

1 Objective and rationale

At Nedbank, we believe that human rights are integral to our business. We recognise that, as a financial institution, we can impact on human rights, both through our own activities, as well as through the activities of those we do business with. This statement is our public commitment to our stakeholders and sets out the key activities we undertake to uphold and protect human rights.

We see human rights as the fundamental rights to which every person is entitled, and reaffirm our commitment to respect human rights as contemplated in: (i) the Universal Declaration of Human Rights¹; (ii) the International Covenant on Civil and Political Rights²; (iii) the International Covenant on Economic, Social and Cultural Rights³; (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 2006⁵; and/or (vi) the South African Bill of Rights.

Beyond this, we continue to look for opportunities to make a positive impact and enhance the realisation of rights. We also endeavour to implement the United Nations Guiding Principles on Business and Human Rights and other internationally accepted human rights standards including the Organisation for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises, the Convention on the Elimination of all Forms of Discrimination Against Women and the African Charter on Human and Peoples' Rights⁶.

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)**, which is a voluntary initiative aimed at encouraging businesses to commit to universal sustainability principles and to take steps to support the goals of the United Nations. We are committed to aligning our operations and strategies with the 10 principles that underpin the UNGC, which spans across human rights, labour, the environment, and anti-corruption matters. We submit an annual Communication of Progress report to the UNGC in line with its disclosure requirements to confirm our continued commitment to the UNGC principles. These principles include but are not limited to:

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.

⁵ The Convention on the Rights of Persons with Disabilities and its Optional Protocol (A/RES/61/106) was adopted by the United Nations on 13 December 2006, and was opened for signature on 30 March 2007. South Africa ratified same 2007.

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.

- 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)**, which is a global partnership between the UNEP and the global financial sector to support sustainable development through, among others, sustainable finance initiatives;
- **The Equator Principles**, which set 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 to identify and manage 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 that we control and forms part of our operating philosophy, policies, standards and values. We see ourselves as a thought leader and a responsible corporate citizen.

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

3 Commitment

We aspire to conduct business with the highest standard of ethics and integrity and with sustainability at the heart of what we do. We therefore seek to promote responsible financing and responsible and transparent sourcing. We 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 aware of the trust that our stakeholders have in us and commit to conduct that does not impede on that trust.

If we have caused or contributed to adverse human rights impacts, we will do our best 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.

We recognise that ‘conflict diamonds’ and ‘conflict minerals’ – namely, minerals containing tin (cassiterite), tantalum, columbite-tantalite (coltan), tungsten (wolframite), as well as gold and their derivatives that originate in areas where the mining of these minerals or 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

⁷ As defined in 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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 that we strongly reject.

We will promote procurement from suppliers whose operations are aligned with our values and continue to raise awareness and encourage the adoption of responsible sourcing 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 these minerals they use come from, and to opt for the sourcing of conflict-free minerals as far as possible.

We will continue to work with our stakeholders - including employees, clients, suppliers, shareholders, industry bodies, 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 operations and to practice and encourage responsible investing.

4 Employees

We respect and promote the rights of our employees and, always strives to create an environment where these rights are practised and observed. This is reflected strongly in our employment policies (including transformation, recruitment, remuneration and reward, performance management, disciplinary codes and procedures, learning and development, safety and security, and reporting channels inclusive of protection against victimisation or reprisal), our values and in our Employee Code of Ethics and Conduct. We commit to:

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

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

- treating others with respect, dignity and humanity and respecting the diversity of beliefs, cultures, and convictions of fellow employees and the countries in which we operate;
- respecting 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;
- fostering a culture of respect for all persons in all areas of our lives;
- Not associating our organisation or themselves with harmful practices including forced or compulsory labour; child labour; human trafficking; sexual violence; and criminal and corrupt activities;
- doing what is best for our organisation, the communities and the countries in which we operate; and our planet;
- acting with professional integrity and abiding by our values, policies and procedures, the laws of the countries in which we operate and the universal human principles of all that is good and just;
- refusing to receive or pay a bribe, and in line with our fraud and anti-corruption activities policies, reporting any attempted solicitation of a bribe and all other corrupt activities that come to our attention; and

- refraining from remaining silent in the face of corruption, theft, dishonesty, malice, disrespect, intolerance, abuse or injustice.

5 Clients

Our 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 our clients and understanding their needs. We are a client-driven organisation and have added this to our established values of respect, integrity, accountability and being people-centred.

The various functions and activities of financial institutions in relation to client relationships may have wide-ranging implications on the human rights of both the clients themselves as well as on those persons or communities affected by the client's activities.

We recognise that our product and service offerings may either promote financial inclusion and sustainable livelihoods or result in unfair discrimination - for example, in the case of the using artificial intelligence and algorithms, which may inadvertently contain biases. Therefore, to ensure fair client outcomes, including reasonable accommodation and non-discrimination, all new or amended products, services and systems initiatives go through an extensive review and assessment process in line with our Policy on Risk and Governance Requirements for Products.

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 products and services in a way 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 product and service offerings.

We also recognise 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 not only incorporate 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.

In doing so, we follow stringent procedures regarding anti-money-laundering, counter terrorist financing and related activities, counter proliferation financing and related activities, as well as managing sanctions risk. We conduct due diligence for all our clients, as well as enhanced due diligence for those clients regarded as being high-risk, 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 line with our Social and Environmental Policy and Social and Environmental Management System, to understand the particular challenges that may arise in the relevant industry, area or transaction. We have also adopted sector-specific policies to act as guidelines for financing activities in certain high-risk sectors. 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 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 our engagements, as well as through our product and service offerings;
- promoting socially and environmentally responsible financing activities, and to fulfilling 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 driving positive changes where this is possible; and
- continually evaluating our clients' commitment to and track record in relation to upholding human rights, and if these do not meet our standards, reviewing the client relationship and taking appropriate action.

6 Suppliers and supply chain

We expect our suppliers to conduct themselves with integrity and in line with human rights. We conduct due diligence assessments of our suppliers and require them to sign and commit to our 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 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. We commit to holding our suppliers accountable for their conduct. Failure to comply with the Supplier Code of Ethics and Conduct may lead to the termination of our relationship with a supplier.

7 Community and environment

We recognise that we are an integral part of the communities in which we operate, and that businesses have a responsibility to contribute positively toward social, economic and environmental development of these communities. The 2030 Agenda for Sustainable Development is explicitly grounded in human rights, and we have developed a clear and demonstrable commitment to contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and delivering on our purpose to use our financial expertise to do good.

In acknowledging that climate change will increasingly place people under immediate and far-reaching risks that can have direct and indirect implications on their rights, we are committed to playing a leading role in addressing climate change, and the risks that it presents, in ways that are sensitive to the local socio-economic context and climate vulnerability.

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 SDGs. 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:

- continuing 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;
- endeavouring 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; and
- continuing to work with stakeholders on the promotion of human rights within the financial services industry, and in our sphere of influence.

8 Governance and reporting

We have implemented a comprehensive governance structure aimed at giving effect to the responsibilities of the Board in relation to human rights. The board, through the Group Transformation, Social and Ethics Committee will review, update and approve this statement annually.

We will continue to monitor and report on our progress in meeting these commitments through our internal reporting, as well as externally through our annual integrated reporting and through our annual Communication of Progress report to the UNGC.

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

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).