

MMI Holdings Releases 2016 Integrated Report

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The MMI Integrated Report provides a comprehensive overview of MMI's activities, as well as the financial and non-financial performance for the 12 months from 1 July 2015 to 30 June 2016.

JSE listed company MMI Holdings (Pty) Ltd have released their 2016 Integrated Report, performing well against the backdrop of tough economic times. The MMI Integrated Report provides a comprehensive overview of MMI Holdings' (MMI) activities, as well as the financial and non-financial performance for the 12 months from 1 July 2015 to 30 June 2016. With a strategic focus on client-centricity, MMI's core purpose is to enhance the lifetime Financial Wellness of people, their communities and their businesses; a key part of this is the focus on creating a sustainable society.

Sustainability is a central focus for MMI forming part of all activities conducted through client facing brands (Momentum, Metropolitan, Guardrisk and Multiply), through committee members charged with steering sustainability. This approach places value creation in a long-term context and shows how economic value is created for the business whilst simultaneously creating value for society.

In addition to paying insurance benefits and claims of R26.6 billion in the 2016 financial year, MMI created further economic value for its clients through the Multiply Wellness and Rewards programme. The programme is aimed at unlocking Financial Wellness by educating, empowering, engaging and encouraging clients to plan and manage their money, and increase their Financial Wellness. In addition to the inherent benefit of enhanced Financial Wellness, MMI's clients saved more than R400 million through Multiply partner rewards and internal MMI product discounts in the financial year.

MMI has retained a level 2 Broad-Based Black Economic Empowerment (B-BBEE) contributor status and continues to be committed to achieving its transformation objectives through the various pillars of the Financial Sector Charter and the B-BBEE Codes of Good Practice. Vuyo Lee, MMI Holdings Group Executive: Brand, Corporate Affairs and Transformation says, "Transformation in MMI is integrated into our governance structures and MMI's progress on transformation is monitored by the Social, Ethics and Transformation committee (SETC) of the MMI board. Our revised group transformation strategy is mainly focused on key stakeholders both internally (MMI staff) and externally (MMI suppliers and our communities)."

In the reporting period, MMI established the Masikhulise Enterprise and Supplier Development (ESD) Trust, which is a ring-fenced Broad Based Ownership Scheme, which houses all ESD initiatives. "The Trust invests in the sustainability of small to medium sized enterprises (SMMEs), as we believe they play a pivotal role in job

creation and economic growth. ESD is about empowering suppliers to take charge of their own growth and sustainability, and we believe that our investment in these enterprises will play an integral role in the socio-economic transformation in South Africa," says Lee. This strategy is aimed at sustainable ESD interventions, which supports MMI's overall revised transformation strategy and broader shared value drive; in accordance with the Department of Trade and Industry's (dti) revised Codes of Good Practice (CoGP) requirements.

In addition, through the proactive implementation of their transformation strategy, MMI has mitigated the impact of the dti's revised CoGP requirements, which is widely expected to decrease the contributor level status of measured entities by an average of two levels. "We anticipate the further impact of this will be felt for the 2016 year when many more suppliers will have been verified under the new framework," continued Lee.

"We believe that if we do not pay attention to sustainability issues, which have a long-term impact on South Africans, true financial wellness will not exist," says Lee. In saying this, MMI continues to implement various procurement strategies that include developing suppliers and re-directing existing non-compliant procurement spend to black owned and black women owned SMMEs. "We acknowledge that the sustainability of the markets in which we operate is dependent on the equitable development of our country and equal access to opportunity for all people," says Lee.

Further to meeting its the economic transformation objectives, through strategic sponsorships like the University of Pretoria

Natural Hazard Centre for Africa (with Momentum Short-term Insurance as the main sponsor), MMI intends to better understand climate change in an effort to better protect itself and its consumers from adverse events that result from climate change. The premise is to achieve this by quantifying weather-related risks accordingly, and developing unique offerings for the benefit of client- safety and financial wellbeing.

In support of curbing its own natural environment impact, MMI established the 2013/2014 financial year as the baseline year on which carbon emission targets have been set. The MMI board has approved a target of 12% reduction in carbon emissions by 2020. As part of this process, carbon emissions are being monitored and reported annually in the CDP (Carbon Disclosure Project). "Our research shows that our total carbon emissions for the period 1 July 2014 to 30 June 2015 was 76 524 metric tons. The largest contributor to our carbon footprint was electricity, at 74%. In terms of reducing our carbon emissions, and to enable the government to achieve its target of reducing country emissions by 34% by 2020 and 42% by 2025, we will concentrate most of our efforts on reducing our electricity usage," adds Arlene Georgeson, MMI Head of Sustainability.

"MMI is fully committed to good sustainability principles and strives to be financially sound, socially responsible as well as environmentally friendly, with good corporate governance as the overarching principle," concludes Lee.

