

# Social, ethics and transformation committee report

Lewis Group's Social, Ethics and Transformation Committee (the committee) is a committee of the board operating in compliance with the Companies Act. The committee is governed by a formal charter and assists the board in monitoring the group's activities in relation to the following:

- Corporate citizenship;
- Ethics;
- Transformation and empowerment;
- Environmental sustainability; and
- Stakeholder engagement, including relationships with employees, customers, the communities in which the group trades, suppliers and shareholders.

The chairperson of the committee presents the following report to shareholders for the 2020 financial year, in accordance with the requirements of the Companies Act. This report should be read in conjunction with the Sustainability report on pages 20 to 24 of the Integrated annual report as well as the full Corporate governance report on [www.lewisgroup.co.za](http://www.lewisgroup.co.za).

## Committee composition

The members of the committee are nominated and appointed by the board. In terms of the Companies Act and the recommendation of King IV, the committee consists of a majority of independent non-executive directors, including the chairperson of the committee. The committee comprised the following members for the reporting period:

Professor Fatima Abrahams (chairperson)	Independent non-executive director
Daphne Motsepe	Independent non-executive director
Hilton Saven	Independent non-executive director
Alan Smart	Independent non-executive director
Johan Enslin	Executive director

Alan Smart retired as a director of the company with effect from 2 April 2020.

Senior management in the human resources, merchandise, socio-economic development and sustainability, and risk departments attend meetings by invitation. The company secretary is also the secretary to the committee.

Biographical details of the committee members appear on pages 30 to 33 of the Integrated annual report and the fees paid to the members of the committee are disclosed on page 91 of the Integrated annual report.

The effectiveness of the committee is assessed as part of the annual board and committee evaluation process.

## Committee areas of responsibility

### Social and ethics

- Social and economic development, including the principles of the United Nations Global Compact, the recommendations of the Organisation for Economic Co-operation and Development regarding corruption, the Employment Equity Act, No.55 of 1998 and the Broad-Based Black Economic Empowerment Act, No. 53 of 2003.
- Good corporate citizenship, including the promotion of equality, prevention of unfair discrimination, elimination of corruption, contribution to the development of communities, and recording of sponsorships, donations and charitable giving.
- The environment, health and public safety, including the impact of the group's activities and of its products and services.
- Consumer relationships, including the group's advertising, public relations and compliance with consumer protection laws.
- Labour and employment, including the relevant recommendations of the International Labour Organisation Protocol, the group's employment relationships and its contribution towards the educational development of its employees.

### Transformation

- Transformation strategy and programme.
- Approval of targets in terms of the Codes of Good Practice of the Department of Trade and Industry (DTI).
- B-BBEE verification and monitoring of the group's performance against the set targets.
- Legislative compliance.

## Activities of the committee

### Key focus areas in 2020

- Continued monitoring of values and ethics awareness.
- Evaluation of the B-BBEE strategy and implementation thereof.
- Reviewing skills development expenditure and plans.
- Evaluating progress in employment equity.
- Overseeing health and safety policies and reviewing incidents.
- Reviewing the environmental management report.
- Monitoring customer relationships and compliance with consumer laws.

### Focus areas for the year ahead

- Monitoring impact of COVID-19 on the group's stakeholders.
- Overseeing health and safety plan for COVID-19.
- Continued support to promote enterprise and supplier development.
- Socio-economic development, focusing specifically on early childhood learning centres.

## Committee functioning

The committee met once during the financial year. The number of meetings held during the year was affected by the national lockdown declared in terms of the Disaster Management Act, 2002 by the government on 27 March 2020.

The members of the committee are satisfied that the committee has functioned in accordance with its terms of reference and believe that the group is substantively addressing the issues required to be monitored by the committee in terms of the Companies Act.



**Prof Fatima Abrahams**

*Chairperson*

**Social, Ethics and Transformation Committee**