1 Objective and rationale

At Nedbank, we believe that human rights are an integral part of our business. We recognise that, as a financial institution, we have the potential to impact on human rights, both through our own activities, as well as through the activities of those we do business with.

We see human rights as the fundamental rights to which every person is entitled, and reaffirm our commitment to respect human rights as defined in: (i) the Universal Declaration of Human Rights\(^1\); (ii) the International Covenant on Civil and Political Rights\(^2\); (iii) the International Covenant on Economic, Social and Cultural Rights\(^3\); (iv) the International Labour Organization Declaration on Fundamental Principles and the Rights at Work;\(^4\) (v) United Nations Convention on the Rights of Persons with Disabilities (CRPD) of 2006\(^5\); and (vi) the Bill of Rights. Beyond this, we continue to actively seek out opportunities to make a positive impact and enhance the realisation of rights, including that we endeavour to implement the United Nations Guiding Principles on Business and Human Rights\(^6\).

Nedbank is a signatory to, and active participant in, various initiatives aimed at promoting respect for human rights in business. These include but are not limited to the following:

- The United Nations Global Compact (UNGC), which is a voluntary initiative aimed at encouraging businesses to commit to universal sustainability principles and to actively take steps to support the goals of the United Nations. Nedbank is committed to aligning its operations and strategies with the 10 principles that underpin the UNGC that spans across human rights, labour, the environment, and anti-corruption. Nedbank submits an annual Communication of Progress report to the UNGC in terms of the UNGC disclosure requirements and to confirm Nedbank’s continued commitment to the UNGC principles. These principles include but are not limited to:
  - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
  - Principle 2: Businesses should make sure that they are not complicit in human rights abuses;
- The United Nations Environment Programme Finance Initiative (UNEP-FI) - a global partnership between UNEP and the global financial sector to support sustainable development through, inter alia, sustainable finance initiatives;

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1 The Universal Declaration of Human Rights, proclaimed by the United Nations General Assembly in Paris on 10 December 1948 (General Assembly resolution 217 A), sets out fundamental human rights which member States have pledged to protect.
2 The International Covenant on Civil and Political Rights (ICCPR) is a multilateral treaty adopted by the United Nations General Assembly Resolution 2200A (XXI) on 16 December 1966, which commits its parties (which includes South Africa) to respect civil and political rights of individuals.
3 The International Covenant on Economic, Social and Cultural Rights (ICESCR) is a multilateral treaty adopted by the United Nations General Assembly on 16 December 1966 through GA. Resolution 2200A (XXI), commits its parties (which includes South Africa) to work toward the granting of economic, social, and cultural rights to non-self governing territories.
4 The International Labour Organization Declaration on Fundamental Principles and the Rights at Work was adopted in 1998 and commits member States (which includes South Africa) to respect and promote freedom of association, effective recognition of the right to collective bargaining, elimination of forced/compulsory labour, abolition of child labour, and the elimination of discrimination in employment/occupation.
6 In June 2011, the United Nations Guiding Principles on Business and Human Rights were unanimously adopted by the Human Rights Council. This was the first international instrument to assign to businesses the responsibility to respect human rights.
• The Equator Principles, which provide a minimum standard for due diligence in project financing and are aimed at enabling financial institutions to meet their responsibilities in terms of the United Nations Guiding Principles on Business and Human Rights;
• The International Financial Corporation (IFC) Performance Standards, which serve as a benchmark for identifying and managing social and environmental risks associated with the lending and investing activities of financial institutions;
• The IFC Exclusion List, which defines the types of projects the IFC does not finance.

2 Scope

This statement applies to all companies controlled by Nedbank Group Limited and forms part of the its operating philosophy, policies, standards and values. We see ourselves as a thought leader and a responsible corporate citizen.

Where applicable laws in countries where we operate are more stringent, these will apply in addition to this statement. Where such laws are in conflict with it, the law will take precedence, and we will seek to create the relevant awareness within our sphere of influence, and to ensure that human rights are respected to the greatest extent possible.

3 Commitment

At Nedbank, we aspire to conduct business with the highest standard of ethics and integrity and with sustainability at the heart of what we do. As such, we seek to promote responsible financing and responsible and transparent sourcing. Nedbank will continue to prioritise measures aimed at identifying, preventing and mitigating adverse human rights impacts through our own activities, as well as through the activities of those we do business with. We are cognisant of the trust that our stakeholders have in us and endeavour to commit to conduct that does not impede upon that trust.

Where we have caused or contributed to adverse human rights impacts, we will use our best endeavours to participate in legitimate processes aimed at achieving fair and adequate redress. We believe that relationships with clients and suppliers provide a platform for the development of leading human rights practices, even if these parties are responsible for defining their own policies.

Nedbank recognises that ‘conflict diamonds’ and ‘conflict minerals’ – namely, minerals containing tin (cassiterite), tantalum, (columbite-tantalite/coltan), tungsten ( wolframite), and gold and their derivatives that originate in areas where the mining of these minerals/natural resources is fuelled by conflict and human rights abuses7 – pose a serious risk to the pursuit of universally recognised rights and aspirations for sustainable development. Trade in these minerals plays a central role in funding and fuelling some of the world’s most brutal conflicts. As they are generally associated with ongoing armed conflict, they constitute a significant source of income for armed groups. The extraction of these minerals is therefore closely linked to the prevalence of instability, widespread corruption, child labour, modern day slavery and other severe human rights atrocities which we strongly reject.

7 As defined in 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
We will promote procurement from suppliers who are aligned to our values and continue to raise awareness and encourage the adoption of responsible sourcing in an attempt to eliminate the harmful practices associated with conflict minerals. In doing so, we encourage our clients and suppliers to undertake effective due diligence steps to seek to establish where the minerals they use come from, and to opt for the sourcing of conflict-free minerals insofar as it is possible.

We will continue to work with our stakeholders, including employees, clients, suppliers, shareholders, industry bodies and regulators, and communities to drive the application of human rights best practices and contribute toward the establishment of a sustainable and thriving society. We will continue to integrate social, environmental and human rights considerations into our business operations and to practice and encourage responsible investing.

4 Employees

Nedbank respects and promotes the rights of its employees and, always strives to create an environment where these rights are practised and observed. This is strongly reflected in the bank's employment policies, its values and in the Nedbank Code of Ethics and Conduct. We commit to the following:

- The creation of a safe and healthy work environment for our employees, based on principles of human dignity, non-discrimination, the promotion of substantive equality, tolerance and diversity;
- To provide fair and responsible remuneration;
- To ensure freedom of association and the right to collective bargaining;
- To provide employees with trustworthy reporting channels and a formal procedure to address complaints and grievances without fear of victimisation or reprisal, as well as to maintain confidentiality where an employee wishes to remain anonymous.

We also commit, and expect our employees to commit to the following:

- To treat others with respect, dignity and humanity and respect the diversity of beliefs, cultures, and convictions of the people of Nedbank and the countries in which we operate;
- To respect the rights of others regardless of age, race, ethnic or social origin, religion, conscience, belief, culture, language, birth, sex, gender, sexual orientation, marital status, pregnancy, or disability;
- To foster a culture of respect for all persons in all areas of our lives;
- Not to associate ourselves with harmful practices including forced, compulsory and child labour; human trafficking; sexual violence; and criminal and corrupt activities;
- To do what is best for our bank, the countries in which we operate and our planet;
- To act with professional integrity and abide by the values, policies and procedures of Nedbank, the laws of the countries in which we operate and the universal human principles of all that is good and just;
- To refuse to receive or pay a bribe, and in terms of Nedbank’s fraud and anti-corruption activities policies report any attempted solicitation of a bribe and all other corrupt activities that come to our attention;
- To refrain from remaining silent in the face of corruption, theft, dishonesty, malice, disrespect, intolerance, abuse or injustice.
5 Clients

Nedbank’s vision is to be the most admired financial services provider in Africa by our clients, among others. We aspire to be a ‘great place to bank and invest’. We also pride ourselves on being distinctive through listening to and understanding our clients’ needs. Nedbank is a client-driven organisation and has added this to its established values of respect, integrity, accountability and being people-centred.

We believe that the fair treatment of our clients through quality service delivery is the cornerstone of our business, and we strive to ensure financial inclusion and accessibility to our products and services. In doing so, we give particular attention to identifying client vulnerabilities and specific needs so that we can tailor our banking products and services in a manner that is sensitive and accommodating. We also recognise that we have the ability to influence human rights in both a positive and negative way through our financial product and service offerings.

We follow stringent anti-money-laundering, anti-terrorism and sanctions risk management procedures through conducting due diligence for all of our clients, as well as enhanced due diligence for those clients deemed to be high-risk. This is conducted to ensure that we are able to identify, assess, manage and monitor any risks associated with our clients.

Across business we conduct Social and Environmental Assessments, in accordance with the Nedbank Social and Environmental Policy and Social and Environmental Management System, to understand the particular challenges which may arise in the relevant industry, area or transaction. We have also adopted sector-specific policies to serve as guidelines for financing activities within certain high-risk sectors. Where actual or potential adverse human rights impacts have been identified, we endeavour to engage with our clients with a view to address the concerns as a condition of financing, and we and monitor the progress throughout the relationship or project lifecycle. 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 IFC Standards.

We commit to:

- Ensuring the fair treatment of our existing and prospective clients in all of our engagements, as well as through our product and service offerings;
- Promoting socially and environmentally responsible financing activities, and to fulfil our responsibility to respect and avoid complicity in human rights violations through the provision of finance;
- Utilising our leverage and relationships as a platform to raise awareness and drive positive changes where this is possible;
- Continually evaluating our clients’ commitment to and track record in relation to upholding human rights, and where these do not meet our standards, to review the client relationship and take appropriate action.

6 Suppliers and Supply Chain

We expect our suppliers to conduct themselves with integrity and in line with fundamental rights. We conduct due diligence assessments of our suppliers and require them to sign and commit to the Nedbank Supplier Code of Ethics and Conduct, which includes a commitment to avoid the use of child labour, forced labour, compulsory labour and labour considered to be modern slavery. Suppliers are also expected to treat their own employees and contractors, as well as Nedbank 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. We commit to holding our suppliers accountable for their conduct. Failure to comply with the Supplier Code of Ethics and Conduct may lead to Nedbank terminating its relationship with a supplier.

7 Community and environment

We recognise that we are an integral part of the communities in which we operate. 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. We are committed to sustainable financing in support of the United Nations Sustainable Development Goals. Our approach to social and environmental risk management is built on the two fundamental cornerstones of a comprehensive tools-based approach and a commitment to limit our negative impact through responsible lending.

In consultation with social and environmental risk experts and various stakeholder groups such as government departments, non-governmental organisations and other relevant institutions, we have developed an extensive suite of social and environmental risk mitigation tools and policies. These not only protect shareholder interests, but also ensure the protection of communities and the environment.

We commit to the following:

- We will continue to seek a better understanding of, and to manage the impacts of our own activities as well as the activities of our business partners on human rights;
- We will endeavour to participate in legitimate processes relating to the provision of appropriate redress where our activities have caused or contributed to an adverse impact on human rights;
- We will continue to work with stakeholders on the promotion of human rights within the financial services industry, and within our sphere of influence.

8 Governance and reporting

The Board, through the Group Transformation, Social and Ethics Committee will annually review, update and approve this statement.

We will continue to report on our progress in meeting these commitments through our annual Communication of Progress to the United Nations Global Compact amongst others.

Nedbank encourages its stakeholders to report any suspected human rights violations or concerns through its various reporting mechanisms, including:

The Group Ethics Office:

Email Talktotheethicso@nedbank.co.za or call +27 (0)10 227 2086

Tip-Offs Anonymous

Email nedbankgroup@tip-offs.com; postal address: Tip-offs Anonymous, Freepost DN 298, Umhlanga Rocks, 4320; visit www.tip-offs.com; or call 0800 000 909, or +27 (0)31 571 5436 / +264 (0)61 305 993 (if calling from Namibia).