



PwC Independent Auditor's limited Assurance Report on the Selected Indicators in Absa Group Limited's Environmental, Social and Governance Report

To the Directors of Absa Group Limited

We have undertaken a limited assurance engagement in respect of the Selected Indicators, as described below, and presented in the 2019 Environmental, Social and Governance Report of Absa Group Limited ("Absa") for the year ended 31 December 2019 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in this report on the following Selected Indicators on the indicated pages of the Report. The Selected Indicators described below have been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

Selected Indicators	Unit of measurement	Boundary	Page
Total energy use	gWh	Group	46
Total carbon emissions	tonnes CO ₂ e	Group	47

We refer to this information as the "Selected Indicators for limited assurance".

Your responsibilities

The Directors are responsible for the selection, preparation and presentation of the Selected Indicators in accordance with the accompanying reporting criteria as set out on the page following this assurance report (the "Reporting Criteria").

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to of energy and carbon emissions management and performance;
- the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error; and
- determining the appropriateness of the measurement and reporting criteria in view of the intended users of the Selected Indicators and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, our assurance work will not include examination of the derivation of those factors and



other third party information. Carbon emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Selected Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410) issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Selected Indicators are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected indicators, assessing the risks of material misstatement of the Selected Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the Selected Indicators;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the Selected Indicators; and
- Evaluated whether the Selected Indicators presented in the Reports are consistent with our overall knowledge and experience of energy and carbon emissions management and performance at the Company.



The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Selected Indicators have been prepared, in all material respects, in accordance with the accompanying the Company's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the Selected Indicators as set out in the Subject Matter paragraph above for the year ended 31 December 2019 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matter(s)

The maintenance and integrity of Absa's website is the responsibility of Absa's directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Absa's website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the Selected Indicators to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Jayne Mammatt

Registered Auditor

4 Lisbon Lane, Waterfall City, 2090

30 March 2020

Absa Group Key Performance Indicator Reporting Criteria

Indicators	Definition
Total energy use	Total energy usage is the sum of electricity, gas, solar photovoltaic, petrol and diesel used in kWh for the twelve month period ended 30 September 2019. Excludes all residential, parking, ATMs, sport and recreation and land.
Total carbon emissions	<p>Total of Scope 1, 2 and 3 CO₂ emissions (GHG Protocol: operational control boundary) for the twelve-month period ended 30 September 2019.</p> <p>Total of Scope 1, 2 and 3 carbon dioxide emissions (according to the GHG Protocol) covering:</p> <ul style="list-style-type: none"> • Scope 1 – Direct combustion of fuels and company-owned vehicles including functional/fleet vehicles (captured from vehicle mileage) and electricity from gas combustion (metered); • Scope 2 – Purchased electricity from Eskom (metered and calculated), excludes all residential, parking, ATMs, sport and recreation and land.; and • Scope 3 – Business travel including local and international flights; car hire (captured from service providers) and employee kilometre claims. <p>Rest of Africa data is only included in the diesel, electricity and flights data used in the calculation of the carbon footprint.</p>