

# Transformation, Social and Ethics Committee Report

Advtech's TSEC is constituted as a statutory committee of Advtech Limited in terms of section 72(4) of the Companies Act, No. 71 of 2008 (the Companies Act) as read with regulation 43 of the Companies Act Regulations, and a committee of the board in respect of all the other duties assigned to it by the board.

## Governance

The board is the custodian of corporate governance and its members take collective responsibility for governing and ensuring accountability for the Group. The board governs with integrity and in a way that supports an ethical organisational culture that sets the tone through all levels of the business. The board instils a deep respect for the social, ethical, transformation and environmental matters facing the Group.

TSEC's role is to assist the board with oversight of transformational, social and ethical matters through both the performance of its statutory responsibilities and its governance responsibilities as set out in its committee charter. The charter, together with the annual committee workplan, are reviewed on an annual basis and any material changes are referred to the board for approval as and when required.

TSEC has an independent role with accountability to the board and shareholders. The TSEC report has been prepared in accordance with the requirements of the Companies Act, the Company's MoI, the JSE Listings Requirements and the King code report on corporate governance as well as other applicable laws. The report describes how TSEC has discharged its responsibilities including its statutory duties and any other responsibilities assigned to it by the board during the year under review.

## Committee members

TSEC consists of four members, three of whom are independent Non-Executive Directors and the CEO. All committee members are suitably skilled and collectively have sufficient knowledge and skill to fulfil their duties. JS Chimhanzi, A Watson, SW van Graan and GD Whyte will stand for re-election by shareholders at the company's next AGM scheduled to be held on 27 May 2026. The committee members and attendance for the 2025 financial year are tabled below:

Committee members	King Code classification	Meeting attendance
JS Chimhanzi (Chair)	INED	3/3
A Watson	INED	3/3
SW van Graan	INED	3/3
GD Whyte	ED	3/3
<b>Invitees</b>		
V Crawford	LOC	3/3
DL Honey	PO	2/3

The TSEC charter requires that the committee hold sufficient scheduled meetings as may be required to sufficiently discharge its duties, subject to a minimum of two meetings per annum. During the year under review, the committee met three times. Directors who are not members of the committee have a standing invitation to attend each committee meeting as an invitee. Other members of the executive and senior management team are also invited to attend the TSEC meetings on a standing invitation basis, to provide pertinent information on areas within their expertise and responsibility as necessary.

The committee is required to report, through one of its members, to shareholders at the company's AGM on matters within its charter. JS Chimhanzi, as chair of the committee, will present the committee report at the Group's AGM to be held on 27 May 2026 and will be available to respond to any shareholder questions on matters within the committee's mandate. Any specific questions for the committee must be sent to the Company Secretary at [groupsec@advtech.co.za](mailto:groupsec@advtech.co.za) prior to the AGM.

## Roles and responsibilities

TSEC operates in terms of a formal charter that sets out its terms of reference, composition, roles, responsibilities and statutory duties. The King Code expands on the role of social and ethics committee as provided for in the Companies Act.

TSEC plays an important role in assisting the Group to redress the imbalances of the past whether they are social, economic or environmental. Other responsibilities include oversight of the implementation and reporting on good corporate governance obligations, stakeholder relationships, communication and reporting. In accordance with its statutory duties, TSEC monitors and reports on the following:

## Social and economic development

The Group ensures compliance with applicable legislation and governance standards, including the Companies Act, King IV™, the UNGC 10 Principles, and the recommendations of the OECD regarding corruption, the Employment Equity Act, the Skills Development Act and the Broad-based Black Economic Empowerment Act (B-BBEE Act).

## Labour and employment

The Group's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and the company's employment relationships and its contribution towards the educational development of its employees.

## Good corporate citizenship

The Group supports CSI initiatives within its operating divisions and at a corporate level. These initiatives are focused towards contributing to community development, in areas where it operates, as well as sponsorship, donations and charitable giving.

## Stakeholder engagement

The Group engages with stakeholders in accordance with its stakeholder policy, dispute resolution mechanisms and grievance policy.

## Environmental, health and safety

The Group complies with health and safety regulations and manages environmental aspects of the business, including compliance with public relations and consumer protection laws.

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## Overview of key areas of focus

### Governance and ethics

- Considered the nature and extent of the complaints received through the ethics hotline and whether there are any underlying systemic issues within the business as well as ensuring that each matter has been properly investigated by the Group's internal audit team and that the appropriate action has been taken
- Reviewed the Group's policies
- Ensured oversight of ethics to ensure a high standard across the Group
- Reviewed and approved the committee's charter
- Reviewed and approved the committee's annual work plan for the ensuing year
- Reviewed and approved the TSEC report included in the Annual Integrated Report 2024
- Reviewed the B-BBEE codes of good practice as well as its implications for the Group
- Reviewed the Group's B-BBEE score to monitor progress against transformation targets
- Reviewed and implemented strategies to improve the Group's B-BBEE accreditation
- Continued participation and collaboration with the representatives within the private and public sector in the education industry on the proposed education industry sector charter
- Conducted an internal assessment of the performance and effectiveness of the committee for the year under review

### Stakeholders

- Reviewed the Group's public and consumer relations to improve and strengthen relationships with its stakeholders
- Reviewed reports on the Group's media coverage

### Social

- Reviewed and approved reports on CSI projects undertaken by the Group
- Reviewed the Group's efforts to encourage diversity and advance the objectives of equality groupwide
- Reviewed the Group's defined transformation objectives and targets
- Considered reports on labour and empowerment related matters
- Continued monitoring the Group's talent succession plans and training programmes
- Reviewed gender salary gap analysis against the South African and global average

### ESG

- Reviewed the ESG framework and charter

## Transformation and B-BBEE compliance

TSEC is responsible for monitoring and reporting on transformation within the Group to the board of directors to ensure transformation and advance the objectives of diversity and equality throughout the Group. The committee ensures compliance with applicable legislation, including but not limited to the B-BBEE Act, Employment Equity Act, Labour Relations Act and Skills Development Act.

Transformation remains an ongoing focus for the Group. All committee meetings have transformation as a minuted point on the agenda. Progress is assessed against the annually approved Employment Equity targets for transformation as set by the Department of Employment and Labour and informed by the relevant Acts. Factors impacting the Group's EE targets includes skills scarcity, external competition as well as emigration. The committee monitors the Group's performance towards its equity targets in terms of recruitment, promotions and terminations and is comfortable that robust succession plans are in place to ensure the retention and development of key employees across the business. A talent review process is conducted annually for development and promotion opportunities of all employees across the Group.

TSEC is also responsible for the development of the Group's B-BBEE scorecard and implementation in line with the strategic transformation targets. Several initiatives (including lobbying for an industry-specific code) are being explored and good progress is being made on these initiatives. The committee continues to consult with external providers, industry providers and regulators on information and guidance on how best the Group can contribute to the overarching goal of B-BBEE.

## Gender pay gap

Each year, the Group analyses its gender pay differential in order to drive the strategic intention of building equal pay for work of equal value. The methodology utilised to analyse this dimension is that of the International Labour Organisation:

$$\frac{\text{Average pay for men} - \text{Average pay for women}}{\text{Average pay for men}}$$

The Advtech overall gender pay gap moved from 13.7% in 2022 to 10.87% in 2025, reflecting a trend of improvements over three years. This improvement places Advtech well below both domestic averages (Stats SA: gender gap 30%) and global averages (International Labour Organisation: gender gap 22%). Read more on page 56 >

## Bursaries and CSI projects

In line with the Group's core business of education and the ethos of promoting access to education, Advtech provides a bursary programme that supported approximately 22 620 students (2024: 20 900) with bursaries valued at R272 million (2024: R245 million). Beyond bursaries, the Group supported 655 CSI projects focused on community upliftment and development.

## Respect, Diversity and Inclusion (RDI) programme

Advtech's values are embedded through its RDI programme, which has been implemented across the Schools and the Tertiary Division to combat racism and discrimination. Our FaceUp platform, an anonymous reporting app, designed to empower individuals to report any discriminatory behaviour, continues to facilitate a safer and more trusting workplace.

## Stakeholders

Advtech continues to strengthen its engagement with stakeholders, ensuring their interests are addressed, as and when required. Stakeholder engagement is a standing item on the TSEC agenda and regular monitoring of the relations with the Group's stakeholders is undertaken in accordance with Advtech's stakeholder engagement policy, dispute resolution mechanisms and grievance policy.

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The Group's learning and development manager assists with the design and implementation of career pathways and framework for all employees. Through the school's capability programme, the business has focused on building the management and leadership as well as the commercial capabilities of its principals and teachers. In 2025, approximately R3.6 million was invested in the school's capability journey. Advtech, through the chair of the committee, reports to its shareholders on matters within its mandate at the company's AGM.

## Ethics and ethical culture

Ethics are embedded in Advtech's code of conduct and a supplier code of conduct that applies to all employees, directors and stakeholders. The directors, individually and collectively, continue to cultivate the highest levels of integrity, competence, responsibility,

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fairness, transparency and accountability in executing their functions. Ethical standards and behaviour are of primary importance to the Group and are expressed in the Group's values. These values are reviewed regularly to ensure that they remain relevant.

Employees and stakeholders are encouraged to disclose any improper conduct or unethical behaviour through the fraud and ethics hotline, which is available on the Group's website and intranet and allows for anonymous reporting. Advtech has a zero-tolerance policy towards fraud and corruption and necessary steps are taken against those who have been found guilty of unethical behaviour.

## ESG Steering Committee

An ESG Steering Committee meets a minimum of twice a year to support Advtech's ongoing commitment to ESG principles. This committee assists the ARCom and TSEC committees in discharging their oversight responsibility related to the Group's material ESG matters. This committee also provides guidance to the board on ESG matters while performing an oversight role in shaping the Group's ESG approach. [Read more on page 8 >](#)

## Policy review

All policies are reviewed by the committee to ensure they are non-discriminatory, of a high ethical standard and reinforce appropriate behaviour within the Group.

## Reporting

TSEC is satisfied with the effectiveness of the ethics management in creating an ethical culture and that, in all material respects, it has achieved its objectives for the year under review.

The committee is satisfied that no items have been reported on which indicate non-compliance with the mandate of TSEC or its statutory requirements in terms of the Companies Act.

On behalf of the Transformation, Social and Ethics Committee.

**Dr Jacqueline Chimhanzi**  
TSEC chair

17 April 2026



2025 Reporting

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