

2021



Social, ethics and transformation committee report

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 2021 financial year, in accordance with the requirements of the Companies Act. This report should be read in conjunction with the Sustainability report on 22 to 27 of the Integrated Report as well as the full Corporate governance report available on 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:

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

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 32 to 34 of the Integrated report and the fees paid to the members of the committee are disclosed on page 91 of the Integrated 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 2021

- Monitoring the impact of Covid-19 on the group's employees, customers and suppliers.
- Overseeing health and safety plans for Covid-19, including the delivery of personal protective equipment, reporting and tracing of Covid-19 cases in stores.
- Continued support to promote enterprise and supplier development, including supporting suppliers to ensure the sustainability of their businesses and securing current and new suppliers.
- Socio-economic development, assisting with community needs arising during the Covid-19 pandemic and continuing with learnership programmes.
 - B-BBEE strategy and implementation.
 - Skills development expenditure and plans.
 - Employment equity.
 - Employee health and safety.
 - Environmental management.
 - Stakeholder relationships.

Key focus areas for the year ahead

All the focus areas for 2021 will remain focus areas in the year ahead. In addition, the committee will consider the implementation of the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD).

Committee functioning

The committee met twice during the financial year. 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

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