

## Financing Extractives in Southern Africa: Questions on Human Rights Due Diligence

The [UN Guiding Principles on Business and Human Rights](#) make clear that all companies have a responsibility to respect human rights. This includes avoiding negative impacts on people affected by their operations and business relationships, including throughout their supply chains, and addressing negative impacts when they do occur.

Financial institutions play a critical role in determining which projects and companies receive access to capital. This survey aims to better understand the current approach banks and investment firms take to assessing their clients with respect to human rights issues in the extractive industries. Human rights issues in the sector include the rights to land, access to clean water, livelihood, fair and safe working conditions, and consultation about the use of land and other natural resources. They also include respect for indigenous land rights and adherence to the process of securing free, prior and informed consent.

It is our hope that you will view this invitation as an opportunity share your institution's best practices with the investor community and a chance to exchange knowledge. Thank you for your time.

**Name of company:** Nedbank Ltd

1. What policies and procedures does your institution have to undertake human rights due diligence regarding the companies and projects it finances, beyond what is publicly available on your website?

**Nedbank has a Social and Environmental Management system developed in collaboration with the International Finance Corporation that aligns with global benchmark**

**frameworks, including but not limited to the IFC Performance Standards, the Equator Principles and Dow Jones Sustainability Index. In addition we have public statements and related policies that outline our approach to Human Rights and Conflict Minerals.**

2. Do you require new clients or new projects in the extractives sector to have undertaken human rights due diligence prior to providing financing?

**Within the corporate lending space which includes structured finance i.e. project finance, we appoint specialists to conduct such assessments on a deals by deals basis. The environmental manager responsible for the transaction will need to investigate the need for such a specialist.**

**Nedbank also has an Ethics Responsibility Index that is focused on our supply chain management, assessing ethics, corporate governance and human rights in business aspects of prospective suppliers to the group who are also in numerous instances, clients.**

3. Which human rights issues are included in your risk assessment process for extractive projects?

**Within the corporate lending space, when a need is identified to analyse human rights risks to a project or to a client's operation (where appropriate), a human rights specialist will provide a report in line with the IFC sustainability framework and the UN guiding principles on business and human rights.**

4. Does your institution adapt its human rights policies and procedures for the specific sector of investment in order to account for the varied risks across sectors? If so, do you have specific policies on the mining sector?

**Nedbank has a Human Rights in Business Policy as well as a sector policy for mining but we do not have a separate human rights policy/guidelines for the mining sector**

5. Does your institution adapt its human rights policies and procedures for the specific country of investment in order to account for the varied risks across nations? If so, do you have specific policies for any countries or areas in Southern Africa?

**The Nedbank Human Rights in Business Policy is applied across jurisdictions unless the Human Right's legislation in a particular country is stronger than the Nedbank policy. In this case the stronger of the two would be applied.**

6. Who assesses human rights risks at your bank (departments, positions, internal/external, etc.)?

**The Human Rights Policy was developed within Enterprise, Governance and Compliance Cluster for the Nedbank group. It is implemented through the Social and Environmental Management System in the various client-facing clusters. Each of the client-facing clusters has Environmental and Social Risk Managers who shall request additional human rights assessments where required.**

7. Do you require companies to have grievance mechanisms in place for each extractive project and if so, what do you see as essential in an effective grievance mechanism?

**Yes for all extractive industry clients regardless of whether it is a corporate or a project finance transaction a grievance mechanism is required. In high impact industries such as the mining industry, a grievance procedure is part of the consultation requirement for the Environmental Impact Assessment and a condition to the Environmental Authorization. Effective grievance mechanisms include ease of use (channels, languages etc.) and transparent reporting of issues and their resolution to interested and impacted stakeholders including their financiers.**

8. Have you ever taken any steps to require or support a client in remediating a human rights impact?

**Yes, should there be allegations of non-compliance with any legislation, not just human rights, against a client Nedbank works with that client to develop appropriate action plans to resolve said issues.**

9. Have you ever withheld loans or other financial services as a result of a human rights assessment or allegation?

**Yes.**

10. Do you undertake any form of on the ground assessment of conditions at project sites?

**Within the corporate lending space, we do periodically visit the project sites in conjunction with independent Environmental Practitioners. Where issues are flagged whether environmental or social the internal Nedbank Social and Environmental Risk Manager together with the practitioner will investigate and negotiate a pragmatic remedial plan which the client will adhere to.**

**Further information and guidance:**

[UN Guiding Principles on Business and Human Rights](#)

[OECD Guidelines for Multinational Enterprises](#)

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[Mapping of Sustainable Development Goals to human rights instruments and issues](#)

[OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)

[EU Regulation on Due Diligence in Mineral Supply Chains - Civil Society Guidance for Companies](#)

