

Transformation review

MMI is steadfast in our commitment to transformation, which is integrated into our business and governance structures. The Board of Directors believes that transformation is integral to achieving MMI's purpose of enabling businesses and people from all walks of life to achieve their financial goals and life aspirations, and the group's transformation progress is monitored by the Social, Ethics and Transformation Committee on behalf of the MMI Board. Broad-based black economic empowerment (B-BBEE) underpins our strategic objective to promote access to financial services and improve financial literacy in a country that continues to grapple with inequality.

Given South Africa's growth rate, we still have a long transformation journey ahead to achieve an inclusive economy. Although MMI still has work to do in transforming our business, we are proud of our progress to date. As measured against the previous Financial Sector Code (FSC), we attained a Level 2 B-BBEE contributor status since 2012.

In December 2017, the much anticipated Revised FSC was promulgated, with all financial institutions who underwent their B-BBEE audit after December being audited against the revised code. Under the new requirements of the revised FSC MMI is a Level 3 contributor with a number of other companies also declining in their B-BBEE Levels. MMI is considering the impact of the revised FSC and will adjust our transformation strategy accordingly as we continue our transformation journey.

MMI Holdings revised FSC Scorecard

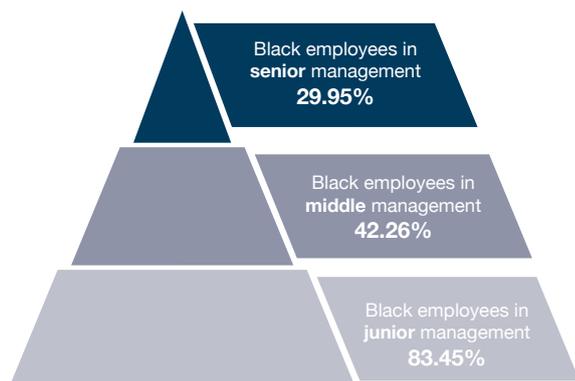
B-BBEE element	Maximum points including bonus points	MMI 2018
Equity ownership	28.00	19.50
Management control (Including employment equity)	20.00	12.52
Skills development*	23.00	9.92
Preferential procurement	19.00	17.00
Enterprise and supplier development	14.00	12.90
Socio-economic development (including consumer education)	8.00	6.00
Empowerment financing	15.00	14.82
Access to financial services	12.00	8.15
Total	120 + 19 bonus points	100.82
		Level 3

*The skills development performance was affected by more stringent requirements from the new revised FSC.

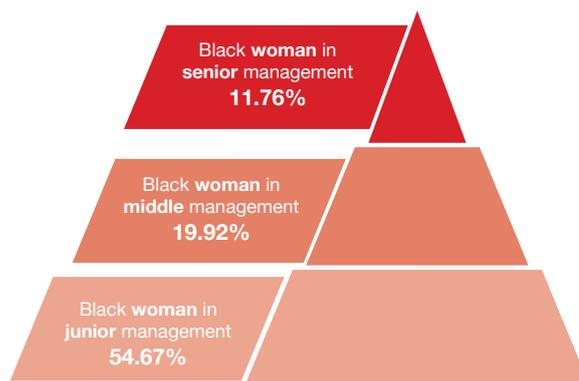
Employment equity

As one of MMI's values, diversity is pivotal to our business as we believe a diverse workforce yields better returns. Below is our employment equity performance.

Black senior – junior management



Black woman senior – junior management

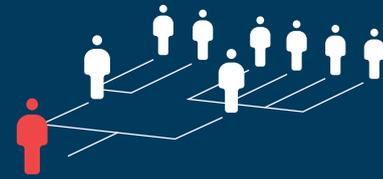


MMI workforce (South African operations only)

	South African								Foreign nationals		% Black people	% Black female	Total
	African		Coloured		Indian		White		Female	Male			
	Female	Male	Female	Male	Female	Male	Female	Male					
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
Dec 2017	5 180	2 610	1 387	785	269	473	1 754	1 088	36	52	79.06	51.42	13 994

Skills development

-  In F2017, over **R153 million** spent on developing our black employees.
-  Over **R85 million** spent on developing and upskilling of our black female employees.
-  Over **570 learnership opportunities** created.



MMI is a learning organisation.

As such, we are committed to providing our employees with portable skills that enable them to achieve their important financial goals and life aspirations. Our employees are our most valuable asset and we continuously explore innovative ways to enable them to reach their full potential through our other Human Capital programmes.

Preferential procurement

Over R5 billion was spent on procurement in F2017, with:

 21.02%	Spent on qualifying small enterprises (QSEs)
 13.13%	Spent on exempted micro enterprises (EMEs)
 22.94%	Spent on suppliers who are at least 51% black owned
 15.57%	Spent on suppliers who are at least 30% black women owned

MMI's procurement strategy supports our transformation efforts. Our procurement team works to proactively identify opportunities for preferential procurement throughout the value chain and continues to go beyond compliance by supporting and developing small businesses, enabling them to graduate onto our supply chain and access other markets. MMI is currently scoring full points on the corresponding line of the revised FSC Scorecard.

Enterprise and supplier development, and empowerment financing

MMI's Masikhulise Enterprise Development Trust supports and develops small businesses, including brokers and intermediaries. The Trust is mandated to address the challenge that the financial services sector is facing around untransformed supply chains, by supporting and providing funding to empower small businesses to access new markets. This includes MMI's own supply chain.

