

Transformation review

At MMI, we consider broad-based black economic empowerment (B-BBEE) and transformation as essential to achieving MMI's vision of being the preferred lifetime Financial Wellness partner with a reputation for innovation and trustworthiness. B-BBEE underpins our purpose to enhance the Financial Wellness of people, their communities and their businesses, especially considering that South Africa continues to grapple with inequality, lack of access to financial services and a lack of financial literacy, amongst other issues.

We constantly strive to reflect the demographics of the communities in which we operate, and believe in the significant value of diversity in realising our strategy. Our aim is to effectively engage our diverse local and global client base with the support of a transformed composition of MMI leaders and employees alike.

We are guided by the Financial Sector Code (FSC) in delivering our B-BBEE and transformation objectives. Finalised in 2012, the FSC is undergoing a re-alignment process with the revised Department of Trade and Industry generic Codes of Good Practice issued on 11 October 2013. MMI is an active participant in this process through the Association of Savings and Investments in South Africa (ASISA).

in South Africa. Our ESD strategy moves beyond compliance, and we seek to create win-win solutions where we can drive efficiency and resilience into our supply chain with our business partners, while delivering measurable social impact at scale.

We see entrepreneurship as a key driver for economic and socio-economic improvement, supported by our ESD strategy that promotes impactful development of small and medium enterprises.

The Masikhulise ("together we grow") Trust houses all MMI's ESD initiatives. It has made significant contribution to ESD, currently through recoverable investment and grant programmes.

As part of our recoverable investment programme, we have invested R50 million into the ASISA ESD Fund, which supports beneficiaries in the financial services sector by creating access to finance and to markets. The Fund is highly successful with contributions stemming from a number of ASISA member organisations.

In the grant programmes space, MMI has partnered with Aurik Business Incubator to facilitate an enterprise development

MMI Holdings FSC scorecard

Element	Maximum points*	MMI 2016	MMI 2015
Equity ownership	14.0	17.0	17.0
Management control	8.0	8.7	8.3
Employment equity	15.0	9.0	8.8
Skills development	10.0	9.0	9.0
Preferential procurement	16.0	16.0	14.6
Enterprise development	5.0	5.0	5.0
Socio-economic development	3.0	3.0	3.0
Empowerment financing	15.0	15.0	14.4
Access to financial services	14.0	10.6	10.8
Total score	100.0	93.4	90.9
Performance (%)		93.37	90.08
B-BBEE rating		Level 2	Level 2

* Excluding bonus points.

MMI has made improvements in our transformation score from 2015, with most of the increase in points due to efforts in preferential procurement. We have increased our spend on black owned (greater than 51%) and black women owned (greater than 30%) companies who are also Qualifying Small Enterprises (QSE) and Exempted Micro Enterprises (EME). MMI has also adopted an integrated approach between preferential procurement and enterprise and supplier development (ESD).

Enterprise and supplier development

One of the ways in which MMI contributes to Financial Wellness is by creating opportunities for greater inclusivity in business supply chains, thereby enhancing economic empowerment

programme providing business development support for 12 beneficiaries, aiming to integrate them into the MMI supply chain. We have also partnered with ASISA to facilitate two broker development programmes, namely the Momentum Masibambane ("let's hold hands") Broker Development Initiative and the Metropolitan Masithuthuke ("let's develop together") Broker Initiative. Through Masibambane, MMI has provided support to eight brokerages in the middle market segment. Building on the progress made in the Masibambane initiative, MMI launched Metropolitan's Masithuthuke, which provides a great opportunity for MMI to contribute to the sustainability of the brokerage business as well as the transformation of South Africa's insurance industry.

MMI believes that ESD is a powerful tool to create jobs and address poverty, hence our focus on the creation of sustainable black businesses in support of Financial Wellness. Furthermore, we support the National Development Plan (NDP) and firmly believe that ESD is the key driver to reduce poverty in South Africa.

Preferential procurement

MMI is proud of our progress in procuring from black and black women-owned suppliers who are QSEs and EMEs. We also have a requirement that these suppliers should be empowering their suppliers. We have established and maintain a database of B-BBEE-compliant vendors, which are utilised for any existing and new procurement requirements.

We encourage the establishment of value-adding joint ventures between traditional non-transformed suppliers and B-BBEE enterprises, where the latter gain access to skills and technologies to support sustainable growth.

In any tender process, MMI encourages respondents to form joint ventures with black-owned/black women-owned entities, or to sub-contract a minimum percentage from black-owned/black women-owned entities. At the contract negotiations phase, as part of appointing any new supplier or existing supplier, our suppliers are required to submit a B-BBEE improvement plan detailing how they will improve their B-BBEE status over the term of the contract. MMI then monitors and measures progress throughout the contract.

MMI encourages all our suppliers to source products and services from B-BBEE-compliant vendors who are empowering suppliers. We are committed to moving beyond compliance in our procurement strategy, and believe that supporting the growth of small to medium enterprises contributes to economic growth in South Africa.

MMI Holdings employee profile (South African operations only)

	South African								Foreign nationals	% Black people	% Black female	Grand total	
	African		Coloured		Indian		White						
	Female	Male	Female	Male	Female	Male	Female	Male					
Dec 2014	5 267	3 025	1 616	913	657	512	2 068	1 371	50	69	77.12	48.49	15 548
Dec 2015	4 614	2 717	1 556	842	649	522	1 967	1 288	66	70	76.27	44.57	14 291
Dec 2016	5 316	2 879	1 433	789	645	509	1 918	1 185	40	56	78.34	50.06	14 770

Employment equity

Since the approval of our employment equity (EE) plan by the Department of Labour, MMI reported for the first time in December 2016 and we will remain under the Department of Labour inspection for the duration of our EE plan ending in 2020. We have set aggressive EE targets at a segmental level.

The current challenge facing MMI is increasing the number of African males and African females at senior and middle management, and the recruitment, retention and disclosures from people with disabilities. MMI does exceptionally well with diversity and black representation at its top management level. This was further enhanced by the promotion of Mary Vilakazi to deputy CEO and the appointment of Ashlene van der Colff as group head of operations to the MMI executive. Through our values-based culture, the MMI Way, we believe that embedding this will have a significant effect on attracting and retaining appropriate talent.

Skills development

We at MMI see the development of skills as one of our key drivers for our business, which we believe will make a major impact on the economy in the medium to long term. As such, out of our seven learnership programmes, for 2017 we currently have three programmes that directly relate to the unemployed youth. These programmes run over a 12-month period. The benefit for the organisation of these programmes is that they are specifically and strategically designed for our sector, and then embedded within the context of MMI's talent development objectives and goals.