

## ESTABLISHMENT

This Committee is established to enable the Nedbank Group ('the Group') to comply with the requirements of Section 72 read with Regulation 43 of the Companies Act 71 of 2008 ('Companies Act'), the JSE Listing Requirements, as well as other generally accepted international standards. Delivery on the Group's purpose, 'to use our financial expertise to do good for individuals, families, businesses and society' ('Purpose') will guide the Committee's actions in this regard as it is understood that the Group's long-term sustainability is contingent on the success of the societies in which it does business.

## AUTHORITY

In discharging its function on Purpose delivery, transformation, and social and ethics set out below, this Committee is entitled to:

- a) require from any director or prescribed officer, and request from any employee of the company, any information or explanation necessary for the performance of its functions;
- b) attend any general shareholders meeting;
- c) receive all notices of and other communications relating to any general shareholders meeting; and
- d) be heard at any general shareholders' meeting on any part of the business of the meeting that concerns the Committee's functions.

## OBJECTIVE

This Committee's primary objectives are to:

- monitor the matters set out in Regulation 43(5) of the Companies Act set out below;
- oversee and advise on the role of the bank in its pursuit to fulfill on its Purpose, as guided by the Nedbank Sustainable Development Framework and the Purpose Program of Work (PPOW); and

- take responsibility for and monitor the Group's activities in the following areas of focus, as listed and defined in the Group's Enterprise-wide Risk Management Framework and as informed by the Group's Purpose:

- transformation;
- human capital development;
- ethics;
- human rights in business;
- stakeholder engagement as per the King Report on Corporate Governance (King IV); and
- sustainability, including the management of non-financial issues.

The Committee recognises that the attraction, retention and growth of talent; the building of an organisational culture that supports the Group's business strategy; and developing the skills that are aligned to business requirements, are a key focus for the organisation.

The Committee will rely on the work and reporting of the Group Sustainability and Climate Resilience Committee, the Executive Transformation and Human Resources Committee, the executive function responsible for monitoring and implementation of the Amended Financial Sector Code of 2017, the Climate Risk Committee, Group Strategy: Sustainability and Stakeholder Relations Forum, Group Compliance (which includes the Ethics Office), Group Risk Monitoring Division, Group Human Resources, Group Marketing and Corporate Affairs and any other Board committees, Group Exco committees, and the Group divisions as appropriate.

## OVERSIGHT AND RESPONSIBILITIES

The Committee is responsible for monitoring the Group's transformation, social and ethics activities enterprise-wide for:

## Social and ethics

- Monitoring the Group's activities, having regard to any relevant legislation and regulations, legal requirements, and prevailing codes of good practice, with regard to matters relating to:
  - social and economic development, including the company's standing in terms of the goals and purposes of –
    - the 10 principles set out in the United Nations Global Compact Principles (covering Labour, Human Rights in Business, Anti-Corruption and the Environment);
    - the Organisation for Economic Cooperation and Development (OECD) recommendations regarding corruption as per section IV [Combating Bribery] of the OECD Guidelines for Multinational Enterprises;
    - the UK Bribery Act, its requirements and the implementation thereof; and
    - the Broad-Based Black Economic Empowerment Act, Employment Equity Act, and the Skills Development Act, which must include monitoring and informing the Board on the Group's level of compliance with these Acts [The nature and extent of the Committee's responsibility in this regard is detailed under the paragraph 'Transformation' below].
  - good corporate citizenship, including the Group's –
    - promotion of equality, ethical remuneration, prevention of unfair discrimination, and combating corruption;
    - contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
    - monitoring of sponsorship, donations and charitable giving.
  - the impact of the Group's activities and its products and services on the environment, health, and public safety;
  - consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws and

market conduct requirements; and

- labour and employment, including:
  - the Group's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
  - the Group's employment relationships, and its contribution towards the educational development of its employees;
- Reporting, through one of its members, to the shareholders at the Group's annual general meeting on the matters within its mandate;
- Receiving reports and monitoring all ethical requirements in terms of the Banks Act and Regulations and all other such issues in terms of the Nedbank Code of Ethics and Conduct (including compliance by employees with the Group's Code of Ethics and Conduct) and related policies;
- Reviewing and ensuring that all ethics investigations (harassment, sexual harassment, discrimination, assault, human rights abuses, nepotism/cronyism, and other ethics related/breach of values transgressions of the Code of Ethics and Conduct not related to dishonesty) are centrally addressed and reported on by the Group Ethics Office;
- Monitoring adherence to ethical standards by employees and other stakeholders through periodic independent assessments; and
- Monitoring the Group's position towards and performance in terms of human rights issues, including the governance of human rights in business, human rights due diligence, screening, investment and projects.

## Transformation

- Advising on strategies and processes to facilitate the transformation agenda within the Group;
- Reviewing the setting of Group targets regarding transformation, and monitoring progress around these targets;
- Reviewing plans and monitoring implementation of the requirements of the Amended Financial Sector Code of 2017;
- Monitoring performance of the Group with respect to the progressive implementation of its transformation policies; and

- Updating the Board on progress against the targets and strategy.

### **Purpose Enablement and Stakeholder Engagement**

- Reviewing and monitoring progress in terms of Purpose fulfilment guided by the Nedbank Sustainable Development Framework and coordinated by the Purpose Program of Work (PPOW);
- Monitoring and reviewing progress in terms of the framework for continued Stakeholder Engagement
- Monitoring and reporting on the Group's level of alignment with the requirements of Regulation 43 of the Companies Act, and King IV;
- Receiving reports covering matters relating to sustainability and other non-financial impacts;
- Facilitating participation, co-operation and consultation on health and safety matters of governments, national and international organisations, super-national authorities, other companies and other health and safety bodies;
- Where appropriate collaborating on social, environmental and climate related matters with the Group Sustainability and Climate Resilience Committee.

- Labour Relations; and
- Performance Management.

- Advising on strategy, policies and governance issues relating to human resources in the Group.

### **GENERAL**

- Ensuring that the Board is sensitised to the social and transformation risks and sustainability and ethics matters as outlined above that affect the Group and that corporate citizenship principles should be a critical dimension of the Group's strategic objectives;
- Reporting to the Board of Directors after each meeting on the activities of the Committee to ensure that it draws matters within its mandate to the attention of the Board as occasion requires;
- The Committee will conduct periodic assessments of performance against this charter in terms of the Policy on Nomination and Appointment of Directors; and
- An annual review of this charter will be conducted to maintain its relevance and address any matters identified in the annual assessment.

### **Human Resources**

Continuously reviewing, advising and monitoring the human resources strategy, design and implementation as well as human resources business plan, including:

- Socio-Economic Development (SED) including external bursaries:
- Skills Development;
- Employment Equity;
- Inclusivity;
- Wellbeing practices;
- Ethical remuneration practices;
- Culture and values:
  - Insights Surveys
  - Competing Values Survey;
- Reviewing and monitoring implementation of Human Resources Policy with regard to:
  - Succession Planning;
  - Talent Management;