

The Board of Directors presents Iemas' first Social Report, which has been prepared in accordance with the Co-operatives Amendment Act, No 6 of 2013 and in terms of the disclosure requirements outlined in the Regulations for Co-operatives, gazetted on 18 April 2019. The Social Report assesses the social impact and ethical performance of the Co-operative in relation to its stated vision, mission, goals and the code of social responsibility of the Co-operative, as set out in Iemas' Constitution.

## VOLUNTARY AND OPEN MEMBERSHIP

The Co-operative Secretary confirmed that Form CR7, being the Co-operative's annual return, has been completed and submitted to the Registrar of Co-operatives at the Companies and Intellectual Property Commission. The principle of open membership is applied, as per the requirements of the Iemas Constitution. As any individual may apply to be a member of the Co-operative and if the individual qualifies in terms of Iemas' internal risk models, acceptance as a member will be granted and application may be made for any of Iemas' products and services. No discriminatory criteria based on, for example, age, gender, race or marital status apply.

## DEMOCRATIC MEMBER CONTROL

All meetings have been conducted in compliance with legislative requirements and those found in the Iemas Constitution.

During the reporting period, the annual general meeting was held on 30 October 2018. Members received notice of the annual general meeting via e-mail, website, member statements, social media platforms and SMS.

Although attendance was low, members actively participated in relevant meetings and quorum requirements were met.

Details of general, Board and Board Committee meetings are disclosed in the annual report in detail, with a summary being:

- One annual general meeting was held in October 2018;
- 67 members, including seven proxies attended the annual general meeting;
- All members who attended the annual general meeting actively participated in the meeting as all attending members casted a vote;

- Number of Board meetings held: 4 (refer to page 32);
- Number of Audit and Risk Committee meetings held: 4 (refer to page 35);
- Number of Human Resources Committee meetings held: 4 (refer to page 36); and
- Number of Information Technology meetings held: 2 (refer to page 36).

Members are given democratic control and each member has an equal vote when making decisions for the Co-operative. Voting rights applied to members constitute one vote per member.

## MEMBER ECONOMIC PARTICIPATION

The services and products that Iemas offers to members are disclosed on page 3.

All members contribute economically to the objectives of the Co-operative, through their member transactions and patronage. Member loans (Deferred Bonus Payment Fund) are utilised by the Co-operative as part of the overall funding strategy in support of its growth objectives.

In addition to the member loans, which are divisible amongst the members, Iemas also has an indivisible reserve that complies with the legislative requirements set out in section 46 of the Co-operatives Amendment Act, No 6 of 2013. The reserves are used in accordance with the requirements and prescriptions of the Iemas Constitution.

The rewards allocation for the 2019 financial year, as recommended by the Board of Directors, will be presented at the annual general meeting for approval by members. In total, R109,9m was distributed to members, of which R89,7m was allocated to the members' reserve fund.

For a comprehensive list of products and services, refer to page 3.

Except for commercial arrangements with product and service providers, investors and financiers, no decisions taken by the Board or members of the Co-operative during the year were influenced by non-members, agencies or non-governmental organisations.

## AUTONOMY AND INDEPENDENCE

Self-help organisations are ones that are created as an autonomous association of persons who are united voluntarily to meet the common economic, social or cultural needs and aspirations of members and are operated on the basis of co-operative principles. Members join voluntarily to make use of Iemas' products and services.

The Board is not aware of any decisions taken during the reporting period that were influenced by non-members, agencies or non-governmental organisations.

## EDUCATION, TRAINING AND INFORMATION

Members are informed of their benefits and rights as members through ongoing communication, which forms part of Iemas' marketing strategy.

Appropriate education and training are provided to members through Iemas' financial wellness training at the workplace of participating employer groups. Elected representatives, being the Board of Directors of Iemas, participate in a formal induction programme on their appointment to the Board to familiarise them with Iemas' sphere of operations, mission, vision, ethics and codes of conduct. Employees are also inducted on employment and receive ongoing training and skills development opportunities. Details of training initiatives during the reporting period are disclosed in the Sustainability Report on page 45.

Engagements with members, elected representatives and employees during the reporting period are disclosed in the Stakeholder Engagement section on pages 19 to 22.

## CO-OPERATION AMONG CO-OPERATIVES

Iemas celebrated International Day of Co-operatives on 6 July 2019 with broadcasts on various social media platforms. This year's theme, "Coops 4 decent work", puts forward co-operatives as people-centred enterprises characterised by democratic control that prioritise human development and social justice within the workplace.



Iemas is a member of The International Co-operative Alliance, which is a non-profit international association established in 1895 to advance the co-operative model.

Iemas monitors international trends and incorporates those trends into its strategies and business operations.

The Alliance is the apex organisation for co-operatives worldwide, representing 315 co-operative federations and organisations across 110 countries (*figures as at March 2019*). The members of the Alliance are national level co-operative federations, individual co-operative organisations and government offices concerned with co-operatives. Through its membership, the Alliance represents 1,2bn members of co-operatives from any of the 3m co-operatives worldwide.

Management has in the past attended the bi-annual conferences hosted by the Alliance and will continue to do so going forward.

## CONCERN FOR COMMUNITY

Iemas believes that financial education plays a pivotal role in cultivating a culture of financial inclusion. This enables members to make sound financial decisions and to ultimately achieve holistic financial wellness. Iemas' financial wellness training not only benefits the members, but also indirectly extends to the communities in which the members reside as well as those in which Iemas has a presence.

Social and environmental developmental projects undertaken during the reporting period are disclosed in the Sustainability Report on page 46 and included national and regional initiatives aimed at assisting the under-served and impoverished parts of the communities in which Iemas operates.

Sustainable development is an evolutionary process, which requires integrated thinking, and the Board will strive to improve on disclosures over time.

Iemas does not have a separate Social and Ethics Committee and a decision has been taken to broaden the mandate of the Human Resources Committee to include social and ethics matters.

## **BOARD APPROVAL**

The Board certifies that to the best of their knowledge and belief, Iemas has complied with all legal requirements as well as the requirements of Iemas' Constitution.

## **AUDIT OPINION**

The unqualified audit opinion is included on page 62. The audit opinion notes the responsibility of the external auditor to read the other information included in the Social Report and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements or their knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, external audit has reported on their responsibilities in terms of section 31(1)(a) of the Co-operatives Act, 2005 (Act No 14 of 2005) as amended by the Co-operatives Amendment Act, 2013 (Act No 6 of 2013) (the "Act") on the submission of the certificate as required by section 31(1)(a).

Signed for and on behalf of the Board



**Willem van Heerden**

*Chairman*