



NEDBANK

► Segment

Nedbank Group Modern Slavery Act Statement.

see money differently

2024

► Segment

Nedbank Group Modern Slavery Act Statement.

Policy owner: Daleen du Toit
Document owner: Nicolette du Sart
Cluster name: Group Compliance
Previous review date: March 2023
Next review date: July 2024



Modern Slavery Act
Statement – Nedbank
Group Limited Pg 03

Who are we? Pg 04

Our approach to the
governance of modern
slavery Pg 05

Codes, policies and
statements Pg 05

Risk
Management Pg 07

Financial
Inclusion Pg 08

Training and
awareness Pg 09

Reporting Pg 09

Additional measures
taken during 2022 Pg 09

Annexure 1: 2023 -
A year in review Pg 10

Governance of
human rights Pg 11

Our policy
commitment Pg 12

Code of Ethics and
Conduct for Suppliers Pg 13

Partnerships and
initiatives relating to
human rights Pg 14

Human rights
due diligence Pg 14

Grievance mechanism
and remediation Pg 17

Reporting channels
for employees and
external stakeholders Pg 17

Protection of
whistle-blowers Pg 18

Human rights
assessment Pg 18

Looking forward Pg 20

Segment

Nedbank Group

Modern Slavery Act Statement - 2024

In line with our purpose to use our financial expertise to do good for individuals, families, businesses and societies, our philosophy is to do business ethically and responsibly, with a focus on delivering positive societal and environmental impact. We believe that human rights are integral to our business, and as such, we seek to do business with those who share our values. At the core of our ethics and human rights related policies are our values of integrity, accountability, respect, people-centeredness, and being client-obsessed.



Modern Slavery Act Statement – Nedbank Group Limited

Financial institutions play a key role in addressing the scourge of modern slavery – firstly through our ability to identify, prevent and report on money laundering and suspicious transactions which may be linked to forms of modern slavery, but also because we recognise that a lack of access to legitimate financial services is a key driver of modern slavery. At Nedbank, we have a robust stance against slavery and human trafficking and have for a long time been committed to ensuring financial inclusion in contributing toward socio-economic development, and at the same time, to mitigate against illicit activities such as money laundering and modern slavery.

The Nedbank Group (we, us our) are also cognisant of the

reality that the risk of modern slavery has been exacerbated by increasing automation in many industries, climate change and environmental insecurities, economic pressures as well as violence and social instability taking place in many countries across the globe.

We are committed to implementing effective systems and controls to enable us to detect, prevent and mitigate the occurrence of modern slavery in our business operations and in our supply chain to the greatest extent possible. Where modern slavery does occur, we will participate in legitimate processes relating to the provision of appropriate redress.

We are making this statement in line with section 54(1)

of the United Kingdom Modern Slavery Act 2015 (“Act”) for the financial year ending 31 December 2023. This statement provides an overview of our business, and the steps taken by Nedbank Group Limited as well as our corporate and investment banking branch: Nedbank London and financing subsidiary N.B.S.A to ensure that slavery and human trafficking is not taking place in our supply chains and in our business operations.



Segment

Nedbank Group

Modern Slavery Act Statement - 2024

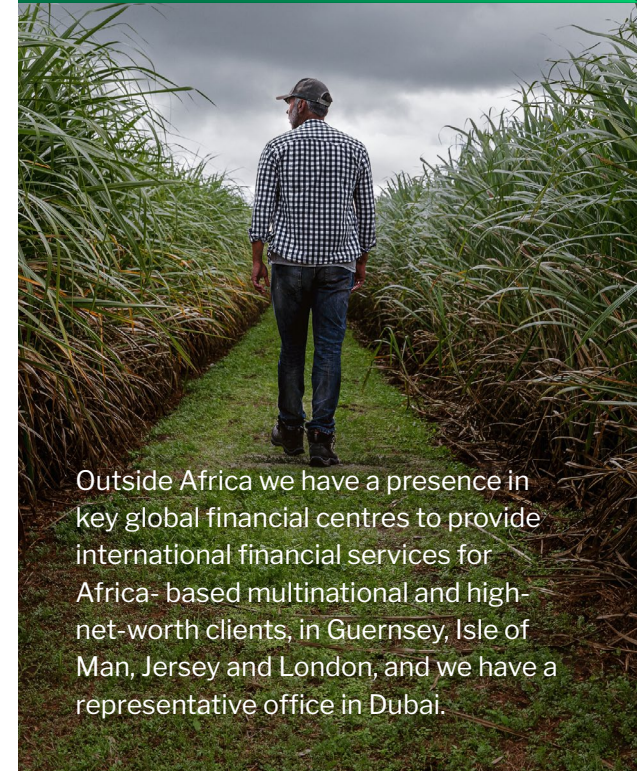
Who are We?

Our history traces back to the early 19th century with the establishment of the Cape of Good Hope Bank in 1831 and following successive branding and structural changes, Nedbank Group was formed in 2003. Nedbank Group has been listed on the Johannesburg Stock Exchange since 1969 and Namibian Stock Exchange since 2007. We are one of the largest financial services groups in Africa, serving more than 7 million clients by offering wholesale and retail banking services as well as insurance, asset management and wealth management. We have just over 24,000 employees, the majority of which are based in South Africa, and over 5000 suppliers for the Group ranging from multinational corporations to small and medium enterprises.

As a financial institution, we offer a variety of products and services to our clients through four main businesses, which we call 'clusters', namely:

- Our **Retail and Business Banking** cluster, that takes care of individual clients as well as businesses with an annual turnover of up to R2.5 billion.
- Our **Wealth** cluster, that provides professional, personal wealth management, insurance and asset management services to individuals and families.
- Our **Corporate and Investment Banking** cluster offers our corporate and investment banking clients a full suite of comprehensive wholesale banking solutions; and
- Our **Nedbank African Regions** cluster which offers banking and related services to our retail clients, small and medium-sized enterprises, businesses as well as large corporates.

Nedbank Group Limited is the holding company. Outside SA we operate in five countries in the Southern Africa Development Community (SADC), through subsidiaries and banks in Lesotho, Mozambique, Namibia, eSwatini (Swaziland) and Zimbabwe. In Central and West Africa, we have a strategic alliance through a minority interest with Ecobank Transnational Incorporated (ETI) and we have representative offices in Angola and Kenya.



Outside Africa we have a presence in key global financial centres to provide international financial services for Africa- based multinational and high-net-worth clients, in Guernsey, Isle of Man, Jersey and London, and we have a representative office in Dubai.

► Segment

Nedbank Group

Modern Slavery Act Statement - 2024

Our approach to the governance of modern slavery

Nedbank has a rich history, and we intend to continue supporting the generations to come. Our values are key to achieving our long-term goals with the collaboration of our employees and other stakeholders. Ultimately, it is simply good business sense for us, and we recognise that our industry has a key role to play in promoting long term economic sustainability that should give way to a fairer society with opportunities of growth and development for every person.

We have adopted a holistic and coordinated approach to managing human rights in business by embedding an understanding of human rights risks and corresponding responsibilities across our

business strategies and activities. As outlined in our 2024 Group Human Rights in Business Statement, we are a signatory to, and an active participant in, various initiatives aimed at promoting respect for human rights in business, including the United Nations Global Compact (UNGC), United Nations Environment Programme Finance Initiative (UNEP-FI), the Equator Principles, the International Financial Corporation (IFC) Performance Standards; and the IFC Exclusion List.

Our holistic approach assists/ enables us to identify direct and indirect risks. We consider other crimes such as bribery and corruption within our holistic approach, as we

believe that these crimes are enablers of human right abuses, forced labour, modern-day slavery, trafficking of humans and other exploitation of humans and children.

We also support the International Labour Standards¹ and proactively seek relevant guidance and recommendations from authorities, such as the five recommendations issued by the UK's Independent Anti-Slavery Commissioner² (IASC) to the financial sector in September 2021 and other international organisations such as The Organisation for Economic Co-operation and Development (OECD).

Codes, policies and statements

A Group Operating Manual (GOM) was approved by the Nedbank Group Board of directors on 26 October 2018, and revised on 27 May 2021. **Amongst other things, the GOM:**

- governs the oversight exercised by Nedbank Group Limited over its subsidiaries and foreign branches;
- provides a framework for ensuring that the entire group has adequate processes, procedures, systems and controls in place to enable Nedbank Group Limited and its subsidiaries to comply with legal and regulatory obligations; and
- sets out the operating model for the Group.



¹ International Labour Organization (ILO): www.ilo.org

² Independent Anti-Slavery Commissioner: www.antislaverycommissioner.co.uk

Segment

Nedbank Group Modern Slavery Act Statement - 2024

We know that our actions and decisions have the potential to affect (both positively and negatively) virtually the entire spectrum of human rights – ranging from employment practices and our lending or investment activities to the supply chain. In recognising this, we have implemented several policies, frameworks and statements which aim to give effect to our obligations to respect and uphold human rights, and to drive positive impact in society.



These include but are not limited to:

- Human Rights in Business Framework;
- Employee Code of Ethics and Conduct;
- Supplier Code of Ethics and Conduct;
- Social and Environmental Management Policy and Framework;
- Procurement Policy; and
- Anti-Money Laundering, Countering the Financing of Terrorists and Related Activities and Sanctions Policy.
- Guidelines for reporting Grievances and Sexual Harassment

For more information on our codes, policies and statements, please refer to our Annual Governance Report for 2023.

All these codes, policies, and frameworks are reviewed on an annual basis to help us continually improve our approach in line with best practice.

“A focus on delivering positive societal and environmental impact.”



Segment

Nedbank Group

Modern Slavery Act Statement - 2024

Risk Management

Recruitment

Our recruitment process consists of pre-employment screening which may vary according to local legislation and aims to ensure that the person has the right to work thus managing any risks related to labour rights violations according to relevant local legislation.

Our recruitment process is also influenced by our drive to support our community and contribute towards their growth and development. For this purpose, we have adopted Diversity, Equality and Inclusion (DEI) criteria within our recruitment and Talent program. While this initiative may not be immediately synonymous with human rights abuse and modern-day slavery or trafficking of humans, we believe that we are addressing one of the root causes that can make people vulnerable to exploitation due to their financial position.

Procurement and Suppliers

As a Bank, we offer financial products and related services, therefore our suppliers reflect the operational requirements and safeguards necessary to deliver what we promised to our clients. Although it is not possible to prevent and mitigate against all potential adverse human rights impacts across our entire supply chain due to the scale and complexity, we endeavour to implement reasonable risk management processes as far as we are able to do so.

- Supplier due diligence is conducted for all suppliers to identify any actual or alleged illicit or unethical activities, including their involvement in human rights violations. The level of due diligence conducted is similarly dependent on the supplier's risk level. High-risk and high-contract-value suppliers undergo frequent due diligence assessments.
- New or existing suppliers participating in tenders considered to be high-risk or high value must also complete an Ethics Responsibility Index (ERI). The ERI outlines several questions posed to potential suppliers in relation to

ethics, human rights and governance. The responses are independently assessed by the Ethics Office. These are considered during the selection process to give effect to our commitment in promoting procurement from suppliers who are aligned to our own values. Specific indicators of modern slavery, conflict minerals, child labour, and fair labour practices are included in the ERI.

- Adverse media searches are conducted for all suppliers on a regular basis.

If a supplier acts in breach of our Supplier Code of Ethics and Conduct, or where adverse allegations have arisen, we will conduct a review of the supplier relationship. This may involve, among other things, engagements with the supplier, the conducting of further due diligence assessments, the conducting of site inspections, or request for additional information. Following the review of the relationship, we may decide to amend the terms and conditions of a supplier's contract or to terminate the relationship, if appropriate.

► Segment

Nedbank Group

Modern Slavery Act Statement - 2024

Client due diligence

We continue to support the Joint Statement by OSCE, Independent Anti-Slavery Commissioner and Liechtenstein Initiative (FAST)³ where they believe that the financial services industry can contribute by 'following the money'. We agree with this statement as it aligns with the approach taken within our client due diligence process that is founded on anti-money laundering legislation for which we must identify the source of monies and where these monies will travel to.

Our client due diligence provides us with a holistic overview of the risks associated with the client, based on risk factors such as the product or service, the geographical operational footprint, supply and delivery chain, business sector and third party's involvement to name a few. The risks considered cover all financial crime including conflict minerals, modern-slavery and trafficking of humans. It also considers other associated risks and perceived enablers to modern slavery, forced labour and trafficking of humans such as Human Rights sanctions and corruption.

Nedbank conducts specific environmental impact assessments (as part of our Social and Environmental Management System) prior to advancing finance to clients in high-risk industries. The industries include the following: mining, construction, chemical and oil, manufacturing, property development, agriculture, waste management and fuel service stations. Our Social and Environmental Management System assessments include human rights related questions around child labour, forced labour, and compliance with labour legislation.

Transactional monitoring and adverse media monitoring are additional existing controls that assist in identifying whether clients are involved in any unethical or illicit activities (which include but are not limited to financial crime, modern slavery and human trafficking).

Financial Inclusion

We are aware of the Liechtenstein Initiative: Finance Against Slavery and Trafficking where the lack of access to financial products, especially cross-border payments can cause individuals to become vulnerable to modern-day slavery and trafficking.

We believe in the empowerment of individuals through financial inclusion and are committed to delivering financial services at reasonable costs to previously disadvantaged and low-income segments of society. Our 2023 Annual Society Report sets out our commitment and initiatives aimed at promoting financial inclusion.



³ Joint Statement on the Critical Role of the Financial Sector in Combatting Trafficking in Human Beings and Modern-day Slavery, December 2021. Joint Statement made by Organization for Security and Co-operation in Europe (OSCE), Independent Anti-Slavery Commissioner (United Kingdom) and Liechtenstein Initiative: Finance Against Slavery & Trafficking. [joint-statement-for-release.pdf](https://www.antislaverycommissioner.co.uk/statement-for-release.pdf) ([antislaverycommissioner.co.uk](https://www.antislaverycommissioner.co.uk))

Segment

Nedbank Group

Modern Slavery Act Statement - 2024

Training and awareness

All employees are required to read and acknowledge our Codes, Policies and Frameworks on an annual basis. In addition to this, regular training and awareness workshops are provided for employees (including fixed-term employees) on topics relating to ethics and human rights.

Our financial crime and client due diligence procedures require employees to be fully aware of what is required of them, and therefore role specific training is regularly deployed to employees.

However, we believe that we can do more to raise general awareness of these crimes and have included this training improvement in our action plan.

Reporting

We encourage our internal and external stakeholders to report confidentially any actual or suspected illicit activities, unethical behaviour, or adverse human rights impacts or concerns through our various reporting mechanisms. These reporting channels are displayed prominently on the Group website, as well as in various public documents such as our Employee Code of Ethics and Conduct, our Supplier Code of Ethics and Conduct, our Human Rights in Business Statement, as well as in the Human Rights chapter of our Annual Society Report.

“We believe that we can do more to raise general awareness of these crimes ”

Additional measures taken during 2022

In addition to the ongoing activities implemented to identify and combat modern slavery, during 2022 the following additional steps were taken:

- We conducted a comprehensive human rights assessment for the Group, which included a particular focus on modern slavery. The outcome of the assessment culminated in the development of an action plan, of which the roll -out started in 2023 and will continue to 2025.

This statement is reviewed annually and has been approved by the Transformation Human Resource Committee (Executive Committee) and will be ratified by the Group Transformation, Social and Ethics Committee (Board Committee) on 30 July 2024.

Jason Quinn

► Segment

Nedbank Group

Modern Slavery Act Statement - 2024

Annexure 1: 2023 - A year in review

As a financial institution, we can impact the realisation of human rights, through both our own activities as well as the activities of those with whom we do business. In line with our purpose statement, which is to use our financial expertise to do good for individuals, families, businesses and society, upholding human rights is an integral part of how we do business.

Considerations of good governance, value creation, and a shift in stakeholder focus on the triple bottom line (economic, environmental, and social) require businesses to think beyond traditional risk frameworks. Nedbank follows an integrated sustainability approach aligned with global social norms to do sustainable business. We see human rights as the fundamental rights to which every person is entitled and reaffirm our commitment to respect human rights. The group's commitment to uphold the protection and respect of human rights is in line with our vision of being Africa's most admired bank.

By embedding human rights across our business strategies and activities, we align ourselves with the following global standards:

- United Nations Protect, Respect and Remedy: A Framework for Business and Human Rights.
- United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles or John Ruggie Principles).
- United Nations Global Compact.
- The United Nations Environment Programme Finance Initiative (UNEP-FI).
- The Equator Principles.
- The International Financial Corporation (IFC) Performance Standards.
- The International Labour Organization (ILO) standards.
- Various environmental, social and governance (ESG) external ratings indices.
- Universal Declaration of Human Rights.
- International Covenant on Civil and Political Rights.
- International Covenant on Economic, Social and Cultural Rights.
- International Labour Organization's core conventions as well as other international human rights standards.

► We commit to, among others, the following:

- **Respecting and upholding human rights** within our own operations and taking steps to prevent or mitigate adverse human rights impacts that are directly or indirectly linked to our operations, products or services, or through our business relationships.
- Ensuring **fair labour practices**.
- The **prevention and abolishment of all forms of modern slavery**, including forced labour (as defined by the International Labour Organization Forced Labour Convention and the UK Modern Slavery Act).
- The **protection of children's rights**, and the prevention and abolishment of child labour (as defined by the International Labour Organization Minimum Age Convention and the Constitution of the Republic of South Africa).
- The **prevention and abolishment of all forms of harassment**, including gender-based violence, and **unfair discrimination** on the grounds of race, gender (including gender identity and expression), sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground.
- The **protection of the rights of minority groups**, including Indigenous persons and persons with disabilities.
- The **protection of the environment**.
- The protection of **whistle-blowers**, including **human rights defenders**.

Segment

Nedbank Group Modern Slavery Act Statement - 2024

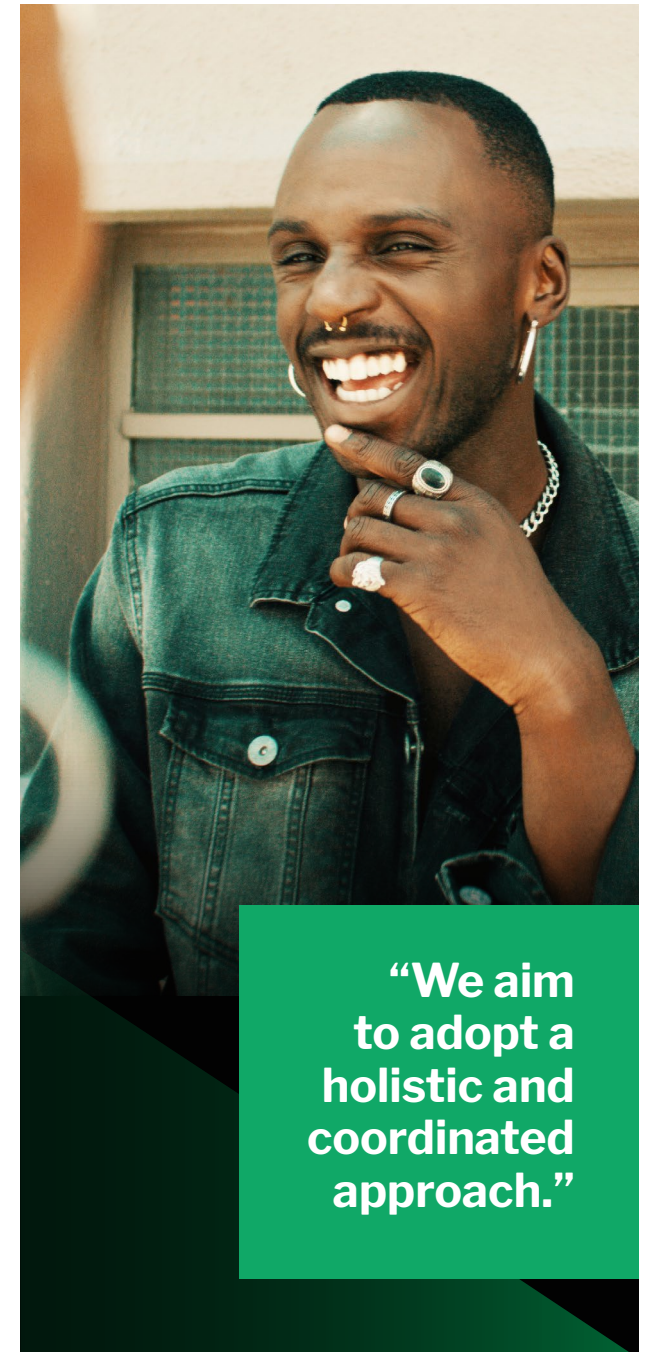
Governance of human rights

Guided by the United Nations Guiding Principles on Business and Human Rights, we aim to adopt a holistic and coordinated approach to managing human rights in business through embedding human rights principles across our various business policies, processes and activities. At board level, the ultimate responsibility for the oversight and governance of our human rights approach lies with the Group Transformation, Social and Ethics Committee (GTSEC) and, at the level of executive management, our Transformation and Human Resources Committee (Trahrco) provides oversight and approves all policies and groupwide initiatives relating to human rights.

The day-to-day implementation of human rights rests with several functions across the organisation, including but not limited to Procurement; Group Financial Crime, Forensics and Security; Anti-money-laundering, Combating the Financing of Terrorism, and Sanctions; Exchange Control; Reputational Risk; Conduct Risk; Legal; Occupational Health and Safety; Information Privacy Office; Group Sustainability; as well as our cluster-specific social and environmental managers.

Over and above this, we have implemented a comprehensive system for coordination, oversight, and management of human rights within the Group Ethics Office. The Ethics Office is therefore responsible for, among other things, the following:

- Developing and maintaining all human rights statements, policies and frameworks for the group.
- Facilitating how the identified risk-based human rights assessments are conducted for the group annually.
- Developing and implementing a human rights strategy and management plan.
- Providing ongoing advice and guidance to employees and business on the implementation of human rights as well as the impact on human rights, within all our operations and activities.
- Monitoring and reporting into the GTSEC, Trahrco and other relevant committees on the state of human rights within the group.



Segment

Nedbank Group Modern Slavery Act Statement - 2024

Our policy commitment

In line with Nedbank's commitment to upholding and respecting human rights in business, our core policy commitments are included in the following documents:

- The **Group Human Rights in Business Statement**, which indicates to our stakeholders our commitment to respect and uphold human rights, and outlines the measures taken by the group to manage its human rights risks, opportunities, and impact effectively. The statement includes Nedbank's position on the extraction of conflict minerals, which is intricately linked to the prevalence of instability, widespread corruption, child labour, modern slavery and other severe human rights infringements. Nedbank recognises its role in taking organisational responsibility by increasing its influence through its operations, business investments, and the value chain. In 2023 Nedbank released a revised statement. This statement is approved annually by the GTSEC.
- The **Group Modern Slavery Act Statement**, which gives an overview of the steps and initiatives taken to prevent human trafficking in our supply chain and our business. In 2023 Nedbank released a revised statement. This statement is approved annually by the GTSEC.
- The **Human Rights in Business Framework**, which is a new document that was formally adopted and implemented in 2021. This framework aims to guide the implementation of the UN Guiding Principles on Business and Human Rights, and to align the various policies, processes and activities into a comprehensive system for oversight and management. This document will be fully reviewed and updated during 2024 to include key risk indicators and metrics for measurement and reporting.
- The **Employee Code of Ethics and Conduct**, which sets out the rules and behaviour we expect from our employees, in line with our values that should drive all decisions and actions. The code sets out our commitment to upholding and respecting human rights. It is also strengthened by The Nedbank Way, which was implemented during 2023, based on the desired values and behaviours expected from employees. These were reinforced by the launch of a set of recognition badges to positively impact employees who embrace and adhere to these standards of behaviour. The recognition badges are: Put purpose into practice, Client obsession, Play to win, Learn to grow,



► Different is good, Do the right thing and do things right, Stronger together, and Human-centred leadership. As our purpose and strategy rest on the foundation of ethics, values and human rights, these principles are embedded in all due-diligence processes, new-product approval processes, as well the Risk Management and Internal Controls Letter of Representation process.

- The **Supplier Code of Ethics and Conduct**, which sets out the rules and standards we expect of our suppliers and includes core commitments in relation to human rights. Suppliers are also expected to treat their own employees and contractors, as well as our employees, with dignity and respect; to create a professional environment free from harassment and unfair discrimination; and to comply with applicable labour laws and standards.

Segment

Nedbank Group Modern Slavery Act Statement - 2024

Code of Ethics and Conduct for Suppliers

Our Code of Ethics and Conduct for Suppliers (Supplier Code) sets out the rules and standards we expect of our suppliers. Our suppliers must acknowledge the Supplier Code, and the supplier, as well as their employees, must adhere to its requirements. **Failure to comply with the Supplier Code may lead to Nedbank terminating its relationship with a supplier.** The Supplier Code helps in ensuring that no employee uses Nedbank's business relationship with a supplier for personal advantage or gain, or for the advantage or gain of a third party. The Supplier Code requires our suppliers to, among others, do the following:

- Conduct their business activities and employment practices in compliance with applicable laws, rules and regulations, including employment laws in respect of their employees, anti-corruption legislation, tax laws, competition laws and broad-based black economic empowerment (BBBEE) legislation and codes.

- Avoid conducting themselves in a manner that is abusive or offensive to or that constitutes harassment of Nedbank employees.
- Comply with Nedbank requirements to maintain confidential information, including passwords and security and privacy procedures as a condition of access to the internal Nedbank network, systems and buildings.
- Comply with applicable environmental laws and regulations regarding the storage and release of hazardous materials, including the manufacture, transportation, storage, disposal and release to the environment of these materials.
- Comply with sanctions regimes adhered to by Nedbank.
- Conduct engagements with regulators and government officials with honesty.
- Conduct business in compliance with consumer protection, market conduct and fair competition laws, as well as with all laws applicable to the regions in which they operate.
- Adhere to Nedbank's requirements for privacy and the protection of data and personal information.
- Treat their own employees with dignity and respect, recognise and respect cultural differences, cooperate with Nedbank in its commitment to a workforce free of all types of harassment, and avoid unlawful discrimination in employment practices.
- Provide a safe and healthy working environment for their employees and comply with applicable health and safety laws, regulations and practices.
- Avoid the use of child labour, forced labour, compulsory labour and labour considered to be modern slavery.
- Comply with applicable minimum working age laws and requirements.
- Comply with regulated applicable minimum wage laws.

Various other policies relating to transformation, recruitment, remuneration and reward, performance management, disciplinary codes and procedures, learning and development, safety and security, and reporting channels, including protection against victimisation or reprisal.

Segment

Nedbank Group

Modern Slavery Act Statement - 2024

Partnerships and initiatives relating to human rights

Nedbank is a signatory to, and active participant in, various initiatives aimed at promoting respect for human rights in business. More information on these can be found in our Group Human Rights in Business Statement, which is available on our website.



“Our approach to managing human rights in our interactions with clients goes beyond legal requirements.”

Human rights due diligence

Due diligence is a core feature of effective risk management. Further to this, human rights due diligence enables us to contribute positively towards the creation of a sustainable society by proactively identifying, preventing, or mitigating against potential adverse human rights impacts by persons and communities affected by our operations.

We therefore believe that our due-diligence activities should drive a shift in thinking – away from traditional risk-to-business concerns and towards non-financial risk-to-people (salient human rights) concerns.

Our clients

We recognise that we can influence human rights positively and negatively through our product and service offerings, and that human rights impacts may occur through the direct activities of a client if the products or services that we offer have facilitated or enabled the human rights impacts to take place. As a responsible corporate citizen, we take various steps to ensure that our lending activities incorporate not only the requisite levels of risk mitigation mechanisms to protect the interests of the group, but also the interests of our clients, affected communities, and the broader society. One process that underpins this is the New-product Approval Process.

In doing so, we follow stringent procedures regarding anti-money-laundering, counterterrorism financing and related activities, counter-proliferation-financing and related activities, as well as managing sanctions risk. We conduct due diligence (Know Your Client) for all our clients, as well as enhanced due diligence for those clients regarded as being high-risk, to ensure that we can identify, assess, manage and monitor any risks associated with our clients, which include human-rights-related infringements.

► Segment

Nedbank Group Modern Slavery Act Statement - 2024

Our approach to managing human rights in our interactions with clients goes beyond legal requirements to align ourselves with international best practice, including the Equator Principles and International Financial Corporation standards. In line with our commitment to the Equator Principles, Nedbank appoints an external service provider to conduct human rights impact assessments and climate change assessments on all projects falling in the scope of these principles.

Across our business we conduct social and environmental assessments in all high-risk or high-impact industries, in line with our Social and Environmental Policy and Social and Environmental Management System (SEMS), to understand the challenges that may arise in the relevant industry, area or transaction. Our SEMS assessment process will be updated in 2024 to reflect a more in-depth view on modern slavery, child labour, forced labour, human trafficking, the use of conflict minerals and the ILO Conventions. All financing transactions in high-impact sectors must receive sign-off through SEMS before being considered by the Credit Risk Committee for approval.

SEMS assessments are conducted on all transactions within our CIB Cluster, and assessments in our RBB Cluster are done based on if the client's business is in a high-risk industry.

In 2023 the most significant application of the SEMS within our specific business units was the following:

- In our Investment Banking and Client Coverage Divisions, all new applications and credit risk reviews of high-risk transactions were included in the SEMS assessment process and assured externally.
- A total of 579 deals (2022: 610 deals) were assessed in CIB (excluding Property Finance), and 1 805 (2022: 1 345) deals were assessed in Property Finance.
- During 2023 our RBB operations performed 1 674 (2022: 1 410) SEMS client assessments in high-impact industries.
- We have also adopted sector-specific policies to function as guidelines for financing activities in certain high-risk sectors, including mining, construction, chemical and oil, manufacturing, property development, agriculture, waste management and fuel service stations.
- If actual or potential adverse human rights impacts have been identified, we endeavour to engage with our clients with a view to address these concerns as a condition of financing, and we monitor the progress throughout the relationship or project life

► cycle. Transactional monitoring and adverse-media monitoring are existing controls that help identify whether the client participates in any unethical or illicit activities (including financial crime, child labour, modern slavery, human trafficking, and other forms of human rights violations). A good example in the SEMS process is where clients still have asbestos buildings on their premises and workers must work in these buildings. The Nedbank Sector Policy on Contamination and Hazardous Substances provides guidance in this instance. The client will have to provide a letter or declaration on the current state of the asbestos and any undertaking to maintain or remove the asbestos if it is in a bad condition. This will be monitored, and if the plans have not been implemented, further finance would be at risk.

- Adverse allegations or findings against clients result in a review of the business relationship by Nedbank through its Group Reputational Risk Committee (GRRC). The committee is responsible for deciding whether Nedbank wants to continue its association with the client, considering all relevant factors, including factors relating to ethics and human rights. During 2023 the GRRC therefore ended relationships with sixty-one clients.

► Segment

Nedbank Group Modern Slavery Act Statement - 2024

Our suppliers

We expect our suppliers to conduct themselves with integrity and in line with human rights. Although it is not possible to prevent and mitigate against all potential adverse human rights impacts across our supply chain due to the scale and complexity, we endeavour to implement reasonable risk management processes as far as we are able to do so.

Supplier due diligence is conducted for all suppliers to identify any actual or alleged illicit or unethical activities, including their involvement in human rights violations. The level of due diligence conducted is similarly dependent on the supplier's risk level. These due-diligence assessments cover, among others, industry or commodity type; tax certificates, BBBEE certificates, links to Nedbank employees, use of subcontractors, intermediaries or other third parties, sanctions screening, adverse-media screening, credit and criminal records, and financial fitness as and when required.

High-risk and high-contract-value suppliers undergo frequent due-diligence assessments.

In addition:

- All new suppliers being considered for onboarding must complete a Supplier Profile Questionnaire (SPQ) containing several questions around legal compliance, good governance, local sourcing, and environmental considerations.
- New or existing suppliers participating in tenders considered to be high-risk or high value, must also complete an Ethics Responsibility Index (ERI assessment).

The ERI outlines questions posed to potential suppliers in relation to ethics and human rights, and the responses, which are independently assessed by the Group Ethics Office, are considered in the selection process to give effect to our commitment to promote procurement from suppliers who are aligned with our own values.

Specific indicators of modern slavery, conflict minerals, child labour, and fair labour practices are included in the ERI. These indicators will be reviewed and updated when necessary to ensure that they align to global reporting requirements. **The ERI assessment also covers considerations of good governance, ethics, and human rights, including the following:**

- The existence of whistleblowing and grievance mechanisms.

- Whether the supplier makes human rights and modern slavery policy commitments.
- Confirmation that all employees are employed of their own free will and that the supplier does not make use of any form of modern slavery, human trafficking, or debt bondage.
- Questions to assess the existence of equal, fair, and responsible remuneration practices for employees.
- Questions in relation to the employment conditions for migrant as well as seasonal or contract workers to ensure that no exploitation of unfair labour practices is taking place.
- The existence and conditions in relation to the employment of children (as defined by the ILO Minimum Age Convention, as well as by applicable local laws and regulations).
- Steps taken by the supplier to identify and avoid any form of child labour, modern slavery, human rights violations, or conflict minerals in their own operations and supply chains.

Segment

Nedbank Group Modern Slavery Act Statement - 2024

We conduct ongoing adverse media searches for all our suppliers on a regular basis and checks in respect of UN Sanctions Regimes and politically exposed persons are done daily.

The abovementioned process is constantly under review and adapting to be in line with industry leaders, current trends and new developments.

If a supplier acts in breach of our Supplier Code of Ethics and Conduct, or where adverse allegations have arisen, we will conduct a review of the supplier relationship. This may involve, among other things, engagements with the supplier, the conducting of further due-diligence assessments, the conducting of site inspections, or request for additional information. Following the review of the relationship, we may decide to amend the terms and conditions of a supplier's contract or to terminate the relationship, if appropriate.

Grievance mechanism and remediation

We encourage our internal and external stakeholders to report any actual or suspected adverse human rights impacts or concerns through our various reporting mechanisms.

Reporting channels for employees and external stakeholders

The following reporting channels are available for our internal and external stakeholders. This includes but is not limited to employees (including fixed-term employees), consultants, clients, suppliers, civil society organisations, human rights defenders, as well as groups or persons potentially affected by our operations or those we do business with.



- The Ethics Office is for the reporting by internal and external stakeholders of any harassment (including sexual harassment), discrimination, assault, human rights infringements, nepotism and cronyism and other breaches of values-related transgressions of the Employee Code by employees. The Ethics Office can be contacted at talktotheethicso@nedbank.co.za or on **+27 10 227 2086**. The year 2024 will also see a clear reference on the Nedbank internet site linked directly to the reporting of human rights infringements by external parties, included in the description of this reporting channel.
- Tip-offs Anonymous is managed externally and independently by Deloitte and is available to internal and external stakeholders who wish to report any unethical, dishonest or corrupt activities by employees and any human rights infringements by Nedbank, its suppliers, clients

Segment

Nedbank Group Modern Slavery Act Statement - 2024

or any business partners. Complainants have the option to remain anonymous. They can send an email to nedbankgroup@tip-offs.com; send a letter to Tip-offs Anonymous, Freeport DN 298, Umhlanga Rocks, 4320; visit tip-offs.com; or call **0800 000 909**.

- The Client Complaint Helpline is available for Nedbank clients who wish to report any complaint. They can email clientfeedback@nedbank.co.za or call **+27 86 044 4000**.

Protection of whistle-blowers

Nedbank is committed to the creation and maintenance of a culture of openness and transparency. Our Whistle-blowing Policy outlines our commitment to, among others, the following:

- Maintaining procedures and processes that enable all persons to make full disclosure freely, voluntarily and without fear, favour, or prejudice.
- Protection of whistle-blowers in accordance with the Protected Disclosures Act, 26 of 2000, including the protection of employees against occupational detriment.
- Nedbank does not tolerate any form of retaliation against whistle-blowers, and employees are encouraged to report actual or suspected forms of retaliation through one of the channels outlined above. If an employee is found to have retaliated against a whistle-blower, they will be subjected to disciplinary action.

If we have caused or contributed to adverse human rights impacts, we will participate in legitimate processes aimed at achieving fair and adequate redress.



Human rights assessment

In 2022 we conducted our second human rights assessment to assist in identifying adverse human rights impacts, as well as other key human rights risks and opportunities within and across our business. The assessment consisted of a questionnaire with 189 questions that was sent to relevant business functions across the group. The responses to this questionnaire were further supported by engagements with the relevant stakeholders to enhance the credibility of the outcome.



Segment

Nedbank Group Modern Slavery Act Statement - 2024

Nedbank performed well when benchmarked against other entities within the financial industry, but identified the following areas for increased focus:

- Governance and oversight of human rights in business: We identified some areas for greater enhancement to strengthen the implementation of human rights risk management into relevant decision-making processes. In addition to this, the process to identify and adopt our salient human rights issues is underway, which will then be used to implement and drive appropriate strategies and initiatives across the group.
- Targeted capability building for relevant employees and functions in relation to human rights risk identification and management: We have identified the need for improvement on this aspect and have committed to conducting targeted training and capacity development across all core functions during 2024.
- While our due-diligence processes are well developed, we will be conducting further risk-based reviews of existing policies and processes over the next

12–18-month period with a view of improving our ability to identify, prevent, and mitigate against adverse human rights impacts, in line with the 4 core components as defined by the UN Guiding Principles.

- From a monitoring and reporting perspective, we are committed to continually improving on the way that we track and communicate our human rights performance, both internally and externally. An overhaul of the existing Human Rights in Business Framework is underway, where we aim to enhance our approach by better defining our key performance and risk indicators and incorporating these into all relevant internal governance processes to ensure continuous improvement is possible. Indicators identified and planned for implementation during 2024 include the following:
 - o Human rights impact or exposure assessment every 3 to 4 years. The next assessment will be performed during 2024.
 - o Targeted risk-based annual human rights assessments.
 - o Ethics-, human-rights- and governance-related training to high-risk suppliers and employees.
 - o Enhancement and implementation of

due-diligence procedures for high-risk clients and suppliers.

- o Inclusion of the human rights assessment in the investment screening SEMS process.
- o Annual review and update of the comprehensive Human Rights in Business Framework and related documents.
- o Use of cluster risk and control self-assessments to identify cluster-specific human rights key risk indicators and controls in line with risk metric development and implementation.
- o Management and reporting of human-rights-related employee and stakeholder grievances, complaints, investigations and redress, as well as the implementation of root cause analysis and the development of controls to address risks.

Segment

Nedbank Group

Modern Slavery Act Statement - 2024

Looking forward

Looking forward to 2024 and beyond, we will be striving to achieve significant advancements in our human rights practices to establish ourselves as an industry leader. In this regard, the following key activities have been identified as focus areas for 2024:

- Conducted an internal human rights assessment for its South African operations in Q4 2022, and 4 core areas were identified for improved performance in 2023–2025, which are in various phases of progress. This plan is enhanced annually to provide for emerging risks.
- Increased training and awareness initiatives on human rights, with a focus on core functions within the business, suppliers and high-risk industry clients. In line with creating further

awareness, there was a session in January 2024 covering modern slavery, human trafficking and protecting human rights, attended by 429 employees. This was the first instalment in the 3-part series for 2024. The #HumanRights the Nedbank Way human-rights-in-business week is planned for the week of 21 March to coincide with Human Rights Day. Topics on human rights, philanthropy, ageism as it links to human rights in business, and the role and function that the financial institution must play in environmental, social and governance (ESG) risk will be covered among others.

- Strengthened our advisory and oversight function to ensure that human rights are adequately incorporated into all our business activities

and decisions across the bank through enhanced resource planning to cater for the increased business focus. This will also be done in conjunction with our strategic risk management area, focusing on identifying and including related risks and controls in all business risk and control self-assessment processes. This will go hand in hand with identifying and implementing the tracking, monitoring and reporting of related ESG metrics.

- The case for human rights in business must also be made clear in the development and review of all group policies and processes, ie the new-product approval process, which supports the embedment of human rights in the way we do business.



see money differently