

Iemas' vision is to be the preferred financial services co-operative. In order to achieve its vision, it is the mission of every employee to work together as a team to the benefit of members through the provision of professional service and financial products based on innovation and integrity.

The conduct of the Board, management and employees is underpinned by the corporate values of integrity, dignity, ownership and accountability, teamwork and professionalism.

## ETHICS

Iemas values and protects its reputation and credibility. Acting ethically and responsibly enhances Iemas' brand and reputation. This forms the foundation for establishing long-term relationships with stakeholders.

Iemas' Code of Conduct is a meaningful statement of its core values. It is promoted across the organisation and is reinforced by appropriate training and disciplinary action. The Code of Conduct is binding on directors, managers, employees, independent contractors, agents, service providers and business partners. Compliance with the Code of Conduct is integrated in the operations of the Group.

The Board oversees that its conduct and that of management align to the corporate values and is adhered to in all aspects of its business.

## Conduct

Iemas has a zero-tolerance approach towards unethical conduct and communicates openly and transparently about fraud, unethical behaviour and related dismissals.

Iemas' values and the associated behaviour expected, are continuously reinforced via communication to employees.

## Whistle-blowing

Fraud and misconduct are inherent risks to most businesses, especially businesses operating in the financial services sector. Iemas has instituted various channels to enable stakeholders to report incidences and suspicions of fraud or unethical behaviour.

In addition to normal internal reporting and escalation processes, Iemas secured the services of an external and objective service provider to administer an anonymous and independent fraud and ethics hotline since 2008. The hotline details are communicated to management on a monthly and quarterly basis.

All reported information regarding fraud or suspected incidences of fraud are investigated by Internal Audit, who reports material findings to the Audit and Risk Committee on a quarterly basis. Internal Audit has established relationships with other external parties and financial institutions to collaborate in addressing the increase in fraudulent behaviour.

During F2019, there were no significant cases that originated from the hotline. However, stakeholders reported incidences of fraud and suspicious behaviour via other channels. Please refer to page 56 for more information in the report of the Audit and Risk Committee.

A Fraud Verification Department has been established to perform various checks to confirm suspicious information by members, e.g. contacting employer groups to verify person information or perform bank details verification.

## VALUE CREATED FOR STAKEHOLDERS

"Value added" is the measure of additional value created for stakeholders by Iemas in its operations. The statement below summarises the wealth created and details how it was shared by employees and other stakeholders that contributed to its creation.

# Sustainability overview

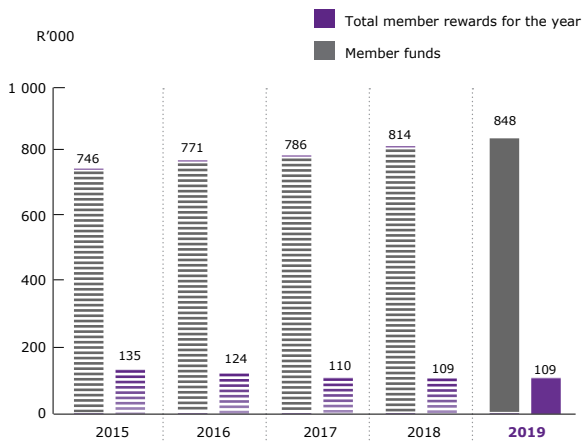
## (continued)

### Areas of value creation

	2015 R'm	2016 R'm	2017 R'm	2018 R'm	2019 R'm
Employee training and development	2,0	4,2	3,0	2,0	2,4
Employee salaries and bonuses	166,7	163,8	169,3	186,9	203,2
Employee taxes (including UIF and skills development levies)	34,6	36,3	32,2	31,9	40,4
Corporate taxes	46,9	49,2	31,4	31,1	28,3
Value added tax	20,1	18,6	17,3	18,3	18,6
<b>Annual member rewards</b>	<b>135,1</b>	<b>123,5</b>	<b>109,7</b>	<b>109,4</b>	<b>109,9</b>

The foundation of the co-operative model is that members share in the profits. Iemas' annual reward allocations to members illustrate its commitment to co-operative principles. Total member rewards (including interest on the members' deferred bonus payment fund) amounted to R109,9m (2018: R109,4m).

### Member reserve funds and rewards



## EMPLOYEE CAPABILITY AND WELL-BEING

### Employment

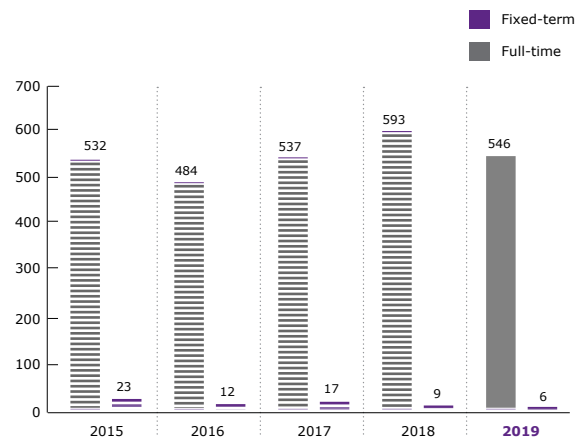
The Co-operative's employment philosophy is interlinked with its strategic plan with a clear focus on attracting, engaging and retaining the best talent to deliver on its business objectives. A combination of Iemas' culture, leadership, product and service offerings, employee benefits and reputation constitute the building blocks of Iemas' employment brand. Iemas' vision of transformation is translated into strategies, specific targets and plans which are governed by the Board.

Iemas' number of employees decreased to 552 (2018: 602), operating through 29 (2018: 31) offices countrywide. Employee movement throughout Iemas was lower during F2019, with the exception of the short-term insurance business where movements were related to the contact centre. Benefits offered to employees include pension and provident fund contributions, group life cover, income protection, disability cover, funeral benefits and 21 leave days per annum.

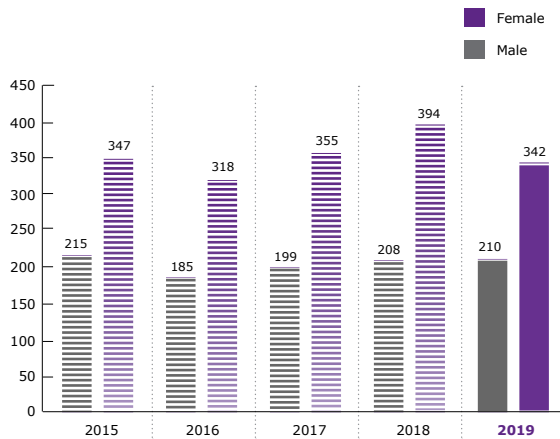
There are currently five (2018: four) employees who have been declared medically disabled. In accordance with the disability cover terms and conditions they continue to receive a portion of their income, pension and provident fund benefits although they are not actively at work.

Employee benefits and remuneration amounted to R203,3m (2018: R186,9m), reflecting an 8,7% (2018: 10,4%) increase.

### Total number of employees



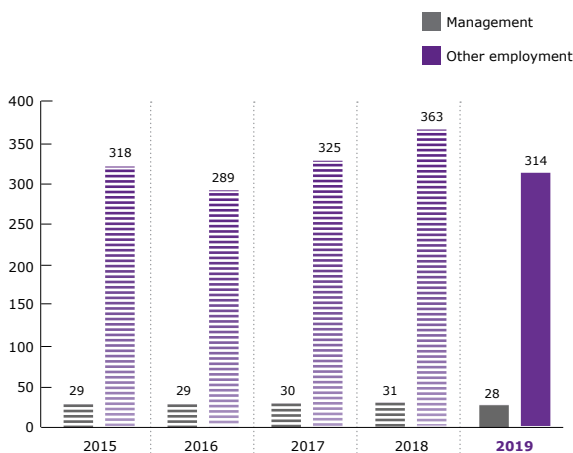
### Number of employees by gender profile



### Employment per management level



### Female employment



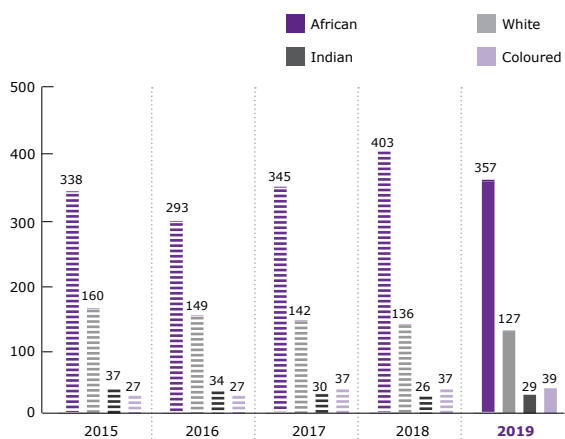
### Employment equity (EE)

Iemas manages its employment equity profile by embracing diversity. The Employment Equity and Skills Development Forum assists the Executive Committee with implementing employment equity in accordance with the requirements of the Employment Equity Act, No 55 of 1998, as amended. The Forum represents the business, across all of its geographic regions and branches, as well as across all its business functions, including the insurance business.

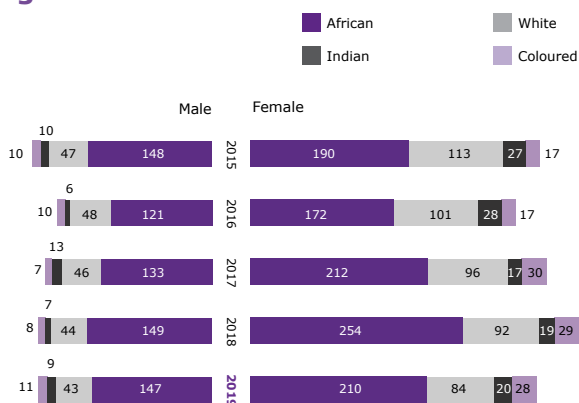
Member	African	Coloured	Indian	White	TOTAL
Top management	-	-	-	1	<b>1</b>
Senior management	-	-	1	3	<b>4</b>
Professionally qualified and experienced specialists and mid-management	22	-	5	28	<b>55</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	238	31	17	83	<b>369</b>
Semi-skilled and discretionary decision-making	88	8	6	12	<b>114</b>
Unskilled and defined decision-making	9	-	-	-	<b>9</b>
<b>Grand total</b>	<b>357</b>	<b>39</b>	<b>29</b>	<b>127</b>	<b>552</b>
<b>Fixed term employment</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>6</b>

\* Foreign national employees are reported under the category "White" for EE purposes.

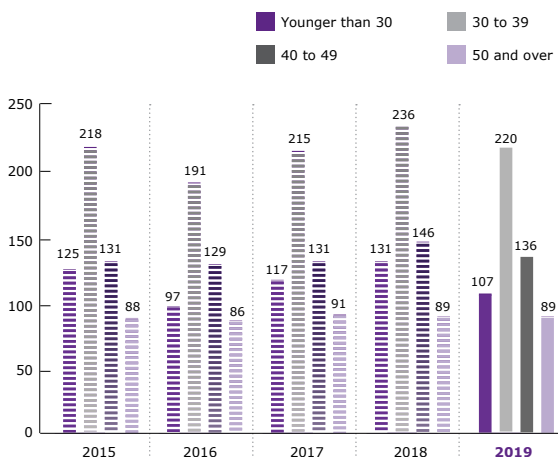
## Employment equity profile by race



## Employment equity profile by race and gender



## Total number of employees by age group



## Maternity/paternity leave

During F2019, 28 (2018: 23) female employees took maternity leave and 8 (2018: 9) male employees took paternity leave. All the employees returned to work after their leave.

## Diversity and equal opportunity

A workforce that is representative of the country and the communities in which our members work and live allows us to better meet our members' needs.

Iemas endeavours to establish a culture that truly embraces all forms of diversity and has been presenting diversity integration programmes every year, since 2007. Over the years, the emphasis with this programme moved away from cultural diversity integration and is now focusing on generational and individual diversity. 13 employees participated in the diversity integration programme during the year (2018: 14 employees). This was the twelfth group and brings the total number of employees who attended the programme since its introduction to 282 (2018: 269).

## Performance and career development

Bi-annual performance appraisals, which form the basis for annual salary and bonus reviews, are conducted with all employees.

## Talent management and retention

Annual reviews of the pool of employees, who are considered key individuals or key talent, are conducted by the Executive Committee. These employees are managed and monitored in terms of retention, wellness, development and skills transfer.

The insurance industry is experiencing a shortage of people with the appropriate skills and required compliance credits. Iemas continuously reviews its strategies and processes to improve talent attraction and retention specific to the short-term insurance business. A formal trends analysis was conducted during the year for this purpose. The results of the analysis provide valuable input to recruitment, retention and people development strategies in this particular area of the business.

### Employee wellness programme

Iemas has an extensive employee wellness programme in place which consists of:

- pro-active workshops to emotionally equip and empower people;
- a confidential helpline for support or referral to individual coaching or counselling; and
- individual and confidential coaching or counselling with a professionally qualified counsellor.

During the year 95 (2018: 114) employees (17% of the workforce) attended the wellness workshops, 134 (2018: 109) employees (24% of the workforce) made use of individual wellness counselling sessions and 78 (2018: 166) (14% of the workforce) utilised the wellness helpline.

### Exit interviews

Iemas conducts exit interviews as a standard human resources management practice. Where trends become apparent in the reasons for resignation, it is addressed by means of human resources strategies and action plans that are developed and implemented in collaboration with the relevant line managers.

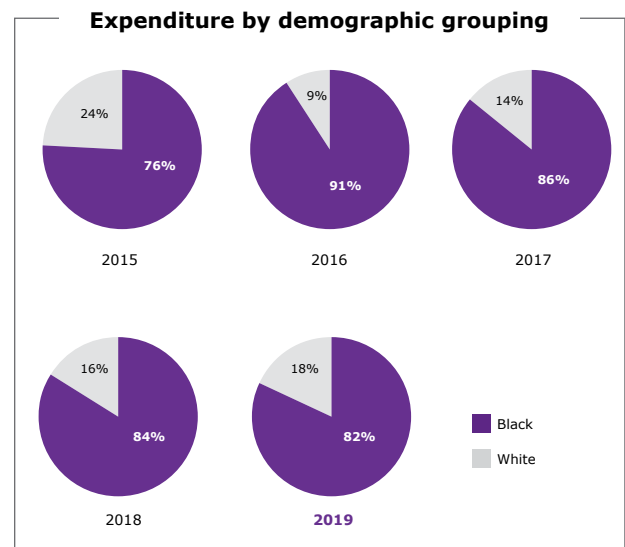
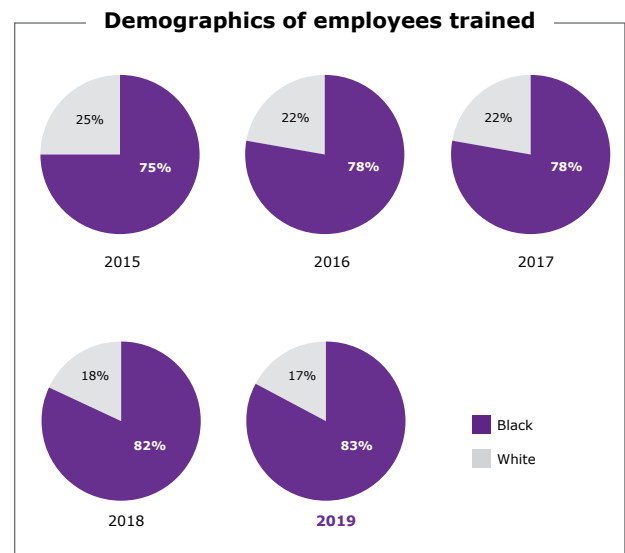
## TRAINING AND DEVELOPMENT

Iemas has a detailed human resources management strategy that is reviewed annually and approved by the Human Resources Committee. Iemas aims to establish a performance-oriented organisational culture by developing high performing individuals through its human resources policies and practices.

In an effort to develop, grow and empower employees, training and development plans are executed to ensure employees achieve their full potential. Iemas' total expenditure on the training and development of employees was R2,4m (2018: R2,0m) for the year. The average training spend per employee trained was R1 166,8 (2018: R2 074), excluding skills development levies and learnership expenses for unemployed learners.

For F2019, the main training priority was to prepare employees for the new loan origination, loan management and debt collection systems. A total of 7 (2018: 6) e-learning training modules were deployed to 417 (2018: 399) users. The learning process was tracked and managed by the human resources management team with the aid of an electronic learner management system. In addition, classroom-based training, system demonstrations and simulations were also conducted

The demographics of training beneficiaries during the reporting period are summarised as follows:



## Leadership development

The development of leadership capabilities remains an important human resources and corporate priority. During 2018 a four-module in-house management orientation course was presented. Eleven junior managers attended the Milpark Business School programme. Seven junior managers will attend this programme next year. Participation in the Milpark Business School's study programme was funded by the Bankseta.

## Compliance-related training

Compliance-related training was conducted on an ad-hoc basis during F2019 and included:

- Employment Equity Act training;
- National Credit Act: Basic Business and Economic Principles;
- Occupational Health and Safety training; and
- Financial Advisory and Intermediary Services (FAIS) related training which includes, FAIS qualifications, regulatory examinations, Insurance Class of Business and Continuous Professional Development courses.

## Bursaries

27 (2018: 26) employees are currently studying with Iemas bursaries towards tertiary qualifications. During F2019, Iemas contributed R116 135 (2018: R155 211) towards study bursaries.

## SOCIO-ECONOMIC DEVELOPMENT INITIATIVES

Iemas remains cognisant of its responsibility to provide opportunities for its employees to participate in initiatives aimed at assisting the under-served and impoverished parts of the community in which it operates. The Co-operative's CSI strategy therefore includes various national and regional initiatives, which employees can support and donate to.

These causes include:

- Mandela Day - Iemas donated two refurbished computer sets to Bravo Youth Lephale. The computers are used in different offices to assist the therapists with administration and report writing as well as to communicate with other role players;
- Iemas donated three refurbished computer sets to National Youth Development Outreach (NYDO) Eersterust, Pretoria. The organisation assists and teaches young people the skills they need for the working environment;

- Iemas participated in Shavathon 2019. CANSA Shavathon is one of South Africa's best-loved events in support of a very worthy cause, showing solidarity with those affected by cancer;
- 10 school children, attending the Vukuzithathe Primary School based at the Embalenhle Location in Secunda, received a back-to-school uniform hamper. Iemas Secunda has supported the initiative for the past ten years; and
- A financial donation was made to the Sedibeng School in Lephale.

In line with the principles of being a co-operative, Iemas further believes that financial education enables members to make sound financial decisions and to ultimately achieve holistic financial wellness. Iemas therefore offers free financial training at the workplace to employees of contracted employers. Training modules include: how to budget, effective savings tips, escaping the debt spiral, the importance of having a life file and what documentation to include. During F2019, Iemas trained 3 579 employees at contracted employers nationally.

## Skills development in the industry

During the year, 12 (2018: 23) learners participated in Iemas' short-term insurance, card, skills development, graphic design and desktop support learnership and internship programmes. Five learners were permanently employed upon successful completion of the programmes, while five are still in the programmes.

## OCCUPATIONAL HEALTH AND SAFETY

The purpose of the safety management system is to:

- formalise the rights and responsibilities of both Iemas as an employer and Iemas employees;
- ensure that all employees become familiar with the Occupational Health and Safety Amendment Act, No 181 of 1993;
- identify and mitigate, as far as reasonably possible, all health and safety risks to employees, business associates and members;
- enable all employees to be responsible and proactive when making critical decisions regarding health and safety in the workplace;
- communicate the health and safety programme to employees and relevant stakeholders; and
- facilitate the collection, analysis, critical evaluation and amendment of health and safety information and standards.

All contractors are made aware of the safety regulations. Health and safety representatives at branches communicate directly with contractors on any matters regarding safety to ensure that contractors are fully conversant with safety requirements. The right to inspect any contractor equipment, and to reject it, is retained.

Each office has a health and safety plan and monthly safety reports are compiled and evaluated to address any areas of non-conformance.

The following actions took place during F2019:

- A pro-active management system was maintained;
- Health and safety representatives trained: 11 (2018:13);
- Health and safety training courses presented: 21 (2018: 78);
- Annual emergency drills conducted at offices: 8 (2018: 11);
- A safety survey was conducted where staff could declare existing medical conditions to improve first aid services to Iemas employees; and
- Internal audit representatives visited several offices and audited the emergency procedures, safety signage, fire protection, health and safety structures and internal security.

A total of 41 (2018: 40) health and safety-related incidents were recorded during the year, with 2 (2018: 0) incidents of injury on duty reported to the Department of Labour.

Other incidents were minor and related to protest/ industrial action, vehicle damage, water damage and theft with no fatalities or serious injuries. The increase in reportable safety-related incidents can be ascribed to increased levels of employee awareness about the need to report incidents and complete accident reports.

## **BROAD-BASED BLACK ECONOMIC EMPOWERMENT**

In the prior year, Iemas was for the first time rated according to the amended financial sector code of good practice on Broad-Based Black Economic Empowerment (B-BBEE). This code came into effect on 1 December 2017. The rating resulted in a rating of "non-compliant" under the new code

Management has made some progress in improving Iemas' overall rating by achieving a total score of 55,48 – resulting in a classification as a level 7 contributor, which is one level up from the previous year. However, due to not achieving the sub-minimum score in two of the pillars, skills development and enterprise and supplier development, the score was adjusted downwards one level, resulting in a reclassification as a level 8 contributor. The first aim is to achieve at least the sub-minimum in all categories measured.

Specific strategies to achieve an acceptable level have been included in the overall strategy plan for Iemas. As a Co-operative, the B-BBEE strategy takes into account:

- the corporate strategy and purpose of the organisation;
- the possible impact on Iemas' members;
- the risk on annual rewards paid to members;
- the availability of resources to fund the strategy; and
- the availability of opportunities to implement identified initiatives.

Iemas remains committed to achieve an acceptable rating in the short to medium term through the execution of a balanced B-BBEE strategy.