

As an active corporate citizen of South Africa, Africa and the world, and aligned to our purpose, MMI aspires to be known as a nation builder. Consequently, we participate in specific nation-building initiatives and encourage nation-building dialogues that assist the countries in which we operate to openly discuss and reach consensus on key policy choices to move nations forward. Facilitating and participating in these dialogues and strategic platforms has become an important part of our stakeholder engagement approach and a critical contributor to our business sustainability strategy.

At MMI, we understand the importance of engaging with our stakeholders in developing effective client-centric solutions that address the socio-economic needs of various interest groups. The information we gather through these engagements helps shape our thinking when we develop products and engage with clients, policy makers and regulators. Also, in facilitating engagement among stakeholders, MMI receives valuable insight and guidance that helps deepen our role as a responsible corporate citizen in helping to address the broader socio-economic issues that face our country.

MMI has grown the number of platforms, programmes and events to ensure regular and meaningful engagement with our stakeholders, which continues to deepen the dialogue and quality of the relationships. In F2017, we have successfully built on work done in previous years.

World Economic Forum – Africa Skills Initiative

In 2015, MMI joined the World Economic Forum (WEF) as a Regional Associate for Africa. In 2016, our CEO, Nicolaas Kruger, was appointed as the project chair of the project board of the Africa Skills Initiative. The WEF launched the Africa Skills Initiative in 2014, focused on bringing together stakeholders from business, government, civil society, and the education and training sector to reduce unemployment and address skills gaps on the continent.

The Africa Skills Initiative aims to:

- Close skills gaps in the Africa region and contribute to the global goal of equipping one million people with employable skills by January 2018.
- Engage the private and public sectors in broader, long-term reform of education and skills systems to prepare for the future of jobs.

The WEF developed a report, the Regional Future of Jobs Briefing on Africa, which provides insight into the current human capital landscape in Africa. The document was made available in May 2017 at the World Economic Forum on Africa. As Project Chair of the Africa Skills Initiative, Mr Kruger participated in relevant sessions during the Forum on Africa, with this public-private partnership making an active contribution to reducing unemployment and addressing skills gaps in Africa.

Strategic and community conversations

We conduct the MMI Strategic Conversations Series, which facilitates conversations that impact the Financial Wellness of our nation, provides insight into the socio-economic challenges of the country and works to solve these needs. As part of the Series, conversations are grouped into Strategic Conversations and Community Development Conversations. Strategic Conversations usually address high-level national issues and are timed to leverage on national events such as the State of the Nation Address.

In February 2017, MMI Holdings hosted a Strategic Conversation under the theme “What do you think should be in the President’s State of the Nation Address?” Key stakeholders and decision-makers provided compelling insights into a number of issues of national importance. The debates that took place were encouraging, as the participants focused on finding common grounds through engagement and offering lasting solutions to our societal challenges. The key messages were the importance of changing our narrative as a country and recognising that it will take collective effort to get South Africa on the right path.

A Strategic Conversation was held in May, and the aim was to use this conversation to introduce an institutionalised/public/private dialogue onto the Pretoria calendar, and to encourage debate on critical national issues that are aligned to Financial Wellness. The current socio-economic climate has resulted in employee over-indebtedness, financial stress and health issues leading to lower productivity, which is witnessed through presenteeism and absenteeism. In the May strategic conversation we investigated the role of government, the private sector and civil society in raising the competitiveness of our workforce to fuel economic growth, create sustainable jobs and address the challenges of high income inequality and poverty. Pretoria, as the seat of government, houses all national government departments and key public sector decision makers, making them more accessible, and more likely to participate.

MMI’s Community Development Conversations are focused on making Financial Wellness more relevant to the needs of identified communities. The approach is more developmental in nature, and as such, Community Development Conversations lean towards engagements that impact the needs of communities in semi urban to rural areas, which tend to be more localised to community wellness rather than national issues. A Community Development Conversation was held in March 2017 in the Eastern Cape province, where the conversation focused on current programmes and interventions in place to counter youth unemployment and other challenges facing the youth of East London.

Stakeholder engagement (continued)

The Directors Event

MMI continues to be the main sponsor of The Directors Event. Pegged as South Africa's biggest board meeting, The Directors Event aims to create a platform where the crucial issues facing South Africa can be tackled by leaders across all sectors in our society, with national Financial Wellness as the ultimate goal that drives these discussions. In the years since its inception, The Directors Event has provided incisive views on the path our country is taking, and these discussions are becoming more pertinent given the challenging operating environment facing South Africa in 2017.

Protecting the economy, geopolitical uncertainty, and youth education and unemployment were the three key areas of discussion at this year's event. The delegates engaged honestly, and recognised that although there are no quick fixes, individuals and corporate citizens have an important role to play in placing South Africa on the path to growth and stability.

The event is attended by over 300 delegates in senior positions in their organisations. Although tickets are available on sale to members of the public, MMI Holdings also invites its clients, regulators, policy makers, civil society, labour representatives and other stakeholders to the event. It allows us to interact with these various stakeholders on issues that have an impact on business, service delivery and society, thereby contributing to charting a sustainable and inclusive future for South Africa.

Participating in the national development plan summit

Following the second successful NDP Vision2030 Summit endorsed by the National Planning Commission, MMI Holding's Corporate and Public Sector hosted the financial services breakaway session at the event on 21 and 22 June 2017 at Emperors Palace in Johannesburg.

The Vision2030 Summit provides a platform for members of the Presidency, key government dignitaries and private sector leaders to share insights, engage and discuss the vision for the NDP. It highlighted key aspects around Vision2030 and how key organisations and individuals can contribute to making it a reality. As the sponsor of a breakaway session, MMI organised the content and speakers to further the objectives of the NDP, while being aligned to our Financial Wellness purpose.

The breakaway session put productivity at the forefront of the debate. According to the MMI Effective Employee Index, South Africa loses more than 120 million days per year (or around 13 days per employee per year) in productive work time, with this lost time estimated at roughly R70 billion or 2% of GDP. That figure does not account for the increasing phenomenon of presenteeism, where employees are at work but not operating optimally.

As the sponsor, MMI Holding's Corporate and Public Sector shared learnings on how corporate South Africa can leverage key productivity drivers and discussed how to extend this to the national level in the context of the NDP, with public private partnerships driving growth.

Participation and involvement in industry bodies

Collaborating with industry and regulatory bodies is an important component of managing stakeholder relations, and helps ensure that MMI keeps abreast of developments that impact our business and sector. Examples of our interactions are detailed below.

The Association for Savings and Investment South Africa (ASISA)

MMI is a committed and active member of ASISA; MMI's CEO is a founding and current board member, and we currently have 80 employees participating on the various boards, standing committees and working groups. Through our membership in ASISA, MMI actively engages with financial services sector stakeholders, including the National Treasury, on key issues facing the sector, and also comments on and gives input on key legislation. Through the collective voice of ASISA members, we have made great strides in ensuring that the voice of business is heard and that we reach consensus on our response to challenges facing the financial sector and the country at large.

The South African Insurance Association (SAIA)

Guardrisk and MSTI are both active members of the association for short-term insurers. Guardrisk's CEO is a board and executive committee member and staff members of both businesses are members of various technical subcommittees and working groups. The SAIA is an important stakeholder in the South African economy and therefore plays a vital role in assisting to ensure the sustainability of the local economy.

Board of Health Funders

Metropolitan Health has been a member of the Board of Health Funders (BHF) for many years. Its CEO, Dr Ali Hamdulay, is the current non-executive chairman of the BHF board of directors. As a medical aid administrator, we play a critical role in contributing to and lobbying various industry bodies and stakeholders to advance the medical industry. We provide technical expertise to investigate industry issues related to benefit and risk management to ensure a sustainable and viable private healthcare funding industry.

Council for Medical Schemes

MMI contributed to the Prescribed Minimum Benefit (PMB) review process to highlight current challenges with the existing PMB framework. Among other recommendations, we

proposed that a representative advisory body be constituted to coordinate the input of key work streams. MMI also participates in the task team mandated to review the PMB Code of Conduct.

Upcoming stakeholder activity

The last group-wide stakeholder mapping process was done in 2012, and since then a number of changes have been made to MMI's organisational structure and shifts seen in the external stakeholder environment. To remain responsive to the business needs of our clients and stakeholders, stakeholder relationship management will be embarking on a mapping process during F2018.

Additional information

For further details on how we engaged with our stakeholders and their concerns, refer to the MMI website www.mmiholdings.com.

