



2.0

SOCIAL, ETHICS AND TRANSFORMATION REPORT



FOR THE YEAR ENDED 30 JUNE 2020

Social, ethics and transformation committee

This committee is the guardian of the following forms of capital:



HUMAN



SOCIAL AND RELATIONSHIP

The social, ethics and transformation committee has pleasure in providing feedback to RMB Holdings Limited's (RMH) stakeholders.

The feedback is prepared in accordance with the Companies Act, 71 of 2008, with specific reference to Regulation 43.

Social, ethics and transformation committee membership and meetings

The committee comprises three suitably skilled and experienced members appointed by the board and consists only of independent, non-executive directors. The chairman is an independent, non-executive director.

The committee meets at least twice a year or at the request of the chairman, any member of the committee or the board.

Comprehensive minutes of meetings are kept.

The chairman of the committee is customarily available to report to shareholders at the annual general meeting on matters within its mandate. Any specific question to the committee may be sent to the company secretary prior to the annual general meeting.

Roles and responsibilities

The committee's objectives are to assist the board in monitoring RMH's performance as a good and responsible citizen, which includes the following:

- The social and economic development, including the ten principles as set out in the United Nations Global Compact principles, the 17 Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015, the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act, 55 of 1998, and the Broad-Based Black Economic Empowerment Act, 53 of 2003;
- Good corporate citizenship, including promotion of equality, prevention of unfair discrimination and corruption, contribution to the development of communities and record of sponsorship, donations and charitable giving; and
- Environment, health and public safety, including the impact of the company's activities; consumer relationships, including the company's public relations and compliance with consumer protection laws.

King IV

King IV recommends that the social and ethics committee uphold, monitor and report on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder-inclusivity beyond mere compliance and towards actual value creation.

The committee assessed its composition to ensure it had the requisite skills and experience to fulfil the requirement of the oversight of ethics management.

Reporting framework

RMH

Below is a summary of the framework specific to RMH:

| DESCRIPTION IN TERMS OF REGULATION 43 | ACTION TAKEN DURING THE CURRENT YEAR |
|---|--|
| <p>1. CORPORATE SOCIAL RESPONSIBILITY</p> | |
| <p>1.1 Corporate social investment</p> | <p>RMH does not have a formal corporate social investment programme. During the current year, it established a COVID-19 fund in conjunction with Rand Merchant Investment Holdings Limited (RMI) with contributions from the board and senior management of both RMH Property and RMI and the entities matching these contributions. The principle of the fund is food first. The fund has disbursed R3.5 million to date, assisting 400 recipients.</p> |
| <p>2. BROAD-BASED BLACK ECONOMIC EMPOWERMENT</p> | <p>A copy of the B-BBEE 1 report submitted on 30 September is available on the RMH website, https://www.rmh-online.co.za/stakeholder-relations/BBBEE/. As an investment holding company with limited activities beyond its investment activities, a meaningful contribution is made through RMH’s position as influential shareholder. Subsequent to the unbundling of FirstRand, RMH was reclassified as a qualifying small financial enterprise and achieved a Level 6 of compliance.</p> |
| <p>3. EMPLOYMENT EQUITY TRANSFORMATION</p> | <p>RMH is committed to gender and race diversification. The board’s female representation is 33% and its race diversification 44%. RMH uses its position as influential shareholder to drive transformation at investee companies.</p> |
| <p>4. ENVIRONMENTAL AND SOCIAL RISK GOVERNANCE</p> <p>(INCORPORATES GLOBAL COMPACT PRINCIPLES ON HUMAN RIGHTS, LABOUR PRACTICES AND THE NATURAL ENVIRONMENT – GREEN BUILDINGS; ENERGY, WASTE AND WATER MANAGEMENT</p> | <p>As an investment holding company, environmental and social risk are mainly driven by RMH’s investee companies. RMH’s role is more of an overseer than a participant.</p> <div style="display: flex; align-items: center;">  <p>RMH have spent a significant amount of time on clarifying its sustainability goals and readers are referred to the RMH annual integrated report available on www.rmh.co.za.</p> </div> |
| <p>5. GOVERNANCE REPORTING</p> | <p>The committee provided feedback to the RMH board after each meeting. RMH has implemented a whistle-blowing hotline in 2020, where stakeholders can anonymously report any matters of concern relating to RMH or its investee companies. The number is 010 211 4910.</p> |

RMH PROPERTY

RMH takes cognisance of the fact that the investee companies of RMH Property are at different maturity levels. The social and ethics committees of some of these companies were recently established and some do not have a separate, designated committee given the small size of the operation. RMH's reporting framework was shared with these entities.

RMH will monitor the progress and report back to shareholders in the next annual integrated report. The reporting for the current year is based on RMH Property's core partner, Atterbury, which is also the most mature of RMH Property's investee companies.

| DESCRIPTION IN TERMS OF REGULATION 43 | HIGHLIGHTS |
|--|---|
| 1. CORPORATE SOCIAL RESPONSIBILITY | |
| 1.1 Corporate social investment | <p>The Atterbury Trust was launched in 1998 with a focus on educational support for financially disadvantaged communities, advance art and culture as well as investment into projects with the purpose of bettering the lives of communities. Since providing its first series of bursaries in 1999, it has assisted around 687 students in obtaining tertiary qualifications</p> <p>The Atterbury Foundation, founded in 2018, is a non-profit company which focuses on providing funding for previously disadvantaged scholars and students who can otherwise not afford to study further. Currently the Atterbury Foundation assists 39 historically disadvantaged students in obtaining tertiary qualifications, including providing mentoring support.</p> <p>Bursaries granted in the 2020 academic year by Atterbury Trust and Atterbury Property Foundation amount to R6.1 million.</p> <p>An exciting and new initiative, We^Can, was launched the day before the national lockdown. Atterbury Trust was fortunate to collaborate with We^Can and combined resources in an effort to provide for those in need of support. We^Can enables and empowers individuals with financial means to purchase food for various local organisations through its online platform, ensuring that such organisations are able to help those in need during these trying times. Since the launch of the We^Can initiative more than 70 000 kilograms of food was donated and distributed to the approved organisations, providing more than 300 000 meals to people in need in South Africa.</p> <p>A further food distribution and community enabling initiative in collaboration with a group of businessmen and farmers named <i>Terugploeg</i> will be launched on 17 November 2020. To date, informal food distributions in the build-up to the launch amount to more than 20 tons of food, which will provide approximately 800 000 meals.</p> |
| 1.1 Employee educational development | <p>Atterbury Property employs 48 people. Atterbury Property spent R634 184 on the development of its employees in the past 12 months.</p> |
| 2. BROAD-BASED BLACK ECONOMIC EMPOWERMENT | <p>The verification of Atterbury Property Fund Proprietary Limited's B-BBEE rating was completed during March 2020. A level 2 has been obtained. The certificate is valid from 12 March 2020 until 11 March 2021.</p> |
| 3. EMPLOYMENT EQUITY TRANSFORMATION | <p>Approximately 21% (14%: 2019) of Atterbury's South African workforce consists of ACI employees, while 60.4% (65%: 2019) of the South African workforce is female.</p> |

| DESCRIPTION IN TERMS OF REGULATION 43 | HIGHLIGHTS |
|--|---|
| <p>4. ENVIRONMENTAL AND SOCIAL RISK GOVERNANCE</p> <p>(INCORPORATES GLOBAL COMPACT PRINCIPLES ON HUMAN RIGHTS, LABOUR PRACTICES AND THE NATURAL ENVIRONMENT – GREEN BUILDINGS; ENERGY, WASTE AND WATER MANAGEMENT)</p> | <p>Atterbury continuously invests in technology with the purpose of reducing future operational costs, not only for the company itself but also for its tenants and other stakeholders.</p> <p>The company has to date installed 14 Solar plants on completed assets and have to date generated 21 236.5 MWh.</p> <p>With the above, we are implementing various green initiatives to reduce water and electricity consumption.</p> |
| <p>5. BUSINESS CONDUCT – STANDARDS FOR EMPLOYEES</p> <p>(INCORPORATES GLOBAL COMPACT AND OECD PRINCIPLES ON ANTI-BRIBERY AND CORRUPTION, WHISTLE-BLOWING, GIFT DECLARATIONS, PERSONAL ACCOUNT TRADING RULES AND CONFLICT OF INTEREST MANAGEMENT)</p> | <p>Atterbury values the principles of operating with integrity and adopted a zero-tolerance policy towards bribery and corruption. It actively maintains a gift register and whistle-blowing weblink and includes anti-bribery and anti-corruption commitments in all agreements with third parties. A wider application approach is undertaken to anti-bribery and anti-corruption policies and in that actions of the company’s service providers are also monitored.</p> |
| <p>6. MARKET CONDUCT – STANDARDS FOR THE MARKET</p> <p>(INCORPORATES CONSUMER PROTECTION – TREATING CLIENTS FAIRLY AND ANTI-TRUST MEASURES)</p> | <p>Atterbury adheres to the principles of making a difference in the wider society through its involvement with the Atterbury Trust together with Atterbury Foundation NPC and Richmond Park Treasury Trust, stakeholder empowerment through partner funding and development, motivation of their staff to own responsibility and to be accountable and through active engagement with their employees.</p> |
| <p>7. GOVERNANCE REPORTING</p> | <p>The Atterbury board, as custodian of corporate governance, recognises that good governance is more than legislative compliance and implementing best practice principles. The board consists of eight members who have an average of twenty years’ experience in the property industry, including non-executive and independent directors.</p> <p>The board exercises leadership by delegation of certain functions to its committees, which operate with the appropriately delegated authority.</p> |

Activities during the past year

During the year under review, the committee has discharged all its responsibilities as contained in its charter and described in this report.

Focus during the coming year

The committee’s focus in the coming year will be on evolving RMH’s sustainability framework and improving on its corporate citizenship with a specific focus to maintain and evolve its B-BBEE score. It will also continue to monitor the impact of the COVID-19 pandemic.



Murphy Morobe

Chairman of the social, ethics and transformation committee 23 October 2020



www.rmh.co.za