

## Social and Ethics Committee

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*To promote the development of the South African economy by encouraging transparency and high standards of corporate governance as appropriate, given the significant role of enterprises within the social and economic life of the nation.*

## Mandate

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The mandate of the social & ethics committee gives the committee three responsibilities:

1. To monitor the company's activities with regard to the following five areas of social responsibility:
  - (i) social and economic development;
  - (ii) good corporate citizenship;
  - (iii) the environment, health and public safety;
  - (iv) consumer relationships; and
  - (v) labour and employment.
2. To draw matters within its mandate to the attention of the Board as required.
3. To report to the shareholders at the company's annual general meeting on the matters within its mandate.

The board can also assign further responsibilities to the social & ethics committee in order to assist the board in exercising its responsibility for governing the social and ethics performance of the company.

The Board of Directors shall approve this charter of the social & ethics committee, which will be reviewed annually by the Committee and the Board.

## Areas of responsibility

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### WORKPLACE

- Employment equity
- Decent work

- Employee safety & health
- Education of employees

## CORPORATE RESPONSIBILITY

### NATURAL ENVIRONMENT

- Environmental impact

### SOCIAL ENVIRONMENT

- Community development
- Donations & sponsorships
- Public health & safety
- Consumer protection
- Consumer relations

### MARKETPLACE

- Economic development

# Functions: Monitoring responsibilities

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The first function that the social & ethics committee must fulfil is to monitor the company's activities with regard to its social impact in five areas. These areas are:

- Social and economic development; including the company's standing in terms of the goals and purposes of—
  1. corruption;
  2. the Employment Equity Act; and
  3. the Broad-Based Black Economic Empowerment Act;
- Good corporate citizenship; including the company's—
  1. promotion of equality, prevention of unfair discrimination, and reduction of corruption;
  2. contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  3. record of sponsorship, donations and charitable giving;
- The environment, health and public safety; including the impact of the company's activities and of its products or services;
- Consumer relationships; including the company's advertising, public relations and compliance with consumer protection laws; and
- Labour and employment. including—
  1. the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
  2. the company's employment relationships, and its contribution toward the educational development of its employees;

With regard to each of the five areas in which the social & ethics committee should monitor the social impact of the company, there are some legislation and codes of best practice that are obviously relevant.

## Social and economic development

- United Nations Global Compact Principles;
- OECD recommendations regarding corruption;
- Employment Equity Act; and
- Broad-based Black Economic Empowerment Act.
- Further guidance documents related to the United Nations Global Compact, such as:
  - Blueprint for Corporate Sustainability Leadership;
  - Guiding Principles on Business and Human Rights (the so-called Ruggie Report of 2011); and
  - Reporting guidance on the 10th principle against corruption;
- Transparency International's Business Principles for Countering Bribery;
- International Labour Organization Discrimination (employment and occupation) Convention;
- Prevention and Combating of Corrupt Activities Act; and
- Industry Charters (e.g. Mining Charter).

## Good corporate citizenship

- Employment Equity Act;
- Bill of Rights of the South African Constitution (specifically the Right to Equality);
- Promotion of Equality and Prevention of Unfair Discrimination Act;
- United Nations Global Compact:
  - Reporting guidance on the 10th principle against corruption;
- Prevention and Combating of Corrupt Activities Act; and
- Competition Act.

## Environment, Health and Safety

- Consumer Protection Act (product safety provisions);
- National Environmental Management Act;
- Environment Conservation Act;
- National Water Act;
- ISO 14000; and
- United Nations Environment Programme (business guidance publications).

## Consumer relationships

- Consumer Protection Act;
- National Credit Act; and
- Code of Advertising Practice of the Advertising Standards Authority of South Africa.

## Labour and employment

- International Labour Organization Declaration on Fundamental Principles and Rights at Work (in particular the eight core Conventions 100, 111, 87, 98, 138, 182, 29, 105).
- Basic Conditions of Employment Act;
- Occupational Health and Safety Act;
- Labour Relations Act;
- Skills Development Levies Act;
- Unemployment Insurance Act; and

- Protected Disclosures Act.

## Ethics

- King III Practice Notes on Ethics Management;
- JSE SRI Index (ethics criteria);
- The EthicsSA South African Corporate Ethics Indicator (SACEI) Index.

# Functions: Reporting responsibilities

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To draw matters within its mandate to the attention of the company's board as and when the committee deems it necessary for the board to consider such matters.

To report on the matters within its mandate to shareholders at the company's annual general meeting.

To ensure ethics performance is included in the scope of internal audit and reported on in the Company's integrated annual report;

# Composition and appointment

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The social and ethics committee must comprise not less than three directors or prescribed officers of the company, at least one of whom must be a director who is not involved in the day-to-day management of the company's business, and must not have been so involved within the previous three financial years.

These members will be appointed by the Board.

The term of office of committee members will be 2 years.

# Powers

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In order to empower the social & ethics committee to fulfil its functions, section 74(8) of the Companies Act bestows certain powers and rights upon the committee. These powers and rights enable the committee to fulfil both its monitoring and reporting roles.

The following powers and rights are given to the social & ethics committee:

- The power to require from any director, or prescribed officer or employee of the company any information or explanation that is needed for the committee to fulfil its prescribed functions;
- The right to attend any general meeting of the shareholders of the company;
- The right to receive all communications and notices related to any general meeting of the company's shareholders; and
- The right to address any general meeting of the company's shareholders on any part of the business of such a meeting that is related to the functions of the social & ethics committee

Ensures that the social & ethics committee will have sufficient financial and human resources to exercise its functions, with the company providing the following:

- Covering all expenses reasonably incurred in the exercise of its prescribed functions; and
- Paying for the services of consultants or specialists it might contract to assist it in performing its prescribed functions.

## Operating procedures

The committee will meet as often as is required. The committee may invite any person to attend. The agenda will be determined by the Chairperson of the committee. Decisions will be made by consensus.

## Work plan

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At the beginning of each year, the committee will decide on its work plan for the year. The work plan will match the mandate of the committee with the number of meetings scheduled per year. The work plan shall ensure that the committee meets all its monitoring and reporting responsibilities within an annual cycle. In this regard, the committee might decide to attend to all aspects within its mandate at each of its meetings, or it might opt for a rolling agenda approach.

The committee will devote its meeting immediately preceding the company's annual general meeting to finalising its reporting responsibilities for the annual cycle.

The work plan must enable the information providers of the social & ethics committee to plan ahead in order to ensure that they deliver the required information to the social & ethics committee on time.

## Evaluation

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The social & ethics committee and its members will be evaluated annually by the Board to determine its effectiveness.

As approved and adopted by the Board of Directors on .....

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Chairman