



Guidance for Social and Ethics Committees

SOCIAL AND ETHICS COMMITTEE TRENDS SURVEY REPORT 2022

This report is published in
collaboration with:



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A special thank you to all the Social and Ethics Committees that participated in this survey.

This Report is issued under the IoDSA's Social and Ethics Committee Forum. The Social and Ethics Committee Forum (the "Forum") is constituted as a forum of the Institute of Directors in South Africa ("IoDSA") and endorsed by The Ethics Institute. The activities of the Forum have specific focus on the governance, accountability, role and duties of social and ethics committee members.

The objective of the Forum is to serve as a platform for discussion and dissemination of guidance to social and ethics committee members either in the form of papers or events.

The current members of the Forum are:

- | | |
|--------------------------|-------------------------------------|
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Foreword

The requirement for a Social and Ethics Committee was first introduced in the 2008 Companies Act of South Africa. The detail about the mandate, membership and powers of the committee were provided in the Companies Regulations (2011), and on 1 May 2012 it became mandatory for certain categories of companies to have a Social and Ethics Committee (SEC).

The publication of the King IV Report on Corporate Governance™ for South Africa 2016 (King IV™) had a major impact on the evolution of the SEC. King IV recommendations regarding the role, responsibilities, and membership of the SEC went beyond the statutory prescriptions for the SEC. Whereas the statutory mandate is compliance-focused, the King IV recommendations on the mandate of SEC is governance-focused. Furthermore, King IV recommended that additional areas of responsibility should be included in the mandate of the committee. King IV also recommended that the social and ethics performance of all organisations should be governed, and not only those of companies mandated by the Companies Act and Regulations. Organisations thus faced - and often still are facing – the challenge of reconciling the statutory view of the SEC with the King IV view of the SEC.

The governance of the social and ethics performance of organisations is not something new on a global scale. Governing bodies in various parts of the world have been governing the social and ethics performance of organisations to some extent for decades. What is unique about the SEC, is that it is a statutory committee required by legislation in South Africa. Thus, the statutory nature of the governance structure, rather than the social and ethics mandate of the committee, is unique on a worldwide scale.

In 2019, the Institute of Directors in South Africa (IoDSA) approached The Ethics Institute (TEI) to collaborate with, and endorse the establishment of a Social and Ethics Committee Forum. One of the first projects undertaken by the Forum was to conduct a Social and Ethics Committee Trends Survey.

The purpose of this survey was to collect representative data on the SEC that can be used as a baseline for analysing trends with regards to the SEC over time.

The current edition of the SEC Trends Survey represents the third iteration of this survey. and it provides insight into the nature, composition, effectiveness, but also challenges and impediments of the SEC. Over the last three iterations of this survey, a clear baseline has been established against which trends related to SECs can now be monitored.

I would like to thank my colleagues, Dr Paul Vorster and Ms Annie Ou-Yang, who were responsible for drafting this report. I am also grateful to Vikeshni Vandayar and Julie Dixon from the IoDSA for their assistance throughout the research process, as well as with the finalisation of this report. I would also like to thank the members of the IoDSA SEC Forum for their contributions to the questionnaire revision. Finally, I would like to express my sincere gratitude to the Chairpersons of SEC who took the time to participate once more in the SEC Trend Survey. Without their participation, we would still have had very scant insight into the way in which SECs operate in South Africa.

I trust that the findings of this survey will contribute to enhancing the prominence, legitimacy, and impact of the SEC.

Prof Deon Rossouw

Chairperson of the IoDSA SEC Forum & CEO of The Ethics Institute

Introduction

The Social and Ethics Committee Trends Survey of 2022 (SEC Trends Survey 2022) was undertaken by the Social and Ethics Committee Forum of the IoDSA and is a joint project of the IoDSA and TEI.

The survey is designed to gather information about the nature, effectiveness and impact of SECs operating in South Africa. The 2022 SEC Trends Survey is the third survey conducted and builds on the information gathered in the 2020 and 2021 SEC Trends Surveys. This allowed us to analyse trends whilst making comparisons as well as track the major trends related to SECs in South Africa.

The SEC Trends Survey Report is composed of five sections:

Section 1 provides an overview of the sample characteristics with special emphasis on how gender and ethnicity data compare to other board committees. Furthermore, this section provides a descriptive overview of the SECs sampled.

Section 2 looks closely at the characteristics of SECs operating in South Africa such as what SECs are named, what are the reasons for their establishment, whether they are standalone committees, and how they interact with other committees and operational structures in organisations.

Section 3 explores more closely the issues in which SECs invest most of their time and energy, providing an indication of the priorities of the SECs operating in South Africa and how closely these priorities are aligned with the mandate of the SEC.

Section 4 focuses on some vital statistics of SECs, such as the average membership, number of meetings per year, as well as the perceived impact of SECs.

Section 5 addresses the challenges and impediments faced by SECs, that is, what aspects of their functioning may impede the primary mandate of the SEC.

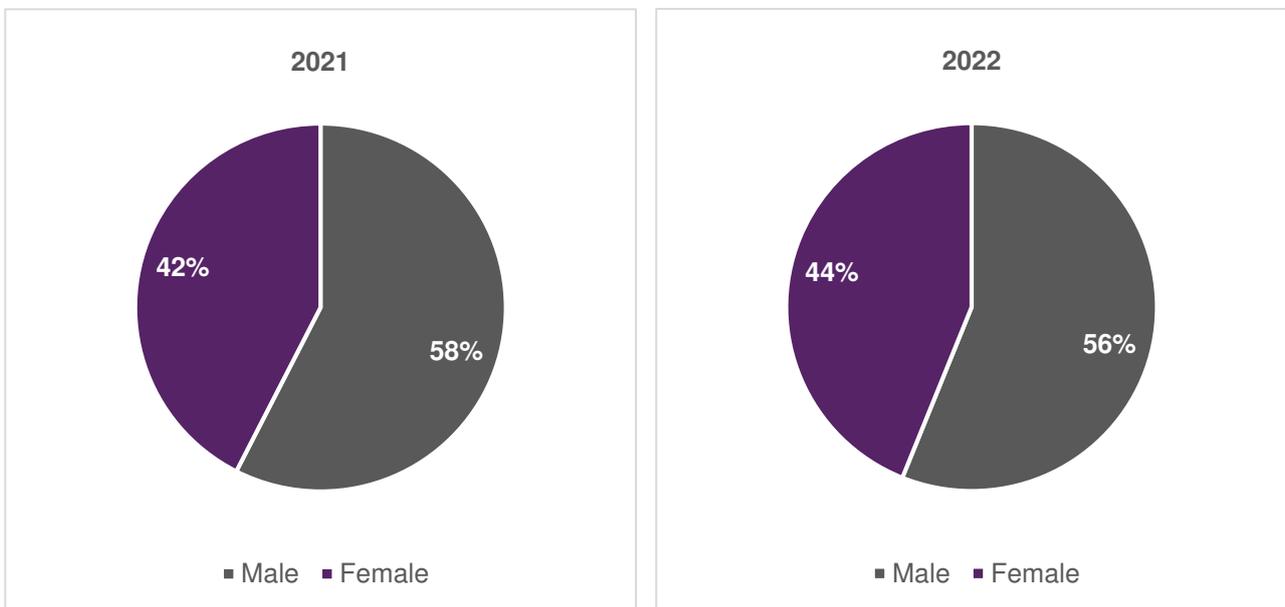
Finally, **Section 6** of this report provides some overarching conclusions related to the findings of this survey.

SECTION 1: BIOGRAPHIC CHARACTERISTICS OF THE SEC

The SEC Trends Survey was designed to measure the nature of SECs by asking the Chairperson of the SEC to complete a set of survey questions about their committee (these survey questions could also be delegated to a committee member under the oversight of the board chairperson). A total of 87 SEC Chairpersons (or a person designated by the Chairperson) completed the survey. The survey therefore encompasses information from SECs of approximately 87 organisations in South Africa.

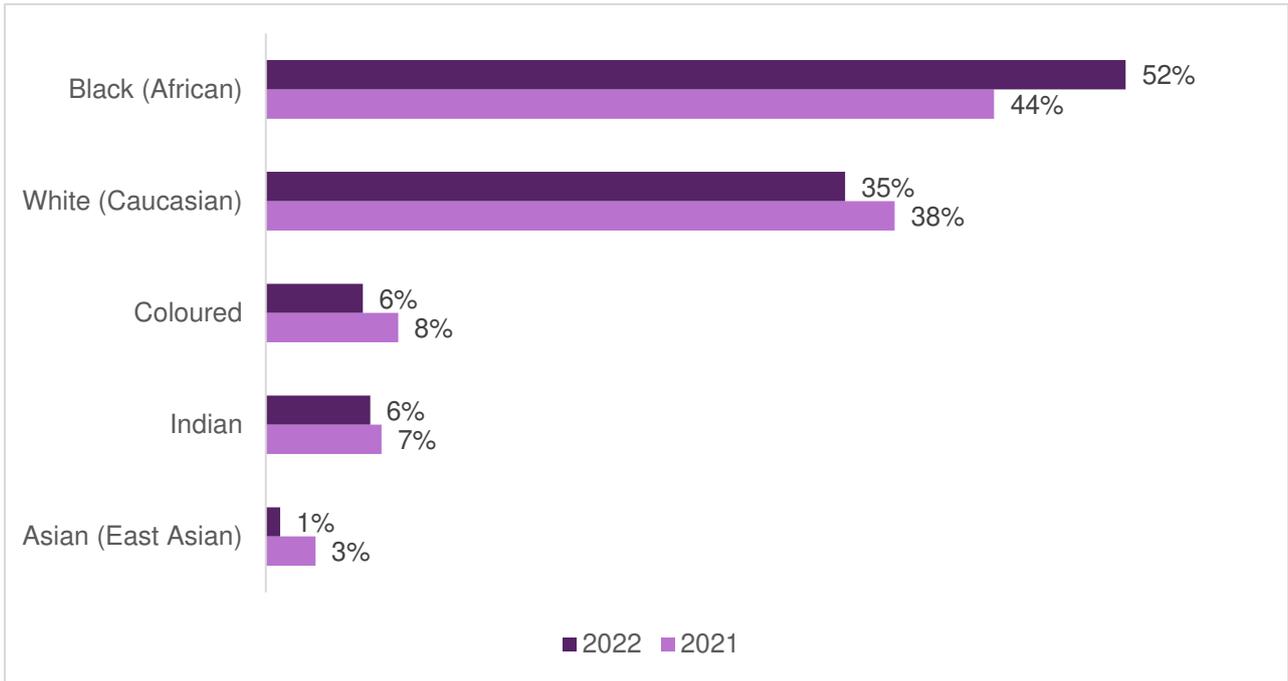
In the following sections, a breakdown of the biographic characteristics (including gender and ethnicity) of the sample is provided, in comparison with the 2021 sample.

1.1 GENDER DIVERSITY



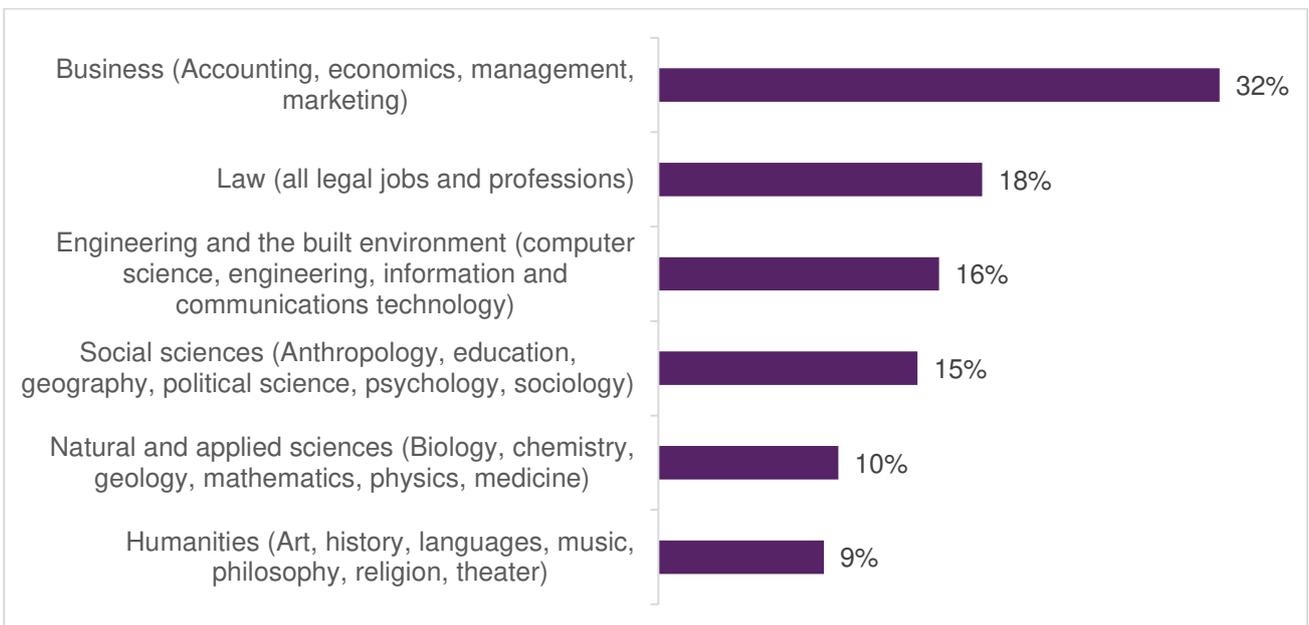
Men have more representation (56%) compared to women (44%) on SECs. There is a slight decrease in the gender gap in comparison to 2021 with slightly more women being represented this time. However, SEC board member gender composition appears to outperform the average representation. Bosch, van der Linde, and Barit (2020) indicate that in 2008 only 14% of JSE listed directors were women. Additionally, the same research found that this representation was increasing incrementally with approximately 20.7% representation in 2017. This means that SECs have more than double the average representation for women when compared to other board committees. This statistic also appears to be reaching the average representation of working women in South African society which is at about 45% representation overall (Bosch et al., 2020).

1.2 ETHNIC DIVERSITY



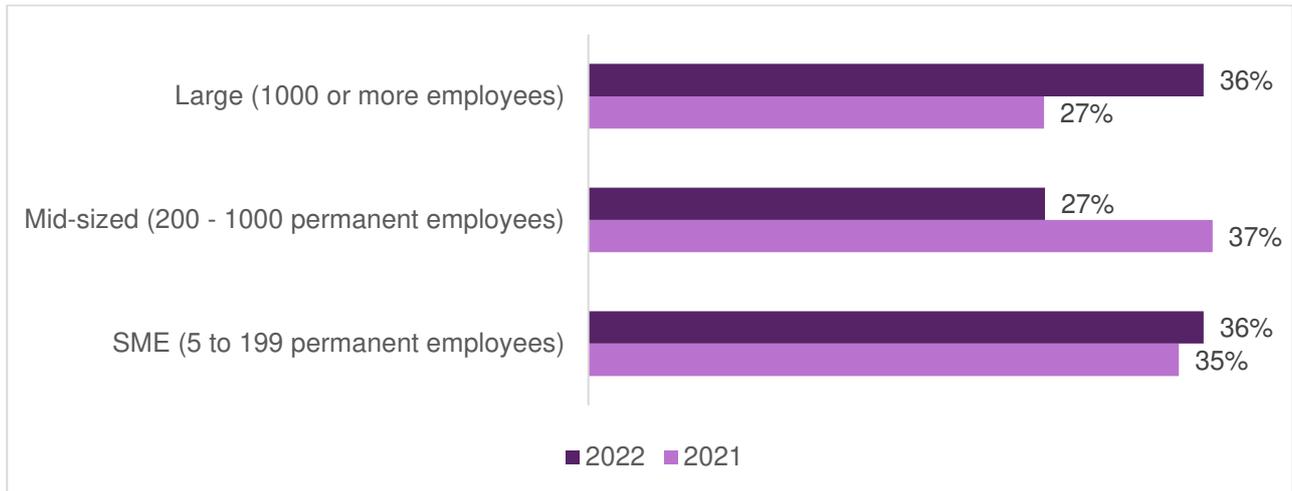
The 2022 sample shows that the representation of ethnic Africans in SECs increased from 44% to 55% in comparison to 2021 and has remained as the best represented group in SECs. On the other hand, a slight decrease in each of the other representative groups was seen in comparison to 2021. Directors of Asian, Coloured and Indian ethnicity align quite well with general population diversity statistics; however, directors of African ethnicity are still underrepresented, and directors of white Caucasian ethnicity are overrepresented. Ethnic diversity within board committees is important, but it is also important that board committees reflect the South African population. More can and should be done to align the ethnic diversity of boards and board committees where possible.

1.3 FIELD OF EXPERTISE/DISCIPLINE OF SEC MEMBERS



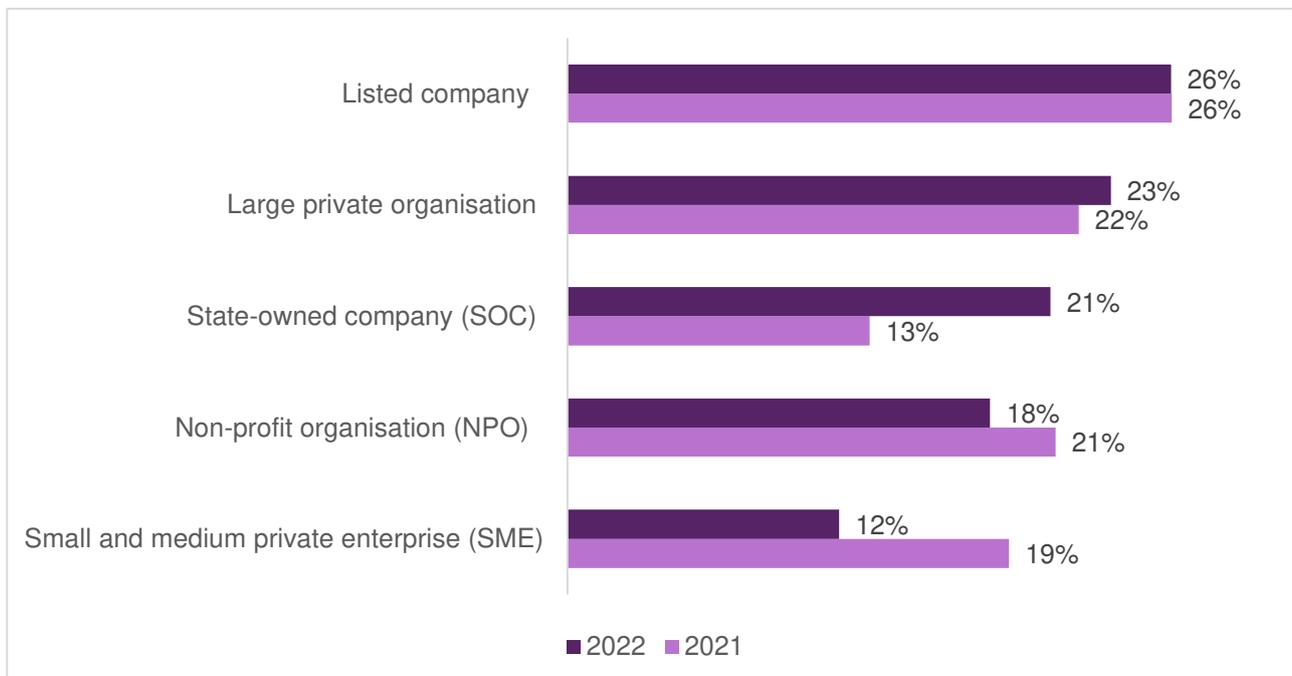
Members of SEC consist of a variety of field of expertise/disciplines. The sample indicated that SECs mostly consisted of members with expertise in business, financial and/or business administration (32%), followed by law (18%), engineering and the built environment (16%) and the social sciences (15%). This question was first introduced in the 2022 survey and thus no comparative data for 2021 is available.

1.4 ORGANISATION SIZE



Unlike results from 2021, more large organisations were represented in this iteration of the SEC survey (36%). Fewer mid-sized organisations (27%) were sampled with slightly more SMEs (36%) included.

1.5 THE NATURE OF THE ORGANISATIONS SAMPLED

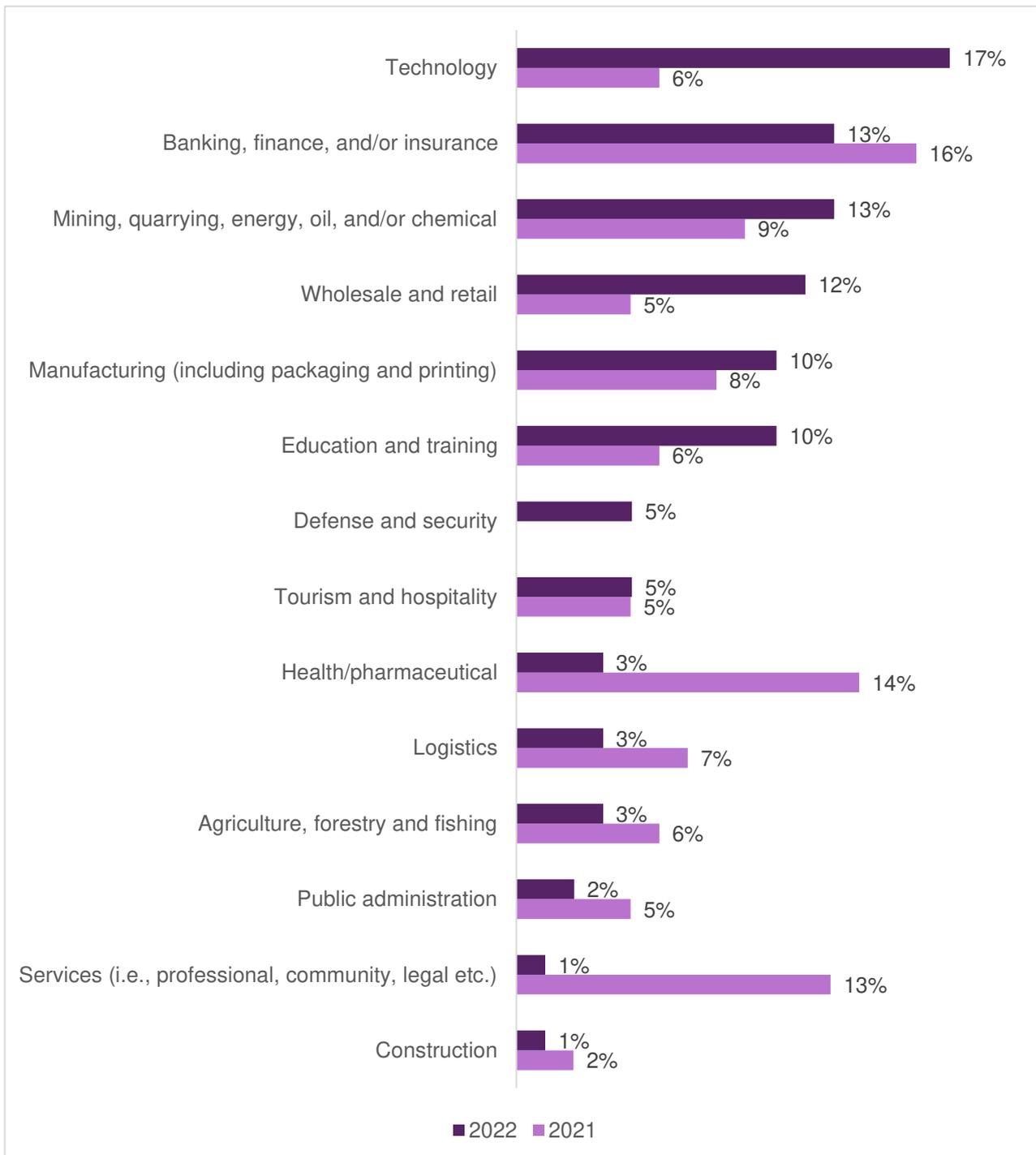


The sample consisted mostly of listed companies (26%) followed by large privately-owned organisations (23%). There was an increase in the representation of state-owned companies (21%) whereas a

decrease was noted in the representation of small and medium private enterprises (12%) in comparison to 2021.

1.6 SECTOR REPRESENTATION

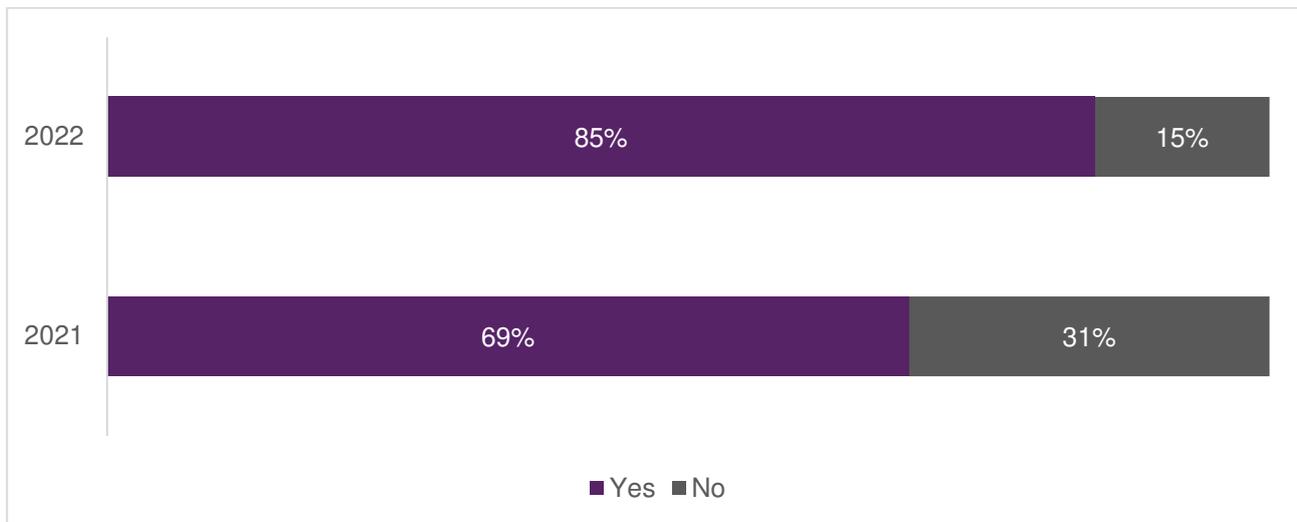
The technology industry had significantly more representation from 6% to 17% in comparison to 2021 and is seen as the largest industry sector represented in the 2022 iteration of the survey. The banking, finance and insurance industry (13%); mining, quarrying, energy, oil and chemical (13%); wholesale and retail (12%); manufacturing (10%); and education and training (10%) were also well represented in 2022 making for a diverse sector representation. The construction (1%) and services (1%) industries showed the least representation. This is especially true of the services industry which had a 13% representation in 2021.



SECTION 2: THE CHARACTERISTICS OF THE SEC

In this section the characteristics of the SEC as surveyed are presented. Since the research aimed to obtain better insight into the nature of SECs this section explores topics such as the preferred designation of SECs (what is the SEC called), their reason for establishment, and whether they are standalone committees or shared/integrated with other committees, to name a few.

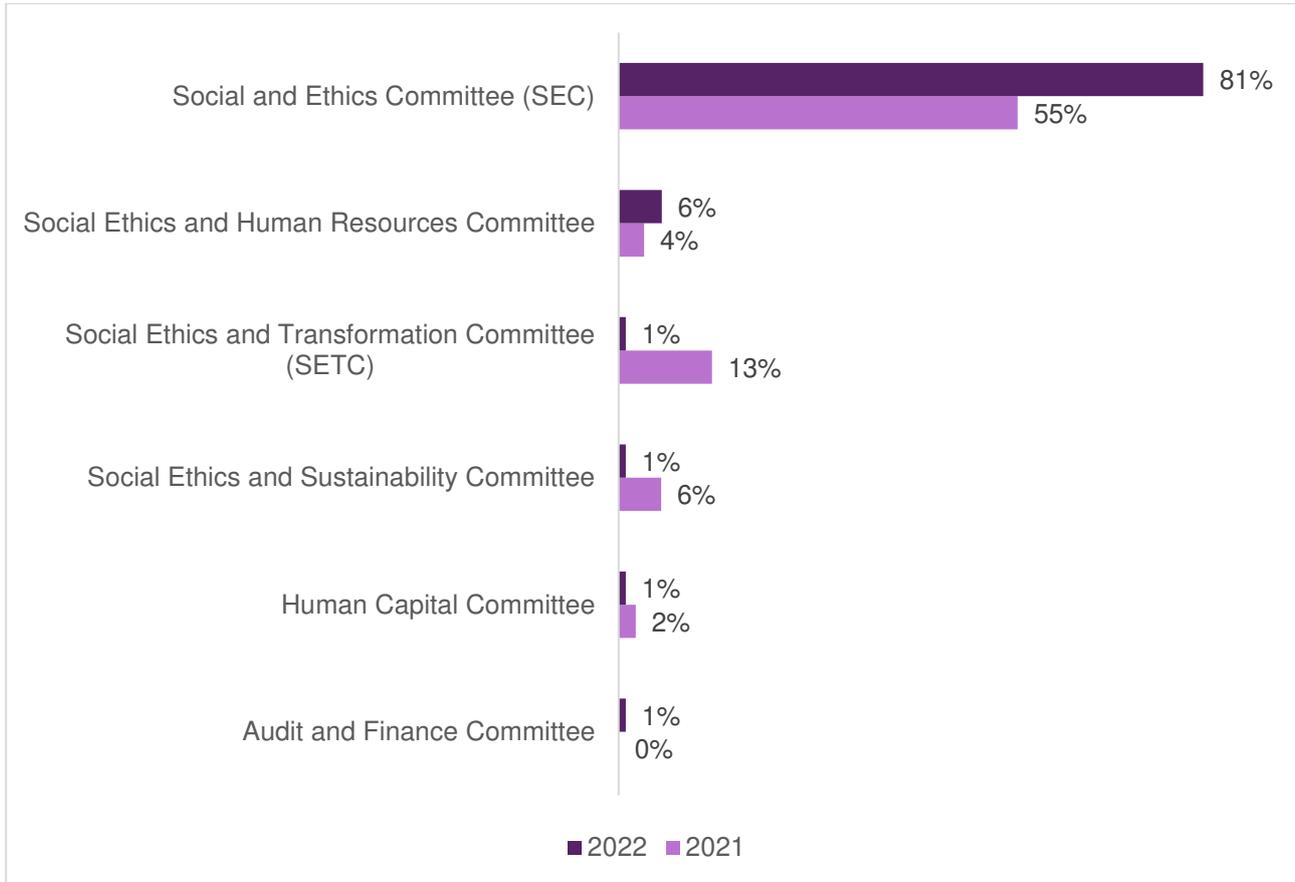
2.1 IS THE SEC A STANDALONE COMMITTEE?



Based on the sample group, the majority of SECs are standalone committees that are not combined with another committee of the governing body. However, approximately 15% indicated that they are not a standalone committee but combined with another committee of the governing body. These results indicate a slight correction in comparison to 2021 with substantially more SECs claiming independence from other board committees.

This is an encouraging sign and indicates that the SEC may be gaining legitimacy as a subcommittee of the board. However, it is important to note that more large organisations were included in the 2022 iteration of the SEC survey. As large and listed companies are required by legislation to adopt a SEC, this result may only reflect the sample, and not necessarily an increase in independent board committees' year-on-year. Nevertheless, this is an encouraging sign and indicates that SECs are gaining momentum as an important inclusion in the governance space.

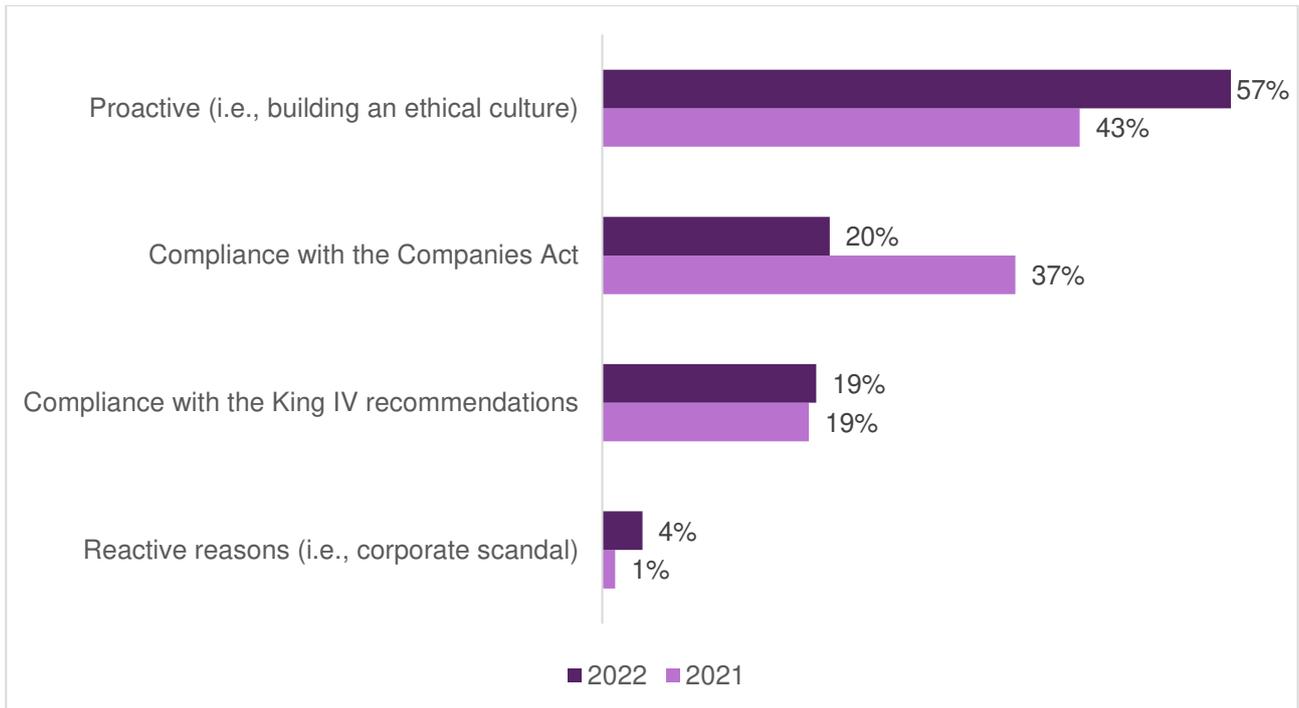
2.2 NAME/DESIGNATION OF THE SEC



The most used designation (i.e., name) preferred by SECs is ‘Social and Ethics Committee (SEC)’, which showcased a significant increase in 2022 (81%) compared to 2021 (55%). Followed by ‘Social Ethics and Human Resource Committee’ with a representation of 6% and a drastic decrease in the designation ‘Social Ethics and Transformation Committee’ (1%) was seen in this iteration of the survey. Despite most of the SECs referring to themselves as the ‘Social and Ethics Committee’, there were a total of 24 other designations used.

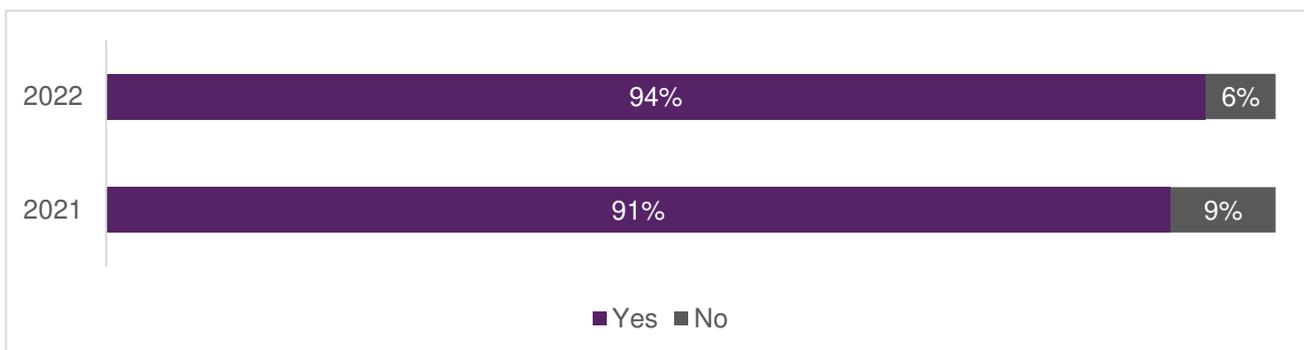
The results align with the fact that 15% of SECs in the sample were not a standalone committee but combined with some other board committee. However, this is concerning considering the potential incoherence that may be experienced by SECs, whose mandate may be disjointed through the combination with the mandate of another committee. However, the fact that more and more standalone ‘Social and Ethics Committees’ are presented is encouraging.

2.3 THE PRIMARY REASONS FOR THE ESTABLISHMENT OF THE SEC



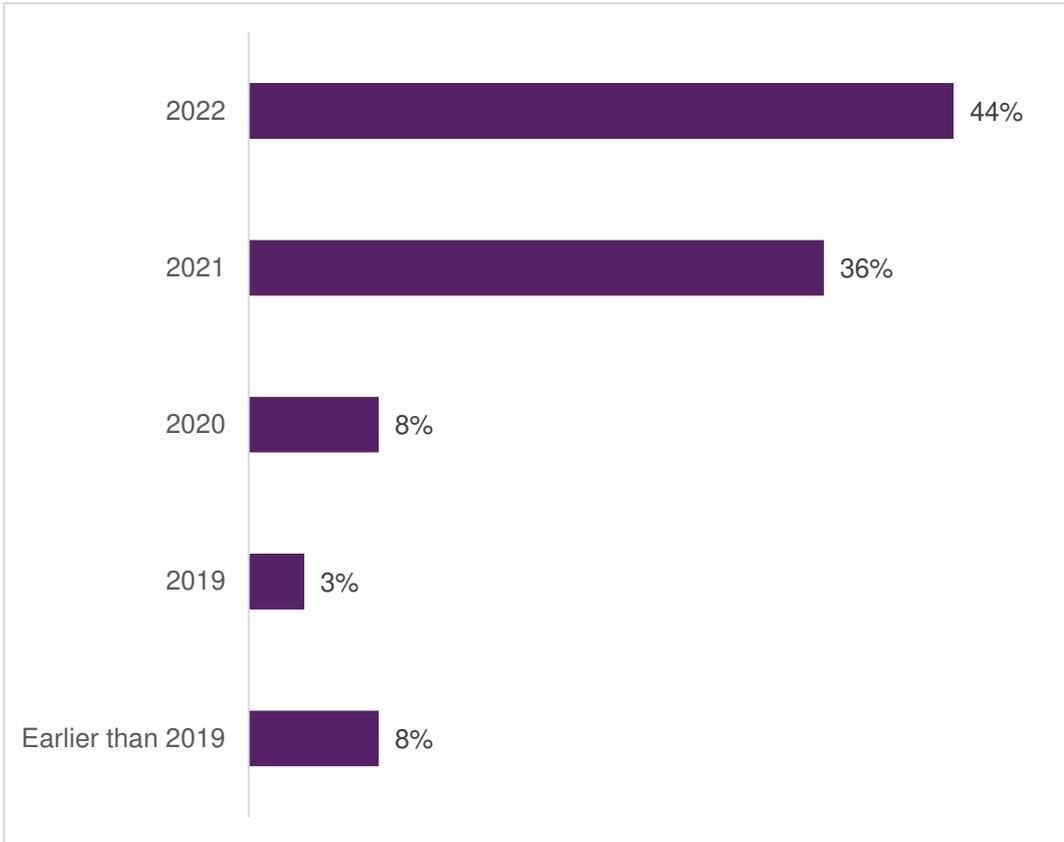
Establishing the SEC for proactive reasons increased substantially in 2022 (57%) in comparison to 2021 (43%). Establishing a SEC for reasons of compliance with the Companies Act saw a decrease (20%) whilst compliance with the King IV recommendation remained consistent (19%). Lastly, reactive reasons, such as corporate scandals (4%) had a slight increase compared to 2021. It is however encouraging that most organisations established a SEC for purely proactive reasons indicating that the SEC and its mandate may be starting to gain traction regarding its function and legitimacy for organisations.

2.4 DOES THE SEC HAVE AN APPROVED 'TERMS OF REFERENCE'?



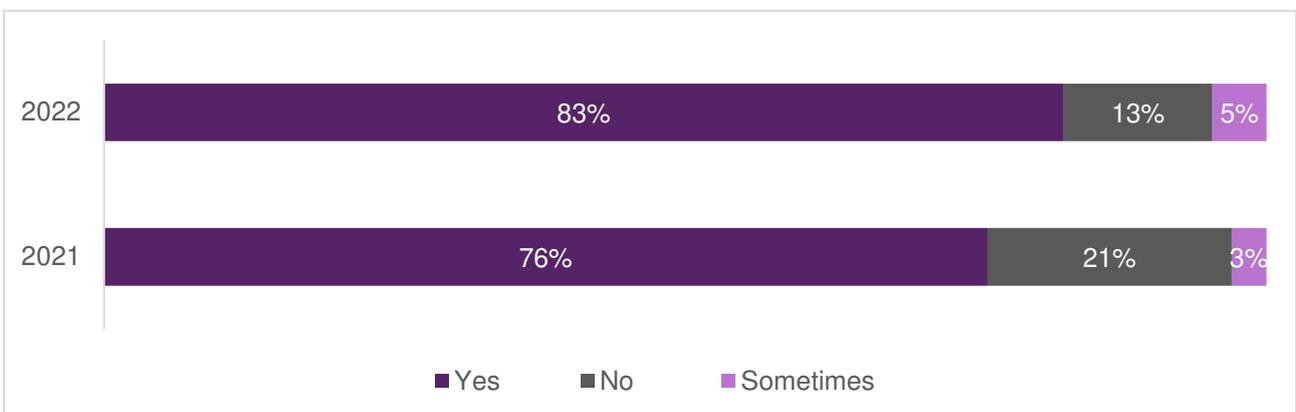
Most SECs have an approved 'Terms of Reference' (or 'Charter'), which saw an increase of 3% from 2021. However, it is still worrying that 6% of SECs indicated that their committee did not have an approved Terms of Reference. This may be due to numerous factors, for example, some SECs are newly established and may not yet have an approved 'Terms of Reference'.

2.5 WHEN LAST WAS THE TERMS OF REFERENCE REVIEWED?



Most SEC chairpersons indicated that on average the terms of reference of the SEC are reviewed on an annual basis (every 12 months). However, it is concerning that 8% indicated that the terms of referenced was last reviewed earlier than 2019. It is recommended that terms of references are reviewed annually and consider legislative, regulatory, or other changes that might occur. More can be done to ensure that organisations prioritise the review of the ‘Terms of Reference’ in a timeous manner to ensure this remains relevant to an everchanging world of work.

2.6 ARE REPORTS ON ORGANISATIONAL ETHICS MANAGEMENT SUBMITTED TO THE SEC?

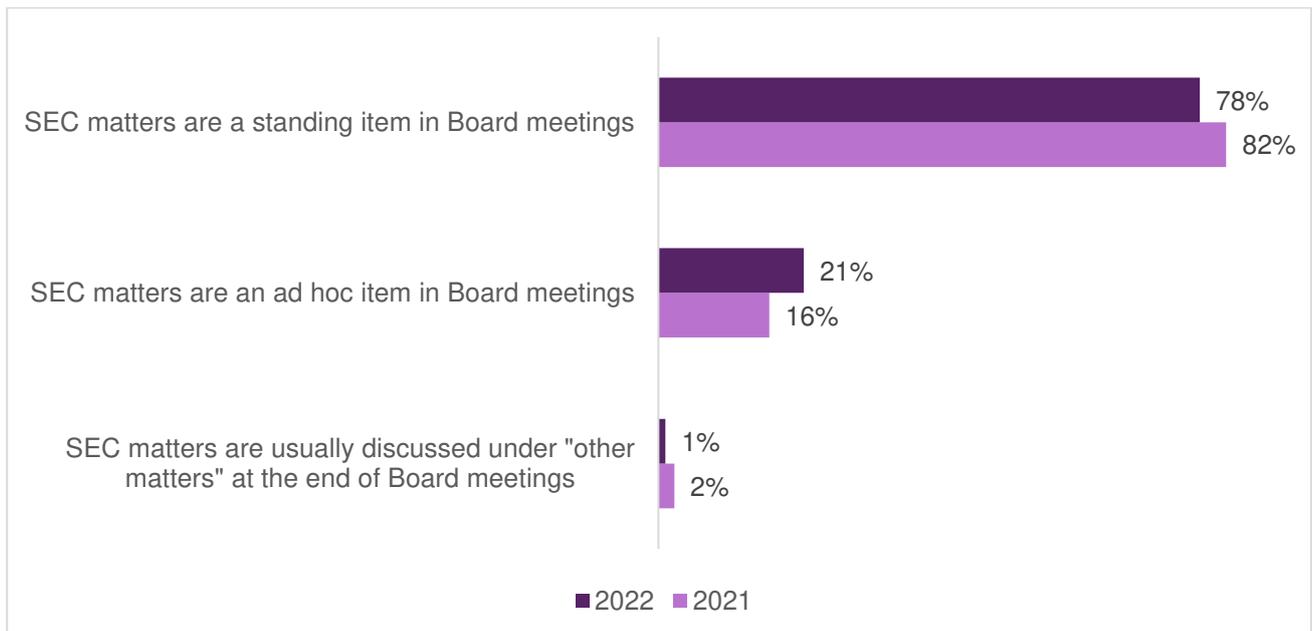


The results indicated that most SECs do receive reports on organisational ethics management. The results in 2022 indicate an increase of 7% from 2021 to 2022 which must be commended. This is a

remarkable finding that indicates SECs continue to find guidance in the King IV guidelines that recommends governing bodies should govern organisational ethics and ensure that ethics is effectively managed in organisations.

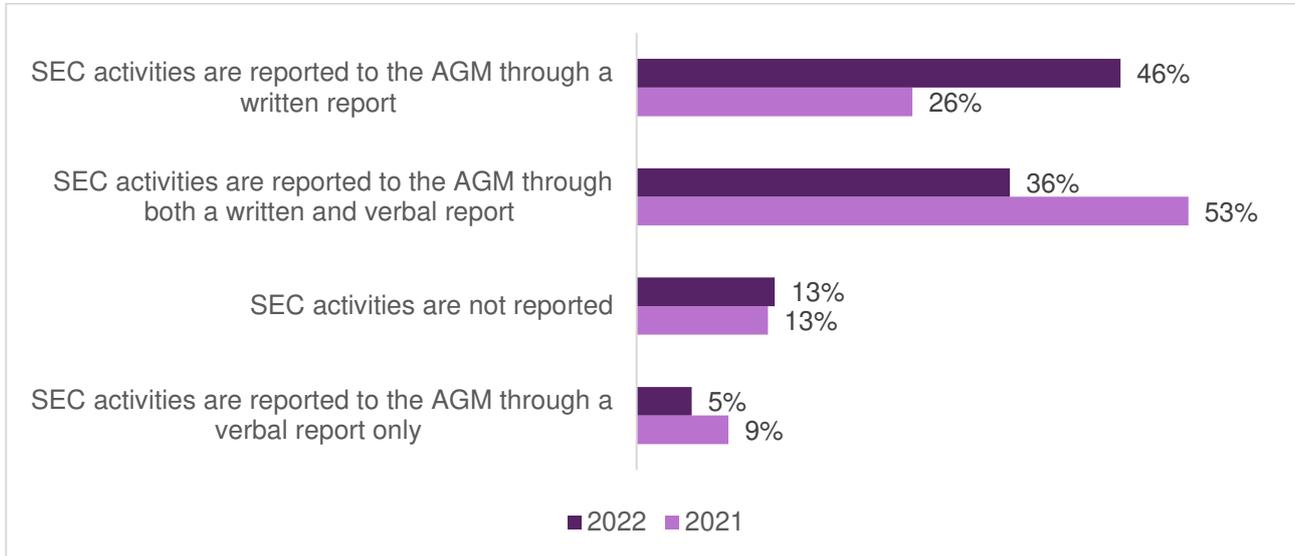
Although very encouraging, it is still problematic that 5% indicated that no reports on ethics management activities in the organisation are submitted with a further 13% indicating that this happens haphazardly. If the SEC is to make good strategic decisions and build an ethical culture, good ethics management is a principal requirement. This is an area that can be further improved with effective guidance for SECs going forward.

2.7 SEC MATTERS ON THE BOARD AGENDA



Results indicate that most SEC matters are a standing item at board meetings, however, a slight decrease was observed in comparison to 2021, which is concerning. Approximately 22% indicated that SEC matters are either discussed as an “*ad hoc*” item or under “other matters”. It is clear that more can be done to remove impediments that may reduce the perceived importance of the SEC where its concerns and recommendations receive optimal attention in the organisation.

2.8 REPORTING OF THE SEC ACTIVITIES AT THE ANNUAL GENERAL MEETING (AGM)



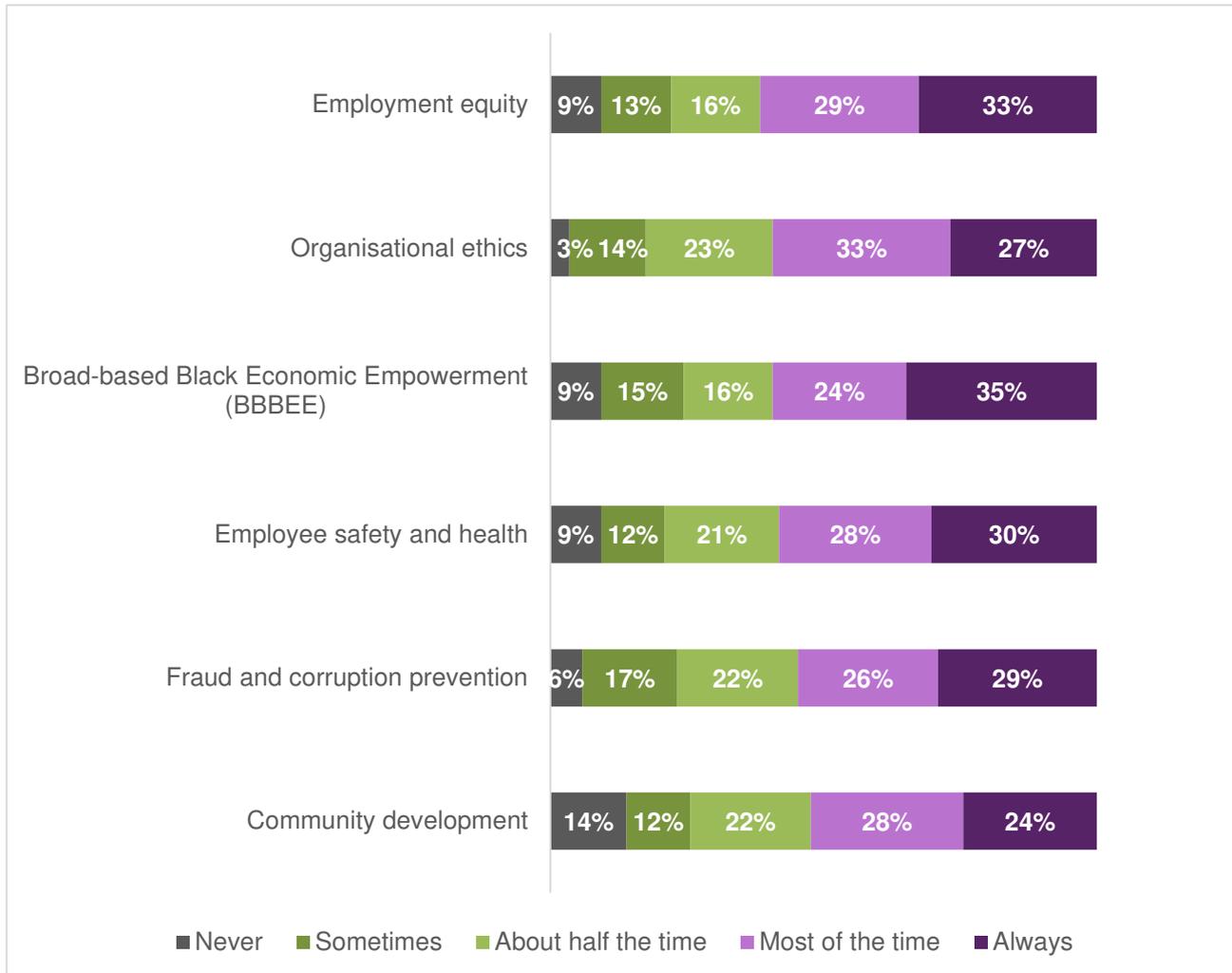
A substantial increase in the written reporting of the SEC activities at the AGMs of organisations was noticed in 2022 (46%). Furthermore, 36% of SECs report their activities at the AGM in both a written and verbal report. These results are encouraging and indicates that the activities of the SEC are indeed communicated and evaluated at such meetings.

It is however a little concerning that SECs report more in a written format rather than also verbally discussing and engaging in dialogue with shareholders on their activities. SECs should be careful not to allow its functions and activities to simply become words on paper but must be brought into discussions with shareholders and other stakeholders. Worryingly, 13% of SECs indicated that they do not report their activities to the AGM in either a written or verbal format. Indeed, more can be done to give the SEC a stronger voice at AGMs.

SECTION 3: TIME INVESTMENT OF THE SEC

SECs were asked on which issues they spend most of their time and focus.

3.1. FOCUS AREAS ON WHICH THE SEC SPENDS MOST OF ITS TIME

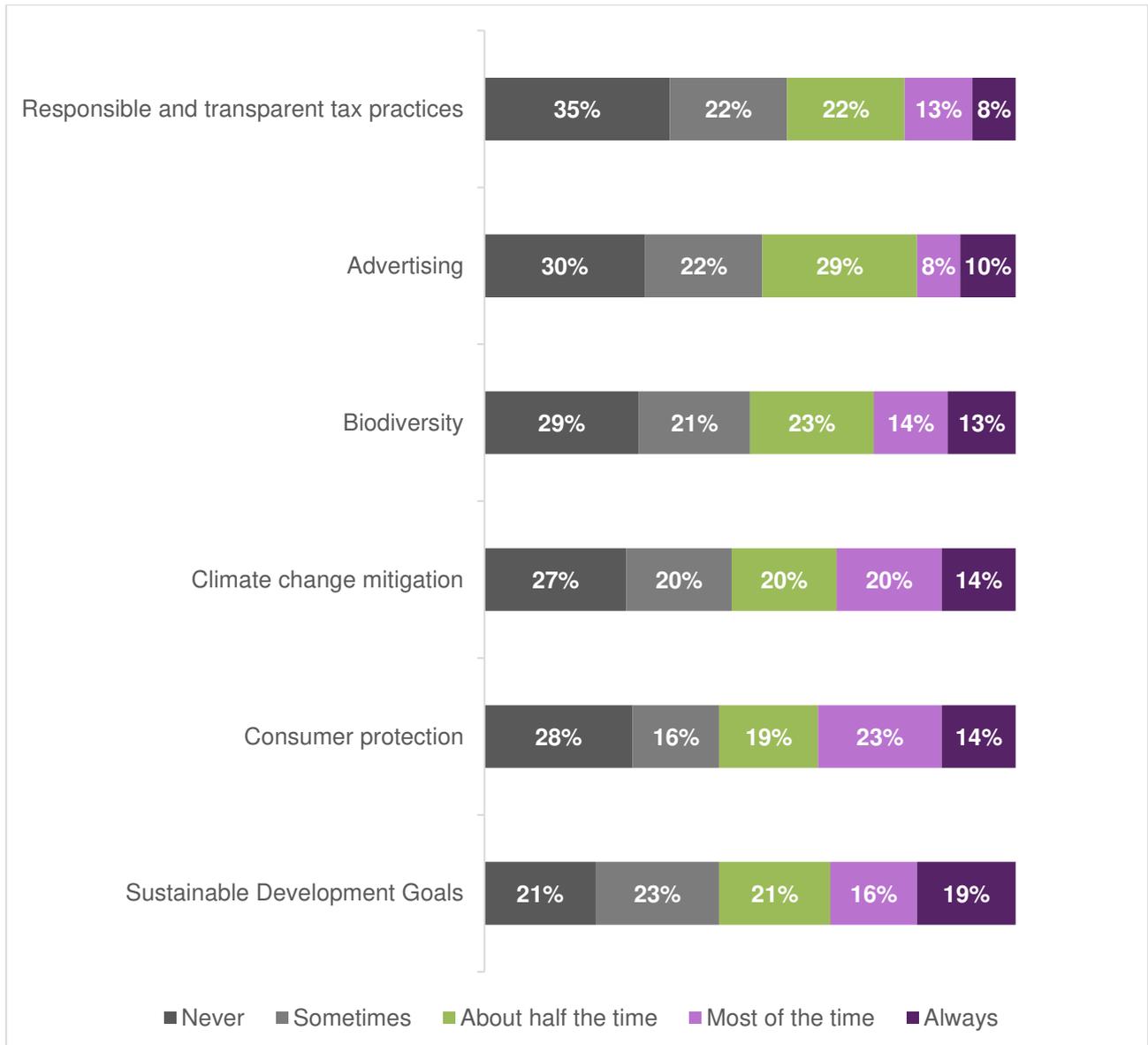


When the “most/always” responses are combined, it can be noted from the figure above that SECs reported that most of their time is spent on employment equity (62%), as well as matters related to organisational ethics (60%) and BBBEE (59%).

Following closely is matters related to employee health and safety (58%) which dropped drastically from the pandemic period (this was a primary concern in 2020).

Lastly, fraud and corruption prevention, stakeholder relationships and community development also make-up a large proportion of the primary priorities of SECs. The primary focus on employment equity, might be related to the fact that organisations are now returning to normal after the pandemic and require positions to be filled that are aligned with the employment equity laws of South Africa (i.e. focusing on transformation).

3.2. FOCUS AREAS ON WHICH THE SEC SPENDS LEAST OF ITS TIME



When “sometimes/never” responses are combined, it can be noted that SECs spends the least of their time on responsible and transparent tax practices (57%), advertising (52%), biodiversity (50%), and climate change mitigation (47%). This is interesting and concerning.

Firstly, organisations should be focusing on three aspects relatively equally namely environmental, social, and governance concerns (i.e., ESG). However, it appears that social and governance concerns take precedent in South African boards with the environment taking a back seat (i.e. biodiversity and climate change mitigation).

Although this is to be expected in a developing economy where other (social and governance) concerns may be paramount, South African organisations should prioritise environmental concerns. This may indicate that climate change mitigation, biodiversity, and other environmental concerns, may be overlooked by the majority of South African organisations.

SECTION 4: SEC VITAL STATISTICS

This section considers the internal make-up of the SEC and refers to the ‘vital statistics’ of the SEC such as the number of members and other attendees of the SEC.

Results are presented by looking more closely at the distribution of the sample. The average is used to understand the overall distribution. Please note however that the average is sensitive to large and small numbers (i.e. outliers) in the distribution. For this reason, the median is also indicated, which is the centre most point in the distribution. The median indicates the point where there is an equal number of results below and above the median number. The median, unlike the average is not sensitive to extreme scores (i.e. outliers) and is often a better measure of central tendency. In addition, we also present the range of the dataset by including the maximum and minimum value for each statistic (i.e. data distribution).

4.1 SEC VITAL STATISTICS

Vital statistic information	Average		Median		Lowest		Highest	
	2021	2022	2021	2022	2021	2022	2021	2022
How many members does your SEC consist of?	5	5	5	5	0	2	10	16
How many members of your SEC are Non-Executive Directors?	3	3	3	3	0	0	9	11
What is your annual remuneration (cost to company per annum) for the SEC chairperson?	R148 201	R186 791	R119 370	R153 648	R10 000	R15 000	R725 500	R811 213
Please indicate the number of invitees who attend the SEC (non-members)	4	4	3	3	0	0	16	18
How often does the SEC meet per year (12 months)	3	3	4	3	1	0	6	6

It can be noted from the results above that the data remained similar across 2021 and 2022, and no major differences were identified except for data on annual remuneration of the SEC chairperson.

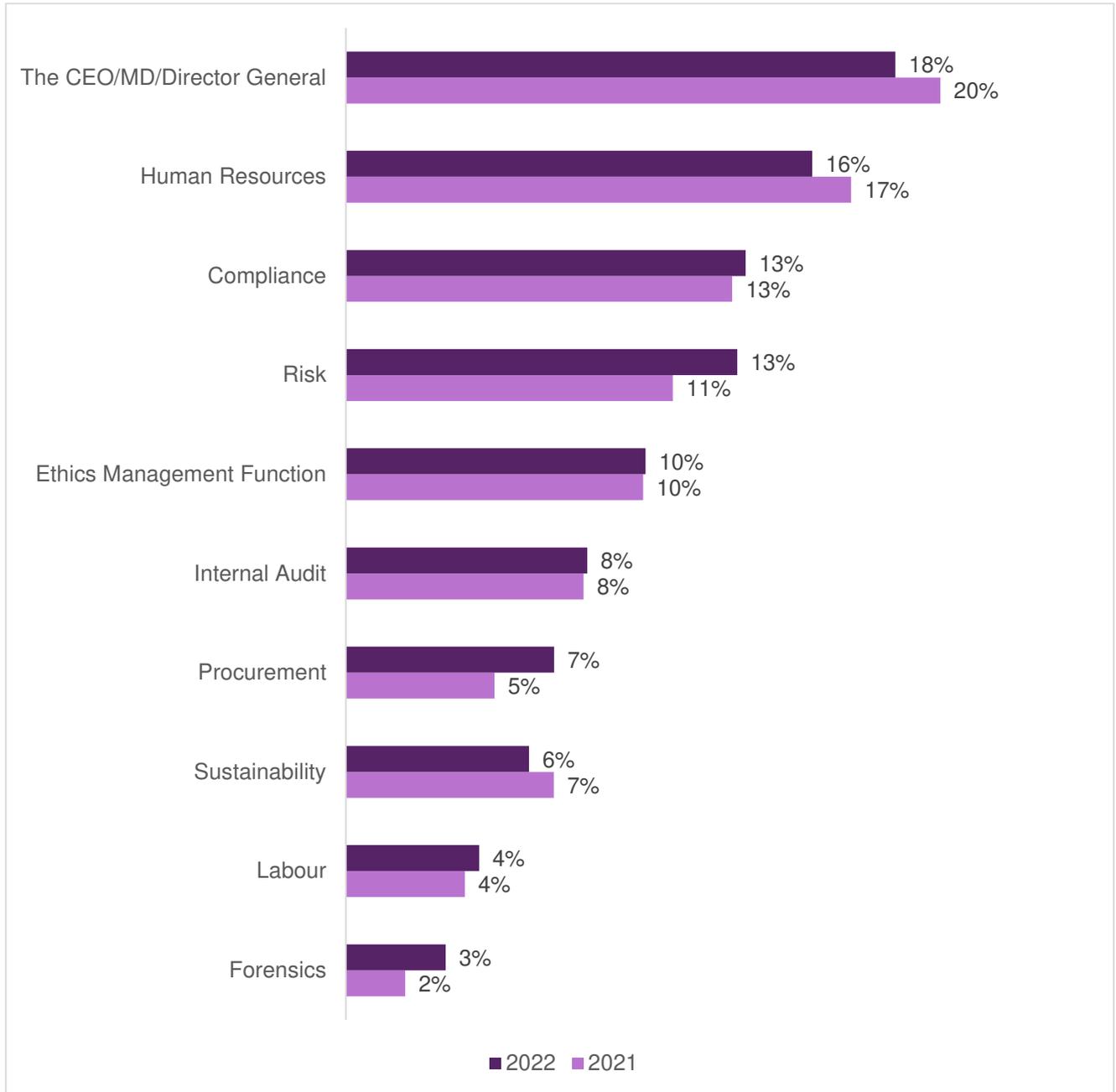
The 2022 data of approved remuneration of SEC members for various board committees and chairpersons was obtained from 213 organisations. The sample size is larger since the data was drawn independently by the IoDSA for the Non-Executive Directors Fees Guide for 2022 and did not form part of the survey. We present this data in comparison to last year's SEC remuneration statistics to compare the SEC's average remuneration with those of other board committees. These fees are indicators and reflect the income generated by chairpersons of the various board committees.

It was interesting to note that the average remuneration for all committees increased since 2021 however the SEC on average was the lowest remunerated committee (R 186 791) with the Nominations Committee (often an ad hoc committee) being remunerated slightly more on average (R187 620). The Remuneration Committee (R229 374), Risk Committee (R287 477); and Audit Committee (R325 741) obtained substantially higher average annual remuneration than the SEC.

These results may indicate that for most organisations operating in South Africa their money is not in line with what they are claiming. With the SEC gaining traction as an important board committee, remuneration of the SEC has yet to reflect this perceived importance in the South African context.

Most SEC chairpersons indicated that the SEC is composed of an average of five members of which an average of three members are Non-Executive Directors.

4.2 OPERATIONAL DEPARTMENTS/DIVISIONS THAT ATTEND SEC MEETINGS



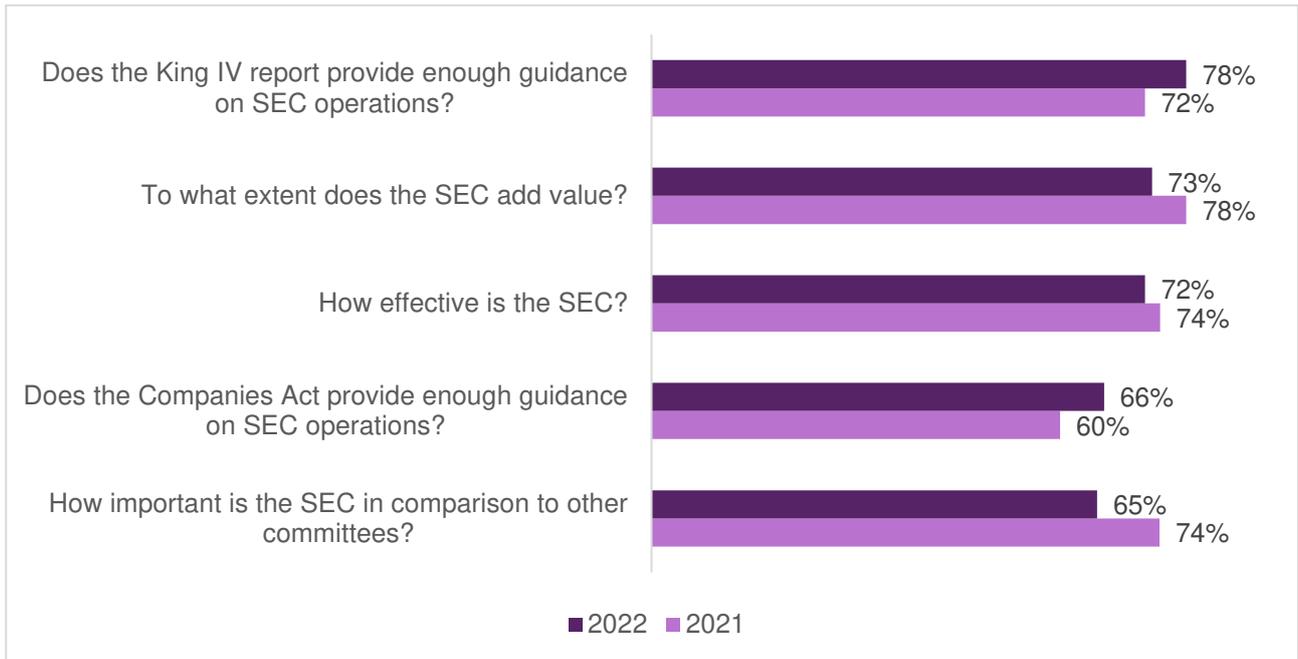
The figure above displays the departments/divisions in the organisation that most often participate in SEC meetings. Both 2021 and 2022 are presented, and as can be seen the results in 2022 are very similar to 2021. It can be noted that the Chief Executive Officer/Managing Director/Director General is the most frequent inclusion in SEC meetings followed by the human resources, compliance, risk, and ethics management functions.

It is encouraging that many different functions are often called on to engage with the SEC. A slight increase in representation was noted for Forensics (3%) with Labour staying the same (4%) and Sustainability dropping by a single percent whereas Procurement increased its representation by two percent.

4.3 THE IMPACT AND MANDATE OF THE SEC

In addition to the vital statistics of the SEC that provide us with an overview of the nature of SECs operating in the South African environment, the survey attempted to evaluate the clarity of the mandate and the impact that the SEC makes in the organisation.

This was accomplished by asking the chairperson of the SEC to provide their perceptions on a rating scale from 1 to 10, with 10 being the optimal. The scores were averaged and converted into a percentage for better presentation.



A large proportion of the sample of Chairpersons of the SEC (78%) agreed the King IV provides enough guidance on SEC operations. It is encouraging that this has increased from 2021 (72%) and may indicate that King IV Practice Note released during the 2021/2022 period may have assisted SECs to better understand SEC operations. In addition, there was a slight increase in the clarity of guidance provided by the Companies Act (up 6% from 2021).

It therefore appears that there is gradually a better understanding of the King IV and the Companies Act guidance on the SEC. However, not all these results were positive. A small but substantial decrease was noted regarding perceptions of whether the SEC adds value (down 5% from 2021) with a slight decrease in the perceptions of the effectiveness of the SEC also noted (down 2% from 2021).

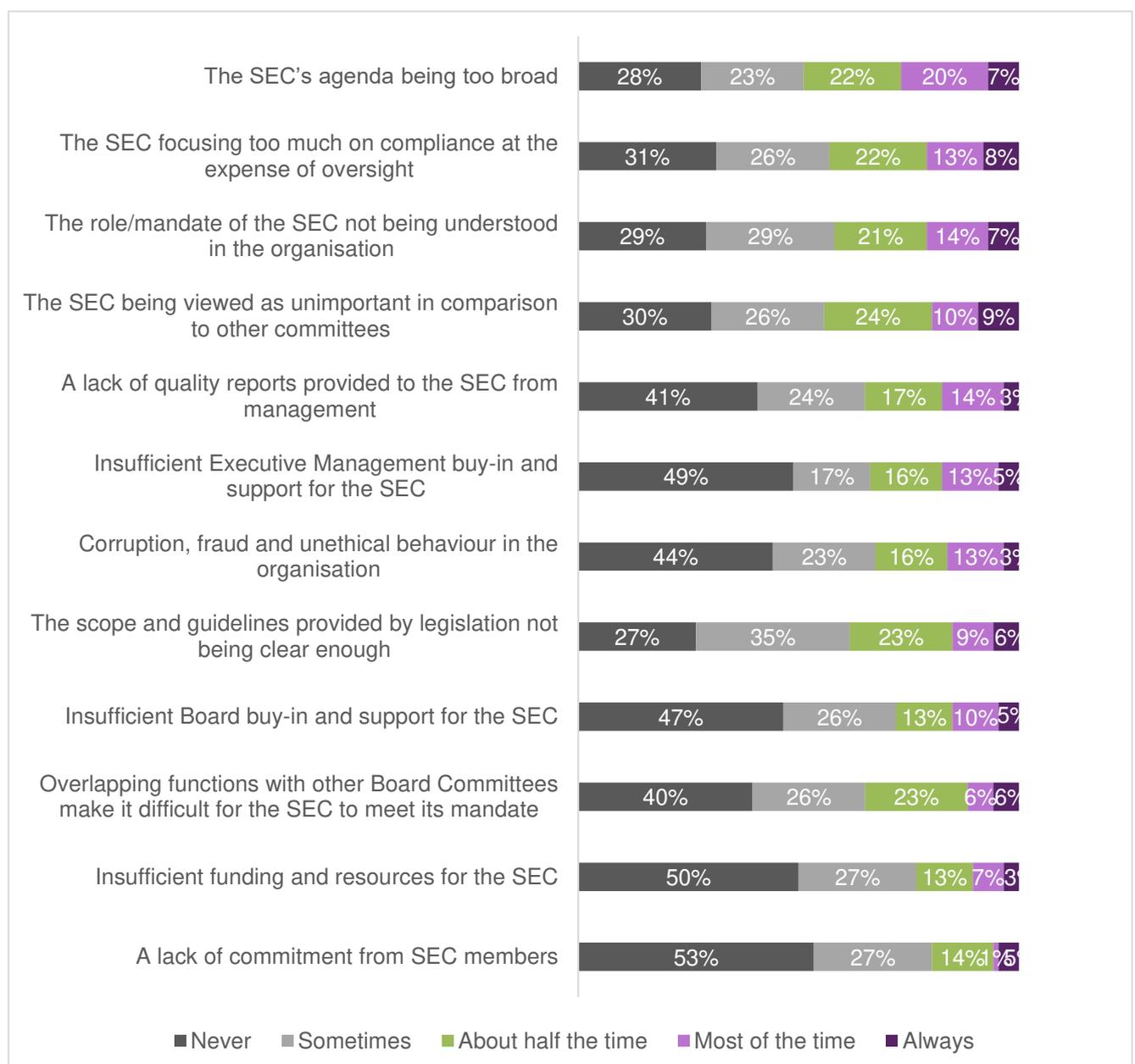
It is also worrying that perceptions of whether the SEC is as important as other subcommittees of the governing body decreased by 9% from 2021. It does appear then that the SEC’s battle for legitimacy and recognition in organisations is ongoing.

SECTION 5: MANDATE CHALLENGES AND IMPEDIMENTS

The data gathered in the 2020 survey has constituted the makeup of this section based on open-ended comments provided by the respondents. This data was then evaluated using a thematic analytical technique to extract 'mandate challenges' and 'impediments of operation' for SECs.

Subsequently, this rigorous process has allowed for improvements on the survey to be made in both 2021 and 2022, whereby, specific mandate challenges were selected for the survey and respondents were asked to rate the severity of the challenge, allowing us to better analyse the gathered data in a more quantitative and generalisable manner.

5.1. MANDATE CHALLENGES FACED BY SECS



When the “most/always” responses are combined, it can be noted from the data presented above that the most pertinent mandate challenge faced by SECs was the agenda being too broad (27%), followed by too much focus being placed on compliance at the expense of oversight (21%), and the role/mandate of the SEC not being understood in the organisation (21%).

Additionally, some notable impediments to the mandate of the SEC also included the SEC being viewed as not as important as other board committees (19%) and the lack of quality reports provided to the SEC by management (17%). Furthermore, insufficient buy-in from senior/executive management on the mandate/role of the SEC (18%) and corruption, fraud, and unethical conduct in the organisation (16%) contribute to impeding the work of the SEC.

Overall, these results indicate that perceptions of legitimacy and usefulness of the SEC are still the most pertinent impediments the SEC faces in doing its work.

SECTION 6: CONCLUSIONS

It should be recognised that the SEC is still a relatively young governance structure, and it is therefore no surprise that it suffers the typical teething problems of newly introduced governance structures. The survey, however, revealed that the SEC attained a remarkable level of maturity, despite the fact that it only became mandatory a mere decade ago on the 1st of May 2012. Despite the maturity attained, and the improvements that can be seen between the 2021 and 2022 results, the findings of this survey indicate that several developmental challenges remain for the SEC.

In comparison to 2021, several interesting developments have been observed:

- SECs appear to be reaching the gender diversity proportions of the working population with women well represented.
- Although directors of Black African ethnicity are well represented, directors of White Caucasian ethnicity are still overrepresented.
- Most SECs are composed of members with expertise in business, finance, and business administration.
- In 2022 most organisations surveyed operated in the Technology sector (a first for the SEC Trends Survey).
- Most subcommittees of the governing body responsible for the governance of the social and ethics performance of the organisation still prefer the moniker of Social and Ethics Committee (SEC) followed by Social, Ethics and Human Resource Committee (SEHRC). It is interesting to note that most large private companies almost exclusively use the designation 'Social and Ethics Committee'.
- Most SECs were established in a proactive manner with the primary aim of building an ethical organisational culture. Interestingly, substantially fewer SECs indicated that compliance with the Companies Act was the primary reason for their establishment in comparison to 2021. This outcome may indicate that the importance of the role of the SEC may be gaining traction beyond compliance concerns.
- Many more SECs indicated reporting activities of the committee at the Annual General Meeting (AGM) in a written format in 2022 when compared to 2021. Substantially fewer SECs reported both in a written and verbal format in 2022. This may indicate that the SEC is finding its voice at AGMs, but it is concerning that this is mostly done in written reports without any dialogue.
- In 2021, organisational ethics was the area on which the SEC spent most of its time (i.e. where it focused the most). This is substantially different from 2022 where transformation concerns again became a paramount issue. This may be due to the impact of the pandemic in 2020 and the return to work in 2021/22 and the onset of the 'Great Resignation' placing transformation concerns on top of the list. Environmental concerns received the least attention by SECs which is worrying.
- Despite an increase in the average remuneration in comparison to 2021, the SEC dropped to the lowest remunerated committee in 2022. This result indicates that the SEC may not yet receive the financial support and 'value legitimacy' when compared to the Audit, Risk, and Remuneration Committees which obtain significantly higher remuneration rates for its members.
- Confidence remains high in the SEC and its activities although slightly lower values were obtained for the degree to which the SEC adds values in the organisation as well as a slightly more pessimistic view of the effectiveness of the SEC in comparison to 2021.
- Slightly more support was obtained for the clarity of the guidance of the King IV report in terms of guidance of SEC operations in 2022 compared to 2021. This was also the case for guidance from the Companies Act. This may be due to additional guidance papers and the King IV Practice Note for SECs that were released during 2020/21 which may now be gaining traction.

- Many of the challenges faced by SECs remained unchanged in 2022 when compared to 2021. Firstly, the mandate of the SEC being too broad was viewed as the most problematic with the SEC focusing too much on compliance instead of oversight. This was a change from 2021 where uncertainty about the mandate and value-add of the SEC was the greatest impediment to the mandate of the SEC.

It is becoming evident that the SEC is playing a vital role in most organisations. However, this subcommittee still faces several challenges. SECs still list ambiguity around the role and purpose of the SEC as well as compliance creep as challenges. Additionally, SECs appear to be focusing heavily on transformation concerns and organisational ethics which may detract from a focus on environmental sustainability which is neglected. On the other hand, SECs appear to be enjoying strong levels of confidence about their impact and effectiveness. These results allude to the growing legitimacy of the SEC as an important governance structure for organisations.

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