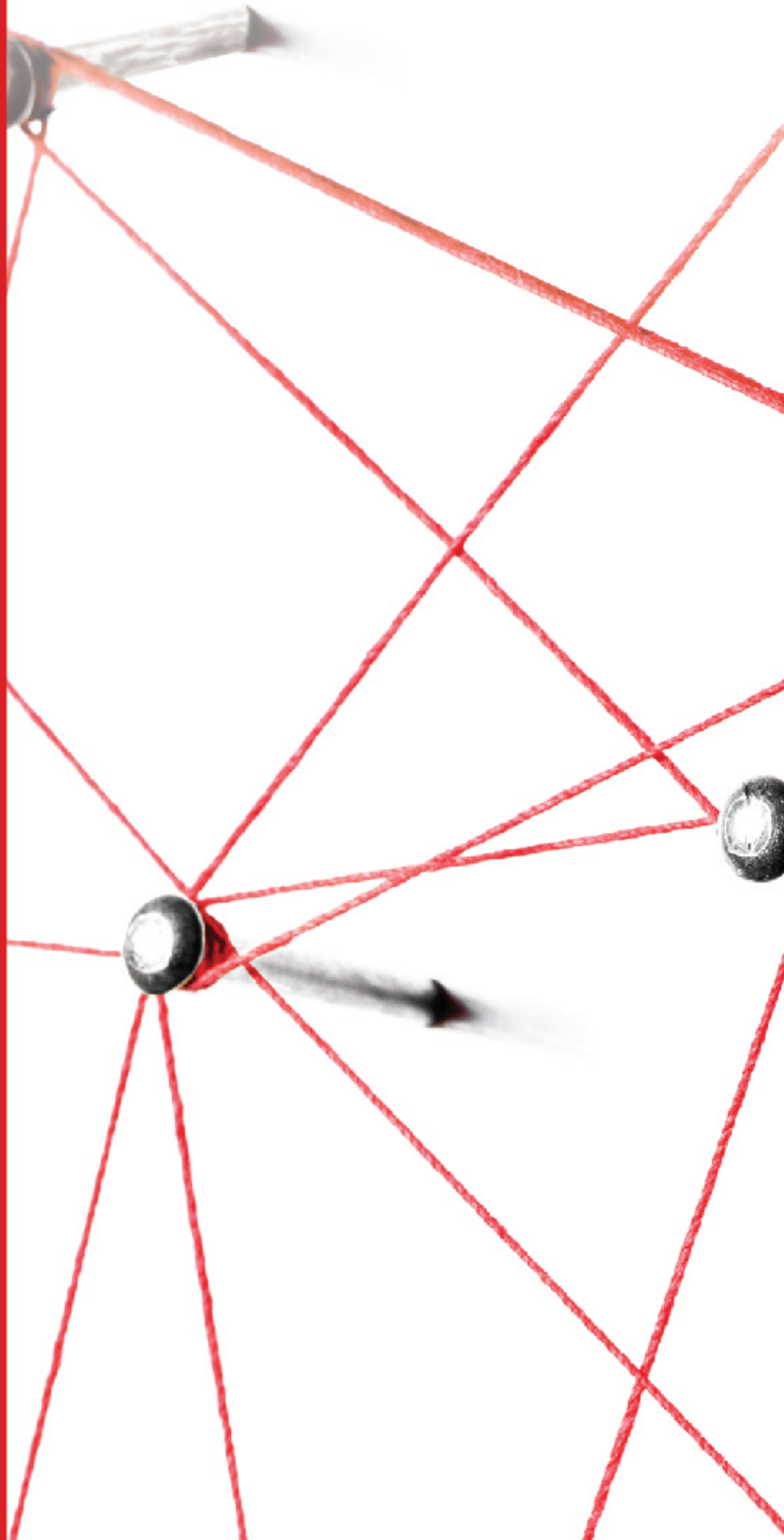




MMI HOLDINGS

# Stakeholder Engagement



## **STAKEHOLDER ENGAGEMENT**

Our engagements with stakeholder help us to improve our role as a responsible corporate citizen in contributing to the resolution of broader socio-economic issues that face our country.

### **World Economic Forum**

The World Economic Forum (WEF) took place on 23 – 26 January 2018, which was attended by our former MMI Deputy CEO, Mary Vilakazi, who conducted interviews from Davos. MMI's attendance at the event was preceded by an opinion piece on the WEF theme of creating a shared future in a fractured world that was published in full in Business Day. Further coverage included the Midday report on 702 and Cape Talk, CNBC Africa and BizNews.

The Forum is a platform for engaging on global issues with MMI's international counterparts, regulatory bodies and other stakeholders. It also serves to facilitate foreign direct investment into South Africa, with team South Africa engaging with international investors on why the country should be considered as an investment destination.

### **The Directors Event**

MMI continues to be the headline sponsor of The Directors Event, which is pegged as South Africa's biggest board meeting. The event provides a platform where the crucial issues facing South Africa can be tackled by leaders across all sectors in our society. 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.

Following the change in government leadership and the State of Nation Address in February 2018, the focus of the event this year was answering the call by President Cyril Ramaphosa to the #SendMe campaign. The theme centred on the notion that MMI and likeminded partners can be counted on to play our part in fixing South Africa's challenges. Technology to promote inclusive growth, youth employment and entrepreneurship, and South African politics and the economy were the three key areas of discussion at this year's event.

As part of this commitment, MMI and the Sunday Times contributed to the Youth Employment Service (YES) initiative that aims to create one million jobs for the youth by 2020.

The event was attended by over 300 delegates in senior positions in their organisations. Although tickets are available on sale to members of the public, MMI also invites its clients, regulators, policy makers, civil society, labour representatives and other stakeholders. It allows us to interact with these 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.

### **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.

In making proposals to improve the financial system with legislators, we believe it prudent to do so through relevant industry associations to ensure that industry-wide proposals are developed with diverse input, rather than proposals with narrow interests. We believe in open, honest and proactive engagements with our regulators.

Examples of our interactions include:

- *The Association for Savings and Investment South Africa (ASISA)*  
ASISA covers a broad range of financial services across many aspects of our South African business. We are therefore an active participant at various levels, including participation by MMI's CEO on the Board, Board Committees with MMI's executives, and the various standing and working committees with representation by technical experts within MMI.
- *The South African Insurance Association (SAIA)*  
Guardrisk and Momentum Short-term Insurance are both active members of the association for short-term insurers. Guardrisk's CEO is a Board and executive committee member, and employees from both businesses are members of various technical subcommittees and working groups. The SAIA is an important stakeholder in the South African economy and plays a vital role in supporting the sustainability of the local economy.
- *Board of Healthcare Funders of Southern Africa*  
Metropolitan Health has been a member of the Board of Healthcare Funders of Southern Africa for many years. Metropolitan Health's 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 workstreams. MMI also participates in the task team mandated to review the PMB Code of Conduct.
- *Other professional bodies*  
Many of our senior employees (including actuaries, accountants, lawyers and doctors) are active participants within their respective professional bodies looking to advance learnings and practice in their areas of expertise.

#### Stakeholder model review

The stakeholder engagement operating model and strategy will be reviewed over the coming year due to changes in MMI's organisational structure. This will ensure that stakeholder engagement remains responsive to business needs.

Through various channels and activities, we have had multiple engagements with our stakeholder groups as outlined below:

Stakeholder category	Engagement activity	Some key issues raised
Clients	<ul style="list-style-type: none"> <li>• Momentum Unisa Household Financial Wellness Index, an annual survey that measures the financial wellness of South Africans and our clients.</li> <li>• MMI Consumer Vulnerability Index by Corporate and Public Sector to provide insights on factors that impact financial wellness from an employer perspective</li> <li>• Financial Education workshops by our client-facing brands to enhance financial literacy and trust in financial services companies.</li> <li>• MMI Fair Practices Committee to evaluate alignment of client-related activities with Treating Customers Fairly principles.</li> <li>• Investment in sponsorship and marketing activities that enable client interaction and communication of our value propositions.</li> <li>• Ongoing measurement of the brand and customer experience of our clients.</li> <li>• Collaboration with <i>Sunday Times</i> on the Directors Event which provides a platform where the crucial issues facing South Africa can be tackled by leaders across all sectors in our society.</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding financial services solutions by consumers.</li> <li>• Financial pressure and indebtedness impacting persistency and savings.</li> <li>• Value-for-money client solutions.</li> <li>• Saliency and competitiveness of client-facing brands.</li> <li>• Provision of financial services across different income segments.</li> <li>• Thought leadership on socio-economic issues.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Regular feedback from the group chief executive officer on MMI's strategy, operating model and performance.</li> <li>• Launch of training development programmes, in partnership with academia to grow middle and senior management talent.</li> <li>• MMI employee wellness programme to assist employees with their physical, emotional and financial health.</li> </ul>	<ul style="list-style-type: none"> <li>• MMI employee value proposition and employer branding identity.</li> <li>• Culture and transformation.</li> <li>• Change management.</li> <li>• External brand visibility.</li> <li>• CSI investment and employee volunteerism.</li> </ul>

Stakeholder category	Engagement activity	Some key issues raised
Investors and analysts	<ul style="list-style-type: none"> <li>• Annual Investor Conference with analysts, investors and media to position MMI's strategy and achievements.</li> <li>• Engagements with international investors both locally and in the United States and the United Kingdom.</li> <li>• Quarterly, interim and year-end presentations of MMI results using all forms of media (JSE SENS, print, television, radio broadcasts).</li> <li>• Investor Relations section of the website provides up to date information.</li> <li>• AGM Notice allows provision of information and voting on key issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Clear group strategy and operating model.</li> <li>• Segment/business earnings mix</li> <li>• Distribution strategy.</li> <li>• International diversification strategy.</li> <li>• Dividend policy and capital management.</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• MMI Foundation, funded through MMI profits, to invest in communities in partnership with government and non-government organisations.</li> <li>• MMI CSI profile to communicate focus areas and achievements to the public.</li> <li>• Contributing member to the National Education Collaboration Trust, a partnership model aimed at supporting the NDP.</li> <li>• The MMI Foundation invests in programmes that deal with training, enabling and providing access to income opportunities for young people.</li> <li>• Engagement with the parliamentary process.</li> </ul>	<ul style="list-style-type: none"> <li>• Trust in financial services organisation.</li> <li>• Enterprise development.</li> <li>• Funding sustainability of CSI beneficiaries.</li> <li>• Financial Education.</li> <li>• Policy process.</li> </ul>

<p>Regulators and government</p>	<ul style="list-style-type: none"> <li>• Engagement with regulators and government in matters such as the National Health Initiative pilot programmes and collaborating on achieving NDP outcomes.</li> <li>• Engagement with Treasury and Office of the President on political and economic scenario.</li> <li>• Partnerships with government on CSI programmes.</li> <li>• Representative in various committees and industry associations that engage with legislators (e.g. Association for Savings and Investments South Africa, South African Insurance Association, Business Unity South Africa).</li> <li>• Parliamentary committees to enable public</li> </ul>	<ul style="list-style-type: none"> <li>• Public-private partnerships.</li> <li>• Retirement Fund Reform.</li> <li>• Protection of Personal Information Act.</li> <li>• Solvency Assessment and Management (SAM).</li> <li>• Sovereign down-grade risk.</li> </ul>
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Stakeholder category	Engagement activity	Some key issues raised
	policy participation.	<ul style="list-style-type: none"> <li>Financial Account Tax Compliance Act.</li> </ul>
Media	<ul style="list-style-type: none"> <li>MMI's media profile has grown, with the company being profiled on multiple platforms outside of the results reporting cycle.</li> <li>Collaboration with <i>Sunday Times</i> on the directors' event, which generated exposure.</li> <li>Regular engagements with media around executive changes, Africa strategy, etc.</li> <li>New ventures such as that with African Bank.</li> </ul>	<ul style="list-style-type: none"> <li>MMI results.</li> <li>Africa and International strategy.</li> <li>Mergers and acquisitions.</li> </ul>
Trade unions	<ul style="list-style-type: none"> <li>Engagement sessions with organised labour to inform development of financial wellness propositions and influence public policy development.</li> <li>Sponsorship of Cosatu investment training programme for its affiliate trustees.</li> <li>Sponsorship of various conferences hosted by federations and unions.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory landscape.</li> <li>Transformation including employment equity.</li> <li>Job creation and skills development.</li> <li>Trustee training.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Discussions around commitment to B-BBEE objective and support required to achieve the minimum threshold.</li> <li>Enterprise development funding opportunities for companies in our supply chain.</li> <li>Regular interaction to discuss service delivery as part of our procurement processes.</li> </ul>	<ul style="list-style-type: none"> <li>Prompt payment.</li> <li>B-BBEE certification.</li> <li>Directing spend to black women-owned business.</li> </ul>
Intermediaries and brokers	<ul style="list-style-type: none"> <li>Regular email communications.</li> <li>Thought leadership events.</li> <li>Product launches and updates.</li> <li>Momentum Risk Summit.</li> <li>In-house publications.</li> <li>General manager, regional manager and marketing adviser interactions with intermediaries and brokers.</li> <li>Representation on regulatory bodies such as the</li> </ul>	<ul style="list-style-type: none"> <li>Retail distribution review.</li> <li>General regulatory and compliance matters.</li> <li>Impact of slow economic growth.</li> <li>Volatile investment markets.</li> </ul>

Stakeholder category	Engagement activity	Some key issues raised
	<p>FPI and ASISA to influence new legislation.</p> <ul style="list-style-type: none"> <li>• In-house learning programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Competitiveness of products.</li> <li>• Fit and proper status of representatives and key individuals.</li> <li>• Speed and quality of service.</li> <li>• Providing viable low-income solutions for clients.</li> </ul>