considered for absorption, ultimately impacted our overall performance on the skills development scorecard.

Bursaries

We continued to support motivated employees through our bursary initiatives in partnership with the INSETA bursary programme, towards which our total contribution for the year was R3.8 million (2023: R2.5 million). A total of 203 bursaries were awarded to employees (2023: 140), with 87% of the bursaries benefiting black employees (2023: 90%).

In addition to providing bursaries to our employees, we also provided bursary support to unemployed youth with a total of R324 264 (2023: R2.5 million) contributed to ISFAP. This year was the final year of a four-year project to enable students funded via ISFAP to acquire an NQF level 7 qualification, for which two students were funded to complete their final year. These bursaries were awarded to full-time university students enrolled in bachelor programmes, specialising mainly in commerce, accounting and actuarial science. The programme is comprehensive and covers tuition, textbooks, laptops, accommodation and meals.

1. Black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003, and amended by Act 46 of 2013.

Our social impact *continued*

Preferential procurement

As part of the group's procurement policy, our preference is to purchase from local suppliers rather than from overseas suppliers to encourage local business development within South Africa. By driving procurement from exempted micro enterprises (EMEs) and qualifying small enterprises (QSEs), they benefit from our ability to impart skills and mentoring while empowering them to develop relevant services that complement the core activities of our divisions.

Although procurement spend on EMEs and QSEs declined during the year, we remain committed to creating more opportunities for these categorised entities to provide goods and services across the business. Our intent is to increase procurement spend with these entities as well as those that are black women-owned. We have encouraged the use of key Preferential Procurement element targets for our executives and their respective areas to ensure that there is a top-down approach added to the existing bottom-up implementation.

86.1%
of our procurement is spent locally
(2023: 93.3%)

4.4%
of our procurement spend is with EMEs
(2023: 8.2%)

R1.5 billion
preferential procurement spend is with B-BBEE compliant suppliers
(2023: R1.4 billion)

11%
of our procurement spend is with QSEs
(2023: 10%)

3.4%
of our procurement is allocated to black women-owned enterprises
(2023: 14.9%)

Enterprise and supplier development (ESD)

Alexforbes is dedicated to making a positive impact on the economic empowerment of black-owned and black women-owned small businesses, with a specific focus on black asset managers. We employ a multi-pronged approach to implement our ESD programme, which aims to build capacity and support black-owned small, medium and micro enterprises (SMMEs) in their growth journey. This is achieved through company-facilitated programmes and contributions to industry initiatives.

During 2024 our total recognisable spend on ESD initiatives amounted to R31 million (2023: R23.6 million).

Black-owned asset manager (BAM) ESD programme

Our BAM ESD programme is a key focus area in financial sector transformation and is part of Alexander Forbes Investments transformation policy. We have partnered with the Motswedi Incubator and Acceleration (MIAA) fund to grow our offerings from grant-making to providing interest-free loans through the fund. MIAA is responsible for administering the black-owned asset managers on our programme.

A total of 10 black-owned asset managers have received financial support from the BAM ESD programme since 2021, with four black-owned asset managers supported during the current year. Our investment in the BAM programme stood at R4.3 million at year end, comprising grants and interest-free loans.

CoLab ESD initiative

Our CoLab ESD initiative is an internal programme offering free office space to black-owned SMMEs in our Sandton and Durban offices.

This helps businesses by removing office rental overheads, providing access to boardrooms, corporate market days, catering, marketing, internet access, financial support and subsidies. Selected SMMEs benefit from networking with our business lines and value chain, gaining access to critical lead generation and learning opportunities. This access empowers and facilitates the growth and sustainability of SMMEs by eliminating financial, social and circumstantial barriers.

In 2024, our CoLab initiative provided free office space to 12 black-owned SMMEs (2023: 14).

Association for Savings and Investment South Africa (ASISA) ESD fund

Alexforbes invests in the ASISA ESD fund, a financial sector industry initiative that raises funds to support SMEs by providing interest-free loans to qualifying black-owned small businesses. Through this industry initiative, Alexforbes has invested R13.1 million.

This initiative helps these businesses grow and create jobs, aligning with the ESD requirements of the BEE scorecard. Such investments not only contribute to achieving maximum points on the ESD scorecard but also demonstrate Alexforbes's commitment to economic transformation and empowerment in South Africa.

The ASISA fund has invested R891 million to provide financial support to 1 070 black-owned businesses, creating 2 755 jobs.

Shorter payment periods

The amended FSC makes provision to recognise efforts by companies to pay SMMEs (both EMEs and QSEs) earlier than the normal 30-day payment period from the date of submitting invoices. This initiative is aimed at facilitating cash flow for beneficiary entities.

Alexforbes adopted a practice to pay businesses that are classified as EMEs at least 15 days from the date of submitting invoices.



Consumer education

Our vision of becoming the most impactful provider of financial advice plays a crucial role in promoting social well-being. As part of our broader transformation strategy, we prioritise consumer education to empower individuals with knowledge about the financial sector and its offerings, aiding them on their journey towards improving their financial and social welfare.

We actively implement consumer education programmes in collaboration with relevant stakeholders. These initiatives are guided by the Financial Sector Transformation Council (FSTC) standards for measuring consumer education, as outlined in the FSC. Our programmes are specifically tailored to address the identified needs of target groups specified in the FSC.

During the year, a strategic two-pronged consumer education approach was implemented, which included both a broad-based and targeted strategy.

Broad-based strategy

In order to target a wider number of beneficiaries, we delivered a broad-based youth-focused interactive programme across four provinces where Alexforbes has a presence, with a particular focus on rural areas. A total of 4 647 beneficiaries were trained through this initiative.

Targeted strategy

To complement this approach, we partnered with two service providers, Atleha-edu and Gold Youth, to deliver in-person and virtual workshops specifically for vulnerable youth. A total of 256 beneficiaries were trained on savings and investment fundamentals, and 150 worker representatives received training on investment fundamentals in the context of the two-pot retirement system.

We engaged expert services to implement the consumer education programme. Our contribution during the period under review is valued at R2.9 million (2023: R2.5 million). These interactive initiatives focus on training interventions delivered in rural and urban areas, with a particular emphasis on previously disadvantaged communities. These efforts have reached 5 017 people (2023: 7 139) and covered topics such as budgeting, saving, investment and wills. We consider language proficiency and numeracy levels when delivering content to make sure of accessibility and effectiveness.

Our external programmes were run by service providers with the required skills, experience and qualifications. They had Level 1 B-BBEE credentials, had an outcomes-based agreement with the group to ensure the quality implementation of projects, and had no conflicts of interest regarding our products and services. Annual reviews and independent impact assessments were conducted to ensure we ran effective and suitable projects that achieved a positive impact.

Our social impact continued



Making a real-world impact through the Alexforbes Community Trust

S6

We are a company that prides itself on making a meaningful impact in our communities through our corporate social investment (CSI) and socio-economic development (SED) programmes. Our community investment is an important demonstration of our company values and our commitment as a group to building a better South Africa for all.

Our CSI and SED initiatives focus on poverty alleviation, care and support to vulnerable groups as well as education and youth empowerment. Beneficiaries of these interventions are orphans and vulnerable children, people living with disabilities, women and the youth.

These initiatives are managed through the independently governed Alexforbes Community Trust (the trust), which was created in 2003.

The trust's primary object is to empower and assist beneficiaries financially, with the intent to develop previously disadvantaged communities. The trust's objective is to facilitate skills development through the provision of bursaries and scholarships to black people, the funding of learning programmes for black people, and the provision of SED, including CSI activities and contributions through the CoHubs programme, our income generating initiatives and our employee volunteering programme.

At least 75% of the beneficiaries of the trust's supported initiatives must be black persons as defined in the B-BBEE Act. The trust's beneficiary base is 96% black.

In 2024, the trust reported total income of R5 million (2023: R5.6 million) comprising grant contributions, dividends and interest income.



Our social impact continued

CoHubs programme

Through the CoHubs programme, we provide financial and non-financial support focused on services for orphans, vulnerable children and people with disabilities, in collaboration with non-profit organisations. Our CoHubs offer daycare services, social welfare, nutrition, education and support for income-generation activities. Additionally, we support CoHubs in their operational, administrative and governance requirements, aiming to ensure they achieve meaningful impact and remain sustainable in the long term.

In the prior year, the Alexforbes Community Trust supported three CoHubs. This support has significantly expanded during the year, with 10 CoHubs now receiving assistance, spread across four provinces where Alexforbes operates. There is only one CoHub in the Western Cape and opportunities to increase representation will be explored during the year ahead.

CoHubs

- Katha Day Care Centre
- Family Restoration Services
- LIV Village
- TREE
- Love Story

- Bizweni Centre for Children with Disabilities
- Headway Gauteng
- Siyakwazi
- Rhiza Babuyile

- Ubuntu Pathways

Key focus areas

Poverty alleviation

Vulnerable groups

Youth economic empowerment

Services

Care and support for orphans and vulnerable children

Provide meals through soup kitchens

Economic empowerment of women and youth as well as the provision of therapeutic programmes for children and adults with various forms of disabilities

Income-generating programmes for women and youth

Job creation for the youth

CoHub beneficiary analysis

The number of direct beneficiaries also saw substantial growth, rising to **5 629** (2023: 1 000). The CoHubs reported a total of **153** jobs created, with 47 individuals receiving salaries and stipends funded by the trust.

5 629
total direct beneficiaries

3 613
female beneficiaries

309
beneficiaries living with disabilities

96%
of total direct beneficiaries are black¹

In addition, a total of 5 984 indirect beneficiaries were reported during the year. Indirect beneficiaries include people who have an association with the direct beneficiaries, such as family members.

Capacity building for sustainable impact

Capacity building remains a cornerstone of our approach to social impact. We actively work to enhance the capabilities of our partner organisations, encouraging them to cultivate self-sufficiency and resilience. CoHubs are empowered to raise funds independently, fostering sustainability and reducing reliance on external funding sources.

To improve efficiency and knowledge sharing, the Sharing Our Experience Workshop was conducted in July 2023. Attended by 20 administrators and project managers from the CoHubs, the workshop facilitated learning, networking and sharing of experiences to benefit local communities.

All CoHubs are now registered on the ForGood platform, a significant step towards accessing expertise, volunteering opportunities and networking. This platform also serves as a marketing forum, aligning with our commitment to community engagement and impact.

Monitoring and evaluation

Our approach includes comprehensive quarterly reporting by CoHubs, focusing on set measurement indicators and the multiplier impact of their activities. Administration site visits are conducted to validate reports, ensuring transparency and accountability in our social impact initiatives.



1. Black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003, and amended by Act 46 of 2013.

Our social impact continued

Poverty alleviation

Poverty, often synonymous with the lack of means to meet basic needs, remains a critical challenge in many communities. Addressing food insecurity is a fundamental aspect of poverty alleviation. Through our CoHubs supported by the trust, we extend vital support to those in need, including orphans, vulnerable children and small-scale farmers, as well as the general public.

Our impact measurement indicators

- 1 Meals provided to beneficiaries
- 2 Distribution of food parcels
- 3 Home-based care visits
- 4 Other psychosocial services provided

2024 performance

- Distributed food parcels to 2 789 households
- Provided 249 751 meals to beneficiaries
- Conducted home-based care visits to 7 873 individuals
- Offered psychosocial services to 145 families in distress

Home-based care includes health and wellness programmes such as palliative care, rehabilitation, promotion of a clean environment and reporting child abuse and gender-based violence.

Psychosocial services may include counselling and assistance in securing ID documents and social welfare grants, as well as other related interventions requiring the completion of official documents and liaison with authorities.

Vulnerable groups

Vulnerable groups, including women, people with disabilities and orphaned or vulnerable children, face heightened risks of poverty and social exclusion. Our CoHubs are dedicated to providing essential care and support to these marginalised communities, offering economic empowerment and therapeutic programmes tailored to their unique needs.

Our impact measurement indicators

- 1 Total number of therapeutic sessions or services
- 2 Number of home-based care visits
- 3 Number of pieces of equipment purchased

2024 performance

- Conducted therapeutic sessions benefiting 3 935 individuals
- Conducted 10 151 home-based care visits to people living with disabilities
- Procured 81 pieces of equipment used during therapeutic sessions
- Provided training to 134 parents with children living with severe disabilities

Therapeutic sessions usually take place at the centres, largely managed by three of the 10 CoHubs and entail physiotherapy, speech therapy, nutritional and vocational therapy programmes. Some of these CoHubs had to purchase equipment required to implement therapeutic programmes, using funds donated by the trust.

Youth economic empowerment and education

Empowering the youth, particularly at the tertiary level, is paramount to unlocking economic opportunities and fostering sustainable development. Through initiatives like the Job Skills Training programme, operated by Ubuntu Pathways, we equip young individuals with the skills and resources needed to thrive in the workforce. Following training, youth are placed with partner corporates such as McDonalds, Momentum Metropolitan Foundation and Old Mutual Insurance.

Our impact measurement indicators

- 1 Job placement
- 2 Job retention
- 3 Psychosocial support

2024 performance

- Trained and placed 153 candidates in job opportunities
- 273 candidates participated in the most recent retention event
- 39 candidates accessed Ubuntu's wraparound psychosocial services, ensuring holistic support for their personal and professional development



Our social impact continued

Discretionary support

In addition to our CoHub programmes, Alexforbes actively contributes to socio-economic development by funding discretionary support projects. The trust supported the following discretionary initiatives during the period under review.

The Ikusasa Lethu Saturday School

The Ikusasa Lethu Saturday School was established in 1990 and currently supports 375 learners, all girls from Alexandra. The aim of the school is to make certain that learners improve their marks to gain entrance to learnership opportunities and tertiary education.

The matriculants achieved a 95.6% pass rate in 2023. Seventy-five percent of the learners who passed achieved a Bachelor degree pass. The top matriculant attained seven distinctions and has been admitted to the faculty of Chemical Engineering at the University of the Witwatersrand on a full scholarship.

During the year, we made a donation of R150 000 to the Ikusasa Lethu Saturday School, which will benefit 12 learners annually at a cost of R12 000 per learner.

Thembelihle School

Thembelihle is an independent school established in 1993 and registered as a PBO, providing quality education to young children from disadvantaged backgrounds in the villages surrounding the Howick region in KwaZulu-Natal. The school serves 427 vulnerable children from grades R to 7.

Thembelihle utilises the STEAM academic model, which focuses on science, technology, engineering, arts and mathematics to guide student enquiry, dialogue and critical thinking. The school achieved a pass rate of not less than 70% in grades 1-7 in 2022.

A one-time allocation of R150 000 was made during the reporting period to support the English Language Improvement Programme.



Calitzdorp High School

In collaboration with Qhubeka Charity, we provide bicycles to school children, reducing travel time and improving developmental outcomes. This partnership, now in its fourth year, has provided significant support to the communities of Calitzdorp:

- Donation of more than 600 Qhubeka bicycles
- Establishment of a container library at Gamka-Oos Primary School, upgraded last year
- Provision of over 1 300 Pico solar lights to improve conditions for home studying
- Provision of laptops to three university students who attended Calitzdorp High School
- Sharing opportunities for tertiary funding with high school learners from the community

I am Impact employee volunteerism programme

Our employees have a lot to offer society, and our 'I am Impact' employee volunteering platform is key in helping them realise this potential. Alexforbes has built a culture of volunteering and giving back through the many different opportunities run throughout the year. Initiatives employees could participate in included:

- Mentoring high school students
- World Book Day online reading sessions
- Youth Month
- Mandela Month activities:
 - Food Forward
 - Katha Day Care
 - Regional CoHub activities
- Pride Month
- Disability Awareness Month

During 2024, 248 employees participated in volunteering activities through the I am Impact platform (2023: 304).

I am Impact employee participation analysis

553 Active registrations	248 Event attendance
329 Connections (all time)	12 Money donations
248 Time donation	42 Skill sharing activities
20 Cause messages	7 Goods donations

→ Refer to **Our people** on page 102 for more information.



Our next move

Going forward, Alexforbes will continue to implement and embed our renewed strategic focus on the four socio-economic factors that form the basis of our efforts to positively impact society. Our initiatives will play a role in addressing poverty, providing support and care to vulnerable groups, promoting economic inclusion and sustainability as well as creating developmental opportunities for the youth. As we mature our approach in these critical areas, we will look to enhance the monitoring and tracking of impact metrics.

Our consolidated interventions will be geared towards making a meaningful contribution in these societal factors and are aligned with SDGs 1 (No poverty), 2 (Zero hunger), 4 (Quality education), 5 (Gender equality) and 10 (Reduced inequalities).

The proposed strategic approach will facilitate the achievement of Alexforbes's vision and commitment to positively impact society and be a force for good.

Responsible investing

Our decade-long track record of championing sustainable investing

S3

We define responsible investment (RI) as an investment practice that integrates factors that may materially affect the sustainable performance of assets and the best interests of the clients and communities we serve.

These factors include ESG aspects and broader systemic issues such as climate change, sustainable development and active ownership. We believe that for investments to remain profitable in the long term, societies and financial systems must develop in an equitable and sustainable way. Ultimately, we believe investment processes should evolve to a point where the impact of any investment on society and the economy around it can be measured.

We recognise our responsibility as a corporate citizen and an active participant in the investment markets, and therefore we are progressively incorporating an ESG overlay into our investment process.

We seek to play a leadership role in driving transformative change across the investment management industry, focusing on impact investing, creating employment and generating competitive long-term, risk-adjusted returns for our clients.

Our multi-management approach is central to our investment philosophy. It provides clients with the benefits of excellent product selection, positioning our portfolios in these volatile markets to continue to achieve enhanced returns on a risk-adjusted basis. We will continue to embed ESG principles into the way our portfolios are managed and focus on improvements in monitoring and reporting.

The power of responsible investing goes beyond just helping our clients reach their investment goals. Deploying investments responsibly and sustainably can also help promote a better quality of life for South Africans.



2012

Released our responsible investing manifesto

Endorsed CRISA



2013

Endorsed UN PRI



Created and implemented proxy voting policy

Adopted CRISA

2014

Started responsible investments due diligence audits

2017

Established South Africa private markets programme

Incorporated Mercer's global responsible investing approach



2019

Improved focus on social and environmental impact in responsible investing approach

Started private market engagements

2021

Became a signatory to the UNGC



Established our responsible investing framework



2022

Launched the transformation policy for asset managers

Published inaugural private markets ESG report

Coordination and alignment with group

Transformed investments-focused client communication into holistic client communication aligned with group-wide sustainability coordination

2023

Published inaugural stewardship report

Issued updated proxy voting policy

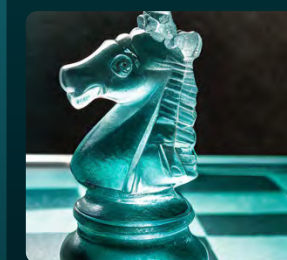
Represented on the SAICA sustainability technical committee

Alexforbes Impact Centre of Excellence established to enhance integration of sustainability and ESG best practices and advice across the group

2024

Application of updated proxy voting guidelines and implemented these with our asset managers

Launched a group climate change policy as well as the Alexander Forbes Investment climate change policy



Responsible investing *continued*

Key signatories and endorsements

Principles for Responsible Investment (PRI)

As the world's leading proponent of responsible investing, the PRI works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. Alexforbes has been a signatory to the PRI for over a decade and we are proud to have maintained our strong rating, consistently scoring above our global peers across most reporting modules.

Code for Responsible Investing in South Africa (CRISA)

Launched in 2011, CRISA encourages institutional investors and service providers in South Africa to integrate ESG issues into their investment decisions. We endorse CRISA and its latest iteration, CRISA 2, the objective of which is to reaffirm a framework of principles for stewardship and responsible investment as a key component of the South African governance framework.

United Nations Sustainable Development Goals (SDGs)

Our business activities primarily contribute to SDGs 8 and 10, with secondary goals being SDGs 3, 4, 5, 7 and 13. Through our responsible investing approach, a focus on shaping SDG outcomes involves broadening the analysis of our financially material ESG issues, to include a parallel analysis of the most important outcomes to society and the environment at a systemic level.

Association for Savings and Investment South Africa (ASISA)

ASISA aims to strategically direct the future of the South African savings, investment and insurance industries to ensure relevance and sustainability and meet the developmental needs of our country. ASISA is aligned with government's global and local regulatory objectives to reduce inequality, protect consumers and improve investment and savings behaviour. Alexforbes is proud to have representation on ASISA's board of directors.

Approach to responsible investing

Our responsible investing approach is a part of our group sustainability strategy. We have adopted a four-pillar approach to provide our clients with a transparent and practical pathway to understand and identify where RI considerations sit within our investment approach and how they are incorporated into our investment portfolios:

Beliefs

We believe that integrating ESG factors into our investment process and stewardship decisions can capture investment opportunities and mitigate risk for our portfolio solutions, thereby enhancing sustainable returns for our clients and leading to better outcomes for the environment and society.

Policy

Having established our beliefs regarding responsible investment, they are distilled into a responsible investment policy. Our responsible investment policy sets out principles for ESG integration, engaging asset managers, ensuring transparency and meeting global best practice standards such as PRI and CRISA.

Process

To incorporate the belief that responsible investment matters, our RI policy is expressed within each stage of our investment process, including rigorous screening, investment analysis, decision-making and proxy voting. We actively engage with asset managers and investee companies to ensure alignment with our ESG standards.

Portfolio

Incorporating responsible investment into an investment approach needs to be considered in the context of risk mitigation and proactive allocations aligned with our RI beliefs. We focus on investments that generate measurable social and environmental impact alongside financial returns. This includes allocations to renewable energy, education, healthcare and community development projects.

ESG integration

We integrate ESG considerations into our investment process through a structured approach that involves setting clear expectations for asset managers, thorough evaluation based on specific criteria and ongoing monitoring and engagement. This approach aims to achieve responsible investment outcomes that align with long-term risk and return objectives.

As a multimanager, Alexforbes does not have direct investments in companies but invests indirectly through our allocation of funds to asset managers. We expect our underlying asset managers to incorporate and evaluate ESG opportunities and risks within their stock selection and portfolio construction processes. ESG considerations are applicable across various asset classes, although the level of integration may vary.

Our manager research team regularly rates asset managers' ESG integration performance based on:

Idea generation

ability to generate value-adding ideas

Portfolio construction

effectiveness in incorporating ideas into portfolio weights

Implementation

value returned through transaction and opportunity costs

Business management

likelihood of maintaining and enhancing strategy competitiveness

Alexforbes's portfolio managers are encouraged to appoint asset managers with high ESG ratings. Managers with lower ESG ratings are not excluded but are given 12 months to improve their score or face potential termination of their appointment.

A key feature of quality asset managers is their ability to consider factors affecting investment sustainability. We regularly engage with asset managers on ESG process improvements, key risks and opportunities, company engagements and proxy voting. Engagements are compared and rated based on disclosure and understanding of ESG issues, with proxy voting outcomes monitored quarterly.

Active stewardship

We believe the asset managers appointed to directly select and manage assets are best equipped to fulfil active stewardship duties, recognising the important role they play in influencing the companies in which they invest. These duties include meaningful proxy voting and engagement, such as voting on resolutions at AGMs and meeting with company management on critical issues.

Voting alone is insufficient for ensuring better outcomes, as resolutions at AGMs may not always address ESG-specific risks. Therefore, continual engagement and monitoring are essential. Asset managers are expected to have a thorough understanding of the companies they invest in and be aware of any potential issues that could materially affect the company's value.

Our proxy voting policy outlines our expectations and reporting requirements for asset managers.

Industry-wide commitment

Our investment team and portfolio managers are required to understand how asset managers incorporate ESG considerations into their investment process, as well as understand such risks within these portfolios. The chief investment officer's (CIO) role is to ensure responsible investing is integrated within the investment process and across the investment team.

We regularly engage with senior leadership teams to assess their priorities and whether their approach to responsible investing is a tick-box exercise or a core tenet of the organisation.

Through our relationship with Mercer, we participate where possible in collaborative industry initiatives on sustainable investment and make sure we keep abreast of responsible investment thought leadership.

Responsible investing *continued*

Climate change approach

We are cognisant that the intensity with which investors consider climate change risks and articulate their expectations of investee companies is more pronounced in developed markets than is currently the case in South Africa. We recognise that South African-specific climate change risks and social concerns are as significant as governance concerns. Accordingly, we look to influence and encourage environmentally responsible change through our responsible investment policy and have, as a business, also decided to take a more proactive approach to climate change risk.

Refer to **Our environmental impact** on page 146 for more information on our group climate change policy and carbon footprint.

Alexander Forbes Investments climate change policy

As active stewards of investments, we recognise the dual challenge of safeguarding short-term returns while actively contributing to the longer-term sustainability of our environment to create sustainable outcomes and security for our clients. To this end, and in accordance with our group climate change policy and sustainability strategy, we have published our Alexander Forbes Investments climate change policy – a tangible expression of our commitment to responsible asset ownership.

It reflects our proactive stance in managing climate-related risks and identifying the associated emerging opportunities. By integrating climate considerations into our investment process, we aim not only to shield investments from climate risks but also to actively contribute to a resilient and sustainable future.

Key components of the policy include:

Risk management	Identifying, measuring, reporting and managing climate-related risks and opportunities within our portfolios.
Engagement and stewardship	Actively engaging with asset managers and investee companies to promote responsible investment practices and support the transition to a low-carbon economy. This includes voting on climate-related resolutions, participating in collaborative engagement initiatives and encouraging companies to disclose their climate risks and strategies.
Climate-aligned investment strategies	Supporting the development and adoption of investment strategies that align with the transition to a low-carbon economy. This includes increasing exposure to renewable energy, energy efficiency projects and other sustainable investments.
Reporting and transparency	Reporting on climate-related investment activities, including the weighted average carbon intensity (WACI) of our portfolios and the impact of our private markets programme on the green transition. We are committed to regular disclosure of how climate risks are managed and how our investments contribute to broader climate goals.
Collaboration and advocacy	Collaborating with other investors, industry groups and stakeholders to advance best practices in climate risk management and sustainable investing.

Refer to **Our group climate change policy**.

Transition risks

Alexforbes recognises the importance of addressing transition risks as part of our broader commitment to responsible investing and climate change mitigation. Transition risks refer to the financial and operational risks that arise from the shift towards a low-carbon economy. These risks can result from changes in policies, regulations, market dynamics, technology advancements and consumer preferences.

In our role as active stewards, we are currently engaging with asset managers and the industry on an adequate transition. We advocate for collaboration with industry bodies such as the PRI and Batseta, rather than divestment strategies from locally concentrated markets as these do not foster the intended change.

It is the responsibility of asset managers to both mitigate the effects of climate change on investment portfolios and actively contribute to addressing the crisis by employing effective engagement strategies and capital deployment.



Social impact approach

Responsible investing is about investing in a way that meets investor objectives while protecting the natural, social and economic environment for current and future generations. Because ESG considerations are ultimately for the benefit of society, social factors are at the centre of responsible investing. A safe and cohesive social environment leads to more stable conditions for businesses to operate in, which could lead to better investment returns.

In our investments business, we engage on a range of socio-economic issues, particularly with our underlying alternative investment providers in the Alexander Forbes Investments South Africa Private Markets (AFISAPM) portfolio. We examine the impact our investments can

make in the corporate environment and in our societies, and we analyse the social risks and opportunities they present. This ensures we make a focused effort to address the issues that need the most consideration for the benefit of our communities and our clients.

To this end, we launched our private markets ESG report. It aims to demonstrate the impact that our business creates through the AFISAPM portfolio in relation to key targeted focus areas, underpinned by both local and global development goals.

The following table indicates where these target areas contribute to the SDGs and where they are spread across the different pillars in our private markets programme.

Economic, environmental and social area of focus	SDGs	Infrastructure	Private equity	Unlisted credit	Direct property
Green transition	6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Job creation	1 NO POVERTY, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Diversity and financial inclusion	8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Education	4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH	<input checked="" type="checkbox"/>			
Health and safety	8 DECENT WORK AND ECONOMIC GROWTH	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Responsible investing *continued*

Responsible investing impact

Private markets programme

Our Private Markets ESG report for 2024 showcases the tangible impact of our ESG initiatives. Highlights include:

Renewable energy and environmental impact

Our investments have generated over **12 000 GWh** of renewable energy, significantly reducing carbon emissions and supporting the green transition.

The fund powered **1.2 million** equivalent households (via debt funding) and **2.7 million** equivalent households (via equity-based funding) with clean energy.

We have implemented water-saving initiatives that have conserved water volumes equivalent to the consumption of **731 000** households.

AF Infrastructure Impact Fund-of-Funds

In July 2024, Alexforbes Investments launched the AF Infrastructure Impact Fund-of-Funds, targeting a fund size of R5 billion. This multi-managed, multi-strategy fund offers long-term inflation-beating returns while addressing South Africa's infrastructure needs. Investments will span renewable energy, transportation, and public utilities, contributing to economic growth, job creation, and enhanced quality of life. The fund also promotes inclusivity in asset management by prioritising Black-owned/managed portfolios. Supported by a R1 billion allocation from the Alexforbes South Africa Private Markets portfolio, the fund aligns with the National Treasury's push for increased infrastructure investment, aiming to foster sustainable returns for investors.



Read more about this **initiative** here.

Socio-economic impact

Our private markets programme has supported over **128 000 jobs**, with a strong focus on inclusive employment.

- **41 500+** female employees
- **3 120+** female employees in senior management
- **85 460+** employees of colour
- **5 070+** employees of colour in senior management

The total capital that has been allocated to local suppliers has significantly improved to **R15.7 billion**.

- Over **R5.2 billion** spent on suppliers with a minimum B-BBEE Level 3
- **6 480+** SMMEs funded or impacted

Our allocation to education, and specifically to affordable private schooling, seeks to provide learners with access to quality education and thus underpins local economic development via workforce upskilling.

- **92%** overall matric pass rate

S3 Stewardship report

Active stewardship and engagement are fundamental to our role as an asset owner and as a fiduciary. In our ambition to both create and protect long-term sustainable value, we believe it is important to take stock of where we are as an industry today.

In the spirit of providing meaningful insight and measuring our responsible investing efforts, we released our second stewardship report in 2024. This report highlights key insights related to responsible investing and ESG integration in South Africa. This information was gathered from the wide range of South African asset managers that were part of our engagements. They provide a detailed analysis of key ESG themes, risks and priorities that are paramount for the participating asset managers.

We engaged 21 asset managers (2023: 17) with a combined value of approximately R6 trillion in assets under management (2023: R5.5 trillion). Diverse businesses in the industry were engaged to make our due diligence inclusive. It incorporated a variety of perspectives, making this report the most encompassing stewardship report in the market.

Climate change

We have adopted the weighted average carbon intensity (WACI) metric, expressed in tonnes of greenhouse gas converted to carbon dioxide emissions, using the greenhouse gas protocol per million sales (tCO₂e/\$m sales). The higher the WACI number is, relative to a comparable equity index, the more vulnerable a portfolio is to carbon-related market and regulatory risks. We have found that a WACI measure of around 450 means a portfolio is highly vulnerable to carbon-related risks and a measure of around 90 indicates it is relatively protected from carbon-related risks.

The equity component of our domestic portfolios as at 31 March 2024 reflects a WACI range of around 120 to 214. The equity component of our global portfolios can be split into a developed market allocation, which reflects a range of 90 to 160, and an emerging markets allocation, which reflects a range of 260 to 340. This aligns well with some of the assessed impacts and insights gained during our climate change risk and opportunity assessment.

Gender diversity

Global providers have preceded on reporting on gender diversity as one of these metrics, aiming for 30% or more female representation at board level.

We find that local companies have since followed suit, aligning with the JSE diversity policy requirements for listed companies, suggesting a concerted effort in working towards an improvement in this regard locally. Many South African companies have embraced female board representation and our portfolios reflect this positive outcome.

Our portfolios align with female board representation being close to the 28% to 35% range, broadly in line with the FTSE/JSE All Share Index.

ESG integration

The portfolio ratings represent a weighted average of the ESG ratings of individual managers within a given portfolio as determined through our due diligence processes. This informs our appointment of suitable asset managers for our portfolio solutions. ESG 1 signifies a leader in the integration of ESG factors. It goes down to ESG 4, indicating little integration of ESG considerations.

Overall, most of our portfolios have higher-rated portfolio ratings relative to their respective benchmarks. The goal is to continually improve the ratings of all managers across asset classes rather than chase absolute scores or attaining a score of ESG 1 at the expense of meaningful change.

Proxy voting analysis

Our stewardship report highlighted that in 2023 we voted over 24 000 resolutions through our appointed asset managers across locally managed equities. As active stewards, we have ensured that our appointed asset managers maintain a sound governance approach to proxy voting. Accordingly, we provide proxy voting guidelines that are part of the investment management agreements with managers. They disclose the outcomes of their engagements to us periodically through submissions, report-back meetings and ad hoc meetings, which we use to engage on ESG matters within our portfolios.

- Number of resolutions: 24 737 (2023: 20 408)
- Number of resolutions voted for: 21 478 (2023: 17 738)
- Number of resolutions voted against: 3 173 (2023: 2 670)
- Number of abstentions: 86

Responsible investing *continued*

S3 Investments transformation policy impact

The Alexander Forbes Investments transformation policy aims to promote diversity and broad-based representation in the asset management industry. This policy goes beyond merely complying with B-BBEE regulations, seeking to create sustainable opportunities that integrate transformation into the business value-creation model. Its goals include increasing the pipeline of black investment professionals, including women, and supporting top-rated majority black-owned investment management firms.

Since launching the policy, we have engaged in over 200 formal and informal interactions with more than 70 asset managers. The results have been encouraging, reflecting positive changes in the diversity of investment teams, management teams and B-BBEE levels across the asset management industry.

PRI ratings

The PRI assesses the year-on-year progress of each signatory relative to its global peers. The assessment covers the following reporting modules:

- Investment and stewardship policy - an organisation's overarching approach to responsible investing and how it is governed.

- Listed equity, fixed income, property or private assets - how an organisation has integrated ESG considerations into selecting, monitoring and appointing asset managers in each asset class category.

The PRI rating scale ranges from 1 star to 5 stars, with 5 stars reflecting the top-scoring signatories.

Our latest scores, as shown by the 2023 PRI summary scorecard are as follows:

2023 PRI summary scorecard	Star rating	Our score	PRI median
Investment and stewardship policy	4	79%	3
Indirect - Fixed income - Active	4	84%	3
Indirect - Fixed income - Passive	4	80%	3
Indirect - Infrastructure	4	86%	4
Indirect - Listed equity - Active	4	81%	3
Indirect - Listed equity - Passive	4	81%	3
Indirect - Private equity	4	86%	3
Indirect - Real estate	4	84%	3
Capacity building	3	60%	4

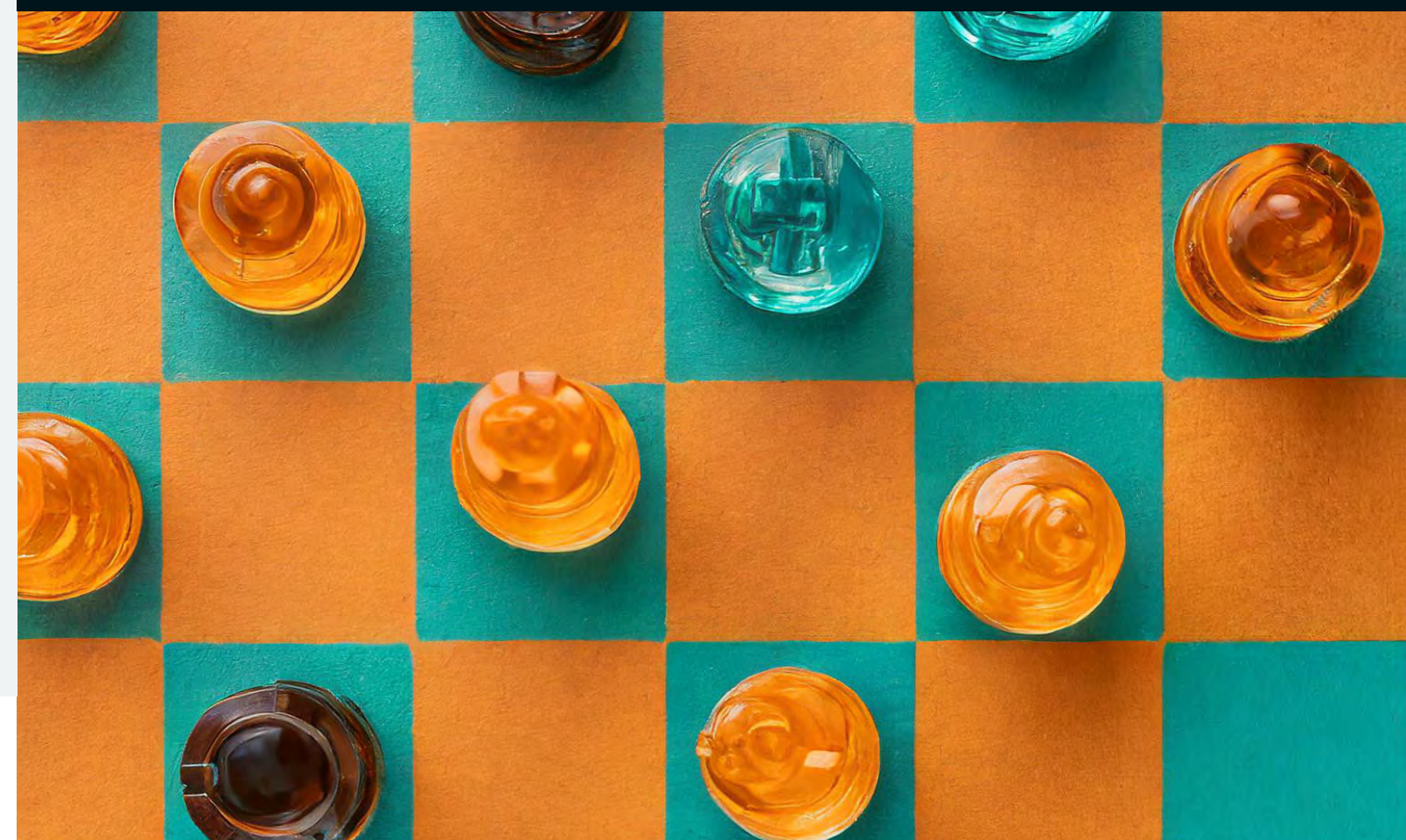
We have maintained our strong rating and are proud to have scored above our global peers across most reporting modules. Overall, the results demonstrate our continued efforts and commitment towards ESG risk management and compliance with the spirit of the PRI.



Our next move

During the year ahead, we will endeavour to achieve the following:

- Continue integrating ESG factors into investment decisions to enhance long-term value creation and risk management.
- We are continually looking for ways to improve our solution set for clients and members, including sustainable and socially responsible investment options. To this end we intend to launch South Africa's first multi-managed infrastructure fund during the year ahead, blending the views of significant insurers and originators in the infrastructure space.
- Improve the transparency and frequency of reporting on responsible investment outcomes, ensuring stakeholders are well informed about the impact of ESG integration. The next edition of the private markets ESG report and the stewardship report will be released in the 2025 financial year.
- Proactively manage transition risks related to climate change by adopting forward-looking investment approaches that consider regulatory, technological and market shifts.
- Enhance ESG integration within private market investments, making sure that social and environmental factors are thoroughly considered and reported.
- Foster partnerships with industry leaders, regulatory bodies and other stakeholders to promote best practices in responsible investing and climate action.



Our environmental impact

During 2024 Alexforbes continued to deliver on its climate-related objectives. We have updated our carbon footprint calculation and formalised a group climate change policy as well as a bespoke Alexander Forbes Investments climate change policy. These two policies work in tandem and are taken into account by our investments business and asset managers.

At Alexforbes, we are committed to minimising our ecological footprint and maximising resource efficiency across our operations. As a service-based business, our direct environmental impact is limited, coming predominantly from our network of offices. Nonetheless, we strive to make the most efficient use of our natural resources. Our direct impacts lie in the electricity, water and paper consumed in our buildings as well as general office waste generated. We do this by measuring and monitoring our environmental impacts and mitigating these as best we can.

Throughout the year, we have focused on improving our environmental data collection processes. By utilising existing data and implementing robust reporting systems, we now have access to valuable insights through user-friendly dashboards. This enhancement enables us to monitor our environmental impacts more effectively and track progress towards our sustainability goals.

As a company that rents its properties, we face challenges in implementing significant environmental sustainability changes within our facilities.

Despite these challenges, we remain committed to exploring opportunities for environmental improvement within our rented office spaces. Office refurbishments continue to provide opportunities to introduce electricity and water efficiencies.

Our environmental impacts are expected to reduce going forward as part of our property management strategy. This strategy, brought about by the new ways of working, will reduce our property footprint by 50% within the next two years. During the year, we finalised the restructuring of our largest lease contract for the Sandton head office. This will take effect in October 2024 and will significantly decrease the carbon footprint of our largest emitting office.

Our greatest opportunity to positively impact the environment is through our investing activities in which we are the stewards of the savings our customers have entrusted to us to administer and manage on their behalf. While we have made progress in our process to quantify Scope 3 carbon emissions, we are still not in a position to report on this in the current financial year.

→ Refer to **Responsible investing** on page 136 for more information.

Alexforbes's head office (Sandton) environmental impact for the year ending 31 March 2024

Environment key performance indicators		2024	2023	2022	2021	2020
Electricity consumption	KWh	3 225 403	4 893 202	4 149 398	658 480	2 134 889
Water consumption	Kl	23 516	43 423	28 287	33 018	11 785
Diesel consumption (generators)	l	174 205	89 000	44 000	30 000	21 000
Paper consumption ¹	tonnes	6.2	7.7	10.5	12.8	19.6
Recycling	kg	4 571	16 151	5 061	1 968	20 422
Waste to landfill	kg	37 119	63 204	14 650	15 000	29 850

1. Certain data points have been updated compared to our previous annual report. This is part of our ongoing effort to improve our data collection and validation processes to enhance the accuracy of information disclosed.

Carbon emissions and energy management

This year we completed our second greenhouse gas (GHG) emissions assessment to determine our Scope 1, Scope 2 and Scope 3 GHG emissions. We are still not in a position to report on our Scope 3 emissions as we are not yet satisfied with the data integrity. In 2024 we made substantial progress in the quality of our process to measure Scope 3 emissions, with the majority of Scope 3 emissions relating to financed emissions. This is a highly complex process and we are working towards continued improvement in our measurement processes, including exploring improved data availability and quality, with a view to disclosing our Scope 3 emissions in the future.

We have also finalised a group climate policy, position and action plan, which will provide the necessary governance frameworks to ensure progress and transparency.

Currently, our only office with a solar photovoltaic (PV) system is our Stellenbosch office. Energy from solar represented 20.1% of total energy used in that office.

→ Refer to **Appendix C** on page 228 for our methodology and assumptions in calculating our carbon footprint.

Alexforbes's GHG emissions for the year ending 31 March 2024

Category	Unit	2024	2023 ¹	%
Scope 1 GHG emissions	tCO ₂ e	101.2	59.4	70%
Stationary fuels		90.6	43.0	111%
Mobile fuels		10.6	9.3	14%
Fugitive emissions		-	7.1	-
Scope 2 GHG emissions	tCO ₂ e	4 947.2	7 342.7	(33%)
Purchased electricity ²		4 421.4	6 842.1	(35%)
Diesel generators - landlord		525.8	500.6	5%
Intensity indicators (Scope 1 and Scope 2 emissions)³				
Emissions per full-time equivalent employee (FTE)	tCO ₂ e/FTE	1.81	2.86	(37%)
Emissions per square metre of general letting area	tCO ₂ e/m ²	0.15	0.14	7%

1. Carbon emissions from 2023 are restated to include diesel generators from landlords within Scope 2 emissions.

2. South Africa does not have a residual mix factor for market-based electricity consumption. Calculations revert to the grid emission factor. No market-based instruments were purchased.

3. FTE count for 2024 was 2 794, floor area used was 33 102 m².

Industry benchmarking

When considering Alexforbes's Scopes 1 and 2 carbon emissions per full-time employee (FTE) and square metre of general letting area, the organisation compares well with its peers. Alexforbes is shown to have the second-lowest carbon footprint in terms of square metre of general letting area and second-lowest carbon footprint in terms of employees within its peer group.

Industry benchmarking of scopes 1 and 2 carbon emissions in terms of full-time employees and square metre of general letting area¹

Financial services company	Reporting year end	GHG emissions (tCO ₂ e)/square metre of general letting area	GHG emissions (tCO ₂ e)/FTE
Company A	31 December 2023	0.06	0.20
Company B	30 June 2023	0.14	2.13
Alexforbes		0.15	1.81
Company C	30 June 2023	0.24	2.66
Company D	31 March 2024	0.24	4.44
Company E	31 December 2023	0.26	4.44

1. It is important to note that the comparisons do not necessarily compare like-for-like. As an example, different grid emission factors used by different companies can have an impact, as well as different organisational boundaries revert to the grid emission factor. No market-based instruments were purchased.

Our environmental impact *continued*

Climate action

Overall responsibility for sustainability, including climate-related impacts, resides with the board. This is reflected in the board charter, which includes the following key outcomes:

- Focus on the long-term sustainability of the group and the broader goals of the societies in which it operates.

- Promote intergenerational sustainability by being environmentally conscious and accountable for our impact on the environment, and by appropriately advising our clients on their sustainability risks and opportunities within the context of our broader advice framework and philosophies.

The setco has delegated responsibility to assess and manage material sustainability matters such as climate matters. Reporting from setco to the board takes place during each cycle, similar to all committees, as discussed in this report. In addition, the group's long-term incentive plan (LTIP) strategic measures include sustainability-related performance requirements, which have an impact on performance incentives for all senior management and executive employees.

Embedding climate risk management practices throughout our operations

Alexforbes acknowledges the existence of climate change and the impact of human activities on the planet's climate through the emission of greenhouse gases.

The group's climate change activities are managed as part of the sustainability strategy through the Impact Centre of Excellence. Broader management and organisational engagement on climate change also occur through the management sustainability committee.

During 2024 the board approved the group's inaugural climate change policy as well as the Alexander Forbes Investments climate change policy. The introduction of these two policies further demonstrates the board and management's acknowledgement of climate change as a strategic risk. These policies also form the foundation of raising awareness within our value chain, including suppliers and clients, through activities such as training and stewardship within our investment management activities.

We have completed a second assessment of our carbon footprint. During the year we improved our data collection and monitoring processes in order to enhance the accuracy of the carbon footprint calculation year on year. This includes the development of an internal dashboard which monitors environmental, health and safety information throughout the year and has resulted in an improvement in

data collection and validation processes for our carbon footprint. We will continue to implement improved processes, where possible, to improve the accuracy of our carbon footprint calculation.

Furthermore, climate change advisory, including stress testing, monitoring and management solutions, are included in the recently launched Alexforbes Impact Advisory service. Climate change training for clients is included in the curriculum of the Alexforbes Impact Academy, with the aim of improving understanding and competence of retirement fund trustees and principal officers, as well as corporate clients.

To deliver on our intent to impact, as a responsible corporate citizen, Alexforbes supports the goals of the Paris Agreement on climate change (a legally binding international treaty on climate change). The main objective of the Paris Agreement is to limit the global temperature increase to well below 2 degrees Celsius above pre-industrial levels, while pursuing efforts to limit the increase to 1.5 degrees. In 2023 we undertook a scenario-based climate change risk assessment. During 2024, the detailed outcomes of this assessment were explored and have been integrated into our enterprise risk processes, including the development of a climate change risk register. Climate change risks will be reviewed and managed in line with our existing enterprise risk management processes.

We continued to implement elements of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations across the organisation. This includes raising awareness among leadership and enhancing their skills to effectively manage climate-related risks and opportunities. Further to our efforts relating to TCFD, we are monitoring the evolution of climate-related legislation and regulation, for example the Climate Change Act 22 of 2024 and climate-related guidance from regulators such as the SARB Prudential Authority, with a view to assessing the potential impact on financial planning.

In June 2023, the International Sustainability Standards Board (ISSB) issued a consolidated standard for sustainability-related disclosures worldwide, which fully incorporate the recommendations of the TCFD. In response, we intend to mature our understanding of sustainability-related risks and opportunities.

The views of stakeholders affected by climate change and the quality of our stakeholder engagement process around climate-related issues are in line with how other material issues are handled across the organisation.

Water management

Alexforbes has a relatively small water consumption footprint, but we operate in water-stressed countries and are headquartered in a water-scarce country, specifically in a city that is densely populated and which experienced severe supply and distribution problems in the past year. To this end, we have a greywater system at our head office in Sandton that helps reduce consumption of fresh water. During the year, we changed how we report on water usage at our Sandton office. As with waste, we now only report on usage for our own office space, instead of the entire building. This resulted in a significant decrease in total water consumption for the period.

Water consumption per country	2024 (kL)	2023 (kL)
South Africa	35 589	52 989
Botswana	130	115
Channel Islands	121	315
Namibia	88	-
Total	35 928	53 420

Water intensity of **12.8 kilolitres** per employee (2023: 20.6 kilolitres)

1.1 kilolitres consumed per square metre of office space (2023: 2.3 kilolitres)

	2024 (kL)	%	2023 (kL) ¹	%
Sandton	23 516	65.5	43 423	81.3
Durban	5 201	14.5	3 256	6.1
Pietermaritzburg	4 748	13.2	4 031	7.5
Cape Town	882	2.5	960	1.8
Pretoria	470	1.3	351	0.7
Stellenbosch	368	1.0	434	0.8
Port Elizabeth	158	0.4	194	0.4
Gaborone	130	0.4	116	0.2
Jersey	121	0.3	315	0.6
East London	96	0.3	288	0.5
Windhoek	88	0.2	-	-
Bloemfontein	76	0.2	-	-
King Williams Town	49	0.1	-	-
Rosh Pinah	13	-	47	0.1
George	12	-	5	-
Nelspruit	-	-	-	-
Total	35 928		53 420	

1. Certain data points have been updated compared to our previous annual report. This is part of our ongoing effort to improve our data collection and validation processes to enhance the accuracy of information disclosed.

Waste management

During the year, the group produced 54.7 tonnes of waste (2023: 123.9 tonnes), equating to approximately 0.02 tonnes of waste per employee (2023: 0.05). The significant decrease in waste is due to a change in how we calculate and report on waste. Previously, we reported on waste generated by the entire building of our Sandton head office but following the change in the Sandton lease agreement, we are now only reporting on waste generated by the space we use within the building.

The total volume of recycled waste across the group in 2024 was 11 346 kilograms (2023: 16 151 kilograms).

During the year, the total volume of waste generated by our operations has substantially decreased. In addition, we introduced a structured recycling programme across our offices, which has resulted in an increase in waste recycled during the year. These efforts have reduced the amount of waste which goes to landfill.



- 74% mixed office waste
- 14.8% paper and board waste
- 5% organic or wet waste
- 3.4% tin or can waste
- 3% plastic waste

Our environmental impact continued

Supply chain management

Alexforbes has implemented mechanisms such as supplier screening and audits to identify and address significant actual and potential negative environmental impacts. Measures to address negative impacts will be enhanced progressively, based on the results of due diligence conducted with our suppliers.

Our strategy is to conduct periodic due diligences as follows:

• Due diligence for new suppliers with whom we have spent in the financial year

• Periodic due diligence based on residual risk outcome:

- low risk (every five years)
- medium risk (every three years)
- high risk (every year)

All suppliers deemed to be high risk are flagged for escalation, evaluation and executive approval.

We use our leverage with our suppliers and investment product providers to make sure our indirect social and environmental impact is responsibly managed.

In order to do business with Alexforbes, our suppliers must adhere to the following:

• Ethics policy in terms of good business conduct

• Disciplinary code and conduct (if representing Alexforbes in the capacity of a contract resource)

• B-BBEE codes of good conduct (with emphasis on all suppliers who are of South African origin)

• Protection of Personal Information Act (POPIA) policy in terms of the protection of personal information

• Information security policy to ensure the protection of client data and our systems

• Health and safety policy (for all outsourced resources working on our site(s))

• Environmental awareness strategy with regards to disposal of assets

All suppliers that provide services or supplies that are deemed to be critical to Alexforbes are also required to have business continuity management policies in place.



Our next move

Going forward, we will look to:

- Improve our environmental data collection processes and implement user-friendly reporting systems for better monitoring and progress tracking.
- Implement and monitor the newly approved group climate change policy and the Alexander Forbes Investments climate change policy.
- Enhance awareness and training within the value chain, including suppliers and clients, regarding climate change and sustainability practices.
- Consider better paper management strategies to reduce paper waste.
- Continue our process of improving the availability and quality of data used to calculate our scope 1, 2 and 3 emissions.



Section 6

How we are governed

- > Governance philosophy and framework
- > Board's focus areas and performance
- > Our ethical culture
- > Professional corporate governance support
- > Delegation of authority
- > Board nomination, appointment, rotation and succession
- > Board diversity
- > Continuous development
- > Performance evaluation
- > Information technology governance
- > Stakeholder management
- > Combined assurance
- > Risk management
- > Compliance management

Governance philosophy and framework

As a responsible corporate citizen, we conduct our business ethically and in compliance with all applicable laws and regulations. Our operations are underpinned by good governance, transparency and accountability.

At the heart of all governance practices is our commitment to ethical business conduct and integrity. We believe good governance is critical to strategic decision-making and to the long-term sustainability of our business, stakeholders and society.

Our governance philosophy is framed by policies, standards and processes designed to ensure regulatory compliance, enable growth and support overall sustainability across the group. We are constantly reviewing these practices to ensure that we consistently consider the best interests of our stakeholders.

The group governance framework, supported by the detailed delegation of authority framework, defines and governs the relationship between the board's strategic group-wide decision-making and oversight and that of subsidiary boards.

Processes, principles and policies are standardised as much as possible group-wide, but without derogating from the legal accountability of subsidiary board directors and bespoke local jurisdictional requirements.

In accordance with our governance framework and group delegation of authority, several matters are delegated by subsidiary boards to the group executive committee and/or in-country management teams (where applicable), but without derogating from the legal responsibility and fiduciary duties of subsidiary directors.

Our governance approach

The Alexforbes board of directors is the highest governing body and custodian of corporate governance, ensuring that the group is led in an ethical and responsible manner.

Our governance approach, reinforced by our purpose and especially our value of integrity, enables the achievement of our strategy while focusing on the long-term sustainability of the group. Our actions set the tone throughout the organisation by demonstrating our commitment to the integrity and reputation of the company.

The Alexforbes board is driven to deliver sustainable and meaningful value through our approach to governance and our ethical culture. Robust governance and our ethical culture are key enablers of the relationship of trust with our clients and in delivering our purpose.

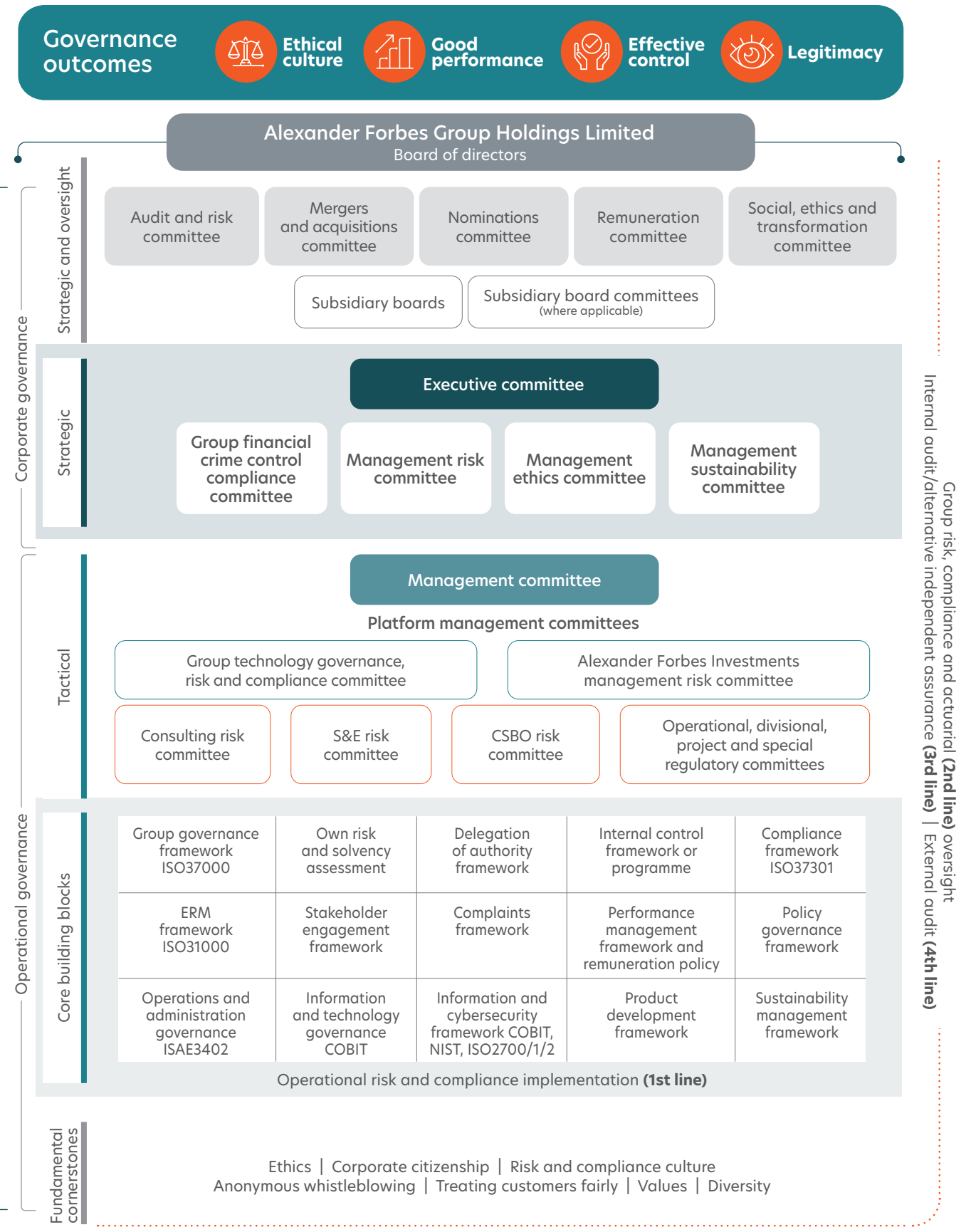
Governing structures and delegation

Our board is optimally constituted in terms of the company's memorandum of incorporation, the Companies Act and King IV. The board currently consists of 13 members: seven independent non-executive directors, four non-executive directors and two executive directors. When Mr Dloti retires at the annual general meeting in August 2024, the board will again consist of 12 members. Significant time and effort are spent on a regular basis to determine the ideal skills, experience and diversity mix for the board to enable and support the achievement of our purpose and strategy. The board is pleased that the recent addition and overall composition contribute to the balance of skills, experience and diversity necessary to perform its duties and add meaningful sustainable value.

Our board delegates authority to its sub-committees and the executive according to a detailed delegation of authority framework and clearly defined terms of reference. This allows the board to allocate sufficient time and attention to matters reserved for their decision-making. Each board sub-committee has a clear mandate and terms of reference that are regularly reviewed.

Refer to **Board committee reports** on page 180.

Governance structure enabling our intended governance outcomes



Board focus areas and performance

During the past year the board has provided effective and holistic oversight and guidance to executive management on a range of matters. We are pleased to see that our actions as a board resulted in improvements across the group and that the changes that have been implemented because of board decisions are also providing value to our stakeholders. This section highlights some of those key actions and outcomes against the specific objectives we had set for the financial year. The board focus areas represent issues, in addition to the normal annual plans, that require heightened intervention or focus in a particular year, or specific strategic support and enablement by the board to unlock executive execution of strategic objectives.

→ Refer to the **Board evaluation and committee reports** on page 169 and 180 respectively for more information.

Key objectives for 2024

Continued strategic oversight and input to ensure the group is enabled to enact and execute on its growth objectives.

With support from the setco, considering the extent of and proactive leadership of the company in enabling change in South Africa.

Support in the enablement of the new board chair towards achieving overall board efficacy.

Board effectiveness and cohesion as a result of a fairly new board.

With support from the setco, deepening the board's understanding of climate risks and opportunities, and designing appropriate metrics and targets.

Continuing focus on ensuring measurable benefits to individual members and having real-world impact.

Achievements and value created

The company reported solid financial performance with a 12% increase in operating income, reflecting strong revenue growth despite an uncertain economic environment. This growth resulted from the deliberate execution of our strategy, new business wins and acquisitions. The board's strategic direction and oversight were crucial in this success.

→ Refer to **Sustaining our financial impact** on page 96.

The board supported the CEO in joining a pledge by CEOs from 115 leading South African companies to contribute to South Africa's prosperity.

Additionally, the social ethics and transformation committee (setco) approved the group and Alexander Forbes Investments climate change policies and key components of the company's sustainability strategy, delivering on the objective of having real-world impact.

The setco also oversaw the design of the Retirement Fund of the Future™, a globally unique concept leading the evolution of the retirement fund industry towards improved resilience, sustainability and better member outcomes.

→ Refer to **Having real-world impact** on page 100.

The nominations committee oversaw the chair's induction and is pleased with the very high level of confidence expressed by the board during the chair's first-year individual evaluation.

Additionally, the board evaluation confirmed overall board efficacy and performance.

→ Refer to the **Nominations committee report** on page 187.

As per above, the board evaluation confirmed overall board and committee efficacy and performance. The overall company performance further attests to the board's successful strategic oversight.

→ Refer to **Performance evaluation** on page 168.

The board received training on key climate and sustainability-related developments. Additionally, the setco approved the group and Alexander Forbes Investments climate change policies.

Taking a considered approach, the company has not progressed with climate-related metrics and targets but focused on improving the quality of carbon emission disclosures and progressing to disclosure of Scope 3 emissions.

→ Refer to **Climate action** on page 148. → Refer to **Responsible investing impact** on page 136.

The board examined the two-pot system's implications and opportunities and is pleased by the approach taken to connect with, engage and educate members regarding their options and the long-term value of their retirement fund investments, utilising this opportunity to provide members with best advice.

The setco continued to review the efficacy of the group's market conduct processes and specifically oversaw enhancements to the treating customers fairly processes.

The board spent considerable time on the group's retail strategy, enabled and supported by the digital transformation journey, and is pleased with the progress made towards forging a greater connection with individual members.

→ Refer to **Delivering to clients and members** on page 82.

Key objectives for 2025

Strategic guidance and support in execution of the retail strategy

Shareholder spread and liquidity

Strategic capital allocation and consideration of transformative growth opportunities

Impact of the two-pot system within the market and on the company

Continually increasing emergence and impact of generative artificial intelligence on the company and strategy

Our ethical culture

The board is responsible for establishing an ethical culture throughout the organisation and monitoring adherence to ethical practices as well as ensuring Alexforbes acts as a responsible corporate citizen.

All directors, in their consent to act as a director, commit to acting in good faith and in the best interests of the group. The directors live and abide by the highest ethical standards in word and deed, keeping one another accountable through honest, transparent and robust debate as well as through formal and informal board evaluation processes.

The board is not only driven by legal compliance but by a spirit of ethical adherence to regulations and legislative requirements. Directors fully comply with the Companies Act requirements in relation to the disclosure of personal financial interests. They ensure that all conflicts and potential conflicts of interest are proactively managed at each meeting, including those of directors nominated by large shareholders. Independent sub-committees are established to consider transactions where shareholders or shareholder associates are involved, and the sharing of information is carefully and strictly managed.

The group's ethics policies detail standards of engagement with internal and external stakeholders.

The group's code of ethics is incorporated into supplier and employee contracts and holds all people involved in our business to the highest level of general business ethics. All our people receive access to the policy passport platform, which includes our code of ethics and other related ethics policies (including whistleblowing).

Ethics risk assessment

In August 2023, we commissioned the Ethics Institute of South Africa to conduct an ethics risk assessment across our group. This assessment is distinct from other surveys like staff engagement or organisational culture surveys, focusing specifically on ethics. Its purpose is to gauge our ethical culture, behaviours and perceptions of ethics management within Alexforbes. Internal and external stakeholders' perceptions are canvassed to identify current and potential ethics risks and expectations for ethical treatment.

The survey was distributed to all Alexforbes employees, with 934 respondents accessing and completing it (sufficient for statistical relevance). The Ethics Institute found that our ethical culture has significantly improved based on our ranking in the 82nd percentile, indicating an 'advanced' status based on benchmark comparisons.

Treating customers fairly

We are committed to treating all our customers fairly. We continually drive improvements to business processes and client experiences by placing our clients at the centre of everything we do and ensuring we comply with legislation to:

- Know our clients (Financial Crime Control)
- Protect our clients' data: Protection of Personal Information Act (POPIA) and Promotion of Access to Information Act
- Treating our clients fairly (TCF)
- Market conduct legislation

Our group complaints management framework ensures the fair treatment of our customers by providing simple and easy ways for them to lodge complaints. This includes refraining from creating any after-sale barriers or barriers in the complaints process. This framework is created in line with market conduct legislation and, in particular, the revised policyholder protection rules. It ensures that the company acts with due skill, care and diligence when dealing with its policyholders, members and corporates as well as individual clients.

The company's actions have a limited impact on public health and safety. However, our offices are visited by our clients and members of the public, and steps are taken to ensure their safety and security during such engagements.



Whistleblowing and grievances approach and outcomes

Our independently managed whistleblowing mechanism is available to any member of the public who wishes to report a conflict of interest, fraud, corruption or other ethics-related issues. Complaints can be submitted anonymously through a 24-hour hotline, email, online form or even fax.

All whistleblowing complaints or allegations are fully investigated by the ethics officer, line managers or independent investigators and reported to the ethics management committee which meets as required, but not less often than three times per year. The ethics management committee reports to the setco. Allegations against executive management and directors are also investigated.

During the year the whistleblowing mechanism received two allegations of fraud (2023: 0) and 11 of generally unacceptable behaviours such as alleged unethical treatment of employees, alleged unethical business practices and an alleged unfair labour practice (2023: 7).

At the close of the year all matters were finalised. Four were regarded as finalised due to a lack of evidence and two resulted in disciplinary action in line with the group's disciplinary policy. Two matters relating to staff members dismissed for their actions were referred to the South African Police Service to pursue criminal charges.

Consumer data, privacy and ethics

We recognise that we have a duty to protect the data and confidentiality of our clients and members. As such, we have in place appropriate measures to ensure data privacy and to enhance our cyber and information security environment.

During the year these measures included:

- Hosting two employee and management training sessions to ensure that everyone is familiar with the terms of our data management policy and group data privacy policy.
- Additional training sessions were held for business units where needed. Annual training will continue on an ongoing basis.
- We reviewed our service level agreements for third-party service providers. These agreements set out the company's data protection requirements and protect us legally in the event of a data breach.
- We engaged clients on how to protect their own data privacy. This was done as part of the consulting advice provided to retirement funds.

Complaints regarding leaks, thefts or losses of private data can be lodged either directly with Alexforbes, using the complaints platform, or with a regulatory body. We received zero complaints from regulatory bodies.

Regarding data leaks, thefts or losses, 18 incidents were reported to the Information Regulator in the period 1 April 2023 to 31 March 2024. Only one of the 18 was reported by Alexforbes. The remainder were reported by the respective funds' information officers. None of these data leaks had been malicious in nature, with no financial impact on individuals and no regulatory sanctions imposed. We have implemented additional training interventions and continue to enhance staff vigilance.

Our ethical culture *continued*

Human rights impact

The financial services sector in general, including Alexforbes and most of our suppliers, are not typically associated with forced labour and other direct human rights violations due to the knowledge-based nature of the industry. Even so, we are committed to ensuring that all our stakeholders adhere to the United Nations Universal Declaration of Human Rights.

Because of the low risk of human rights abuses at Alexforbes, we do not conduct human rights audits at our locations at this time. This decision is supported by the fact that we have received no allegations of discrimination or human rights incidents involving workers.

Group economic crime and fraud risk management policy

We are committed to a process of preventing crime, which is aligned to King IV and complies with relevant legislation, regulation and guidelines. The prevention of economic crime is recognised as being an integral part of good corporate governance. Our policy applies across all the group's operations and business units as well as to strategic alliance and joint venture partners.

Effective deterrence, prevention and detection of and response to economic crime and fraud are imperative for Alexforbes, as its reputation is one of its greatest assets. The effective implementation of this policy complements the realisation of Alexforbes's strategy and protects the direct interests of stakeholders, shareholders, employees and the communities in which we operate. Sound management of Alexforbes's exposure to economic crime enables us to anticipate and respond to changes in the business practices and processes.

FIC risk management and compliance programme

We are committed to acting with integrity in the conduct of our business activities across the jurisdictions in which we operate to contribute to a secure and robust financial services industry.

This is achieved by being aware of our responsibilities in terms of legislation and by maintaining an effective anti-money laundering and counter-terrorist financing programme for our business that reflects the best practices for a diversified financial services group. Section 42 of the Financial Intelligence Centre (FIC) Act 38 of 2001 places an obligation on all accountable institutions, of which we have several in the group, to develop, document, implement, approve and maintain a risk management and compliance programme (RMCP), and defines the requirements for this programme.

The purpose of the RMCP is to:

- provide for a programme which incorporates the requirements of the FIC Act
- establish the risk appetite levels in the management of money laundering and terrorist financing (ML and TF) risk
- outline the financial crime control (FCC) governance structures and FCC reporting obligations with defined roles and responsibilities to enable adequate oversight
- establish requirements for the training of employees at various intervals and the types of training to be provided in terms of job function as it relates to the key risks within the approved risk appetite
- outline the independent assurance to be conducted at least annually, in accordance with our combined assurance methodology

Anti-bribery and anti-corruption policy

Any form of corruption, any potential legal implications aside, raises serious ethical and political concerns, undermines responsible approaches to management and prevents economic development, both in the public and private sector. It also distorts national and international competition. We are committed to conducting our activities free from any form of bribery or corruption.

Our anti-bribery and anti-corruption policy aims to prevent bribery and corruption in all operations, among other goals. We have no tolerance for bribery or corruption activities and no appetite for our financial products or services to be used to facilitate bribery or corruption by employees, associated parties, clients or counterparties. We define corruption as the abuse of power for personal gain or enrichment, or the abuse of position to gain material or personal gain for a third party or oneself, using unfair or unlawful methods.

In addition to the whistleblowing mechanism, employees and our business partners may seek advice on how to identify and respond to suspected bribery, corruption or otherwise unethical and unlawful behaviour from the ethics office.

Ethics training is mandatory for new employees as part of our induction process, and 362 new employees received anti-bribery and anti-corruption training during the year. Ethics training for directors, which includes training on anti-money laundering (AML) and anti-bribery and anti-corruption (ABC), is scheduled once every three years, with the latest training sessions having been completed in 2023.

During the year

zero

incidents of corruption were confirmed (2023: 0).

Anti-money laundering policy

Our RMCP outlines the anti-money laundering legislative processes and procedures that enable us to comply with our obligations as accountable institutions. It defines our risk-based approach when dealing with existing clients or potential investors, the due-diligence process that we would apply to high-risk-rated clients, as well as how we would deal with domestic prominent or influential persons and prominent foreign public officials.

Lobbying and political contributions

Over more than 85 years in business, Alexforbes has amassed substantial experience in the financial services sector, and we continue to use this institutional knowledge to positively impact the societies in which we operate. Senior managers at Alexforbes regularly consult at various levels of government, not only on the financial wellness of their employees but on important matters of policy and best practice in asset administration and management.

Our code of ethics policy as well as our gift and entertainment policies explicitly prohibit political party funding.

We did not make any direct or indirect financial or in-kind contributions to any country, political party or similar body during the year.

Governance incidents and fines

Zero significant environmental, social or governance-related incidents, including zero incidents of legal non-compliance, were reported during the year.



Refer to **Board committee reports** on page 180.

Professional corporate governance support

Carina Wessels provides professional governance, general legal counsel, compliance and sustainability advice and support to the board and its committees, in addition to leading the newly established Impact Advisory offering.

She was appointed by the board as group secretary on 1 October 2017, as general counsel for the group on 1 April 2018 and as executive: governance, legal and compliance on 1 March 2019. Since June 2022 she is also accountable for sustainability.

Carina has the following qualifications and experience:

- Fellow of Chartered Governance Institute of Southern Africa
- Advocate of the High Court of South Africa
- LL.M: Extractive industry law in Africa (cum laude)
- LL.M: Labour Law
- Advanced Labour Law (cum laude)
- LL.B
- PMD (cum laude)
- Advanced Management Programme (Harvard Business School)
- Past president of the Chartered Governance Institute of Southern Africa
- Past president of the Corporate Secretaries International Association

She has met the professional development requirements to maintain her chartered governance membership. During the annual evaluation the board once again expressed a very high level of comfort and satisfaction with her skills, competence, performance, values and experience. The board also confirmed her objectivity, gravitas and arm's length relationship with the board.



Delegation of authority



How the board delegates authority

The board delegates authority to relevant board committees with clearly defined mandates.

Regardless of the delegation, the board retains full accountability for all oversight, other than for the audit and risk committee's statutory responsibilities. The board further delegates authority for management of the group's activities to the executive and is comfortable that the delegation of authority framework ensures a clear division of responsibilities between management and the board, and that no executive has unfettered authority. The board is comfortable that the delegation of authority policy and processes ensure role clarity, as well as the efficient and effective execution of responsibilities. The detailed delegation of authority matrix is managed by the executive: governance, legal, compliance and sustainability and the chief financial officer. It is reviewed regularly.

Responsibilities of chair and chief executive

The chair's role and responsibilities are distinct and completely separate from those of the chief executive officer. There is a detailed division of responsibilities policy in place articulating the distinctive roles, including that of the lead independent director, which ensures an appropriate balance of power and authorities such that no director has unfettered powers or decision-making. Mr Dloti is currently serving as lead independent director. Once he retires in August 2024, the nominations committee and board will consider his replacement.

Chair

The independent non-executive group chair, Kuseni Dlamini, is responsible for the board's effective leadership and strategic guidance and oversight. He is also responsible for monitoring the performance of the group and ensuring effective governance systems and controls.

Chief executive officer

The chief executive officer, Dawie de Villiers, is responsible for the daily operations of the business and the effective execution of the strategy. He is accountable to the board and supported by the executive committee. He leads and motivates the management team and ensures the board receives timely and accurate information on the group's performance.

Board nomination, appointment rotation and succession

Skills and experience matrix

Central to the board nomination process is the detailed skills and experience matrix maintained by the executive: governance, legal, compliance and sustainability. The matrix articulates the skills, experience and diversity required to execute on the group's strategy over the short, medium and long term. Current directors' skills and experience are mapped against the needs of the business to identify deficiencies to inform continued professional development interventions, succession planning needs and nomination priorities. Naturally not all requirements will or should be met at a board level and the organisational and executive capability, as well as areas where external expert skills may be more appropriate, are taken into consideration.

In addition to technical skills and experience and diversity, an understanding of and alignment with the group's purpose, vision and strategy are critical elements in the nomination and selection process.

The board is comfortable that the skills areas without significant knowledge representation can be supplemented by executive, organisational or external advisory experience, when so required and does not inhibit the board's effectiveness.

The following deficient areas will however be considered for future nominations:

- Cyber security
- Fourth industrial revolution/innovation/disruption
- Automation

Skills and experience requirement (company/group)

Skills and experience requirement (company/group)	Depth of knowledge (individual directors)			
	Significant skills and experience requirement (>20 years)	Average skills and experience requirement (between 10 and 20 years)	Limited skills and experience requirement (between 5 and 10 years)	No skills (no experience)
General management				
Commercial acumen/financial literacy	12	1		
Leadership and talent development	12		1	
Human resources (general)	4		8	1
Reward and recognition	4	3	6	
Organisational and cultural change	5	2	6	
Law (general)		2	10	1
Corporate and organisational governance	10		3	
King IV specifically	6	1	5	
Risk management	9		4	
Compliance (general)	11		2	
Economics	8	3	1	
Investor relations	6	2	5	
ESG (general)	4	1	4	3
Marketing/brand	2	3	7	1
Project management	8		5	1
Government relations	2	1	8	2
Mergers and acquisitions	8	1	4	
Information technology	3	4	6	
Cybersecurity		8	3	2
Fourth industrial revolution/innovation/disruption		2	9	2
Automation	1	4	6	2
Technical, industry or jurisdiction				
Financial services regulation	6	1	6	
Regulatory relationships	3	3	4	3
Financial services compliance	4	1	8	
Investments	9	1	3	
ESG investment strategies	3	5	3	2
Asset management	6	4	3	
Linked investment service provider	2	2	6	3
Collective investment schemes	4	1	5	2
Financial services product or solutions development	5	4	3	1
Long-term insurance broking	2	4	4	3
Short-term insurance broking	1	7	3	2
Retirement fund administration	6	2	2	3
Employee benefits consulting	5	4	1	2
Health and medical scheme consulting	2	3	5	3
Financial planning or retail consulting	6		2	4
Digital member engagement	2	3	4	4
Actuarial consulting	5	2	3	3
South African financial services	9	1	3	
Pan-African financial services	5	1	4	3
International (beyond)	4	6	1	2

Board nomination, appointment rotation and succession *continued*



Nominations

New directors are appointed to the board through a transparent, formal and fair process and are generally sourced through bespoke recruitment agencies, adding to the robustness and independence of the process. The process includes an evaluation of any candidate's fitness and propriety, as well as reference checks. Directors are required to individually and collectively exhibit characteristics of integrity, competence, responsibility, accountability, fairness and transparency.

The board delegates the nomination of new directors to the nominations committee, which comprises a majority of independent directors. The committee makes its recommendations to the board for final decision-making.

On appointment, the terms and conditions are formalised in a letter of appointment and new directors undergo an induction programme to facilitate their understanding of the business environment and markets in which the group operates. The induction includes sessions with all of the executive.

In addition to the annual evaluation process, newly appointed directors are subject to a peer review of their performance, contribution and commitment after their first year and may be removed or not recommended for election at the first annual general meeting (AGM) of shareholders following their appointment.

The company's memorandum of incorporation requires one-third of non-executive directors to retire by rotation each year. The third is made up of directors appointed during the year in casual vacancies, after which the longest-serving directors are required to retire by rotation.

Nomination for re-election is informed by the individual director's performance, contribution and attendance. Information on directors standing for election and re-election is included in the AGM notice.

Directors may serve a maximum of three terms of three years (nine years in total) from the date of their first election. The retirement age for executive directors is 62 years and for non-executive directors 70 years, although the nominations committee may extend the retirement age beyond 70 subject to annual review.

Board succession is a continued area of focus, both from an emergency and long-term sustainability perspective. In the year under review, succession activities focused on identifying a suitable replacement for Mr Dloti and enabling a smooth transition, specifically in respect of his role as remuneration committee chair. The board has an approved emergency succession plan.

Refer to the **Nominations committee report** on page 187 for more details.

In addition to board succession, organisational succession planning and management development form a key part of the group's strategy to build a reliable leadership pipeline. The nominations committee also ensures the overall efficacy of the succession processes, principles and bench strength, with a specific focus on the executive, heads of control functions, Alexander Forbes Investments executive and key employees, rainmakers and other critical positions.

Board diversity

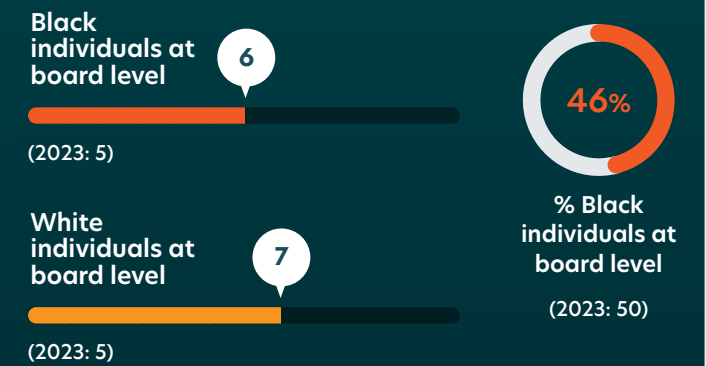
As at 31 July 2024

As part of our ongoing focus to maintain the highest corporate governance standards and in line with the JSE Limited Listings Requirements, the group has adopted a diversity policy on the promotion of broader diversity at board level.

The policy focuses on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The board, with guidance from the nominations committee, has considered and applied the diversity policy in the nomination and appointment of directors. The board has determined specific minimum targets for certain indicators.

Once Mr Dloti retires in August 2024, the female representation will increase to 33% and the black representation will reduce to 42%. Although the board is not planning any additional appointments at present, the 50% race diversity target will continue to receive focus in the nominations committee planning.

Race diversity



As at 31 July 2024, Alexforbes exceeded its target of

30%

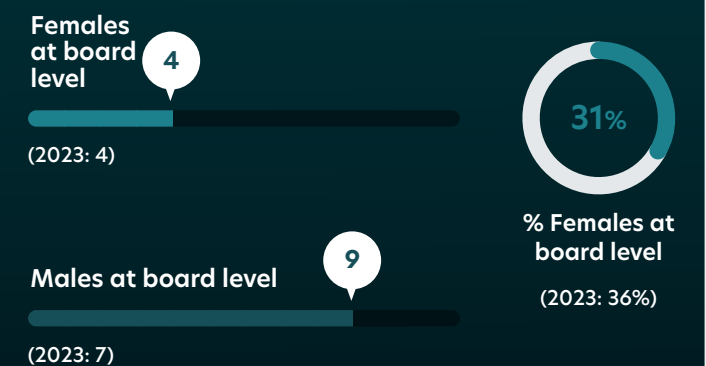
women board members for gender with 4 women board members

but fell below the target of

50%

black¹ board members for race diversity with 6 black board members, although the 50% target was met for the financial year.

Gender diversity



1. Black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013.

Continuous development

The board acknowledges the importance of keeping pace with global and industry development and trends, legislative and best practice changes and any other information that may impact their ability to contribute to the company and continue to create value. Continued professional development therefore remains a priority, both through individual actions and those facilitated by the company.

Detailed economic updates are provided to the board at least biannually. General governance, industry, best practice, research, and regulatory information is shared with the board during each board cycle and during bespoke governance sessions.

In addition, policy and other training and development sessions are incorporated into the board cycle to ensure continuous development of and information sharing with directors. Relevant and appropriate external information and governance sessions are also shared with directors as appropriate.

The topics covered during 2024 included:

- Competitive landscape
- Two-pot system
- International Financial Reporting Standards Sustainability Standards
- Artificial intelligence (AI) and the group's AI strategy
- Prudential Authority climate guidance
- Variety of general governance and strategy opinion pieces and articles

Performance evaluation

Effective corporate governance and accountability are central to our quest to lead with purpose. During the year an internally facilitated evaluation of the board, committees, the Alexander Forbes Investments board and the individual non-executive director evaluation for AGM nomination purposes was completed.

The board believes that appraising its performance helps clarify the individual and collective roles and responsibilities of directors, while providing insights into how the board can become more effective.

Performance evaluations also help improve the relationship between the board and the executive team, as well as ensure a healthy balance of power between the board and the chief executive officer.

The overall average rating achieved by the board of 3.84 out of 5 (2023: 3.71 out of 5) suggested that the directors were very satisfied with the performance. No new areas for improvement were identified in the 2024 financial year, other than the continuation of certain areas identified in the prior year that were not yet fully completed by year-end. These included the board succession actions only culminating in an additional appointment in June 2024. Considering the skills and experience targeted, the process took longer than originally planned. The ongoing careful management of the balance on the board, considering the number of shareholder nominees, and the board remaining strategically focused continue to receive attention.

The board also completed a rating of its achievement against the objectives set for the year (refer to the board focus areas and performance for a more detailed explanation of the value added through these objectives).

2024 objectives	Average score
Continued strategic oversight and input to ensure the group is enabled to enact and execute on its growth objectives.	3.78
With support from the setco, considering the extent of and proactive leadership of the company in enabling change in South Africa.	4.00
Support in the enablement of the new board chair towards achieving overall board efficacy.	3.78
Board effectiveness and cohesion as a result of a fairly new board.	3.67
With support from the setco, deepening the board's understanding of climate risks and opportunities, and designing appropriate metrics and targets.	3.33
Continuing focus on ensuring measurable benefits to individual members and having real-world impact.	3.33

The average ratings for the committee evaluations were:



The committees also performed a rating of their achievement of the objectives set for the year.

Refer to page 180 where these are discussed in more detail.

2024 committee objectives	Average score
Audit and risk committee	
Overseeing the application of equivalent governance and oversight in acquired companies	3.67
Succession planning for the chief financial officer in collaboration with the nominations committee	2.67
Continued focus on automation and digitisation in the finance function	3.00
Further continuous improvement in internal financial controls	3.33
Mergers and acquisitions committee	
Review of benefit realisation and effective integration of previous acquisitions	3.33
Consideration of new acquisition targets to enable strategic growth	3.33
Nominations committee	
Board and committee succession and effectiveness following several recent composition changes	3.00
Continued focus on executive succession: executing on planned chief executive officer and chief financial officer succession interventions	2.50
Remuneration committee	
Considering the impact on employees' wellness of economic volatility and inflation	3.00
Ensuring Alexforbes remains competitive in a market with scarce and diminishing skills	3.00
Considering the impact of corporate transactions on affected employees	3.00
Committee efficacy following composition changes	3.00
Social, ethics and transformation committee	
Enabling the board to consider the broadened proactive role the group should play as a corporate citizen in facilitating change in South Africa	4.00
Continuation of the deepened focus on climate change and the group's position, targets and action plans in response: likely approval of a climate change policy	3.00
Considering other strategic sustainability topics and areas the group should advocate for or consider greater involvement in understanding, such as the implications of proposed Employment Equity Act amendments	4.00
Continued and deepened oversight of the quality of advice to individual customers, specifically, and reviewing holistic enhanced assurance on best advice and treating customers fairly	3.50

Information technology governance

Information technology (IT) is a fundamental enabler within Alexforbes and essential to the effectiveness and sustainability of the group's growth ambitions.

An IT strategy that is aligned to the group's overall corporate strategy has been developed and guides IT investments, policies and procedures. This is underpinned by an IT governance framework, which is customised for the group's environment, integrated into key business objectives and monitored for compliance and performance. The framework aims to standardise business processes across the group, reduce internal costs and ensure sound governance.

Group technology adheres to a formal set of governance principles which are aligned to the recommendations of King IV, supported by the COBIT 2019 Framework. This approach ensures sound governance, standardises business processes, reduces internal costs and enhances overall IT management.

Arrangements for governing and managing IT

The board, through delegation to the audit and risk committee, assumes ultimate accountability for the governance of IT. This is a standing item on the committee agenda, focusing on:

- Risk, compliance and audit regulations and controls
- Cyber and information security regulations
- Oversight of the group IT strategy

Alexforbes established an artificial intelligence (AI) steering committee in the 2024 financial year, and AI principles and governance policy documentation are being finalised.

IT governance focus areas

During the reporting period, key IT-related topics discussed by the audit and risk committee include:

- Application optimisation and IT cost optimisation
- Cyber and information security roadmap
- AI
- Operational service improvement
- Continuous risk management and internal control assessments
- Disaster recovery
- Alignment to regulatory requirements

Stakeholder management

Our stakeholders play an important role in fulfilling our vision and executing on our strategic plan. While we engage with an extensive range of stakeholders who have a direct or indirect impact on the business, the engagement programme focuses on the stakeholder groups that are most likely to have a material influence on the business. These include clients and members, our people, investors, regulators, government and society.

The group's stakeholder relationship framework underpins our stakeholder engagement approach guided by principles of inclusivity through consultations with our stakeholders. The framework also considers material issues that are assessed, the legitimate interests and expectations of stakeholders, responsiveness through our decisions and actions, our performance and communication as well as the equality of all stakeholders.

The board takes accountability for guiding a stakeholder-inclusive approach that balances the needs of material stakeholders with the demands of maintaining a sustainable business. It has delegated oversight of stakeholder relationships to the setco. The setco has in turn delegated responsibility of the execution of the framework to the executive committee, supported broadly by all management. The executive committee is responsible for keeping the setco informed on performance, policies and practices as they relate to stakeholder engagement.

Our comprehensive engagement matrix and strategies enable us to prioritise what each key stakeholder values most and what value Alexforbes strives to create from each relationship in return.

Key principles

In the context of sustained value creation for all stakeholders, our engagement with stakeholders is based on the following principles:

Inclusivity

The group follows an inclusive approach to stakeholder engagement. This approach includes consultation with our material stakeholders to develop and achieve an accountable and strategic response to value creation and sustainability.

Equality

The group treats all shareholders equitably and ensures that minority shareholders are adequately protected.

Materiality

The group determines the relevance and significance of issues affecting its business and stakeholders. The materiality of stakeholder concerns is assessed by considering their legitimate interests and expectations in the context of the legal and strategic considerations of the business. The materiality of the stakeholder or stakeholder grouping also impacts the extent and frequency of engagement.

Responsiveness

The group aims to respond appropriately to stakeholder issues through its decisions, actions, performance and communication.

Amicable or consensus driven

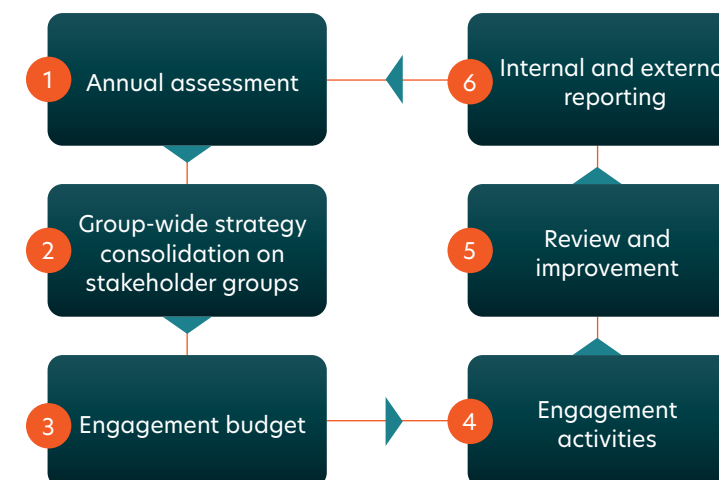
The group believes in seeking win-win situations and will give precedence to alternative dispute resolution during conflict, including in contractual relationships.

Group of company relationships

The group considers the interrelationship of subsidiaries (and their directors), and this is detailed in the group governance framework.

Structure of our stakeholder relationship and engagement process

The structure of our stakeholder relationship and engagement process is an iterative process:



Combined assurance

Alexforbes's combined assurance approach incorporates and seeks to optimise all assurance-related activities across the group and various assurance providers. The four lines of defence model is aimed at improving and monitoring the group's governance, risk management and internal controls.

The combined assurance model aims to integrate and align all assurance services and functions so that these holistically enable an effective control environment, support the integrity of information used for decision-making, and support the integrity of Alexforbes's external reports and underlying statements.

The board, through the audit and risk committee, oversees the implementation of the combined assurance model and its effectiveness. It ensures that the scope of combined assurance is informed by the key risks and opportunities that materially affect the group's ability to create and sustain value.

The group's combined assurance model remains an area of focus, to better entrench assurance principles in the organisation. This process is regarded as a medium-term journey, and we believe this is an area with tremendous opportunity for optimisation through the deployment of technology. The company commenced with the use of data analytics during the 2024 financial year and will intensify such efforts over the near term.

Currently, assurance over the annual financial statements is provided by our external auditor, the audit and risk committee and the board. Focused assurance work concerning internal and external reporting forms part of the overall combined assurance approach.

The chief audit executive and the internal audit function are appropriately empowered and have the requisite access to the audit and risk committee chair and other key forums. The internal audit function performs ongoing self-assessments, and the results are reported to the audit and risk committee.

Risk management

We have a proactive risk culture that is driven by a top-down approach of factoring risk into all decision-making, and a bottom-up approach informed by our day-to-day activities, projects and initiatives. Our risk landscape is managed through ongoing improvement of internal controls, including risk identification, assessment, mitigation and monitoring. This is achieved through collaborative efforts between the various business units and the assurance functions.

→ This report provides insight into our risk management approach, including

- Our governance structure** enabling our intended governance outcomes on page 155
- Our response to climate risks** on page 113
- Our top material risks** on page 68
- Climate action** on page 148
- Our ethical culture** on page 158
- Combined assurance** on page 172
- Compliance management** on page 178

→ This section provides additional information relating to

- Enterprise-wide risk management** on page 174
- Risk appetite** on page 174
- Key business risks** on page 176
- Own risk and solvency assessment** on page 176
- Tax risk management** on page 177

Within the context of the six capitals, our risk management culture is informed by our risk framework, risk management guidelines and other group policies and procedures. These specify the consideration of primary stakeholder impacts and consequences. The group risk strategy establishes our philosophies, attitudes and approach in

terms of risk management. It also informs the risk management architecture of the group, our risk appetite measures and the methodologies employed to protect and generate stakeholder value for the group.

As part of the board's review of the group strategy, significant risks associated with each strategic objective have been evaluated through a risk lens. The risk strategy is supported by risk management policies, the risk management framework and other tools to assist in embedding risk-adjusted decision-making throughout the group.

Our business planning processes continue to be characterised by holistic risk management and capital optimisation. The own risk and solvency assessment (ORSA) process has deepened in intelligence and capabilities to not only support more resilient planning for adverse events, but to also qualify material opportunities in our move to responsibly enhance our capital efficiency. Our integrated business model and our growth path afford us the opportunities to enhance risk-adjusted returns. Our ORSA process will continue to regulate realisation of these prospects. The audit and risk committee supports the board in considering the material outcomes of these processes and reviews the level of risk exposure against our risk tolerance and appetite levels. Understanding our risk environment informs strategy and assists with decision-making throughout the organisation.

The risk management function is routinely subject to independent review. The findings from the last independent review have been resolved.

Risk management reports are formally updated at least quarterly with risks, issues and associated actions tabled and discussed at dedicated platform- and group-level risk forums. Material risks and issues are escalated to appropriate executive management, and then to relevant board oversight committees. Apart from providing independent assurance, the group risk management function also provides guidance on risk-related matters and is involved in specialist risk management issues at a business level. The function also provides transactional approval, where appropriate, such as validation processes within the client services and solutions development process.

Risk management *continued*

Enterprise-wide risk management (ERM)

In line with our sustainability management framework, we manage our risks and the achievement of our business strategies and objectives through our ERM strategy and supporting framework. The principles outlined in the strategy and framework are incorporated into risk management policies and procedures to ensure that risk management is embedded into day-to-day management activities. We continue to review and update our key risk management policies to ensure their relevance and comprehensiveness, and this process is supported by ongoing risk training initiatives across the group.

Our second-line risk function is centralised to improve the consistency of risk management operations and achieve coordinated risk responses to major changes in the group. Ensuring a viable and effective risk governance model remains a priority as we entrench the operating model. We continually work to ensure that the risk governance model evolves to accommodate changing best-practice principles and organisational fit.

Accountability for risk management

Management is responsible and accountable for day-to-day risk management (first line of defence). Through operational committees, management provides oversight on strategy implementation, performance measurement, risk management, company controls and governance processes.

Accountability for oversight and control

In addition to the second, third and fourth lines of assurance, independent audit and risk committees provide objective oversight. This is done in relation to risk governance, risk management frameworks, the quality and effectiveness of the related internal controls and reporting processes, risk appetite limits and exposures, and the overall risk profile of the group. In addition, the audit and risk committee assists the board in collectively overseeing the group's own risk and solvency management processes and outcomes.

Internal audit or alternative independent assurance

Provides oversight and assurance through internal and bespoke alternative independent assurance concerning the adequacy and effectiveness of risk, governance and internal controls (third and fourth lines of defence), as well as the fairness of the annual financial statements.

External audit

Risk appetite

The board is ultimately responsible for risk governance within the group and is assisted by the audit and risk committee to implement processes that ensure risks are identified and managed within the board-approved risk appetite and limits. We operate with a strong foundation of our core purpose, values and a proactive risk culture that is driven by a top-down approach of factoring risk into decision-making, and a bottom-up approach as part of the day-to-day processes and projects. Our risk appetite serves as a valuable reference point for important business decisions and is set at business entity and group levels.

We are clear on the risks that the organisation actively seeks, avoids or accepts, as well as on the balance between risk and reward. We also have in place clear accountability and reporting requirements. Our risk appetite is established within major risk categories and each category has a set of key metrics that is monitored quarterly against set thresholds. Additionally, qualitative principles on our appetite and expected risk behaviour have been set for each of the categories.

Our risk appetite statements therefore seek to ensure that the group is responsibly managed in its pursuit of value. The risk appetite statements are used to drive our strategic decisions, facilitate the setting of boundaries for decision-making based on the group strategy and ensure that the level of risk is being monitored.

Risk category	Risk appetite and how we monitor risks	Key risk indicators
Business risk	We seek strategic risk and are willing to balance the risk of potential losses in pursuit of higher returns. We do not seek strategic risk in excess of our risk-bearing capacity.	<ul style="list-style-type: none"> Normalised return on equity over five-year period Growth in revenue Earnings at risk (deviation from budget) Cost-to-income ratio <i>Regulatory risk:</i> Group and solo entities' solvency capital requirement as required by regulatory authorities. This measure is an acknowledgement of the regulatory requirement. Our capital planning processes ensure that the group targets a competitive return on capital measure as part of our strategic risk appetite
Operational risk	<p>We have a limited appetite for the failure of people, processes and systems, and for the impact of external events on our operations. The impact of operational risk spans across the business and will be managed by the implementation of the appropriate controls.</p> <p>We have zero appetite for reputational risk.</p> <p>We will avoid situations arising from non-compliance with laws, regulatory requirements and codes of conduct applicable to the industries in which we operate that will result in a compromise of our business model, objectives, reputation or financial soundness. We will specifically focus on minimising market conduct, financial crime and privacy risks.</p>	<ul style="list-style-type: none"> Employee turnover System downtime (occurrences on key systems) Errors and omissions Process failures (number of erroneous transactions) Internal fraud External fraud Customer complaints Key risk indicators with respect to: <ul style="list-style-type: none"> market conduct financial crime privacy
Credit risk	We have limited appetite for credit risk and hence limit our exposures to non-investment-grade counterparties with ratings that are at least that of the prevailing sovereign credit rating. We also actively manage our credit concentrations.	<ul style="list-style-type: none"> Exposure to counterparties with ratings that are at least that of the prevailing sovereign credit rating Counterparty concentration
Market risk	<p>We have limited appetite for market risk in our own funds and aim to invest in short-dated fixed-interest instruments. We accept limited levels of mismatching risk on insurance liabilities. Our revenue stream from the investment business is exposed to market risk and the downside protection of its own revenue stream is aligned with the protection of client assets as far as possible. Protection of client assets occurs through our multi-management investment philosophy, which is underpinned by manager research and high levels of manager and asset diversification.</p> <p>We have limited appetite for currency translation risk in emerging markets' businesses.</p>	<ul style="list-style-type: none"> Nature and duration of assets Insurance liabilities matched in line with our asset-liability management policy
Liquidity risk	<p>We avoid liquidity risk and seek to maintain liquid assets to meet both planned and unexpected cash outflows. We avoid redemption risk, which is forced exits or withdrawals from investment positions.</p> <p>We will avoid mass withdrawals from our funds during market stress events, as it creates systemic risk in the financial services industry.</p>	<ul style="list-style-type: none"> Own funds allocated to liquid assets, short-duration assets Current and quick ratios

Risk management *continued*

Key business risks

Alexforbes identifies and classifies its key risks according to a three-level system. The three-level taxonomy is based on the Basel classification of operational risk, and further enhancements for risk classification that take into consideration the Financial Sector Conduct Authority's Quantitative Impact Studies over the build-up to the Solvency Assessment and Management (SAM) regime.

Risk categorisation assists in grouping risks in a structured risk management process that then allows the group to address different risk categories more intelligently. This includes the building of strategies to avoid or minimise impact. Key risks are identified and ranked by our group risk division in terms of our risk management strategy and in consultation with platform and group management.

Own risk and solvency assessment (ORSA)

The SAM regime commenced on 1 July 2018. As part of this regime, the Prudential Authority requires all insurance companies to complete an ORSA annually.

The effectiveness of our robust risk management system is reflected annually in the ORSA, which provides a holistic view of the risk exposures in the group and how these risks affect capital, solvency and the business strategy.

The expected scenarios, management actions and results are discussed and approved by the group audit and risk committee and/or board. Our ORSA process is designed to determine and highlight:

- The overall solvency needs of the group and solo insurance entities by considering the specific risk profile, approved risk appetite and business strategy
- The significance with which the risk profiles of the group and solo insurance entities deviate from the implied risk profile underlying the financial soundness requirements



Key developments during 2024

The ORSA process is updated annually or when required and our solvency position is evaluated by the group audit and risk committee and/or board. During 2024 we continued with the embedment of the ORSA process in our decision-making process. Enhancements of the risk management practices were also conducted, including assessment of contagion risk and ESG factors. This entailed implementing early warning triggers to risk appetite measures. The assessment of the group and insurance entities' economic capital was further enhanced by expanding the use of operational risk modelling techniques, including the allowance for post-event mitigation such as our group-wide insurance programme. The group also broadened the scope of stress and scenario testing to consider a wider range of scenarios and possible extreme events.

During the ORSA process the group's solvency and liquidity were stressed under various negative scenarios and the group continues to remain solvent and liquid into the foreseeable future. In the event that a subsidiary should become insolvent, the group can recapitalise the business operations and provide the requisite financial support.

Stress testing and risk management procedures outlined in the ORSA provide support for the going concern assumption under which the group's annual financial statements have been prepared.

Tax risk management

Recognising that taxes contribute to governments' efforts to build a prosperous society and stimulate socio-economic development, we are committed to being a transparent and responsible taxpayer. The chief financial officer, supported by the tax and finance functions within the group, is responsible for ensuring compliance with the group tax policy and the management of tax risks. Our group tax policy outlines our approach to tax, is updated annually and is approved by the group audit and risk committee. Our tax risk status, together with updates on changes to the tax landscape that may have a bearing on the group, is reported quarterly to the audit and risk committee, which is responsible for monitoring all significant tax matters. Biannual tax committee meetings are held, with attendance by finance and tax representatives across the group.

We manage tax risk as part of our ERM framework, which describes the key processes and controls, roles and responsibilities relating to tax risk and compliance. The tax risk management framework for corporate taxes was approved for the year by the group tax committee, which sets out the group's approach to tax risk management.

Tax risk management strategy

Our tax risk management strategy is designed to ensure:

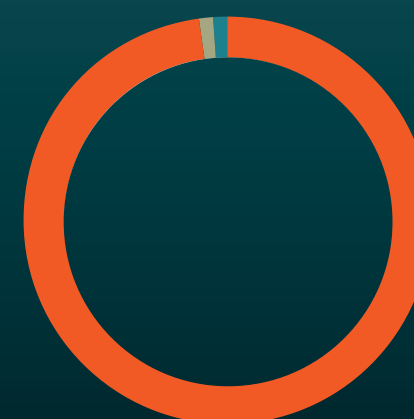
- Compliance with all applicable laws, rules, regulations and disclosure requirements in the countries where the group operates, without exception
- Transactions between group entities are undertaken on a commercial basis and are not used to achieve a tax advantage
- We behave in a manner that maintains trust in the group by regulators, revenue authorities, clients and the public

In addition to our corporate tax policies and approach, assisting and advising clients on relevant tax matters form an integral part of our overall tax focus. We provide information to retirement fund clients on the tax changes applicable to retirement funds and their members, and also ensure our internal administrative systems and processes are in line with the regulatory requirements. For individual clients, tax advice is built into financial products that require advice from our financial advisers.

Any suspected unethical or unlawful tax-related behaviour could also be reported through whistleblowing or to senior management, the audit and risk committee chair or board chair. Internal and external audits provide independent and objective assurance on the effectiveness of the management of tax risk across the group. External audit provides assurance on the appropriate compliance and financial frameworks within the group and provides assurance by recomputing tax calculations and confirming that adequate tax risk provisions are carried against uncertain tax positions, if necessary. Internal audit provides assurance on tax risk, governance and internal controls.

As part of our tax strategy, we take a proactive approach and constructively engage with tax authorities to protect and enhance our reputation and good standing.

Geographical tax contribution



- South Africa 98%
- Namibia 1%
- Botswana 1%
- Nigeria 0%

Compliance management

Compliance in our highly regulated environment is governed at multiple levels. The board retains ultimate oversight, supported by the audit and risk committee.

The group considers the management of compliance risk to be a key element of the enterprise-wide risk management (ERM) framework. Our compliance risk management framework is reviewed regularly to ensure ongoing alignment with the group's strategic goals and the ERM framework. Compliance risk management helps ensure effective reporting and compliance with laws and regulations, and helps avoid damage to the group's reputation and the associated consequences.

Our ethical culture section (on page 158) explained our approach to compliance with regards to anti-money laundering and counter-terrorist financing and how we maintain zero incidents of legal non-compliance. The IT governance section (on page 170) also explained how the IT governance framework is monitored for compliance. Further to this, this section provides information on the roles and responsibilities of compliance.

Alexforbes is committed to acting with integrity in the conduct of its business activities across the jurisdictions in which it operates. This is achieved by being aware of our regulatory obligations and landscape, and by maintaining an effective compliance programme for our business that reflects the best practices for a diversified financial services group. The group's approach to compliance is shaped by leadership applying core values and generally accepted practices to foster a culture of compliance, ethics and integrity.

The board is committed to a culture of compliance which goes beyond a tick-box exercise and has adopted a zero tolerance for non-compliance approach.

Roles and responsibilities

The group has adopted the ISO37301 standard as a benchmark for compliance, which forms the basis of the Alexforbes group compliance framework. This framework aligns to the Alexforbes ERM framework which allows for an integrated approach to the management of enterprise risks.

The compliance function follows a decentralised model, which is supported by an integrated group governance, legal, compliance and sustainability function. In line with our four lines of defence model, we have first-line compliance teams embedded in the business, overseeing operational compliance matters.

The group compliance function serves as a second line of defence, working closely with the internal audit team in line with our combined assurance model.

The compliance function is made up of subject matter experts to assist Alexforbes in identifying and managing current and emerging regulatory risks. It renders advice and assists the business with the identification, assessment, management, monitoring and reporting of compliance risks.

Role Responsibility

Board	The board bears ultimate responsibility for corporate governance within the group. This includes compliance with relevant laws and regulations, as well as ensuring the establishment of an ethical culture and effective compliance function.
Audit and risk committee	The committee is responsible for overseeing the roles and responsibilities of the internal audit team, first-line and second-line compliance as well as specifically providing assurance of the enterprise risk management framework.
Social, ethics and transformation committee	The committee provides oversight of treating customers fairly, complaints management and other bespoke regulation within its ambit.
Chief executive officer	The chief executive officer sets the tone of ethical leadership and integrity from the top, which influences a culture of compliance.
Executive: Governance, legal, compliance and sustainability	The executive provides strategic compliance oversight and works with business functions and subsidiaries to ensure compliance monitoring and reporting, as well as oversight of all applicable laws, rules and regulations as well as codes of conduct, policies and procedures. Despite managing the group compliance function, the control function head retains unfettered access to the audit and risk committee chair and Prudential Authority.
Management	Monitors compliance with controls, policies and procedures that have been designed to ensure operations are conducted in accordance with relevant regulatory responsibilities.
Employees	Remain conversant, informed and up to date with regulatory requirements that are relevant to their day-to-day activities and ensure these are implemented appropriately.
Group compliance	This is a second line of defence and control function. It owns the compliance framework and associated policies and standards. Group compliance also provides subject matter expertise and oversees and monitors the level of compliance across the group.
First-line compliance	This is a first line of defence that oversees and monitors compliance with operational controls, policies and procedures. It also reports on non-compliance matters and risk exposures to group compliance.



Our next move

- Ongoing focus on embedding the combined assurance framework, and optimal assurance coverage and monitoring by the four lines of defence
- The implementation of governance, risk and compliance (GRC) technology to enable integration among the four lines of defence for compliance, risk management, internal audit and fraud
- As part of the implementation of the GRC technology, further leveraging of analytics and robotics for automation, extending assurance coverage and enhancing integrated assurance reporting
- We will further embed the outsourced arrangement for internal audit and make optimal use of its skills, expertise and access to best practices and insights as they relate to assurance

Section 7

Board committee reports

- [Audit and risk committee report](#)
- [Mergers and acquisitions committee report](#)
- [Nominations committee report](#)
- [Social, ethics and transformation committee report](#)





Nosipho Molohe

Chair

Audit and risk committee report

The committee is pleased to present its report for the financial year ended 31 March 2024.

Purpose and role of the committee

The group audit and risk committee is an independent statutory committee in terms of section 94(2) of the Companies Act. Its primary responsibility is as audit and risk committee for Alexander Forbes Group Holdings Limited, but it also fulfils the role of a group committee as permitted by section 94(2)(a) of the Companies Act for all South African subsidiaries, including Alexander Forbes Investments Limited (AFIL) and Alexander Forbes Life Limited (AF Life).

Where bespoke committees have been established for non-South African subsidiaries, the committee still performs a group-level oversight role.

In addition to audit and risk matters, the committee is responsible for:

- group and regulatory capital, including the own risk and solvency assessment (ORSA)
- overall compliance oversight (although certain aspects are managed by the social and ethics committee)
- information technology governance

Terms of reference

The committee has adopted formal terms of reference, which include detailed reporting guidelines. The committee is satisfied that it has effectively discharged its responsibilities during the financial year ended 31 March 2024.

The committee's primary objective is to assist the board with its responsibilities for:

- the management of risk
- safeguarding of assets
- solvency and liquidity
- capital management, including the ORSA
- information technology governance
- oversight of financial control and reporting, and
- internal controls and corporate governance, particularly relating to legislative and regulatory compliance

The committee's roles and responsibilities include statutory and regulatory duties as per the Companies Act, the Prudential Standards, the Insurance Act 18 of 2017, JSE Limited Listings Requirements (JSE Listings Requirements) and King IV.

Composition and attendance

Current	
CWN Molohe (Chair)	4/5
RM Head	5/5
AM Mazwai	5/5
N Medupe	5/5

Standing invitees include the board chair and all non-committee member directors, chief executive officer, chief financial officer, chief audit executive/ internal audit function, chief compliance and anti-money laundering officer, group head of enterprise risk management, executive: governance, legal, compliance and sustainability, platform chief financial officers, head of group finance, information technology representative, head of capital and independent external auditor. The independent head of actuarial function (for AFIL) is an invitee for reporting purposes biannually.

The committee, however, debates matters without the permanent invitees present, when required.

The committee meets five times annually, with two of those meetings arranged as bespoke risk-focused sessions. Two closed meetings (aligned with the approval of the interim and annual financial results) are held with the independent external auditor and heads of control functions, where management is not present.

Financial statements and accounting practices

The committee reviewed the audited consolidated and separate annual financial statements of the group and company for the year ended 31 March 2024, particularly to ensure that disclosure is adequate and that fair presentation has been achieved. The committee recommended the approval of the audited consolidated and separate annual financial statements to the board of directors. The committee believes that these financial statements present a balanced view of the group's performance for the year under review and that they comply with International Financial Reporting Standards. The committee followed similar approaches for the significant subsidiaries of the group.

Evaluation of the expertise and experience of the chief financial officer and appropriateness of financial reporting procedures

The committee deliberated on the expertise and experience of the chief financial officer, Bruce Bydawell, and is satisfied that he has the requisite expertise and experience to execute his designated functions. The committee has also considered and satisfied itself as to the appropriateness of the expertise, experience and adequacy of the resources of the finance function and the adequacy of financial reporting procedures in the preparation of financial statements.

Statutory duties

In the execution of its statutory duties, during the year under review, the committee:

- Confirmed the appointment of Deloitte & Touche (Deloitte) as the external auditors and Mr Mark Hugh Holme as the registered auditor responsible for the audit, following the resignation of Mr Dinesh Munu from Deloitte.
- Satisfied itself that the external auditors were independent of the company.
- Agreed the terms of engagement of and determined the fees payable to the independent external auditors.
- Ensured that the appointment of the independent external auditors and the registered auditor complied with the provisions of the Companies Act.
- Pre-approved the non-audit services provided by the independent external auditors, in terms of a policy in this regard previously adopted by the committee.
- Noted that it had not received any complaints, either

from within or outside the company, relating to the accounting practices, the independent and internal audits of the company or the content or auditing of its financial statements or any related matter.

- Performed its other functions in accordance with its terms of reference.

Delivery against 2024 objectives

In addition to delivery against the standard annual plans, the board and committee also set specific objectives for each year as reported on below:

- Good progress had been made with the application of equivalent governance and oversight in acquired companies. In reviewing the benefit realisation and effective integration of previous acquisitions, the committee, in collaboration with the mergers and acquisitions committee and the board, considered the impact of the loss of a key client of the EBS International business as well as steps taken to mitigate and future-proof this business. Post-acquisition reviews will continue to highlight lessons, as well as demonstrate to us and the market that our strategy delivers value.
- Following the acquisition of OUTvest during the year, the group delegation of authority was adopted and further governance integration will receive attention in financial year 2025.
- Continued focus on automation and digitisation in the finance function: the project blueprint received attention in financial year 2024, with the detailed business case for the finance transformation plan to receive attention in financial year 2025.
- Further continuous improvement in internal financial controls and oversight of an improved external audit process in collaboration with Deloitte during its second year as external auditors.
- As in the previous two years material oversight items included the litigation on the enhanced transfer value (ETV) liability matter, which remains pending and continued to receive focus in financial year 2024.



Audit and risk committee report *continued*

Other key items of focus

- The committee and board of directors continued to pay specific attention to the judgements, estimates and assumptions and the key audit matters defined in the independent auditor's report.
- The committee continued to focus on maturing the group's enterprise risk management, information technology governance (including information technology business continuity and cyber security), compliance, combined assurance frameworks and processes. During the year the committee approved several revised or new policies and frameworks.
- The committee received deep-dive presentations on the following areas and business units during the year: Artex Axcell (the group's cell-captive), privacy office, two-pot, group tax and compliance and information technology. Deep-dive regularity is determined based on risk, with higher-risk items being reviewed more frequently.
- The committee considered the JSE proactive monitoring of financial statements, general reports and reports specifically pertaining to the group.

External audit

The committee reappointed Deloitte as the group's independent external auditor for the year ended 31 March 2025. The committee also evaluated the performance and independence of the external auditor, as well as the audit partner, Mr Mark Hugh Holme.

The committee reviewed the external audit plan and approved the remuneration of the external auditor. In addition, a formal policy exists in respect of the provision of non-audit services by the external auditors and a formal procedure governs the process whereby the auditors are appointed to provide any non-audit services, including a limitation on fees for non-audit services which shall not exceed 25% of the audit fee. Non-audit services rendered by Deloitte were less than 8% of the total audit fees.

The committee is satisfied with the level and extent of non-audit services rendered during the year by Deloitte and that this did not impact on their independence.

Fees paid to the auditors are disclosed in note 3 of the group annual financial statements for the year ended 31 March 2024.

The committee has requested and obtained from the auditors all decision letters, findings and related reports as required in terms of paragraph 22.15(h) of the JSE Listings Requirements.

Key audit matters relevant to the consolidated financial statements

The key audit matters are those items of most significance as determined by Deloitte during the audit of the financial statements.

The key audit matters consist of Level 3 financial assets held under multimanager investment contracts.

The committee considered the evidence presented and the disclosure in the financial statements and concluded that the treatment of this matter was appropriate.

Internal audit

The committee is responsible for ensuring that the group's internal audit function is independent and has the necessary

resources, standing and authority within the group to perform its duties. The committee is satisfied with the continued suitability of Ernst and Young (EY) as the outsourced partner for internal audit for the group.

The committee oversees cooperation between the internal and external auditors and serves as a link between the board of directors and these functions. Internal audit continued to operate under the charter approved in the previous financial year.

In addition to reporting to this committee, the internal audit function also reports to the relevant subsidiary audit and risk committees (where applicable) with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of the group's operations.

Financial reporting procedures

The audit committee has executed its responsibilities in terms of section 3.84(g) of the JSE Listings Requirements. The committee has considered the financial reporting procedures in place, the assurance reports provided by both internal and external audit and the matters raised and discussed as part of the internal management reporting. The committee is satisfied that internal financial controls have been put in place to ensure that material information relating to Alexforbes and its consolidated subsidiaries has been provided to effectively prepare the financial statements.

Internal financial controls

The committee has had oversight of the internal control environment. Internal financial controls include all aspects of the business and the controls to ensure an effective operating environment.

Based on its oversight and monitoring of the group's system of internal financial controls throughout the year under review, and reports made by the combined assurance providers, including internal and external audit and the head of actuarial function, compliance and risk management on the results of their procedures, the committee is satisfied that the group's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements.

Going concern

The committee, with concurrence from Deloitte, has reviewed a documented assessment, including key assumptions prepared by management, of the going concern status of the company and group and has made a recommendation to the board in accordance with the assessment. The board's statement on the going concern status of the group, as supported by the committee, appears in the directors' responsibility for financial reporting section of the annual financial statements.

Key focus areas for 2025

The following will be areas of focus, in addition to continuing items from the year under review:

Strategic capital allocation

Overseeing the application of equivalent governance and oversight in acquired companies (as in financial year 2024)

In collaboration with the nominations committee, chief financial officer succession planning (as in financial year 2024)

Continued focus on automation and digitisation in the finance function



Bob Head

Chair

Mergers and acquisitions committee report

The committee is pleased to present its report for the financial year ended 31 March 2024.

Purpose and role of the committee

The committee has been established as a sub-committee of the board to review acquisitions, mergers, disposals and joint ventures, and meets at least three times per annum. The primary areas of oversight include strategic alignment discussions, considering transactions through the various stages and post-acquisition reviews.

Terms of reference

The committee has adopted formal terms of reference, which are reviewed and updated as necessary. The committee is satisfied that it effectively discharged its responsibilities during the financial year ended 31 March 2024.

In addition to delivery against the standard annual plans, the board and committees also set specific objectives for each year.

The report below focuses primarily on those objectives as the most material items.

Composition and attendance

Current	
Bob Head (chair)	5/5
Bruce Bydowell	5/5
Dawie de Villiers	4/5
Marinda Dippenaar*	5/3
Kuseni Dlamini**	4/4
Thabo Dloti	3/5
Gary Herbert	5/5

* Appointed 4 September 2023.

** Appointed 1 July 2023.

Note: Board members who attended meetings but are not committee members are not included here.

Delivery against 2024 objectives

- In reviewing the benefit realisation and effective integration of previous acquisitions, the committee, in collaboration with the audit and risk committee and the board, considered the impact of the loss of a key client on the EBS Internation business as well as steps taken to mitigate and future-proof this business. Post-acquisition reviews will continue to highlight lessons, as well as demonstrate to the board and the market that our strategy delivers value.
- During the year the committee had oversight of the implementation of the TSA Administration acquisition. TSA brings scale, systems and additional experienced personnel to Alexforbes, enhancing our capabilities to serve a broader market segment. This acquisition strategically aligns with our intent to expand service offerings to intermediaries. The committee will continue to monitor the key performance measures associated with this transaction to manage any potential risks of erosion of value.
- The committee approved the acquisition of OUTvest Proprietary Limited (OUTvest), which was concluded on 1 February 2024 was the retail investment division of the OUTsurance Holdings Group. The acquisition provides Alexforbes with the opportunity to accelerate its technology development and enhance its digital interface with its retail members and customers. The migration of this business is under way and expected to be completed in the next 12 months.
- In addition to approving transactions to proceed to the next phase of execution, the committee is equally pleased with transactions terminated or declined. During an acquisitive phase, it is easy to become eager to execute, but the committee remains focused on seeking those opportunities that will create real and sustainable value. The reasons for declining to proceed were one or more of the following:
 - inadequate return
 - too much risk
 - insufficient information to perform an adequate due diligence
 - unrealistic sale and purchase agreements

Key focus areas for 2025

The key focus areas for the year ahead remain fairly consistent with those for the 2024 financial year:

The review of benefit realisation and effective integration of previous acquisitions

Consideration of unique new acquisition targets to enable strategic growth. Given the increased regulation we believe that a number of sub-scale players will come to market



Kuseni Dlamini

Chair

Nominations committee report

The committee is pleased to present its report for the financial year ended 31 March 2024.

Purpose and role of the committee

The nominations sub-committee has been established to assist the board by providing independent oversight of the process for nominating, electing and appointing members to the board and its committees, non-executive directors to subsidiary boards, classification of directors, board and committee induction, ongoing development processes and interventions, succession planning and board performance evaluation processes.

Shareholders are required to elect directors appointed by the board during the period, in addition to re-electing directors required to retire by rotation, as per the AGM notice.

Terms of reference

The committee has adopted formal terms of reference, which are reviewed and updated as necessary. The committee is satisfied that it effectively discharged its responsibilities during the financial year ended 31 March 2024.

In addition to delivery against the standard annual plans, the board and its committees also set specific objectives for each year. The report below focuses primarily on those objectives as the most material items.

Composition and attendance

Current	
Kuseni Dlamini (chair)*	2/2
Thabo Dloti	3/3
Gary Herbert	3/3
Previous	
Daniel Mminele (chair)**	0/0

* Appointed 1 July 2023.

** Resigned 30 April 2023.

The chief executive officer and chief financial officer are standing invitees. Ad hoc invitees include professional advisers and employees whose input may be required as and when necessary.

Delivery against 2024 focus areas

Following the appointment of a new board chair and several board members with short tenures, the committee focused on a revised emergency succession plan and achieving optimal board effectiveness. The committee is comfortable that the emergency succession plan is robust.

- As required for all new board members, the committee facilitated a first-year review of the chair and is pleased to confirm the board's satisfaction with the chair's performance.
- The committee continued to assess the need for the appointment of additional non-executive directors and embarked on a process to identify suitable potential additional and succession candidates. The committee specifically focused on identifying a successor for Mr Dloti, as remuneration committee chair, leading to the appointment of Mr Roux.
- Considering the focus on board succession, executive succession received less formal attention during the year. However, the internal pipeline of candidates for chief executive officer and chief financial officer potential successors continued to receive general developmental and growth opportunities in furtherance of their future readiness.

Other key item of focus

The committee oversaw the board and committee evaluation process and was pleased with the outcome.

Refer to **Performance evaluation** on page 168.

The evaluation results also informed the committee's nomination of directors and committee members for election and re-election at the forthcoming AGM.

Key focus areas for 2025

The key focus areas for the year ahead remain fairly consistent with those for the 2024 financial year:

Board and committee effectiveness following the recent composition change

Continued board training and development on new industry and regulatory developments

Continued focus on executive succession and executing on planned chief executive officer and chief financial officer succession interventions



Andile Mazwai

Chair

Social, ethics and transformation committee report

The committee is pleased to present its report for the financial year ended 31 March 2024.

Purpose and role of the committee

The committee has been established as a statutory committee for those statutory duties assigned to it in terms of section 72(4) of the Companies Act (read in conjunction with Regulation 43 of the Companies Regulations, 2011) and as a committee of the board for all other duties assigned by the board. The role and objective of this committee are to oversee and monitor the group's activities in relation to social and economic development, good corporate citizenship, corporate social responsibility, ethical conduct and business practices, environmental impact, consumer relations (including market conduct broadly and treating customers fairly (TCF) specifically), fair labour practices and transformation.

Terms of reference

The committee has adopted formal terms of reference, which are reviewed and updated as necessary. The committee is satisfied that it effectively discharged its responsibilities during the financial year ended 31 March 2024.

In addition to delivery against the standard annual plans, the board and its committees also set specific objectives for each year. This report focuses primarily on those objectives as the most material items.

Composition and attendance

Current	
Andile Mazwai (chair)	3/3
Dawie de Villiers	3/3
Thabo Dloti	2/3
Ndumi Medupe	3/3
Refiloe Nkadimeng	3/3

Delivery against 2024 objectives

- In addition to the company's significant positive impact through its normal business activities, which are described in detail throughout the annual integrated report, some highlights of enabling the company to play an even broader proactive role as a corporate citizen in facilitating change in South Africa during the reporting period included:

- Following the pledge by South African business, including Alexforbes, in July 2023 to address the country's challenges, our chief executive officer has continued to contribute towards this Business Unity South Africa lead initiative. This intervention underscores our commitment to South Africa, its future and our belief that together we can rapidly turn the flywheel, changing our country's direction.

- We also regard the progress on our sustainability imperative and especially the approval of the group and Alexander Forbes Investments climate policies as key components of delivering on this objective (refer below).

- Following the group's highly impactful sponsorship of the Archangel Cape to Rio team, the company focused its efforts on solid ground this time. Chess is more than just a game, it's a game-changer for learners. Chess breaks down barriers and brings people together to grow intellectually and build friendships. In South Africa we know there is incredible talent to be discovered, which is why we created the Alexforbes Battle Boards - a tournament that seeks out and celebrates these champions.

→ Refer to our **2024 reporting theme** on page 3.

- As referenced above, in continuation of the deepened focus on climate change and the company's position, targets and action plans in response, the committee approved a group and investment climate change policy and also sponsored research on the topic. In response to this rapidly changing landscape, the committee will review these policies more regularly than other policies to ensure continued adaptation and relevance as the dialogue on these topics develop and mature.

- In addition to the policies we have progressed and matured our carbon emission disclosures, in the second year of our disclosure.

→ Refer to **Our environmental impact** on page 146.

These topics will continue to receive attention as a strategic imperative and in response to anticipated increased regulation.

- The committee also undertook to consider other strategic sustainability topics and areas the group should advocate on or consider greater involvement in. The committee is very pleased with the overall progress on the sustainability strategy and more especially the holistic integration of sustainability into strategic conversations. Significant strides have been made in the past year, as discussed in more detail throughout the annual integrated report. The committee is especially pleased with the progress on establishing the company's Retirement Fund of the Future™ as the industry gold standard for sustainable, relevant and future-fit retirement funds. Alexforbes has also participated in and contributed to key sustainability-focused conversations, such as the ISSB-led sustainability regulatory round-table discussions for the first two international sustainability disclosure standards (IFRS S1 and S2) and several critical debates during sustainability-focused conferences and seminars. The committee would like to see embedment and maturing of the climate policies before additional focus areas are selected.

- The committee received an overview of the proposed Employment Equity Amendment Bill and regulations and its impact on the company and continues to monitor these developments.

→ Refer to **Our people** on page 102 for more information regarding our employment equity approach and progress.

- In focusing on continued and deepened oversight of the quality of advice to individual customers, and reviewing holistic enhanced assurance on best advice and treating customers fairly, the committee remained comfortable that assurance processes across various platforms have established a strong market conduct foundation. Considering the criticality of this aspect, it will continue to receive focus in the 2025 financial year and the committee is eager to see the automation of quality of advice monitoring planned for the year ahead.

Other key items of focus

- In reviewing employee engagement results, it was noted that, following the spike in performance in 2021 during the Covid-19 lockdowns, performance has gradually returned to normalised levels. The proportion of positively engaged employees still significantly exceeds industry standards.

→ Refer to page 64 and 106 for further employee engagement details.

- In collaboration with the remuneration committee, continued monitoring of the company's new ways of working and wellness factors, including utilisation of the employee wellness programme.
- Considering the elevated risk associated with a national grid failure that emerged midway through the 2024 financial year, the committee critically reviewed and ensured the robustness of business continuity strategies.
- The committee, in fulfilling its additional roles as trustees of The Alexander Forbes Community Trust, spent significant time on overseeing the trust's activities.

→ Refer to page 128 for further details about the Alexander Forbes Community Trust's activities.

- The committee continued to consider whistleblower reports and investigations, as well as the proactive training interventions directed towards lessons learned from investigations and to encourage ethical practices in all instances. The committee considered the results from the ethics institute evaluation completed of the 2024 financial year and was very pleased with the improvement in overall ethics maturity. The committee will monitor the implementation of the minor remedial actions during the year ahead.

→ Refer to page 158 for more detail regarding our ethics risk assessment.

- As part of the rotational deep-dive calendar, a consulting deep dive was presented and the committee was pleased with the practices on this critical platform, especially those focused on team performance, ensuring a competitive consultant value proposition, succession planning and talent development.

Key focus areas for 2025

Continued and deepened oversight of the quality of advice to individual customers specifically and reviewing progress of automated advice monitoring interventions

Embedment of climate change policies and delivery on overall sustainability strategy

Deepened understanding of emerging and amended legislation and regulation, especially the Companies Amendment Bill, 2023 and sustainability-related regulation

Section 8

Remuneration report

- [Remuneration committee report](#)
- [Background statement](#)
- [Our remuneration policy](#)
- [Implementation report](#)

Remuneration report

The committee is pleased to present its report together with the group's remuneration report for the year ended 31 March 2024. The remuneration report includes our remuneration philosophy and policy for executive directors, prescribed officers and non-executive directors (NEDs). It provides a description of how the policy has been implemented and discloses payments made to NEDs and executive directors and prescribed officers during the year.



Thabo Dloti

Chair

Remuneration committee report

Purpose and role of the committee

The remuneration committee (remco) has been established as a sub-committee of the board to assist it by providing independent and objective oversight of key remuneration matters for the group, including remuneration strategies, philosophies and their implementation, as well as the remuneration policy and implementation reports as disclosed to shareholders. The committee also approves the appointment and remuneration of specific key positions, including executive committee members and heads of control functions.

Terms of reference

The committee has adopted formal terms of reference, which are reviewed and updated as necessary. The committee is satisfied that it effectively discharged its responsibilities during the financial year ended 31 March 2024.

In addition to delivery against the standard annual plans, the board and committees also set specific objectives for each year. The report below focuses primarily on those objectives as the most material items.

Composition and attendance

Current	
Thabo Dloti (chair)	4/4
Gary Herbert	4/4
Kuseni Dlamini*	3/3
Previous	
Daniel Mminele**	0/0

* Appointed 1 July 2023.

** Resigned 30 April 2023.

Delivery against FY2024 objectives

- In considering the impact on employee wellness due to economic volatility and inflation, the committee was pleased with no material concerns having been raised by staff on remuneration following the 2023 annual remuneration review cycle. Additionally, after several years of lower vesting, the vesting of long-term incentives had been positively received by employees, creating a high level of trust in the fairness and reasonability of the overall employee value proposition. Despite no specific concerns emerging, the committee was comfortable with the human capital interventions to continue to support staff during ongoing economic uncertainty.
- In delivering on the objective of ensuring Alexforbes remains competitive in a market with scarce and diminishing skills, and in addition to the standard annual remuneration reviews, the committee considered the total amount of revenue at risk, influence and money at work (incentives associated to the positions) for critical talent and rainmakers. The committee was comfortable with the competitiveness of the total reward for these strategic roles.
- In delivering on both the employee wellness objective and the market competitiveness objective, the committee considered a comprehensive review of the company's benefits, with a specific focus on retirement, insurance and medical aid against the market. The evaluation confirmed general alignment with the market, other than retirement age, where the company's practices were considered as market leading, and extended family funeral cover, which benefit cover the company did not offer.
- In supporting the mergers and acquisitions committee, the committee considered the impact on staff of potential corporate transactions, some of which had not been progressed. The committee is satisfied with the treatment and integration of the OUTvest team (acquired during the financial year) and that of other recent acquisitions.
- In ensuring committee efficacy following composition changes, a special meeting was held for the purpose of a detailed discussion on the evolution of the remuneration policy and implementation, in addition to committee induction discussions. In debating the evolution of the policy and principles, the committee approved an amendment to the policy, in that the

strategic long-term incentive plan (LTIP) metric will not automatically be included in each tranche. The need for a strategic LTIP metric will be assessed each year during the annual strategy session and only included as a metric for the forthcoming allocation if deemed necessary.

- As a result, it was retrospectively determined that LTIP awards granted in July 2023 will not have a strategic metric and therefore the weighting was adjusted as follows:
 - Normalised headline earnings per share at 50 percent
 - Normalised return on equity at 50 percent

Other key items of focus

- The committee considered the feedback from engagements with shareholders prior to the annual general meeting and was pleased that no material remuneration policy or implementation report concerns had been raised. Some concern had however been raised by a major shareholder on the cost associated with the LTIP and the broad nature of the LTIP allocation. Consequently, the committee commenced a review of the group's LTIP.
- As per the 2025 objectives, it is envisaged that following the review and engagement with its major shareholders, enhancements and amendments to the LTIP will be considered.

→ Refer to **Our people** on page 102 detailing these practices and progress during the 2024 financial year.

Objectives for 2025

Ensuring Alexforbes remains competitive in a market with scarce and diminishing skills

Group-wide remuneration benchmarking oversight

Reviewing the structure of the LTIP considering liquidity constraints and shareholder input and feedback

1

Background statement

Alexforbes has developed an integrated approach to performance management and remuneration to give effect to the company's 'pay for performance' remuneration philosophy. The company has adopted an approach to total reward which recognises that reward is multifaceted and does not only have direct financial components.

Our employee value proposition includes offering competitive market remuneration and rewards, including an enabling and supportive environment, which contribute towards the financial goals and overall job satisfaction of our employees now and into the future. In addition to financial rewards, our total reward also extends to wellness offerings, a work-from-home package and location flexibility and learning and development as well as participation in recognition programmes as reflected in our employee People Promise.



The remuneration philosophy aims to attract and retain high-performing talent, protect and grow core skills, promote internal equity and fairness, reward and encourage behaviour consistent with the company's values and align the interests of all stakeholders.

The remuneration of executive directors, prescribed officers and heads of control functions is determined and approved by the remuneration committee. The remuneration of non-executive directors, in the form of fees, is proposed by the remuneration committee and approved by shareholders at each annual general meeting (AGM).

The remuneration committee consists of non-executive directors, with the majority (including the committee chair) being independent. As a committee of the board, the committee determines, agrees on and develops the general policy on executive directors' and senior management's remuneration, as well as the overall organisational remuneration policy. The objective is to ensure that such remuneration is fair, responsible and appropriate and that the conditions of employment and remuneration scales are market-related and at levels sufficient to attract, retain and motivate individuals of quality. The remuneration committee also ensures that executive remuneration is aligned to achieve the strategic objectives of the group and long-term value creation and is thus aligned to the interests of shareholders.

Shareholder engagement and AGM voting

The remuneration policy continued to receive high voting support with a 99.19% vote in favour (2022: 98.47%). Of the few shareholders who voted against the remuneration policy and implementation reports, none requested further engagements with the company.

We also continue to receive a high level of support for the implementation report, having received a 99.96% vote in favour of the implementation report (2022: 98.86%).

Results of voting at the annual general meetings are shown in the table below:

% vote in favour	2023	2022	2021
Remuneration policy	99.19%	98.47%	91.19%
Implementation report	99.96%	98.86%	57.99%

Non-binding advisory votes at 2024 AGM

The remuneration policy and implementation report will be presented for separate non-binding advisory votes from shareholders at the company's AGM to be held on 29 August 2024. These resolutions are set out in the 2024 notice of AGM and summarised annual financial statements for the year ended 31 March 2024.

Should the policy and/or implementation report be voted against by 25% or more of the voting rights exercised at the 2024 AGM, the committee will actively engage with shareholders to understand reasons for dissenting votes, address reasonable objections and report on the outcomes and any corrective measures taken or required.

We will welcome any comments that shareholders may have on our report or any concerns regarding the remuneration policy or its implementation. The remco will also continue to take into consideration all comments from shareholders in future policy reviews and amendments. This is in line with our commitment to meeting shareholder expectations where feasible, continually enhancing our reporting and maintaining accurate, transparent and relevant disclosure on the performance measures used to determine the award of short-term and long-term incentives.

2

Our remuneration policy

Overview

Alexforbes's philosophy in relation to remuneration aims to:

- offer total remuneration that meets the remuneration principles of the company
- align with the Alexforbes employee value proposition and the performance management system
- complement and support the delivery of financial and non-financial key objectives which underpin the company's strategy
- align the remuneration of both executive and senior management with the creation of long-term shareholder value
- attract, motivate and retain talented, high-performing people
- offer employees competitive guaranteed packages which are relevant to market benchmarks
- encourage performance to drive the achievement of both short-term results and long-term value creation and sustainability



Our reward philosophy promotes a holistic total rewards approach of combining remuneration with other elements of reward to attract, motivate and retain talented individuals. The principle of performance-based remuneration is one of the cornerstones of reward which increases employees' earning opportunities and a market-competitive total remuneration when taken together with guaranteed pay. The total rewards philosophy strives to create a reward environment conducive to high performance by enabling growth and development.

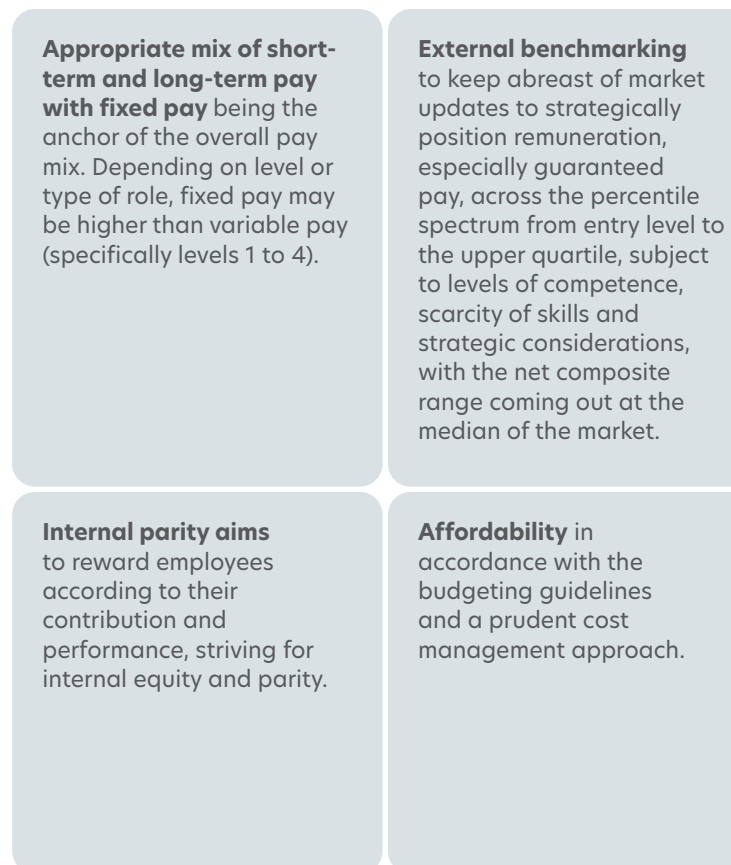
The remuneration policy is positioned to ensure that the company's total rewards paid to executives and all employees are affordable, market competitive and equitable. Remuneration decisions are based on objective criteria to ensure a fair and responsible pay offering that is free from discrimination based on race, gender or creed. Additionally, also ensuring that remuneration decisions do not induce excessive or inappropriate risk taking and are consistent with the long-term interests of the company's licensed insurance subsidiaries and the interests of their policyholders.

The policy is also aligned with the company strategy, business objectives and core values.

Philosophy



Principles



Fair and responsible

- Promote a culture that supports the enterprise, winning mindsets and innovation with appropriate short-term and long-term performance rewards that are fair and achievable.
- Align the remuneration of executive and senior management, in particular, with the creation of long-term shareholder value.
- Contribute to the promotion of an ethical culture and responsible corporate citizenship within the realm of remuneration, including the evaluation of employees' performance.
- Encourage high performance to drive the achievement of both short-term and long-term results that promote ESG principles and contribute to overall organisational sustainability.
- Ensure that all employees are treated equally by establishing an integrated reward system with level classifications with similar benefits for all employees.

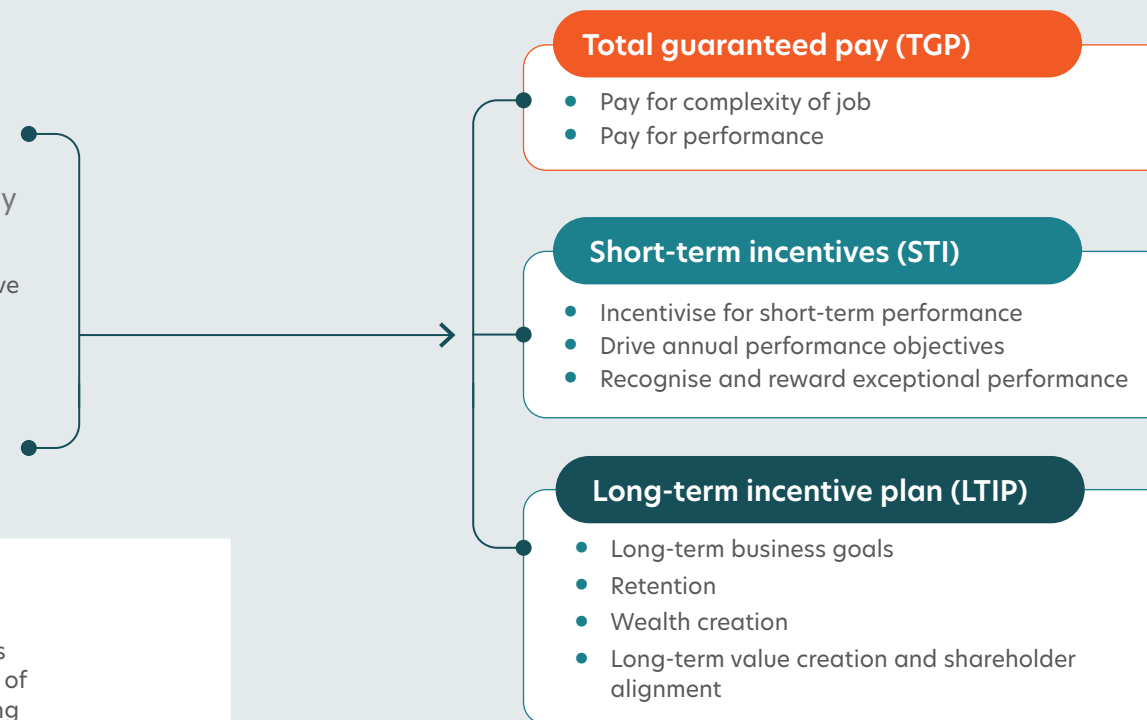
Our remuneration policy *continued*

Components of remuneration

Our remuneration structure comprises three components: total guaranteed pay (TGP), short-term incentives (STI) and a long-term incentive plan (LTIP).

Total remuneration consists of fixed and variable components, with emphasis on variable pay at executive and senior levels to encourage performance and alignment with shareholder value creation.

The company has adopted appropriate levels of total rewards and a remuneration mix that varies per occupational level to ensure alignment with organisational sustainability, long-term performance and shareholder value creation.



Pay mix

The targeted remuneration mix refers to the relationship between fixed and variable pay elements. This is key in driving the right balance between short- and long-term plans, aligning executive interest with that of shareholders, linking reward to the strategies that employees can control, and most importantly for driving short-term performance (STI) and long-term sustainable value creation and retention (LTIP).

The table below outlines our remuneration elements aligned to how we remunerate employees in terms of our remuneration philosophy and in a manner that is fair and responsible.

Components of remuneration (current)

		Eligibility (level)					
		1	2	3	4	5	6
Total guaranteed pay	Increases informed by:						
	<ul style="list-style-type: none"> Individual performance Promotion or job role change 						
Short-term incentives	Cash-based remuneration package						
	Benefits include: <ul style="list-style-type: none"> Retirement contribution Medical aid and life/disability cover contribution Other allowances 	☑	☑	☑	☑	☑	☑
Long-term incentives	<ul style="list-style-type: none"> STI pool calculated in line with the full year financial performance Reward based on company and individual performance based on financial and non-financial measures One-third of the STI pool retained for discretionary awards 'Rainmakers'/'top or out-performers' defined and appropriately rewarded through discretionary pool 						
	<ul style="list-style-type: none"> Align executives with shareholders: linking reward to achievement of financial and non-financial strategic objectives Scheme has three types of allocations: conditional awards, forfeitable awards and outperformance awards Subject to malus and clawback and a minimum shareholding requirement (MSR) for executives Equity-settled scheme (shares bought on market, non dilutive - no new issues for purposes of the scheme) Allocation is linked to individual performance The vesting of conditional awards is subject to three- and four-year performance conditions. <p>Equal vesting in year three and year four</p> <ul style="list-style-type: none"> The vesting of outperformance awards is subject to four-, five- and six-year performance conditions. One-third vesting in each of year four, year five and year six The vesting of forfeitable awards is subject to the continued employment condition being met. Equal vesting in year three and year four 				☑	☑	☑
Employee share ownership plan (ESOP)	<ul style="list-style-type: none"> Share-based award Allocated annually in June 						
	Performance conditions include (conditional awards): <ul style="list-style-type: none"> HEPS growth ROE Strategic initiatives (for all awards prior to the 2023 allocations) <p>For outperformance awards: HEPS growth, ROE and TSR</p>						
	<ul style="list-style-type: none"> ESOP in place for the benefit of all permanent employees who do not participate in the LTIP Participants receive a 30% trickle dividend through the ESOP's shareholding in Alexander Forbes Group Holdings Limited 	☑	☑	☑			
	<p>There is a significant weighting towards all qualifying black female employees. As a result, 70% of the beneficial interest of the ESOP trust is held by black women, with 30% to be distributed to all remaining permanent employees</p>						



Our remuneration policy *continued*

Fixed pay

Total guaranteed pay (TGP)

TGP is a core element of remuneration, reflecting the individual's role and position as well as the market positioning. It is payable for undertaking day-to-day duties. TGP is a fixed component that consists of base pay plus benefits (non-cash fringe benefits and fixed allowances) as depicted alongside.

Components of TGP

Base pay

To attract and retain employees and ensure internal equity and external competitiveness.

Base pay is reviewed annually with effect 1 July. This annual review includes merit adjustments. The average increase in employment cost is approved by the remco and takes into account the increase in cost of living, market remuneration rates, affordability and general employment market trends.

Annual reviews will be informed by:

- Projected inflation
- External market benchmark and trends
- Company affordability

Once the overall increase has been determined, individual employee performance ratings are the primary driving factor in the annual reward cycle review of respective individuals, but the following variables will also be considered:

- The individual's assessed long-term value to the organisation and skills scarcity
- The individual's remuneration positioning within a pay scale and remuneration of others in similar positions internally (internal equity)
- Market alignment (external benchmarks)

Fixed allowances

To ensure business continuity, operational effectiveness and comply with legislation.

The following circumstantial allowances are paid based on specific operational requirements:

- Shift
- Standby
- Overtime

Fringe benefits

To ensure competitiveness, employee wellness and engagement.

Employees are contractually obliged to belong to the approved medical and retirement funds inclusive of life and disability cover. Contributions are made by the company and the employee.

The following are compulsory benefits offered to permanent employees:

- Retirement fund contribution to the Alexander Forbes Retirement Fund
- Medical aid
- Risk cover and insured benefits (life assurance cover, permanent health, insurance, dread disease cover, spouse's cover and funeral benefit)
- Travel allowance (provided that the employee qualifies in terms of income tax legislation)
- Wi-Fi reimbursement - allowance for working from home

Alexforbes strategically positions itself to ensure competitive total reward within the parameters of affordability. This implies a weighted average benchmarking against the market's 50th percentile (or median) of TGP through leveraging non-guaranteed incentive pay with a spread from minimum to top percentile.

'Total reward' in certain instances (consistent high performance, scarce skills, critical roles) can be benchmarked at the market's upper quartile. The company's relative market position strives to ensure that it attracts and retains the core competencies required to meet the strategic objectives of the company.



Our remuneration policy *continued*

Variable pay

Variable pay consists of STI and LTIP awards that promote sustainable short-term and long-term business and individual performance. Importantly, it aligns the remuneration of executives, in particular, with the creation of long-term shareholder value. Variable pay is earned as a result of both organisational and individual performance outcomes.

Short-term incentive (STI)

The STI (bonus) component forms a fundamental part of the total reward philosophy that drives financial and non-financial aspects of organisational and individual performance by aligning individual performance to strategy. One of the key features of the remuneration policy is the 'pay-for-performance' principle. All permanent, active employees are eligible for the STI, except those who receive sales incentives or commissions.

Alexforbes's STI scheme rewards meeting specific predetermined short-term organisational targets. The guiding principles are as follows:

- A direct link between performance management and rewards.
- Objectives and measures derived from the overall annual strategic objectives of the company, cascaded down to determine relevant objectives and targets at all levels.
- The weighting on the group scorecard for financial and non-financial measurements is generally biased towards financials, with the split determined by the remco at the point of approving the group scorecard. The split is informed by specific objectives for any specific years, to drive the outcomes for achieving financial and non-financial objectives linked to the long-term company strategy.
- The incentive programme seeks to enable participants to have a clear understanding of value-adding remuneration opportunities and what they can do to maximise their value-add and ultimately their variable remuneration.

Qualifier for STI

The qualifier for the award of the STI is based on an individual achieving specific short-term key performance measures as well the company achieving specific short-term organisational targets approved by the remco.

The cumulative rating is determined by calculating the weighted score of the group scorecard and individual performance (thus an individual's overall score). For executives and senior management, greater weighting is placed on overall company performance as depicted below:



Annual group scorecard

The group scorecard rating is based on a 5-point scale, with a 3-point rating being on target.

The annual group scorecard approved by the remco includes financial and non-financial measures comprising the following four components:



Weighting can vary year on year and are therefore detailed in the implementation report. Each of these components has a number of value drivers, which are further broken down into initiatives designed to enable the delivery of the business objectives aligned to strategy.

The enhancement of the group scorecard and cascading of the initiatives have provided greater granularity in the number of controllable measures used to measure the performance of the group, and allows for improved linkages of performance to reward.

STI pool methodology

A company-wide STI pool is determined by applying a formula-based calculation, which incorporates the following inputs, approved by the remco:

- A percentage of adjusted normalised profit from operations before non-trading and capital items ('adjusted operating profit').
- A performance-related modifier for performance above and below a predetermined threshold (measured by the required hurdle growth rate). The remco reviews these thresholds annually. Thresholds are set to ensure that the STI pool reduces at a proportionally higher rate for below-target performance and increases at a higher proportional rate for above-target performance.

The mechanism for quantifying the pool is subject to annual review and refinement by the remco and can be modified where necessary.

The STI pool size will determine the final amounts paid to eligible employees. The individual award is calculated in line with the employee level, employee performance and group performance, which is then calibrated to the size of the pool.

Adjusted operating profit

Profit from operations¹ adjusted for:

- IFRS 16²
- Exclusion of the STI pool expense
- Quality of earnings adjustments
- Emerging markets' minority interest
- Reported profits from associate investments

$$\begin{aligned}
 & \text{Adjusted operating profit} \\
 & \times \text{Modifier (15% to 20%)} \\
 & \text{modifier against hurdle growth rate at the discretion of the remco subject to business conditions and strategic objectives} \\
 & = \\
 & \text{STI pool amount}
 \end{aligned}$$

1. Profit from operations before non-trading and capital items.
 2. IFRS 16 lease adjustment with the intention of reflecting the cash expense for leased property.

Our remuneration policy *continued*

Long-term incentive plan (LTIP)

The Alexforbes LTIP applies to executive and middle to senior management (Level 4 and above).

The share-based LTIPs awarded up to July 2021 are governed by rules as approved by shareholders (the Alexforbes Long-term Incentive Share Plan (Forfeitable and Restricted Share Scheme 2015) (2015 LTIP rules). While awards from July 2022 onwards are governed by the Alexforbes Long-Term Incentive Share Plan 2022 (2022 LTIP rules), a non-schedule 14 of the JSE Listings Requirements scheme, as approved by the remco.

LTIP award levels, expressed as a percentage of guaranteed pay, will be made based primarily on an employee's TGP, job grade, performance, retention and attraction requirements and market benchmarks.

The LTIP is designed to:

- Reward individual performance for the achievement of long-term strategic objectives.
- Act as a retention mechanism.
- Align the objectives and focus of those individuals with the most influence on delivery of the company's strategy, long-term sustainability and value creation with shareholder interests.
- Incentivise executive and senior management to drive growth and achieve sustainable above-market growth and returns.

To align the interests of executive and senior management with shareholder interest, the vesting of the LTIP awards is conditional on achieving performance and service conditions measured over a period appropriate for the achievement of the strategic objectives of the company and continued employment over the vesting period.

Such performance measures are linked to factors enhancing stakeholder value and require strong levels of overall corporate performance, measured against predetermined objectives and targets.

Awarding of LTIPs is made on a sliding scale to avoid an 'all or nothing' profile that may encourage undesirable risk-taking and starts at a level that is appropriate in comparison with TGP. Awards with high potential value may only be linked to commensurately high levels of performance. Full awards require significant value creation.

Level	% of TGP
CEO	100%
Other executives	80%
6	60%
5	40%
4	20%

Types of awards

In terms of the Alexforbes LTIP, the group has three types of share awards:

Conditional share plan (CSP) awards

Conditional awards are granted subject to continued employment and achievement of certain company performance conditions. Performance is measured over a three- and four-year period with staggered vesting in equal tranches in years three and four.

Forfeitable share plan (FSP) awards

Forfeitable awards are granted subject to continued employment, with no performance conditions, other than the original individual entry performance condition to qualify for an allocation. These awards are aimed at retention. Vesting is staggered in equal tranches in years three and four.

The 2022 LTIP rules also allow for outperformance awards, a sub-category of CSP awards with more onerous performance criteria for vesting and longer vesting periods.

Outperformance CSP awards

Outperformance conditional awards are granted subject to continued employment and the achievement of certain performance conditions. As a further condition participating employees will forgo one-third of their on-target, short-term and long-term incentive award in the year of allocation of the outperformance award.

- The outperformance CSP awards require a vesting period determined by the remco but will always be longer than the standard CSP vesting period.
- Outperformance awards are awarded to a participant only once in a five-year period and are intended to reward significant performance over an extended period.

Malus and clawback on LTIP

The malus and clawback provisions apply for all LTIP awards allocated. Malus provisions provide the ability to reduce, in part or in full, the value of an incentive that may vest in the future before vesting. The clawback provision provides the ability to recover the value of vested shares, in part or in full after vesting.

In terms of these provisions, the remco may reduce the quantum of LTIP awards in whole or in part (including to nil) under the following circumstances:

- Should the participant act fraudulently or dishonestly or be in material breach of obligations to the company, and/or
- Should the company become aware of a material misstatement or omission in the annual financial statements.

Settlement of shares

The company generally settles the LTIP awards by way of on-market purchases, which does not have a dilutionary effect for shareholders. The 2015 LTIP rules do, however, also allow for settlement of shares using treasury shares or the issue of new shares. This potential for dilution, insofar as the company could issue shares to settle the conditional awards, will remain in effect for the 2021 tranche until its fourth year vesting in 2025.

The 2022 LTIP rules that govern all awards made from July 2022 and beyond do not allow for the issue of new shares or the use of treasury shares to settle LTIP awards.

Our remuneration policy *continued*

Long-term incentive plan (LTIP)

Metric, rationale and measurement

Normalised headline earnings per share (HEPS) growth

- Basis on which management manages the company and normalised results reflect the economic substance of the company's performance
- Normalised HEPS growth over time should be the foundation upon which the share price should appreciate and shareholder wealth creation rests
- Sustainable growth in normalised HEPS is important to achieving long-term performance and therefore this measure is based on a three- and four-year compound annual growth rate (CAGR) to align with the vesting periods

CSP

Weighting 50%

- Vesting:** 30% vests for threshold performance and 100% vests for target performance, where:
- Threshold performance = nominal GDP growth
 - Target performance \geq nominal GDP growth + 6%
- Linear vesting applied between these points

Outperformance CSP

Weighting 33.3%

- Vesting:** 0% vests for threshold performance and 100% vests for target performance, where:
- Threshold performance = nominal GDP growth
 - Target performance \geq nominal GDP growth + 8%
- Linear vesting applied between these points

Normalised return on equity (RoE)

- Measurement incorporates the annual delivery of results against the capital held within the business
- Normalised RoE is measured over the performance period and is calculated based on the simple average of the reported RoE over the vesting periods

Weighting 50%

- Vesting:** 30% vests for threshold performance and 100% vests for target performance, where:
- Threshold performance = risk-free rate¹ + 2%
 - Target performance \geq risk-free rate + 6%
- Linear vesting applied between these points

Weighting 33.3%

- Vesting:** 0% vests for threshold performance and 100% vests for target performance, where:
- Threshold performance = risk-free rate + 6%
 - Target performance \geq risk-free rate + 10%
- Linear vesting applied between these points

Strategic initiatives

- Inclusion of strategic initiatives provides the board with a further tool to drive specific objectives which contribute to long-term sustainability and value creation. The initiatives will be clearly defined and measurable, scored by the board every year
- During the current year the remco determined that the strategic initiatives will not automatically apply to each tranche and decided that these will not be applicable to the allocation awarded in July 2023.
- The weighting for HEPS and ROE therefore increased from 35% for prior year awards to 50% each for the allocations awarded from July 2023 onwards. The inclusion strategic initiatives in future years will be considered by the remco in each instance.

Weighting Remco discretion

- Vesting:** The scores for all initiatives will be added at the end of the vesting period and applied to the vesting shares as a percentage of the total possible score for the entire vesting period

N/A

Total shareholder return (TSR)

- TSR is the most direct measure of shareholder value creation and is directly linked to shareholder outcomes
- Calculated as the compound annual growth over the performance period in the TSR index, as provided by Bloomberg, with the initial and final index values smoothed using a 20-day trading average

N/A

Weighting 33.3%

- Vesting:** 0% vests for threshold performance and 100% vests for target performance, where:
- Threshold performance = risk-free rate + 6%
 - Target performance \geq risk-free rate + 11%
- Linear vesting applied between these points

Discretion of the remuneration committee and executive committee

Remco has discretion to withdraw or change the STI scheme. In addition, the remco holds overriding discretion on incentive payments, including zero STI awards. In the event of exceptional individual performance achieved (within the context of poor company performance) ex-gratia payments may also be approved.

The remco may exercise discretion for up to a third of the STI and LTIP allocation based on the following principles:

- The scope for discretion is used primarily for rewarding top performers and rainmakers and key talent who meet performance criteria.
- The need to apply discretion will generally, but not always, arise from one or two, or both, of the following:
 - The formulaic result does not produce sufficient incentive to appropriately reward top performers, rainmakers and retain the skills of the individual.
 - The formulaic result does not adequately reflect the performance of the individual.

When considering the application of discretion, consideration will be given to which of the above reasons give rise to the need for such discretion to be applied. Discretionary allocations will only be considered if supported by objective justification and will follow the discretion approval and governance process.

Following the approval of the variable incentive pool by the remco, the executive committee (exco) has the same discretion for up to a third of the approved pool to be used for discretionary allocations to recognise top performers, rainmakers and scarce skills, and to retain key talent through appropriate allocations of LTIPs. The exco discretion is guided by the same principles above and more operational guidelines issued by management at commencement of allocations.

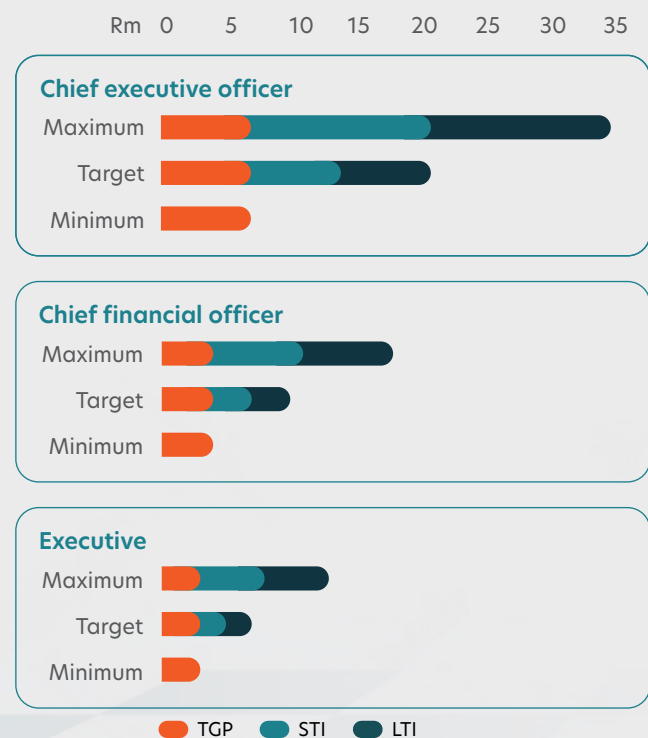
Our remuneration policy *continued*

Executive remuneration

Remuneration mix at minimum, target and maximum

The main difference in the remuneration structure of executives and other employees is a greater emphasis on variable performance-linked pay in senior roles. As an overarching principle, executive remuneration is structured to ensure alignment with the creation of shareholder value and the strategic objectives of the company, and to encourage achievement of stretched targets within appropriate risk parameters.

Variable pay includes the STI to drive and incentivise annual performance over the financial year and the LTIP to drive longer-term performance over a four-year period. The pay mix is the potential earnings per year that can be achieved linked to performance. It includes the minimum earnings, 'on-target' earnings and the maximum potential earnings.



The assumptions made in arriving at these outcomes are the following:

Minimum remuneration is calculated by assuming zero performance outcome on variable pay (targets not met - poor performance below a 3 rating).

Target remuneration is calculated by assuming that the performance outcome for the company and individual resulted in an on-target outcome (targets met - solid performance or a 3 rating).

Maximum remuneration is calculated by assuming that the performance outcome for the company and individual resulted in a 'stretch outcome' (exceeded targets - up to the maximum of a 5 rating). The pay mix for any given year will vary based on performance (both company and individual) which drives all decisions in the allocation process, as well as consideration for retention, especially in LTIP awards.

The approved STI pool based on company performance may influence decisions on the mix. For illustration, in a year when an STI pool is low, the company may use more LTIP allocations to mitigate retention issues.

The company has a cap in place for STI that is based on the on-target amount.

Minimum shareholding requirements (MSR)

An additional requirement for members of the executive committee to derive economic value of vested awards is that they must meet the minimum shareholding requirement. The company wishes to encourage members of the executive to hold shares in the company, reinforcing the alignment between the executive and shareholder interests.

Executives must build up and hold a specified number of shares (the target minimum shareholding) over predetermined holding periods, whereafter there is an expectation that executives, subject to the MSR, will continue to maintain their shareholding in good faith while in the employment of the company or such period as determined by the remco from time to time.

The target minimum shareholding may be satisfied by:

- Pledging vested shares to be held in escrow (before the MSR measurement periods) instead of disposing of such shares on vesting, and/or
- Personal investment shares previously vested and transferred to any individual's personal broker account or purchased in the company using after-tax income, which are unencumbered and also pledged for purposes of MSR.

The target dates are dependent on when the particular individual was appointed as a member of the executive committee.

The MSR to be met, as a percentage of TGP at measurement date, by each individual member of the executive committee is shown in the table below:

Name	2022	2023	2024	2025	2026	2027
Dawie de Villiers	150%	200%	250%	-	-	-
Bruce Bydawell	100%	125%	150%	-	-	-
Carina Wessels	100%	125%	150%	-	-	-
Butši Tladi	100%	125%	150%	-	-	-
John Anderson	100%	125%	150%	-	-	-
Laura Kukard	-	100%	125%	150%	-	-
Jonathan Muthige	-	100%	125%	150%	-	-
Viresh Maharaj	-	-	100%	125%	150%	-
Ann Leepile	-	-	-	100%	125%	150%

Note: Dates are aligned to respective start dates.

Service contracts

Executive directors and group executives have permanent employment agreements with the company. The notice period for all executive committee members is three months. None of the executive directors or group executives have special contractual obligations in employment contracts which could give rise to payments on termination of employment.

Remuneration of non-executive directors

The factors that determine non-executive directors' remuneration proposals are:

- The company's market capitalisation and sector.
- The level of complexity and responsibility, especially in relation to regulated companies.
- The time commitment (both for meetings and on a continual basis).
- Fees comprise a monthly fee and are not based on attendance and no meeting or sitting fees are paid in addition.
- Level of individual competence does not influence individual remuneration per se, other than certain committees that may require a different level of competence.
- Residency does not influence remuneration, although travel and accommodation are covered by the company in addition to the normal fees payable.
- The chair's fee is based on an all-inclusive fee, considering the number of applicable boards and regardless of board committee attendance (which the chair is expected to attend as far as possible as a standing invitee).
- The same comparator group applicable to executives and general employees apply to NED remuneration to ensure parity and fairness.
- The company targets NED remuneration at the median, although certain instances may warrant the upper quartile.
- NEDs are not eligible to receive any performance incentives or LTIPs.
- NEDs are encouraged to attend all meetings as invitees, but do not receive payment where they are not appointed members.
- Shareholder nominee director fees are either paid to the shareholder company. In some instances shareholders waive the fees.

3

Implementation report

The detail relating to the remuneration paid to executive directors, non-executive directors and other executive committee members (prescribed officers) for the financial year ended 31 March 2024 is provided in this part of the report.

The remco considers these payments to be in line with the company's remuneration policy and where discretion (within permitted parameters) has been applied, such instances are specifically indicated.

Factors that influenced remuneration

Alexforbes has delivered a solid set of results in 2024 owing to disciplined strategic execution, a transformed organisational culture and sound corporate governance. These results reflect deliberate management implementation of our turnaround strategy.

Factors that informed the review of remuneration in the 2024 financial year included:

External factors

- Challenging macroeconomic environment that has been exacerbated by uncertainty and market volatility
- Competitive labour market competing for scarce skills

Internal factors

- Delivering on strategic initiatives set for the year under review
- Delivering on our service-level agreements for our clients and improved client engagement
- Continuing to improve on employee culture and morale

2024 Key decision highlights

Inflationary increases and other adjustments

The remco approved an inflation-related increase of 6.5% across all employee levels, which was in line with inflation in South Africa, effective 1 July 2023. For the other regions, the annual salary increase was based on the budgeted increase as well as in-country inflation.

Conditional share plan (CSP) awards - dividend equivalent

The remco approved an additional allocation of conditional awards in respect of the 2020 and 2021 tranches for the dividend equivalent amount awarded in line with the scheme rules.

STI and LTIP executive discretionary pool

The remuneration policy allows for a portion of the variable pay component to be utilised by the executives to incentivise rainmakers and top performers as well as to retain scarce skills. Management recommended and the committee approved application of the discretionary STI and LTIP pool. In addition, the retirement incentive pool was also applied and awarded in line with the outstanding performance delivered by the retirement team in 2024 (aligned with the company performance management principles).

Use of independent remuneration consultants

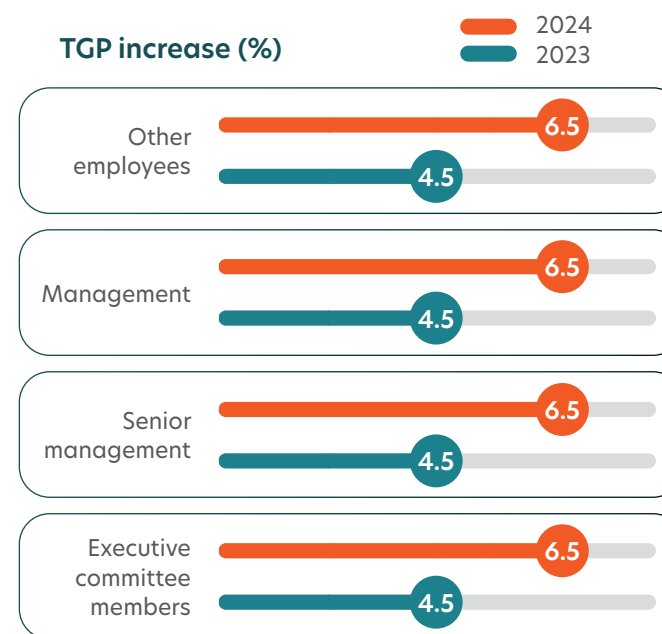
Remco used the services of PwC, 21st Century and Bowmans in different capacities during 2024 to conduct an independent and objective review of:

- Market benchmark for executive remuneration
- Testing our policies and practices against the market practices with a specific objective of ensuring that the company has competitive policies that will result in better attraction and retention of high-performing talent
- Formulation of reward practices that drive high performance and the recognition of rainmakers
- Confirming compliance of the group's remuneration policies with appropriate best practice

2024 TGP outcome

For financial year 2024, an average increase of 6.5% (2023: 4.5%) was made as part of the annual review cycle with effect from 1 July 2023. This increase was applied across all levels.

Increases for the financial year were in line with inflation in South Africa (average CPI at the time was 6.9%) and aligned with in-country inflation in other jurisdictions. Increases for the regions differed and were in relation to local country inflation. Increases for Botswana were 7%, Jersey was 7.5%, Namibia was 5.5% and Nigeria was 12%.



The summary TGP outcome for current executive directors and prescribed officers is shown in the table below.

Rm	2024	2023
Dawie de Villiers	7 275	6 941
Bruce Bydowell	4 397	4 138
Carina Wessels	3 334	3 296
Butši Tladi	3 161	3 038
John Anderson	3 620	3 398
Laura Kukard	2 983	2 801
Jonathan Muthige	3 374	3 222
Viresh Maharaj	3 018	2 847
Ann Leepile	3 203	3 041
Total	34 365	32 722

An average inflationary increase of 5.5% effective 1 July 2024 was approved for financial year 2025 across all employee levels in South Africa, Botswana and Namibia, while Channel Islands and Nigeria was adjusted based on the in-country inflation.

Implementation report *continued*

2024 STI outcome

2024 group scorecard outcome

The performance against the group scorecard for the financial year was above expectation owing to disciplined strategic execution across the business.

The outcome of the group scorecard for financial year 2024 on which the STI incentive is based is shown below:

Component	Value driver		Weight	2024 score	Weighted score
Improve shareholder returns	Revenue growth	%	20%	3.1	0.63
	Cost to income ratio	%	20%	3.8	0.75
	Return on equity	%	10%	3.4	0.34
			50%		1.72
Market-leading advice with effective outcomes	Net promoter score	Score	5%	1.0	0.05
	Performer performance	Score	5%	3.5	0.18
	New business targets	Rbn	10%	3.9	0.39
			20%		0.62
Internal business processes	Automated transaction processing measure	%	5%	4.2	0.21
	Data quality index	%	5%	3.7	0.19
	No fines	Rm	5%	5.0	0.25
			15%		0.65
Clear and focused people strategy	Top employer accreditation	Score	5%	3.0	0.15
	Retention of key talent	%	5%	5.0	0.25
	Retain Level 1 in 2024 and EE score >8.5	Score	5%	2.5	0.12
			15%		0.52
Total score			100%		3.51

Based on the financial and non-financial performance results, the **overall group scorecard** resulted in a **rating of 3.5** (2023: 3.5). The group scorecard rating is based on a 5-point scale, with a 3-point rating being on target.

STI pool outcome

Rm	Growth	2024	2023
Profit from operations before non-trading and capital items	2.0%	801	786
Adjustments ¹		187	92
Remco performance measurement	8.4%	988	878
STI pool calculated on formula		198	176
Approved remco bonus pool^{2,3}	27.8%	240	188

¹ Refer to page 203 under the remuneration policy section of this report for detail on the STI bonus methodology.

² Growth rate hurdle of 5% was applied for 2024 (2023: 5%).

³ Of the approved remco bonus pool for 2024, R236 million was allocated.

STI payment

Annual STI bonus payments are paid in cash following finalisation of the company's audited financial results for the year in question and are not deferred.

Key considerations in the 2024 financial year reward cycle included:

- Ensuring and enabling the long-term sustainability of the business through engaged employees and superior client service
- Company sustainability and affordability
- The outcome of the 2024 group scorecard and the STI pool outcome
- Demonstration of the link between pay and performance

Based on a combination of group and individual performance (as detailed in the remuneration policy) the resultant STI awards for executive directors, prescribed officers and all other employees are shown in the table below.

STI outcome (R000)	2024	2023
Executive committee members	31 300	30 250
Senior management	88 214	70 461
Management	54 916	44 372
Other employees	61 398	43 596
Total operations	235 828	188 679

Details of the STI paid to each of the executive directors and prescribed officers are set out in the table below (and in the table containing the single-figure remuneration on page 223).

R000	2024	2023
Dawie de Villiers	7 500	7 500
Bruce Bydawell	4 300	4 300
Carina Wessels	2 900	2 900
Butsi Tladi	2 900	2 550
John Anderson	2 900	2 600
Laura Kukard	2 700	2 500
Jonathan Muthige	2 600	2 650
Viresh Maharaj	2 800	2 700
Ann Leepile	2 700	2 550
Total	31 300	30 250

Implementation report *continued*

Long-term incentive plan (LTIP)

Summary comparison - LTIP awards

Component	CSP and FSP					Outperformance
	2020	2021	2022	2023	2024	2022
Instruments used						
						N/A
Performance metrics and weighting (CSP)	Normalised HEPS (35%) Normalised RoE (35%) Strategic initiatives (30%)		Normalised HEPS (50%) Normalised RoE (50%)		Normalised HEPS (33.33%) Normalised RoE (33.33%) Total shareholder return (33.33%)	

LTIP shares outstanding

Awards with a performance period ending during the 2024 financial year

The vesting profile for the second and final tranche (50%) of the 2020 award with a performance period ending 31 March 2024 and the first tranche of the 2021 award with a performance period ending 31 March 2024 are as follows:

	Weighting	CSP 2020 - year 4		CSP 2020 - year 3	
		Performance	Weighted	Performance	Weighted
HEPS	35.0%	100.0%	35.0%	100.0%	35.0%
ROE	35.0%	62.8%	22.0%	82.7%	28.9%
Strategic initiatives	30.0%	100.0%	30.0%	100.0%	30.0%
			87.0%		93.9%

Dividend equivalent for vested shares relating to the 2020 and 2021 awards

The scheme rules specify that a dividend equivalent may be payable to participating employees at the discretion of remco. The application of a dividend equivalent amounted to R22.1 million by value, which translates to an additional 3.5 million conditional shares being awarded (2023: R4.1 million, 922 958 shares).

The remco again approved the allocation of dividend equivalent shares in respect of the 2020 (second tranche) and 2021 awards. These additional shares were allocated at vesting in July 2024 and will only be disclosed in the 2025 report.

Performance of the strategic initiatives

The final score used for the measurement of the 2020 and 2021 strategic initiatives was 100%, which equates to a participation percentage of 30%.

Details of the strategic initiatives that were approved for the performance conditions relating to the 2020, 2021 and 2022 awards are highlighted in the table below.

Applicable to	Strategic initiative	Performance measurement
2019 award	Implementing the capital-light strategic deliverable with the successful completion of the disposal of the short-term insurance business and the transition of the umbrella fund to being privately administered	Achieved with a score of 5/5
2019 award	Implementation of the target operating model with all three platforms in place and fully integrated by financial year end	Achieved with a score of 4/5
2019 and 2020 awards	Transformation objectives aligned to the Financial Sector Code and B-BBEE Act requirements with the aim to obtain a Level 1 rating by FY2023	Achieved with a score of 5/5
2020 award	Simplification of corporate structure (LER)	Achieved with a score of 5/5
2020 and 2021 awards	The target transformation of the operations and administration environment will be an ultimate state where 60% of all services to clients are through self-service platforms, automation and straight-through processing capability, which means only 40% of all transactions or queries that come into our environment require manual intervention	The first phase of the initiative achieved with a score of 5/5
2022 awards	Design and implementation of a centralised and holistic sustainability strategy (year one) i.e. conceptualisation and design of the Retirement Fund of the Future™ and introduction to a targeted number of clients, enhanced ESG reporting delivered to a targeted number of AFRF clients, market positioning and Impact Advisory new business pipeline creation (year two)	The two phases of the implementation both achieved a score of 5/5 Phases three and four will be measured in 2025 and 2026

LTIP awards made during the year

CSP awards

CSP awards were granted on 1 July 2024 with staggered vesting in equal tranches in years three and four. The performance conditions for these awards changed with the strategic initiatives falling away resultantly with the normalised HEPS and normalised ROE weighting increasing to 50% each, respectively. The performance targets, weighting and performance periods are applicable to the number of shares awarded and are tested over a three-year and four-year period.

Outperformance awards

No new outperformance awards were issued in this reporting period.

FSP awards

FSP awards were granted on 1 July 2024 with staggered vesting in equal tranches in years three and four. There are no performance conditions applicable to the number of shares awarded except for the initial performance required to qualify and the individual remaining employed at the time of vesting.

Implementation report *continued*

Employee share ownership plan (ESOP)

The company has an ESOP in place for the benefit of all permanent employees who do not participate in the LTIP.

There is a significant weighting towards all qualifying black female employees. As a result, 70% of the beneficial interest of the ESOP trust is held by black women, with 30% to be distributed to all remaining permanent employees.

Background

On 20 April 2015 Alexander Forbes Group Holdings Limited (Alexforbes or the company) announced on SENS that it had established the ESOP Trust (Isilulu Trust) and entered into the transaction agreements to implement the BEE ESOP transaction.

Pursuant to the BEE ESOP transaction, Alexforbes issued 39 070 700 Alexforbes ordinary shares to the Isilulu Trust (Isilulu Trust shares). The Isilulu Trust shares rank pari passu with other ordinary shares, with the exception that they remain subject to restrictions and with certain suspensions contained in their terms of issue. The Isilulu Trust shares entitles the Isilulu Trust to voting rights in Alexforbes commensurate with its shareholding in the company. Employee beneficiaries participate in the ESOP on the terms and subject to the conditions set out in the Isilulu Trust deed.

It is intended for the shareholding arrangements put in place as a result of the BEE ESOP transaction to continue indefinitely, unless there is a change in circumstances that necessitates the unwinding of the BEE ESOP transaction.

The Isilulu Trust is restricted from disposing of or encumbering the Isilulu Trust shares. There have been no further ordinary shares issued to the Isilulu Trust by Alexforbes since the initial issue.

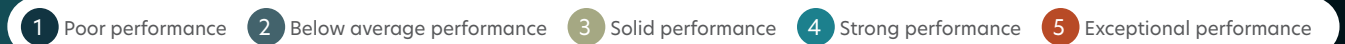
As at 31 March 2024 the Isilulu Trust held a 2.9% shareholding in the company (2023: 2.9%).



Performance outcomes
Executive directors and prescribed officers

We have set out the performance outcomes and single-figure remuneration for the executive directors and prescribed officers. This summary includes the focus area, overall performance and remuneration mix for each executive director and prescribed officer.

Individual performance contracts for the group are based on a five-point rating system. The rating scale legend is shown below:

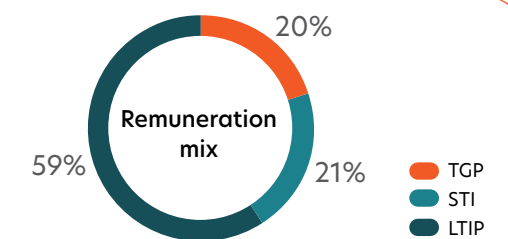


The ratings reflected here are individual ratings, not the final cumulative score which is a combination of group score and individual rating at 80/20 for executive directors and prescribed officers.

Dawie de Villiers

Chief executive officer

Final performance score:
● 3.6



Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> Execution of the strategic initiatives Grow and leverage scale synergies 	40%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Clearer articulation of the retailisation strategy including clearer resource allocation to achieve our goals Increase the distribution footprint Build trust in Alexforbes with clients and potential clients 	20%
Internal business process	<ul style="list-style-type: none"> Ensure ESG progress and build ESG advisory business Ensure an alignment between the operating model and strong leadership execution capabilities Create right environment to grow culture ownership by the executive committee 	20%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Delivery of transformation targets Key resourcing, executive talent management Coherent functioning executive and management teams Top Employer accreditation WOW project implementation 	20%
		100%

Performance outcomes *continued*

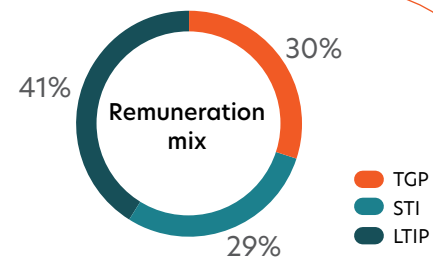
1 Poor performance 2 Below average performance 3 Solid performance 4 Strong performance 5 Exceptional performance

Bruce Bydawell

Chief financial officer

Final performance score:

● 3.6



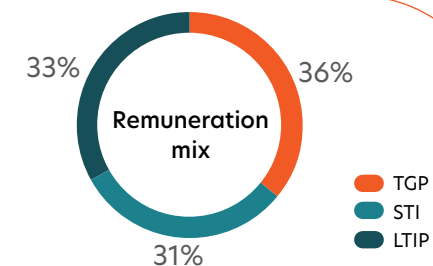
Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> Business finance and capital management Financial reporting and stakeholder engagement Cost management 	50%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Delivery of corporate transactions Realisation of strategic transactions synergies Enabling of the retail business model 	30%
Internal business process	<ul style="list-style-type: none"> Deliver improved audit experience Risk management maturity Initiate project on process automation Combined assurance framework 	10%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Finance team productivity Employee engagement survey action plans Management of under-performers Delivery of transformation plans Drive more cross-functional knowledge in management team 	10%
		100%

Carina Wessels

Executive: governance, legal, compliance and sustainability

Final performance score:

● 3.9



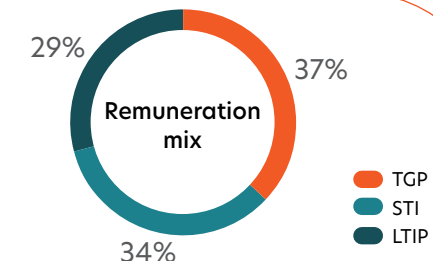
Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> New M&A enablement and delivery Capital journey delivery Functional budget 	30%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Board process and governance excellence Board guidance, advice and satisfaction 	30%
Internal business process	<ul style="list-style-type: none"> GLC strategy delivery Governance excellence Group ESG function establishment and build ESG advisory business Regulatory compliance and enhancement 	25%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Team cohesion Employee engagement survey action plans Delivery of transformation plans UN WEP action plans 	15%
		100%

Butši Tladi

Executive: consulting

Final performance score:

● 3.3



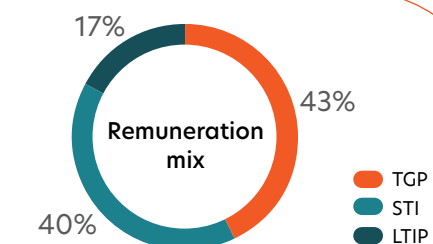
Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> New M&A enablement and delivery Client retention Revenue targets and cost management New business 	30%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Enabling of retail strategy Customer satisfaction measurements Best advice frameworks 	30%
Internal business process	<ul style="list-style-type: none"> D365 Improve risk and compliance through monitoring and resolving findings TCF process maturity 	25%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Effective operating model Employee engagement survey action plans Delivery of function plans Succession planning 	15%
		100%

Viresh Maharaj

Executive: retail

Final performance score:

● 3.3



Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> Functional budget Client retention Retail AUM flows 	15%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> AI strategy Digital journey implementation Customer value proposition Customer satisfaction measurement maturity 	35%
Internal business process	<ul style="list-style-type: none"> Brand positioning Stakeholder management strategy New marketing capabilities 	30%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Employee engagement survey action plans Management of underperformers Delivery of transformation plans Succession planning 	20%
		100%

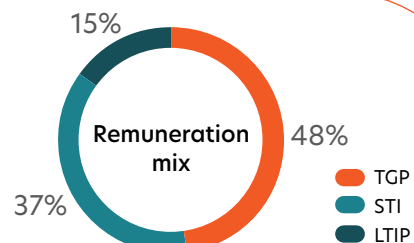
Performance outcomes *continued*

Johnathan Muthige

Executive: human capital (HC) and transformation

Final performance score:

● 3.3



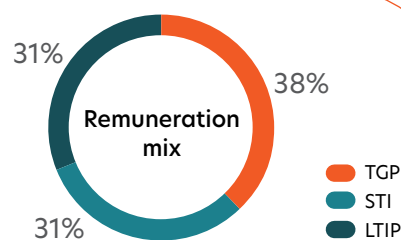
Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> HC commercialisation initiation Functional budget Enable acquisitions 	15%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Retail capability resourcing Customer service improvement through the academy 	10%
Internal business process	<ul style="list-style-type: none"> HC operating model change HC strategy next phase development People risk management 	35%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Ways of working Top Employer accreditation Critical roles and talent management Management of underperformers Transformation strategy development and execution 	40%
		100%

John Anderson

Executive: solutions and enablement

Final performance score:

● 3.7



Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> Strategic merger and acquisitions initiatives Functional budget 	10%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Retail strategy implementation Evolve consulting model ESG and sustainability capability Discretionary financial solutions strategy implementation 	60%
Internal business process	<ul style="list-style-type: none"> Data strategy Internal controls maturity Product compliance 	20%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Employee engagement survey action plans Management of underperformers Delivery of transformation plans Succession planning 	10%
		100%

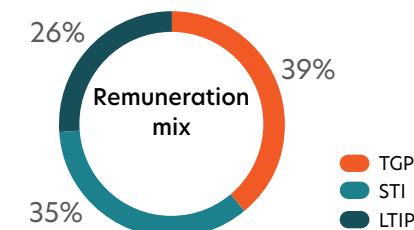
1 Poor performance 2 Below average performance 3 Solid performance 4 Strong performance 5 Exceptional performance

Laura Kukard

Executive: client services and business optimisation

Final performance score:

● 3.6



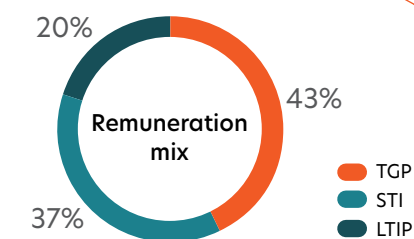
Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> Targeted acquisition take-on Functional budget Cost optimisation 	20%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Call center refresh Enabling digital engagement with clients Client servicing model roll-out 	20%
Internal business process	<ul style="list-style-type: none"> Administration enablement and automation project GT application optimisation compliance management E&O management 	40%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Employee engagement survey action plans Management of underperformers Delivery of transformation plans Succession planning 	20%
		100%

Ann Leepile

Executive: Investments

Final performance score:

● 3.6



Group scorecard initiative	KPI objectives	Weighting
Financial - improve shareholder returns	<ul style="list-style-type: none"> Consulting asset growth Investment returns 	40%
Customer - market-leading advice with effective outcome	<ul style="list-style-type: none"> Retail strategy implementation Improve investment operations environment P500 readiness 	40%
Internal business process	<ul style="list-style-type: none"> Strengthen investment capability and efficiencies Supplier management 	10%
People perspective - clear and focused people strategy	<ul style="list-style-type: none"> Employee engagement survey action plans Management of underperformers Delivery of transformation plans Succession planning 	10%
		100%

Performance outcomes *continued*

Non-executive directors' fees for 2024

Non-executive directors' fees consist of a combination of standard fees plus additional fees for committee or sub-committee membership.

Fees paid to non-executive directors during the year ended 31 March 2024, on authority granted by shareholders at the AGM held on 4 September 2023, are set out below. This includes total fees, whether paid by the company or subsidiary companies within the group.

Independent non-executive directors (R000)		2024	2023
AD Mminele (chair)	Resigned 30 April 2023	174	2 045
D Dlamini (chair) ¹	Appointed 1 July 2023	1 356	-
RM Head		1 053	957
T Dloti ²		1 741	1 189
AM Mazwai		1 647	1 090
N Medupe		1 068	716
CWN Molohe		1 045	812
ZJ Matlala	Resigned 29 April 2022	-	51
NG Payne	Resigned 2 September 2022	-	910
Total		8 084	7 770

1. Mr D (Kuseni) Dlamini was appointed as independent non-executive director and chair of the board, effective 1 July 2023.

2. Appointed as interim chair on 1 May 2023.

Non-executive director fees of R1.28 million (2023: R0.98 million) were paid to African Rainbow Capital and nil to Mercer Africa Limited (2023 R0.87 million). In the prior year Mercer disposed of its remaining 14.8% shareholding in Alexander Forbes Group Holdings Limited to New Veld LLC.

New Veld LLC has elected not to receive directors fees for the year.

Proposed non-executive director fees for 2025

Comprehensive fee benchmarking was completed prior to the 2023 annual general meeting and various adjustments made to generally position fees at the 50th percentile. Comprehensive benchmarking will again be completed in 2025.

The proposed increase is therefore based on the same average percentage inflationary increase applied to staff (5.5%).



Single-figure remuneration for the year ended 31 March 2024 (audited)

The intention of single-figure remuneration is to disclose the remuneration earned and/or accrued by executive directors and prescribed officers based on the performance of the current year, the vesting of shares with non-financial performance conditions and including any income attributable to unvested long-term share schemes.

The composition of remuneration outcomes in 2024 for executive directors and prescribed officers is represented below.

Executive directors and prescribed officers (R000)	Salary	Benefits and allowance	Retirement fund contributions	Bonus	LTIPs received ¹	Dividends received	Total
2024							
DJ de Villiers ²	6 270	335	670	7 500	20 215	1 359	36 349
BP Bydawell	3 590	217	590	4 300	5 097	854	14 648
CH Wessels	2 699	161	474	2 900	2 575	548	9 357
B Tladi	2 588	148	425	2 900	2 138	377	8 576
TJ Muthige	2 866	148	360	2 600	627	390	6 991
VR Maharaj	2 469	143	406	2 800	684	497	6 999
A Leepile	2 544	143	517	2 700	594	866	7 364
JG Anderson	3 123	163	333	2 900	2 491	411	9 421
LJ Kukard	2 479	141	363	2 700	1 665	322	7 670
Total for the year	28 628	1 599	4 138	31 300	36 086	5 624	107 375
2023							
DJ de Villiers	5 978	324	639	7 500	3 551	1 171	19 163
BP Bydawell	3 382	200	556	4 300	2 291	724	11 453
CH Wessels	2 606	238	452	2 900	1 390	515	8 101
B Tladi	2 470	162	406	2 550	1 137	331	7 056
TJ Muthige	2 732	147	343	2 650	1 030	426	7 328
VR Maharaj	2 328	136	383	2 700	795	324	6 666
A Leepile	2 425	123	493	2 550	1 967	605	8 163
JG Anderson	2 851	229	318	2 600	1 401	361	7 760
LJ Kukard	2 333	138	330	2 500	817	247	6 365
Total for the year	27 105	1 697	3 920	30 250	14 379	4 704	82 054

1. The vesting period of LTIP awards was changed from 100% vesting after three years to 50% vesting after three years (tranche one) and the remaining 50% vesting after four years (tranche two). This change applies to LTIP awards allocated from the 2019 tranche onwards (refer to note 21), and the cumulative effect of tranches vesting has resulted in an increase in the number of awards that vested in the current year compared to the prior year. In addition, LTIPs received are calculated based on FSP shares awarded in the year as well as CSP shares that have vested during the year.

2. DJ de Villiers's value of LTIPs received include the vesting of the sign-on CSP share awarded in November 2018.



Refer to **Appendix H: Single-figure remuneration and participation in share schemes** on page 243.

Section 9

Appendices

- > Appendix A: Summary of the employment equity progress report
- > Appendix B: Performance on United Nations Women's Empowerment Principles
- > Appendix C: Carbon footprint methodology and assumptions
- > Appendix D: King IV application register
- > Appendix E: JSE Sustainability and Climate Disclosure Guidance index
- > Appendix F: TCFD index
- > Appendix G: UNGC Communication of progress index
- > Appendix H: Single-figure remuneration and participation in share schemes



Appendix A

Summary of the employment equity progress report: occupational level

Employment equity (group) as at March 2024

Occupational level	Male				Female				Foreign national		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	-	1	3	2	-	-	2	-	-	9
Senior management	9	3	15	48	10	5	11	23	3	2	129
Middle management	31	9	29	54	25	7	29	72	4	7	267
Junior management	234	62	91	121	487	165	174	199	11	11	1 555
Semi-skilled	99	21	9	4	239	95	54	41	2	-	564
Total	374	95	145	230	763	272	268	337	20	20	2 524

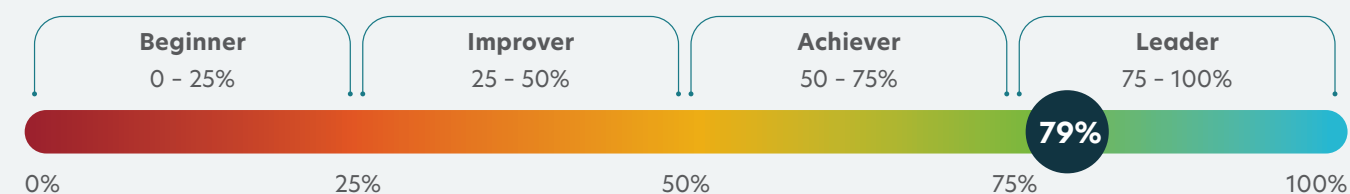
People living with disability (group) as at March 2024

Occupational level	Male				Female				Foreign national		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	-	-	-	-	-	-	-	-	-	-	-
Senior management	-	-	1	2	-	-	1	-	-	-	4
Middle management	-	-	1	3	-	-	-	1	1	-	6
Junior management	3	1	-	3	5	-	1	5	-	-	18
Semi-skilled	21	1	-	-	29	2	1	1	-	-	55
Total	24	2	2	8	34	2	3	7	1	-	83

Appendix B

Performance on United Nations Women's Empowerment Principles

We continue to be conservative in our responses when using the UN WEPs gender analysis tool. Specifically where we know certain practices have been applied or are part of our processes, if the survey required such to be proven through a formal policy, we regarded ourselves as non-compliant. Despite the conservative application we saw a marked improvement in our year-on-year performance, transitioning from a score of 73% (Achiever) to that of Leader at 79%.



Metric	2023	2024
1 Leadership	93%	100%
2 Non-discrimination and equal opportunity	76%	82%
3 Recruitment	100%	100%
4 Professional development and promotion	96%	96%
5 Equal compensation	94%	94%
6 Maternity leave	71%	71%
7 Paternity leave	68%	68%
8 Parental and caregiver support	46%	66%
9 Work-life balance	42%	55%
10 Violence, harassment and sexual exploitation	72%	72%
11 Health, safety and hygiene	80%	100%
12 Access to quality health services	84%	94%
13 Women-owned businesses	70%	80%
14 Supplier performance on gender equality	30%	58%
15 Gender-responsible marketing	52%	84%
16 Product or service development with a gender lens	56%	31%
17 Applying a gender lens to community relations	88%	88%
18 Corporate social responsibility, philanthropy, advocacy and partnerships to support gender equality	94%	89%

Appendix C

Carbon footprint methodology and assumptions

The organisational boundary includes 18 Alexforbes offices located in four countries (South Africa, UK, Botswana and Namibia). Exclusions from the reported carbon footprint include the Regus office in Lagos, as emissions are considered negligible, stationary and mobile combustion at offices based in Namibia as data was unavailable, and fugitive refrigerant gases from Jersey as data was also unavailable.

The GHG Protocol Corporate Accounting and Reporting Standard V3.5.1 was applied and emission factors from UK Government GHG Conversion Factors for Company Reporting 2022 were used, unless stated otherwise. Emissions from non-Kyoto gases (such as Freon/R22) were measured and classified as out-of-scope product use emissions. "Avoided" emissions from the consumption of renewable electricity are also reported as out-of-scope avoided emissions. All emissions were expressed as CO₂ equivalents (CO₂e) and account for carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). To align with South Africa's national GHG emissions reporting requirements, stationary and mobile combustion emission factors are sourced from the Methodological Guidelines for Quantification of GHG Emissions, October 2022 (DFFE, South Africa).

Emissions associated with stationary combustion relate to diesel purchased for use in generators to supply energy on site. This includes Alexforbes owned and controlled generators only. Where a generator is owned by a separate landlord, where the Alexforbes office is billed by the landlord for the supplied back-up power, the associated emissions are reported in scope 2 "purchased electricity". Fugitive emissions from refrigerant gas refills

were reported, including R22 and R134a. Emissions are converted to CO₂ equivalent based on each gas's individual global warming potential. Mobile fuel combustion was reported in terms of petrol used in vehicles at Alexforbes offices and the volume-based method was applied.

Electricity grid emission factor for South Africa of 1.04 kg CO₂/kWh was applied, as reported in Eskom's 2022 Annual Report. Under the operational control approach, emissions associated with electricity purchased by Alexforbes to power the company's offices are included in scope 2 and where Alexforbes sub-lets a space to a tenant, emissions were excluded. Country-specific emission factors are applied to electricity consumption data at offices in each country. Since Jersey imports 95% of its electricity from France, the French emission factor for electricity consumption is applied for this office. In the absence of available emission factors for electricity transmissions and distribution losses through the grid within Namibia, Botswana and France, the factors are estimated based on the average proportion of T&D losses factors relative to the electricity generation factors for South Africa (11%) and the UK (9%), which is 10%. Electricity consumption at offices based in Namibia has been estimated, based on the average kWh per m² across all other offices that provided consumption data, multiplied by each office's area. Scope 1 emissions arising from stationary and mobile combustion have not been estimated for offices based in Namibia because the use of back-up generators is mostly relevant to offices based in South Africa, while very few offices make use of company-owned vehicles. It is assumed that if any such activity took place at Namibian offices, the emissions were negligible.

Appendix D

King IV application register

Alexforbes adopts an outcomes-based approach to governance as envisaged in the King IV Codes. This section of the report sets out the application of the corporate governance principles by Alexforbes as recommended by King IV.

King IV principle	Status	Application of principle	Section of integrated report
1 The governing body should lead ethically and effectively	Applied	The Alexforbes board of directors acknowledges its individual and collective responsibility for setting the group's ethical organisational culture and commits to the highest standards of governance and ethical practice. Directors have been appointed to ensure the appropriate mix of skills and independence. All board, committee and executive management appointments are made with the sole aim of harnessing the skills, knowledge and expertise of directors to best serve the needs of the business. Newly appointed directors are taken through an intensive induction into the operations and affairs of the business as well as their fiduciary duties. Board members have a legal obligation to avoid conflicts of interest and make full and timely disclosure of potential conflicts.	<ul style="list-style-type: none"> → How we are governed Page 152 → Our leadership Page 36 → Our ethical culture Page 158 → Anti-bribery and anti-corruption Page 161 → Social, ethics and transformation committee report Page 188
2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	Applied	The board is the highest governing authority within the group and has adopted the principles of King IV. The board has approved a code of ethics to which all employees are required to adhere. The board, through its setco, ensures that the code of ethics and supporting policies are adhered to in all aspects of the business, achieving a sustainable ethical corporate culture. The board is further supported by the audit and risk committee and external assurance providers (as part of the combined assurance framework) who assist with the governance of risk through detailed monitoring and reporting of risks (including those relating to ethics) and ensuring appropriate controls are in place.	<ul style="list-style-type: none"> → How we are governed Page 152 → Our ethical culture Page 158 → Anti-bribery and anti-corruption Page 161 → Social, ethics and transformation committee report Page 188
3 The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	Applied	Responsible corporate citizenship is strongly embedded in the group's strategy and underpinned by Alexforbes's purpose to pioneer insight to deliver advice and solutions that impact people's lives. The responsibility for monitoring the overall responsible corporate citizenship performance of the group is delegated to the setco. This entire report is directed towards factually displaying our practices and responsible corporate citizenship to stakeholders.	<ul style="list-style-type: none"> → Our sustainability impact Page 112 → Our leadership Page 36 → Our environmental impact Page 146 → Our social impact Page 118 → Tax risk management Page 177 → Stakeholder management Page 171 → Social, ethics and transformation committee report Page 188 → Appendix B Page 227 → Appendix C Page 228 → Appendix E Page 234 → Appendix F Page 240

Appendix D continued

King IV principle	Status	Application of principle	Section of integrated report
4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process	Applied	The board sets key performance targets to continually monitor the achievement of strategic objectives for value creation over the short, medium and long term. Management is tasked with executing the approved strategy. Our integrated annual report speaks to our integrated view of and approach to strategy, performance, sustainability and value creation.	<ul style="list-style-type: none"> → How we are governed Page 152 → Our leadership Page 36 → Our environmental impact Page 146 → Our sustainability impact Page 112 → Responsible investing impact Page 136 → Tax risk management Page 177 → Stakeholder management Page 171 → Appendix F Page 240
5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects	Applied	The board and its committees review and have oversight of the integrity of the group's external reporting, which includes reliance on effective application of combined assurance arrangements. Internal and external assurance is applied to the various components of the external reporting suite under the oversight and direction of the relevant board committees and with reference to any legal requirements for independent, external audit and/or assurance contained in any relevant law and/or regulations (as applicable for instance to certain types of external reports, such as the group's statutory annual financial statements).	<ul style="list-style-type: none"> → About our integrated report Page 02 → Social, ethics and transformation committee report Page 188 → Audit and risk committee report Page 182
6 The governing body should serve as the focal point and custodian of corporate governance in the organisation	Applied	The board is the custodian of corporate governance and ultimately responsible for corporate governance of the group. Board actions are governed by the law and regulation, a board charter and corporate governance best practice, including King IV.	<ul style="list-style-type: none"> → How we are governed Page 152 → Our leadership Page 36 → Delegation of authority Page 163
7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	Applied	The board conducts the affairs of the group through its diverse industry knowledge and experience. Through the nomco the board ensures that it is appropriately constituted to execute its responsibilities effectively.	<ul style="list-style-type: none"> → Board nomination, appointment, rotation and succession Page 164 → Continued development Page 168 → Nominations committee report Page 187

King IV principle	Status	Application of principle	Section of integrated report
8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties	Applied	<p>The following committees have been established by the board:</p> <ul style="list-style-type: none"> • Audit and risk committee • Social, ethics and transformation committee • Mergers and acquisitions committee • Nominations committee • Remuneration committee <p>Each committee has a minimum of three members as recommended by King IV™. The composition of each committee is also aligned with the King IV recommendations. Board committees function in terms of a formal terms of reference which is reviewed and annually approved by the board. It is also comfortable that the current composition of the board committees contributes to effective collaboration as well as a balanced distribution of power so that no individual has the ability to dominate decision-making and no undue reliance is placed on any individual.</p>	<ul style="list-style-type: none"> → Delegation of authority Page 163 → Board committee reports Page 180 → Performance evaluation Page 168
9 The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members supports continued improvement in its performance and effectiveness	Applied	The board believes that a highly effective board is essential if the group is to create sustainable value for its stakeholders and wider society. As such, it is committed to the continued improvement of its own performance and effectiveness. The evaluation of the effectiveness of the board includes regular monitoring of the ethical behaviour of individual directors and the board as a collective.	<ul style="list-style-type: none"> → Performance evaluation Page 168 → Board committee reports Page 180 → Our board focus areas and performance Page 156 📍 AGM notice
10 The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities	Applied	The board has a clear delegation of authority policy and framework according to which roles are carried out and authority is exercised, both within the board structures and the management team. The board is satisfied that the group is appropriately resourced for these roles and that delegation of certain roles and responsibilities to management supports effective governance.	<ul style="list-style-type: none"> → Professional corporate governance support Page 162 → Delegation of authority Page 163 → Combined assurance Page 172 → Compliance management Page 178 → Audit and risk committee report Page 182

Appendix D continued

King IV principle	Status	Application of principle	Section of integrated report
11 The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	Applied	<p>The board is ultimately responsible for the governance of risk and has assigned oversight of the group's risk management function to the audit and risk committee. Management is accountable to the board for designing, implementing and monitoring the processes of risk management and integrating them into the day-to-day activities of the group.</p> <p>Internal audit assists management in evaluating the overall effectiveness of the internal control environment while the dedicated internal risk officer monitors and reviews the group risk register on a continual basis and submits a risk report at each meeting of the audit and risk committee.</p>	<ul style="list-style-type: none"> → Risk management Page 173 → Material risks Page 68 → Audit and risk committee report Page 182 → Performance outcomes – executive directors and prescribed officers Page 217
12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	Applied	An IT governance charter formalises lines of delegation from the board and audit and risk committee through to the executive team. It also sets out policies, procedures, performance metrics and arrangements for IT governance within the group.	<ul style="list-style-type: none"> → Information and technology governance Page 170 → Audit and risk committee report Page 182
13 The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation in being ethical and a good corporate citizen	Applied		<ul style="list-style-type: none"> → Tax risk management Page 177 → Compliance management Page 178 → Our ethical culture Page 158 → Audit and risk committee report Page 182 → Social, ethics and transformation committee report Page 188 → Appendix E Page 234 → Appendix G Page 242

King IV principle	Status	Application of principle	Section of integrated report
14 The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term	Applied	The remco operates under the delegated authority of the board. The committee fulfils the important function of ensuring that remuneration is responsible and fair across the group, and ensures that disclosures are accurate, complete and transparent.	<ul style="list-style-type: none"> → Remuneration committee report Page 192 → Remuneration report Page 190
15 The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports	Applied	Alexforbes adopts a "combined assurance" approach which aims to optimise the assurance coverage obtained from management, internal assurance providers and external assurance providers on the risk areas affecting the group. The group's combined assurance framework is integrated with the group's risk management approach. The board seeks to ensure that the assurance which is provided by the four lines of defence is credible. This is achieved by ensuring that the skill and experience levels of the assurance providers are appropriate for the work to be performed, and that the extent of the work performed will address the potential and actual exposures.	<ul style="list-style-type: none"> → Combined assurance Page 172 → Audit and risk committee report Page 182 → Compliance management Page 178 → Risk management Page 173 → Social, ethics and transformation committee report Page 188 <p>Refer to the Independent auditor's report on pages 10 to 13 of the annual financial statements.</p>
16 In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	Applied	The board has identified material stakeholders of the group and considers the legitimate and reasonable needs, interests and expectations of such stakeholders on an ongoing basis. The board has delegated the governance of stakeholder relationships to the setco. A formal, inclusive stakeholder engagement framework, approved by setco, is in place.	<ul style="list-style-type: none"> → Stakeholder management Page 171 → Stakeholder relationships Page 62

Appendix E

JSE Sustainability and Climate Disclosure Guidance index

The below table provides reference points to our disclosures relating to the JSE Sustainability Disclosure Guidance and JSE Climate Disclosure index. It highlights where we have made full, partial or no disclosure for material topics. Disclosures that are partially or not disclosed will be continually assessed going forward to determine whether disclosure improvements are required on that topic by the group. Only material topics have been included in this index.

1: JSE Sustainability Disclosures

1:1 Standardised Sustainability Disclosures: Core

1.1.1 Governance

Topic	Section	Status
Board diversity	→ Board diversity and demographic profile on page 167	Sufficiently met
Board competence	→ Our board of directors and executive committee on page 34 → Board nomination, appointment, rotation and succession on page 164	Sufficiently met
Board independence	→ Our board's focus areas and performance on page 156 → Nominations committee report on page 187 → Our board's of directors and executive committee on page 34	Sufficiently met
Remuneration practices	→ Remuneration committee report on page 192 → Remuneration report on page 188	Sufficiently met
Anti-corruption	→ Our ethical culture on page 158	Sufficiently met
Lobbying and political contributions	→ Our ethical culture on page 158	Sufficiently met
Incidents	→ Our ethical culture on page 158	Sufficiently met
Fines and monetary loss	→ Our ethical culture on page 158	Sufficiently met
Tax paid and estimated tax gap	→ Our business model on page 32 → Sustaining our financial impact on page 96 → Tax risk management on page 177	Sufficiently met

1.1.2 Social

Topic	Section	Status
Diversity and inclusion	→ Our employee profile on page 104 → Labour principles and policies on page 111	Sufficiently met
Pay equality	→ Remuneration report on page 190	Partially met
Wage level and living wage	→ Our labour principles and policies on page 111	Partially met
Freedom of association and collective bargaining	→ Freedom of association and collective bargaining on page 110	Sufficiently met
Characteristics of employees and workers in workforce	→ Our employee profile on page 104	Sufficiently met
Community human rights	→ Human rights impact on page 160	Sufficiently met
Skills for the future	→ Our people on page 102 → Our social impact on page 118	Sufficiently met
Employment and wealth creation	→ Our employee profile on page 104 → Our social impact on page 118	Sufficiently met
Economic contribution	→ Our social impact on page 118	Sufficiently met
Workplace health and safety	→ Workplace health and safety on page 110	Sufficiently met
Product innovation	→ Delivering to our clients and members on page 82 → Our social impact on page 118	Sufficiently met
Consumer data and privacy	→ Consumer data, privacy and ethics on page 159	Sufficiently met

1.1.3 Environmental

Topic	Section	Status
GHG emissions	→ Our environmental impact on page 146	Partially met
Energy mix	→ Our environmental impact on page 146	Sufficiently met
Science-based targets	→ Climate action on page 148	Partially met
Just transition	→ Climate action on page 148 → Responsible investing on page 136	Partially met
Water usage	→ Water management on page 149	Sufficiently met
Solid waste	→ Water management on page 149	Sufficiently met

Appendix E: JSE sustainability and climate disclosure guidance index *continued*

1:2 Sustainability Narrative Disclosures

1.2.1 Governance

Topic	Section	Status
Board direction and tone	<ul style="list-style-type: none"> → Our ownership and group structure on page 21 → Our governance philosophy and framework on page 154 → Climate action on page 148 	Sufficiently met
	<ul style="list-style-type: none"> → Our leadership on page 36 → Social, ethics and transformation committee report on page 188 	
Board role in integrating sustainability-related issues in strategy, business planning and remuneration	<ul style="list-style-type: none"> → Compliance management on page 178 → Risk management on page 173 → Mergers and acquisition committee report on page 186 	Partially met
	<ul style="list-style-type: none"> → Social, ethics and transformation committee report on page 188 → Remuneration policy on page 196 	
Board oversight and implementation of strategy	<ul style="list-style-type: none"> → Stakeholder relationships on page 62 → Our board's focus areas and performance on page 156 → Performance against our strategy on page 78 → Our sustainability impact on page 112 	Partially met
	<ul style="list-style-type: none"> → Climate action on page 148 → Stakeholder relationships on page 62 → Combined assurance on page 172 	
Board oversight of disclosure and communication	<ul style="list-style-type: none"> → About our integrated report on page 02 → Combined assurance on page 172 	Sufficiently met

1.2.2. Strategy

Topic	Section	Status
Sustainability-related impacts, risks and opportunities	<ul style="list-style-type: none"> → Data-driven Member Insights™ on page 46 → Stakeholder relationships on page 62 → Material risks on page 68 	Partially met
	<ul style="list-style-type: none"> → Our sustainability impact on page 112 → Our business model on page 32 → Risk management on page 173 	
	<ul style="list-style-type: none"> → Stewardship report 2024 	
Strategy and decision-making	<ul style="list-style-type: none"> → Material risks on page 68 → Our business model on page 32 	Partially met
	<ul style="list-style-type: none"> → Stakeholder relationships on page 62 	
Financial position, performance and cash flows	<ul style="list-style-type: none"> → Material risks on page 68 → Performance against our strategy on page 78 	Partially met
	<ul style="list-style-type: none"> Refer to the following sections in the FY2024 annual financial statements <ul style="list-style-type: none"> Accounting policies on page 14 Insurance risks on page 84 Financial risk on page 85 Risk and capital management on page 99 	
Resilience	<ul style="list-style-type: none"> → Our business model on page 32 → Climate action on page 148 	Partially met
	<ul style="list-style-type: none"> → Own risk and solvency assessment on page 176 	

1.2.3 Management approach

Topic	Section	Status
Processes	<ul style="list-style-type: none"> → Climate action on page 148 → Risk management on page 173 	Partially met
Process integration	<ul style="list-style-type: none"> → Material risks on page 68 → Key business risks on page 176 	Partially met
Diversity of perspectives	<ul style="list-style-type: none"> → Climate action on page 148 → Stakeholder relationships on page 62 	Sufficiently met
	<ul style="list-style-type: none"> → Stakeholder management on page 171 	

1.2.4 Metrics, targets and performance

Topic	Section	Status
Metrics and targets utilised	<ul style="list-style-type: none"> → Performance against our strategy on page 78 → Having real-world impact on page 100 	Sufficiently met
	<ul style="list-style-type: none"> → Our business model on page 32 → Sustaining our financial impact on page 96 	
Methodology disclosure	<ul style="list-style-type: none"> → About this report on page 02 → Making an impact through our transformation intent on page 123 	Partially met
	<ul style="list-style-type: none"> → Appendices B to D on page 227 to 233 	
Nature of metrics and targets	<ul style="list-style-type: none"> → Our sustainability impact on page 112 → Having real-world impact on page 100 → Our business model on page 32 	Partially met
	<ul style="list-style-type: none"> → Sustaining our financial impact on page 96 → Appendix B on page 227 → Appendix C on page 228 	
Organisational performance	<ul style="list-style-type: none"> → Our sustainability impact on page 112 → Having real-world impact on page 100 	Partially met
	<ul style="list-style-type: none"> → Our business model on page 32 → Sustaining our financial impact on page 96 → Appendix B on page 227 	
Change management and disclosure	<ul style="list-style-type: none"> → Making an impact through our transformation intent on page 123 	Partially met
	<ul style="list-style-type: none"> → Climate action on page 148 → Appendix B on page 227 	
Core metric response	<ul style="list-style-type: none"> → Sustaining our financial impact on page 96 → How we are governed on page 152 	Partially met
	<ul style="list-style-type: none"> → Appendix F on page 240 	
Data gathering and verification approach	<ul style="list-style-type: none"> → Reporting frameworks and assurance on page 02 	Partially met
	<ul style="list-style-type: none"> → Combined assurance on page 172 → Appendix C on page 228 	
Gap assessment and response	<ul style="list-style-type: none"> → Reporting frameworks and assurance on page 02 → Climate action on page 148 → Our social impact on page 118 	Partially met
	<ul style="list-style-type: none"> → Appendix C on page 228 → Appendix F on page 240 → Appendix G on page 242 	

Appendix E: JSE sustainability and climate disclosure guidance index *continued*

2: JSE Climate Disclosures

2:1 Sustainability Narrative Disclosures

2.1.1 Governance

Topic	Section	Status
Board direction and tone	→ Our ownership and group structure on page 21	Sufficiently met
	→ Governance philosophy and framework on page 154	
	→ Climate action on page 148	
Board role in integrating climate-related issues in strategy, business planning and remuneration	→ Risk management on page 173	Partially met
	→ Our sustainability impact on page 112	
	→ Social, ethics and transformation committee report on page 188	
Board oversight of implementation of strategy	→ Stakeholder relationships on page 62	Partially met
	→ Our board's focus areas and performance on page 156	
	→ Performance against our strategy on page 78	
	→ Our sustainability impact on page 112	
Board oversight of disclosure and communication	→ About our integrated report on page 02	Sufficiently met
	→ Social, ethics and transformation committee report on page 188	

2.1.2 Strategy

Topic	Section	Status
Climate-related impacts, risks and opportunities	→ Our sustainability impact on page 112	Partially met
	→ Our environmental impact on page 146	
Strategy and decision-making	→ Our business model on page 32	Partially met
	→ Performance against our strategy on page 78	
Financial position, performance and cash flows	→ Stakeholder relationships on page 62	Not met
Resilience	→ Stakeholder relationships on page 62	Partially met

2.1.3 Management approach

Topic	Section	Status
Processes	→ Stakeholder relationships on page 62	Partially met
Process integration	→ Stakeholder relationships on page 62	Partially met
	→ Key business risks on page 176	
Diversity of perspectives	→ Stakeholder relationships on page 62	Sufficiently met
	→ Social, ethics and transformation committee report on page 188	
Diversity of perspectives	→ Climate action on page 148	Sufficiently met
	→ Stakeholder relationships on page 62	

2.1.4 Metrics, targets and performance

Topic	Section	Status
Absolute gross greenhouse gas emissions: Scope 1-2	→ Our environmental impact on page 146	Sufficiently met
Absolute gross greenhouse gas emissions: Scope 3	→ Our environmental impact on page 146	Not met
Greenhouse gas emissions intensity: Scope 1-3	→ Our environmental impact on page 146	Partially met
Assets or business activities vulnerable to transition risks	→ Our environmental impact on page 146	Not met
	→ Responsible investing impact on page 136	
Assets or business activities vulnerable to physical risks	→ Our environmental impact on page 146	Not met
	→ Responsible investing impact on page 136	
Assets or business activities aligned with climate-related opportunities	→ Our environmental impact on page 146	Not met
	→ Responsible investing impact on page 136	
Capital expenditure, financing or investment deployed towards climate-related risks and opportunities	→ Stakeholder relationships on page 62	Not met
Internal price of carbon per metric ton of greenhouse gas emissions	→ Our environmental impact on page 146	Not met
How climate-related considerations are factored into executive remuneration policies	→ Remuneration committee report on page 192	Partially met
	→ Remuneration report on page 190	
Stakeholder engagement on transition plans		Not met
Climate-related lobbying activities and membership	→ Responsible investing impact on page 136	Partially met
Targets used to manage climate-related impacts, risks and opportunities	→ Our environmental impact on page 146	Not met

Appendix F

TCFD index

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) was established to enhance information to investors, lenders and insurers so that the risk, and opportunity, is recognised, assessed and priced in. Alexforbes has started a process to implement components of the TCFD, with further enhancements planned for the next financial year. This index provides reference updates on our progress in this regard in this report.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

Disclosure	Reference
a) Our board's oversight of climate-related risks and opportunities, including the process and frequency of information; influence on business planning and goals; and how the board assesses progress against goals.	<ul style="list-style-type: none"> → Governance philosophy and framework on page 154 → Board focus areas and performance on page 156 → Climate action on page 148 → Social, ethics and transformation committee report on page 188
b) Management's role in assessing and managing climate-related risks and opportunities, including a description of the associated organisational structure; processes by which management is informed; and how management monitors climate-related issues.	<ul style="list-style-type: none"> → Governance philosophy and framework on page 154 → Performance against our strategy on page 78. → Our sustainability impact on page 112 → Climate action on page 148 → Climate change approach on page 140

Strategy

The potential material impacts of climate-related risks and opportunities on our business, strategy and financial planning.

Disclosure	Reference
a) Climate-related risks and opportunities identified over the short, medium and long term, including a description of time horizons; description of specific climate-related issues; if relevant, description of their risks and opportunities by sector and/or geography; and a description of the process(es) used to determine which risks and opportunities could have a material financial impact.	<ul style="list-style-type: none"> → Material risks on page 68 → Climate change approach on page 140 → Climate action on page 148
b) Impact of climate-related risks and opportunities on our business, strategy and financial planning, including for products and services, supply chain and/or value chain, adaptation and mitigation activities and investment in research and development and operations; how climate-related issues serve as an input to the financial planning process, the time period(s) used, and how these risks and opportunities are prioritised; impact on financial planning for operating costs and revenues, capital expenditures and capital allocation, acquisitions or divestments and access to capital; and a description of climate-related scenarios used to inform strategy and financial planning.	<ul style="list-style-type: none"> → Climate action on page 148 → Climate change approach on page 140 → Responsible investing impact on page 136
c) The resilience of our strategies, taking into consideration different climate-related scenarios, including a 2°C or lower scenario; how resilient the strategies are in response to climate-related risks and opportunities, taking into consideration a transition to a lower-carbon economy consistent with a 2°C or lower scenario; where the strategies may be affected by climate-related risks and opportunities; how the strategies might change to address such potential risks and opportunities; and the climate-related scenarios and associated time horizon(s) considered.	<ul style="list-style-type: none"> → Climate action on page 148

Risk management

How we have identified, assessed and managed climate-related risks.

Disclosure	Reference
a) Our processes for identifying and assessing climate-related risks, with a description of considerations of existing and emerging regulatory requirements related to climate change as well as other relevant factors considered; processes for assessing the potential size and scope of identified climate-related risks; definitions of risk terminology used or references to existing risk classification frameworks used; and determining the relative significance of climate-related risks in relation to other risks.	<ul style="list-style-type: none"> → Climate change approach on page 140 → Climate action on page 148 → Risk management on page 173 → Social, ethics and transformation committee report on page 188
b) Our processes for managing climate-related risks including how decisions to mitigate, transfer, accept or control those risks are made; and processes for prioritising climate-related risks, including how materiality determinations are made.	
c) How processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management.	

Metrics and targets

The metrics and targets used to assess and manage relevant material climate-related risks and opportunities.

Disclosure	Reference
a) The metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process.	<ul style="list-style-type: none"> → Our environmental impact on page 146
b) Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions and the related risks, including GHG emissions and associated metrics provided for historical periods to allow for trend analysis; and a description of the methodologies used to calculate or estimate the metrics.	<ul style="list-style-type: none"> → Responsible investing impact on page 136 → Appendix C: Carbon footprint methodology and assumptions on page 228
c) Targets used to manage climate-related risks and opportunities and performance against targets, including a description of target as absolute or intensity based, and if it has time frames, base year, and KPIs to assess progress; and a description of efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy.	<ul style="list-style-type: none"> → Appendix E on page 234

Appendix G

UNGC Communication of progress index

The below table provides reference points to our disclosures related to the UNGC.

CEO commitment		
Our sustainability approach	→ Governance philosophy and framework on page 154	→ Contribution to economic sustainability and inclusion on page 121
	→ Message from the chair on page 10	→ Our approach to responsible investing on page 138
	→ Having real-world impact on page 100	→ Our environmental impact on page 146
	→ Our partnerships and signatories on page 113	→ Social, ethics and transformation committee report on page 188
	→ Our sustainability impact on page 112	
Human rights principles	→ Our ethical culture on page 158	→ Social, ethics and transformation committee report on page 188
		→ Performance on United Nations Women's Empowerment Principles on page 227
Labour principles	→ Stakeholder relationships on page 62	→ Our labour principles and policies on page 111
	→ Our people on page 102	
Anti-corruption principles	→ Our ethical culture on page 158	→ Social, ethics and transformation committee report on page 188
	→ Operational risk on page 72	→ Our ethical culture on page 158
Environmental principles	→ Our environmental impact on page 146	→ Social, ethics and transformation committee report on page 188
	→ Climate change approach on page 140	

Appendix H

Single-figure remuneration and participation in share schemes

Dawie de Villiers	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
Total single-figure remuneration (R000)							
31 March 2024	6 270	335	670	7 500	20 215	1 359	36 349
31 March 2023	5 978	324	639	7 500	3 551	1 171	19 163

Share reconciliation

Scheme	Award date	No. shares				R000		
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - April 2018 tranche	01/04/2019	1 951	343	(361)	(1 933)	-	9 957	-
CSP - April 2019 - additional	01/04/2019	385	68	(71)	(382)	-	1 967	-
CSP - 2019 tranche	01/07/2019	421	74	(78)	(417)	-	2 373	-
CSP - 2019 tranche - additional	01/07/2019	69	13	(13)	(69)	-	389	-
FSP - 2019 tranche	01/07/2019	281			(281)	-	-	-
CSP - 2020 tranche	01/07/2020	1 442	103	(68)	(756)	721	3 521	-
CSP - 2020 tranche - additional	01/07/2020	173	12	(8)	(91)	86	423	-
FSP - 2020 tranche	01/07/2020	961			(481)	480	-	3 031
CSP - 2021 tranche	01/07/2021	2 467				2 467	-	-
FSP - 2021 tranche	01/07/2021	1 645				1 645	-	10 380
CSP - 2022 tranche	01/07/2022	1 069				1 069	-	-
FSP - 2022 tranche	01/07/2022	458				458	-	2 890
CSP - OPP tranche	07/06/2022	17 347				17 347	-	-
CSP - 2023 tranche	01/07/2022	-	925			925	-	-
FSP - 2023 tranche	01/07/2022	-	308			308	1 585	1 946
Total		28 669	1 846	(599)	(4 410)	25 506	20 215	18 247
31 March 2023								
CSP - April 2018 tranche	01/04/2019	1 951	-	-	-	1 951	-	-
CSP - April 2019 - additional	01/04/2019	385	-	-	-	385	-	-
CSP - 2019 tranche	01/07/2019	844	42	(171)	(294)	421	1 304	-
CSP - 2019 tranche - additional	01/07/2019	138	7	(28)	(48)	69	213	-
FSP - 2019 tranche	01/07/2019	562	-	-	(281)	281	-	1 433
CSP - 2020 tranche	01/07/2020	1 442	-	-	-	1 442	-	-
CSP - 2020 tranche - additional	01/07/2020	173	-	-	-	173	-	-
FSP - 2020 tranche	01/07/2020	961	-	-	-	961	-	4 901
FSP - 2020 tranche - STI deferral	01/07/2020	390	-	-	(390)	-	-	-
CSP - 2021 tranche	01/07/2021	2 467	-	-	-	2 467	-	-
FSP - 2021 tranche	01/07/2021	1 645	-	-	-	1 645	-	8 390
CSP - 2022 tranche	01/07/2022	-	1 069	-	-	1 069	-	-
FSP - 2022 tranche	01/07/2022	-	458	-	-	458	2 034	2 336
CSP - OPP tranche	07/06/2022	-	17 347	-	-	17 347	-	-
Total		10 958	18 923	(199)	(1 013)	28 669	3 551	17 060
Minimum shareholding requirement (MSR)								
Opening balance		1 013	-	-	-	1 013		
Transfers during the year - MSR 2023		-	4 410	-	-	4 410		
		1 013	4 410	-	-	5 423		

Appendix H continued

Bruce Bydawell

Total single-figure remuneration (R000)

	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
31 March 2024	3 590	217	590	4 300	5 097	854	14 648
31 March 2023	3 382	200	556	4 300	2 291	724	11 453

Carina Wessels

Total single-figure remuneration (R000)

	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
31 March 2024	2 699	161	474	2 900	2 575	548	9 357
31 March 2023	2 606	238	452	2 900	1 390	515	8 101

Share reconciliation

Scheme	Award date	No. shares					R000	
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - April 2019 tranche	01/04/2019	93	16	(17)	(92)	-	446	-
CSP - April 2019 tranche - additional	01/04/2019	18	3	(3)	(18)	-	88	-
FSP - April 2018 tranche	01/04/2019	62	-	-	(62)	-	-	-
CSP - 2019 tranche	01/07/2019	152	27	(27)	(152)	-	862	-
CSP - 2019 tranche - additional	01/07/2019	25	5	(5)	(25)	-	141	-
FSP - 2019 tranche	01/07/2019	102	-	-	(102)	-	-	-
CSP - 2020 tranche	01/07/2020	901	64	(43)	(472)	450	2 201	-
CSP - 2020 tranche - additional	01/07/2020	108	8	(5)	(57)	54	265	-
FSP - 2020 tranche	01/07/2020	601	-	-	(300)	301	-	1 897
CSP - 2021 tranche	01/07/2021	1 485	-	-	-	1 485	-	-
FSP - 2021 tranche	01/07/2021	990	-	-	-	990	-	6 247
CSP - 2022 tranche	01/07/2022	732	-	-	-	732	-	-
FSP - 2022 tranche	01/07/2022	314	-	-	-	314	-	1 981
CSP - 2023 tranche	01/07/2022	-	638	-	-	638	-	-
FSP - 2023 tranche	01/07/2022	-	213	-	-	213	1 094	1 343
Total		5 583	974	(100)	(1 280)	5 177	5 097	11 468
31 March 2023								
CSP - April 2019 tranche	01/04/2019	186	10	(38)	(65)	93	289	-
CSP - April 2019 tranche - additional	01/04/2019	36	2	(7)	(13)	18	58	-
FSP - April 2018 tranche	01/04/2019	124	-	-	(62)	62	-	316
CSP - 2019 tranche	01/07/2019	306	15	(62)	(107)	152	475	-
CSP - 2019 tranche - additional	01/07/2019	50	2	(10)	(17)	25	75	-
FSP - 2019 tranche	01/07/2019	204	-	-	(102)	102	-	520
CSP - 2020 tranche	01/07/2020	901	-	-	-	901	-	-
CSP - 2020 tranche - additional	01/07/2020	108	-	-	-	108	-	-
FSP - 2020 tranche	01/07/2020	601	-	-	-	601	-	3 065
FSP - 2020 tranche - STI deferral	01/07/2020	222	-	-	(222)	-	-	-
CSP - 2021 tranche	01/07/2021	1 485	-	-	-	1 485	-	-
FSP - 2021 tranche	01/07/2021	990	-	-	-	990	-	5 049
CSP - 2022 tranche	01/07/2022	-	732	-	-	732	-	-
FSP - 2022 tranche	01/07/2022	-	314	-	-	314	1 394	1 601
Total		5 213	1 075	(117)	(588)	5 583	2 291	10 552
Minimum shareholding requirement (MSR)								
Opening balance		588	-	-	-	588	-	-
Transfers during the year - MSR 2023		-	1 280	-	-	1 280	-	-
		588	1 280	-	-	1 868	-	-

Share reconciliation

Scheme	Award date	No. shares					R000	
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - 2019 tranche	01/07/2019	133	23	(25)	(131)	-	744	-
CSP - 2019 tranche - additional	01/07/2019	22	4	(4)	(22)	-	122	-
FSP - 2019 tranche	01/07/2019	88	-	-	(88)	-	-	-
CSP - 2020 tranche	01/07/2020	386	28	(18)	(202)	194	943	-
CSP - 2020 tranche - additional	01/07/2020	46	3	(2)	(24)	23	113	-
FSP - 2020 tranche	01/07/2020	258	-	-	(129)	129	-	815
FSP - 2020 tranche - additional	01/07/2020	429	-	-	(215)	214	-	1 354
CSP - 2021 tranche	01/07/2021	734	-	-	-	734	-	-
FSP - 2021 tranche	01/07/2021	489	-	-	-	489	-	3 086
CSP - 2022 tranche	01/07/2022	480	-	-	-	480	-	-
FSP - 2022 tranche	01/07/2022	206	-	-	-	206	-	1 300
CSP - 2023 tranche	01/07/2022	-	381	-	-	381	-	-
FSP - 2023 tranche	01/07/2022	-	127	-	-	127	653	802
Total		3 271	566	(49)	(811)	2 977	2 075	7 357
31 March 2023								
CSP - 2019 tranche	01/07/2019	264	14	(53)	(92)	133	408	-
CSP - 2019 tranche - additional	01/07/2019	43	3	(9)	(15)	22	67	-
FSP - 2019 tranche	01/07/2019	176	-	-	(88)	88	-	449
CSP - 2020 tranche	01/07/2020	386	-	-	-	386	-	-
CSP - 2020 tranche - additional	01/07/2020	46	-	-	-	46	-	-
FSP - 2020 tranche	01/07/2020	258	-	-	-	258	-	1 316
FSP - 2020 tranche - STI deferral	01/07/2020	169	-	-	(169)	-	-	-
FSP - 2020 tranche - additional	01/07/2020	429	-	-	-	429	-	2 189
CSP - 2021 tranche	01/07/2021	734	-	-	-	734	-	-
FSP - 2021 tranche	01/07/2021	489	-	-	-	489	-	2 494
CSP - 2022 tranche	01/07/2022	-	480	-	-	480	-	-
FSP - 2022 tranche	01/07/2022	-	206	-	-	206	915	1 051
Total		2 994	703	(62)	(364)	3 271	1 390	7 498
Minimum shareholding requirement (MSR)								
Opening balance		364	-	-	-	364	-	-
Transfers during the year - MSR 2023		-	811	-	-	811	-	-
		364	811	-	-	1 175	-	-

Appendix H continued

Butši Tladi	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
Total single-figure remuneration (R000)							
31 March 2024	2 588	148	425	2 900	2 138	377	8 576
31 March 2023	2 470	162	406	2 550	1 137	331	7 056

Jonathan Muthige	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
Total single-figure remuneration (R000)							
31 March 2024	2 866	148	360	2 600	627	390	6 991
31 March 2023	2 732	147	343	2 650	1 030	426	7 328

Share reconciliation

Scheme	Award date	No. shares				R000		
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - 2019 tranche	01/07/2019	90	16	(17)	(89)	-	505	-
CSP - 2019 tranche - additional	01/07/2019	15	3	(3)	(15)	-	83	-
FSP - 2019 tranche	01/07/2019	59	-	-	(59)	-	-	-
CSP - 2020 tranche	01/07/2020	353	25	(17)	(185)	176	861	-
CSP - 2020 tranche - additional	01/07/2020	42	3	(2)	(22)	21	104	-
FSP - 2020 tranche	01/07/2020	235	-	-	(118)	117	-	741
CSP - 2021 tranche	01/07/2021	579	-	-	-	579	-	-
FSP - 2021 tranche	01/07/2021	386	-	-	-	386	-	2 436
CSP - 2022 tranche	01/07/2022	430	-	-	-	430	-	-
FSP - 2022 tranche	01/07/2022	184	-	-	-	184	-	1 161
CSP - 2023 tranche	01/07/2022	-	342	-	-	342	-	-
FSP - 2023 tranche	01/07/2022	-	114	-	-	114	585	719
Total		2 373	503	(39)	(488)	2 349	2 138	5 057
31 March 2023								
CSP - 2019 tranche	01/07/2019	179	9	(36)	(62)	90	275	-
CSP - 2019 tranche - additional	01/07/2019	29	2	(6)	(10)	15	44	-
FSP - 2019 tranche	01/07/2019	119	-	-	(60)	59	-	301
CSP - 2020 tranche	01/07/2020	353	-	-	-	353	-	-
CSP - 2020 tranche - additional	01/07/2020	42	-	-	-	42	-	-
FSP - 2020 tranche	01/07/2020	235	-	-	-	235	-	1 199
FSP - 2020 tranche - STI deferral	01/07/2020	138	-	-	(138)	-	-	-
CSP - 2021 tranche	01/07/2021	579	-	-	-	579	-	-
FSP - 2021 tranche	01/07/2021	386	-	-	-	386	-	1 969
CSP - 2022 tranche	01/07/2022	-	430	-	-	430	-	-
FSP - 2022 tranche	01/07/2022	-	184	-	-	184	817	938
Total		2 060	625	(42)	(270)	2 373	1 137	4 407
Minimum shareholding requirement (MSR)								
Opening balance		132	-	-	-	132	-	-
Transfers during the year - MSR 2023		-	488	-	-	488	-	-
		132	488	-	-	620	-	-

Share reconciliation

Scheme	Award date	No. shares				R000		
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - 2021 tranche	01/07/2021	716	-	-	-	716	-	-
FSP - 2021 tranche	01/07/2021	477	-	-	-	477	-	3 010
CSP - 2022 tranche	01/07/2022	540	-	-	-	540	-	-
FSP - 2022 tranche	01/07/2022	232	-	-	-	232	-	1 464
CSP - 2023 tranche	01/07/2022	-	366	-	-	366	-	-
FSP - 2023 tranche	01/07/2022	-	122	-	-	122	627	769
Total		1 965	488	-	-	2 453	627	5 243
31 March 2023								
FSP - 2020 tranche	01/07/2020	890	-	-	(890)	-	-	-
CSP - 2021 tranche	01/07/2021	716	-	-	-	716	-	-
FSP - 2021 tranche	01/07/2021	477	-	-	-	477	-	2 433
CSP - 2022 tranche	01/07/2022	-	540	-	-	540	-	-
FSP - 2022 tranche	01/07/2022	-	232	-	-	232	1 030	1 183
Total		2 083	772	-	(890)	1 965	1 030	3 616

Appendix H continued

Viresh Maharaj	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
Total single-figure remuneration (R000)							
31 March 2024	2 469	143	406	2 800	684	497	6 999
31 March 2023	2 328	136	383	2 700	795	324	6 666

Ann Leepile	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
Total single-figure remuneration (R000)							
31 March 2024	2 544	143	517	2 700	594	866	7 364
31 March 2023	2 425	123	493	2 550	1 967	605	8 163

Share reconciliation

Scheme	Award date	No. shares					R000	
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - 2021 tranche	01/07/2021	1 118	-	-	-	1 118	-	-
FSP - 2021 tranche	01/07/2021	745	-	-	-	745	-	4 701
CSP - 2022 tranche	01/07/2022	417	-	-	-	417	-	-
FSP - 2022 tranche	01/07/2022	179	-	-	-	179	-	1 129
CSP - 2023 tranche	01/07/2022	-	399	-	-	399	-	-
FSP - 2023 tranche	01/07/2022	-	133	-	-	133	684	839
Total		2 459	532	-	-	2 991	684	6 669
31 March 2023								
CSP - 2021 tranche	01/07/2021	1 118	-	-	-	1 118	-	-
FSP - 2021 tranche	01/07/2021	745	-	-	-	745	-	-
CSP - 2022 tranche	01/07/2022	-	417	-	-	417	-	-
FSP - 2022 tranche	01/07/2022	-	179	-	-	179	795	913
Total		1 863	596	-	-	2 459	795	913

Share reconciliation

Scheme	Award date	No. shares					R000	
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
FSP - 2021 tranche	01/03/2022	1 285	-	-	-	1 285	-	8 108
CSP - 2022 tranche	01/07/2022	454	-	-	-	454	-	-
FSP - 2022 tranche	01/07/2022	443	-	-	-	443	-	2 795
CSP - 2023 tranche	01/07/2022	-	347	-	-	347	-	-
FSP - 2023 tranche	01/07/2022	-	116	-	-	116	594	729
Total		2 182	463	-	-	2 645	594	11 632
31 March 2023								
FSP - 2021 tranche	01/03/2022	1 285	-	-	-	1 285	-	6 554
CSP - 2022 tranche	01/07/2022	-	454	-	-	454	-	-
FSP - 2022 tranche	01/07/2022	-	443	-	-	443	1 967	2 259
Total		1 285	897	-	-	2 182	1 967	8 813



Appendix H continued

John Anderson	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
Total single-figure remuneration (R000)							
31 March 2024	3 123	163	333	2 900	2 491	411	9 421
31 March 2023	2 851	229	318	2 600	1 401	361	7 760

Laura Kukard	Total guaranteed pay			Short-term incentives	Long-term incentives		Total
	Salary	Benefits and allowances	Retirement fund contributions	Bonus	LTIPs received	Dividends received	
Total single-figure remuneration (R000)							
31 March 2024	2 479	141	363	2 700	1 665	322	7 670
31 March 2023	2 333	138	330	2 500	817	247	6 365

Share reconciliation

Scheme	Award date	No. shares					R000	
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - 2019 tranche	01/07/2019	129	23	(24)	(128)	-	726	-
CSP - 2019 tranche - additional	01/07/2019	21	4	(4)	(21)	-	118	-
FSP - 2019 tranche	01/07/2019	86	-	-	(86)	-	-	-
CSP - 2020 tranche	01/07/2020	357	25	(17)	(187)	178	871	-
CSP - 2020 tranche - additional	01/07/2020	43	4	(2)	(22)	23	105	-
FSP - 2020 tranche	01/07/2020	238	-	-	(119)	119	-	752
CSP - 2021 tranche	01/07/2021	620	-	-	-	620	-	-
FSP - 2021 tranche	01/07/2021	413	-	-	-	413	-	2 606
CSP - 2022 tranche	01/07/2022	493	-	-	-	493	-	-
FSP - 2022 tranche	01/07/2022	211	-	-	-	211	-	1 331
CSP - 2023 tranche	01/07/2022	-	392	-	-	392	-	-
FSP - 2023 tranche	01/07/2022	-	131	-	-	131	671	824
Total		2 611	579	(47)	(563)	2 580	2 491	5 513
31 March 2023								
CSP - 2019 tranche	01/07/2019	257	13	(52)	(90)	129	397	-
CSP - 2019 tranche - additional	01/07/2019	42	3	(9)	(15)	21	67	-
FSP - 2019 tranche	01/07/2019	172	-	-	(86)	86	-	439
CSP - 2020 tranche	01/07/2020	357	-	-	-	357	-	-
CSP - 2020 tranche - additional	01/07/2020	43	-	-	-	43	-	-
FSP - 2020 tranche	01/07/2020	238	-	-	-	238	-	1 214
FSP - 2020 tranche - STI deferral	01/07/2020	145	-	-	(145)	-	-	-
CSP - 2021 tranche	01/07/2021	620	-	-	-	620	-	-
FSP - 2021 tranche	01/07/2021	413	-	-	-	413	-	2 106
CSP - 2022 tranche	01/07/2022	-	493	-	-	493	-	-
FSP - 2022 tranche	01/07/2022	-	211	-	-	211	937	1 076
Total		2 287	720	(61)	(336)	2 611	1 401	4 835
Minimum shareholding requirement (MSR)								
Opening balance		190	-	-	-	190		
Transfers during the year - MSR 2023		-	563	-	-	563		
		190	563	-	-	753		

Share reconciliation

Scheme	Award date	No. shares					R000	
		Opening balance	Granted during the year	Forfeited during the year	Vested during the year	Closing balance	Value of LTIP received	Estimated closing fair value
31 March 2024								
CSP - 2019 tranche	01/07/2019	34	6	(6)	(34)	-	196	-
CSP - 2019 tranche - additional	01/07/2019	6	1	(1)	(6)	-	36	-
FSP - 2019 tranche	01/07/2019	22	-	-	(22)	-	-	-
CSP - 2020 tranche	01/07/2020	319	23	(15)	(167)	160	780	-
CSP - 2020 tranche - additional	01/07/2020	38	3	(2)	(20)	19	94	-
FSP - 2020 tranche	01/07/2020	213	-	-	(106)	107	-	672
CSP - 2021 tranche	01/07/2021	469	-	-	-	469	-	-
FSP - 2021 tranche	01/07/2021	313	-	-	-	313	-	1 975
CSP - 2022 tranche	01/07/2022	367	-	-	-	367	-	-
FSP - 2022 tranche	01/07/2022	157	-	-	-	157	-	991
CSP - 2023 tranche	01/07/2022	-	326	-	-	326	-	-
FSP - 2023 tranche	01/07/2022	-	109	-	-	109	559	686
Total		1 938	468	(24)	(355)	2 027	1 665	4 324
31 March 2023								
CSP - 2019 tranche	01/07/2019	67	4	(14)	(23)	34	102	-
CSP - 2019 tranche - additional	01/07/2019	11	0.6	(2)	(4)	6	18	-
FSP - 2019 tranche	01/07/2019	45	-	-	(23)	22	-	112
CSP - 2020 tranche	01/07/2020	319	-	-	-	319	-	-
CSP - 2020 tranche - additional	01/07/2020	38	-	-	-	38	-	-
FSP - 2020 tranche	01/07/2020	213	-	-	-	213	-	1 086
FSP - 2020 tranche - STI deferral	01/07/2020	98	-	-	(98)	-	-	-
CSP - 2021 tranche	01/07/2021	469	-	-	-	469	-	-
FSP - 2021 tranche	01/07/2021	313	-	-	-	313	-	1 596
CSP - 2022 tranche	01/07/2022	-	367	-	-	367	-	-
FSP - 2022 tranche	01/07/2022	-	157	-	-	157	697	801
Total		1 573	529	(16)	(148)	1 938	817	3 595
Minimum shareholding requirement (MSR)								
Opening balance		148	-	-	-	148		
Transfers during the year - MSR 2023		-	355	-	-	355		
		148	355	-	-	503		

Corporate information

Alexander Forbes Group Holdings Limited

Registration number: 2006/025226/06

Tax reference number: 9404/921/15/8

JSE share code: AFH

ISIN: ZAE000191516

(Incorporated in the Republic of South Africa)

Independent non-executive directors

Kuseni Dlamini (chair), Thabo Dloti (lead independent director), Bob Head, Andile Mazwai, Ndumi Medupe, Nosipho Molohe, Robert Roux

Non-executive directors

Pavan Dhamija, Marinda Dippenaar, Gary Herbert, Refiloe Nkadimeng

Executive directors

Dawie de Villiers (chief executive officer)

Bruce Bydawell (chief financial officer)

Executive: governance, legal, compliance and sustainability (company secretary)

Carina Wessels

Investor relations

Zakira Amra

Registered office

Alexander Forbes Group Holdings Limited
115 West Street, Sandown, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Private Bag X9000, Saxonwold, 2132

Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place, corner of Fredman Drive
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