

# TRANSFORMATION REVIEW

The Social, Ethics and Transformation Committee (SETC) of the board monitors the group's progress on transformation. The table below illustrates MMI's current performance against the FSC targets:

| B-BBEE element               | FSC B-BBEE targets | MMI performance calendar year 2012 | MMI performance financial year 2013 |
|------------------------------|--------------------|------------------------------------|-------------------------------------|
| Equity ownership             | 14                 | 15.72                              | 15.88                               |
| Management control           | 8                  | 7.82                               | 7.82                                |
| Employment equity            | 15                 | 9.57                               | 9.8                                 |
| Skills development           | 10                 | 8.67                               | 7.13                                |
| Preferential procurement     | 16                 | 13.31                              | 12.8                                |
| Enterprise development       | 5                  | 15                                 | 15                                  |
| Socio-economic development   | 3                  | 3                                  | 3                                   |
| Empowerment financing        | 15                 | *Exempt                            | *Exempt                             |
| Access to financial services | 14                 | *Exempt                            | *Exempt                             |
| Total score                  | 100                | 90.23                              | 88.19                               |
| B-BBEE rating                |                    | Level 2                            | Level 2                             |

\* Enhanced recognition due to the exemption of empowerment financing and access to financial services.

The B-BBEE verification process for the 2013/2014 financial year is currently in progress.

The group is working hard to meet and exceed, where possible, the targets set by the Department of Trade and Industry (dti) and the FSC. Our group-wide transformation strategy is geared towards ensuring that we build diversity and empowerment both internally, and in the communities we serve. We believe that the sustainability of our markets is dependent on the equitable development of our country and equal access to opportunities for all. We support the country's National Development Plan (NDP), which is aimed at eliminating poverty and reducing inequality by 2030 through uniting South Africans, unleashing the energy of its citizens, growing an inclusive economy, building capabilities, and enhancing the capability of the state and leaders working together to solve complex problems.

In terms of the NDP's enabling milestones, MMI identified specific areas where we can play a meaningful role through our transformation efforts. These are:

- Contribute to the increase in employment from current levels (employment equity, skills development and socio-economic development)
- Establish a competitive base of infrastructure, human resources and regulatory frameworks (empowerment financing, employment equity and skills development)

- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup (employment equity, management control and skills development)
- Broaden ownership of assets to historically disadvantaged groups (ownership)
- Improve the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write (socio-economic development)
- Provide affordable access to quality healthcare while promoting health and wellbeing (socio-economic development)

Our external transformation drive is through our preferential procurement and enterprise development initiatives. We constantly pursue meaningful ways in which we can develop black-owned (BO) and black women-owned (BWO) companies in South Africa. In turn, we are also committed to procuring from previously disadvantaged suppliers and have set aside certain commodities and tender opportunities for BO and BWO companies, as well as drive techniques such as early payments of our black suppliers.