

Absa Supplier Code of Ethics

Contents

Introduction

This Supplier Code of Ethics (“the Code”) has been developed to ensure that Absa Group’s values and ethical standards are clearly articulated to and supported by our suppliers. The Code determines the ethical values, standards, principles and guidelines that bind our suppliers in all their dealings with the Group and intends to offer a harmonised approach to responsible sourcing while effectively managing risks and opportunities.

As a leading African financial services institution, we understand that we need to lead by example in the way that we do business. We seek to reinforce our business integrity by striving to improve the service that we provide, making responsible decisions in how we manage the business and actively managing the social and environmental impacts of what we do to help individuals, communities, businesses and economies progress and grow. As a founding signatory to the Principles for Responsible Banking under the United Nations Environment Programme – Finance Initiative, Absa believes that only in an inclusive society founded on human dignity, equality and the sustainable use of natural resources can our clients, customers and businesses thrive, so we have committed to using our products, services and relationships (including suppliers) to support and accelerate the fundamental changes in our economies and lifestyles necessary to achieve shared prosperity for both current and future generations.

We comply with applicable laws and regulatory requirements in the various jurisdiction in which we operate and require our suppliers do the same. In instances where the standards outlined within this document differ from local laws and customs, suppliers are to comply with the higher level of compliance.

We seek mutually beneficial relationships with suppliers and third-party service providers based on merit. We provide competitive bidding opportunities to a diverse base of qualifying suppliers, ensuring fair and equal treatment during selection as guided by our Group Procurement Policy and its supporting standards. We also require suppliers to conduct themselves in a way that avoids conflicts of interest. We honour commitments made to suppliers by complying with the terms of third-party contracts.

The Code in itself, is not a means to an end, but rather the first step in the development of a constructive dialogue between the supplier and Absa. The standards outlined in this Code will be periodically updated to reflect changes in laws, regulations, policies and standards.



1. Environmental management

In fulfilling our environmental responsibilities, we comply with applicable environmental legislation, standards and operating procedures in the countries in which we operate. We integrate environmental considerations and implications into our business decisions and lending evaluations by using a risk-based criteria embedded into our internal policies and processes. We collaborate to improve environmental performance and use sustainable practices in property design and management.

We require our suppliers to join us in similar environmental efforts, including:

Environmental management

Implementing environmental management policies/systems as appropriate to their businesses to support compliance with local government regulations and strive towards best practices.

Environmental impact management

Aligning with best practice activities, including the setting of environmental targets, reducing operational environmental impacts and disclosing information to demonstrate environmental performance.



2. Human rights

In line with our purpose of bringing possibility to life and aspiration of being a financial services group that is globally respected and that Africa can be proud of, Absa Group is committed to respecting and upholding human rights in all its operations. Absa seeks to operate in accordance with the Universal Declaration of Human Rights and the associated International Bill of Human Rights, and takes account of other internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Convention on the Elimination of all Forms of Discrimination Against Women and the International Labour Organisation Core Conventions and Treaties.

Absa's commitment to upholding these rights is firmly entrenched in our Absa Way Code of Ethics, our Reputation Risk Policy and demonstrated in our lending practices as documented in our Environmental and Social Risk Standard for Lending, our Group Sustainability and Citizenship policies as well as our Human Resources policies and standards.

Absa supports human rights through our supply chain by insisting on behaviours and practices that are in line with our own standards and policies; with specific consideration for health and safety, freely chosen employment, avoidance of child labour, working hours, fair wages and benefits, freedom of association and diversity and inclusion.

This will be enabled by rigorous due diligence before entering into relationships with key suppliers, to avoid adverse human rights impacts. We welcome relationships with our suppliers as opportunities to improve and evolve practices with respect to human rights. These behaviours and practices specifically consider:

Occupational health and safety

Provision of a safe and hygienic working environment through proactive management and controls that minimise health and safety risks and support accident prevention for all personnel, based on knowledge of the industry and legislation. Where delivery of products and services are performed on Absa's premises, a Contractor Management – Supporting document guides these activities.



Freely chosen employment

Ensuring that all work is completed voluntarily and without slavery, servitude, forced or compulsory labour and human trafficking.

Avoidance of child labour

Child labour must not be employed. All labour practices must comply with the minimum age for work and prioritising mandatory schooling age.

Working hours

Ensuring that all workers are entitled to work and be paid for a minimum level of working hours as governed by the respective employee contracts, that working hours are not excessive and that maximum working hours comply with national laws.

Wages and benefits

Being responsible for employee compensation and payment of fair wages. All employees to be paid a fair wage commensurate with prevailing industry conditions or the minimum wage, whichever is higher. Any overtime should be voluntary and compensated appropriately.

Employee freedom of association

Respecting the rights of workers to exercise freedom of association and collective bargaining. Where the right of freedom of association and collective bargaining is restricted under law, suppliers will not hinder the development of alternative means for informing/consulting with employees.

Avoidance of discrimination and harassment

Promoting a workplace free from discrimination, harassment (sexual, physical, mental, emotional), victimisation, or any other form of inappropriate behaviour or abuse on any grounds, including but not limited to, age, disability, ethnic origin, gender, gender identity, nationality, marital status, parental status, physical appearance, political convictions, pregnancy, race, religious beliefs, sexual orientation, social origin or status, economic status, union affiliation or employment status.

Grievances

Implementing formal mechanisms allowing employee grievances regarding human and labour rights violations to be properly filed, addressed and resolved without fear of perceived or actual retaliation.



3. Diversity and inclusion

Absa uses fair and objective employment practices to ensure that all employees are recruited, employed and upskilled based on merit, qualifications, skills and competency to do the job, not on personal bias or prejudice. We achieve this by dealing fairly and ethically and we do not tolerate any form of discrimination, bullying or harassment in the workplace. Inclusion forms an integral part of our overall strategy, led by Absa executive members and championed by a group of senior leaders from across our businesses and geographic locations.

We are dedicated to creating an inclusive environment where everyone's perspective is valued. We achieve this by cultivating a working environment in which the unique talents of each employee are fully utilised and respected. These achievements are supported through a series of internal policies, programmes and colleague support networks and are underpinned by our five key pillars that form the structural foundation for progress:

- **Gender**
- **Multigenerational**
- **Disability**
- **Multicultural**
- **Non-binary genders such as lesbian, gay, bisexual, transgender and intersex.**

We take action if we observe inappropriate or unacceptable behaviour. Our suppliers must align with us to achieve excellence in equality, diversity and inclusion through, among other things:

Workplace inclusion and development

Actively demonstrating commitment by documenting an approach to equality, diversity and inclusion through all aspects of workplace operations and management.

Inclusive supply chain management

Our inclusive procurement practices and supply chain development programmes provide entrepreneurs with access to business opportunities, addressing the challenges that they may experience.

Our suppliers must, as appropriate, drive active management of downstream supply chains as part of their commitment so that the principles of diversity and inclusion are encouraged through their supply chain. As part of this active management, our suppliers must utilise and develop diverse businesses such as ownership-diverse or emerging small and medium enterprises.



4. Society

Absa recognises the impact that our procurement practices may have on local society. Our suppliers must avoid decisions that may have a negative social or economic impact on society and are encouraged to establish initiatives designed to foster local development and the prompt payment of suppliers and sub-contractors.



5. Products and services responsibility

Absa has made a commitment to deliver products and services that are responsibly sourced, produced and delivered to our customers, clients and employees. Our supply chain partners must be aligned to support this commitment through:

Customer-focused accessibility and inclusion

Embedding relevant standards, innovation and best practice to deliver inclusive products and services for our customers and stakeholders. Encouraging suppliers to demonstrate commitment and ability to support Absa's aim to deliver products and services that meet the needs of our diverse customers and stakeholders, including the needs of people with disabilities.

Product and service responsibilities

Products and services are designed, produced and distributed in such a manner as to comply with laws, regulations and voluntary codes through their lifecycle. All products supplied to Absa must meet the minimum standards of the jurisdiction in which they will be supplied, along with relevant safety information, where applicable.

Avoidance of disputed products and services

Demonstration of avoidance of the sale, use, marketing and communications, including the advertising, promotion and sponsorship of disputed products or services, as defined by regulations and voluntary codes.

Fair dealing with customers

Sales or performance incentives are designed and controlled in such a manner as to comply with regulations, voluntary codes and Absa's incentive principles and standards, as well as, provide transparency and offer safeguards to prevent moral hazard and conduct risk that could negatively impact customers.



6. Extending Absa's values and behaviours

We're a truly African brand, inspired by the people we serve and determined to always be brave, passionate and ready so that we can make Africa proud. Our purpose is bringing possibilities to life. The Absa Way Code of Ethics outlines our values and expected behaviours when engaging with our fellow employees, customers, clients, shareholders, governments, regulators, business partners, suppliers, competitors and the broader community.

Our values are:

- ***We drive high performance to achieve sustainable results.***
- ***We are obsessed with the customer.***
- ***Our people are our strength.***
- ***We have an African heartbeat.***

How we behave is instrumental to achieving the highest standards of performance, adding value to our customers and clients, and meeting our regulatory obligations. Over and above the behaviours that bring our values to life, we have a set of behaviours that guide the Absa Way Code of Ethics. We expect our employees to:

- ***Act ethically and with integrity.***
- ***Act with due skill, care and diligence.***
- ***Be open and cooperative with regulators.***
- ***Treat customers fairly.***
- ***Observe standards of market conduct.***
- ***Respect one another professionally, including our diversity.***
- ***Remember our communities in day-to-day business.***

Our suppliers are expected to collaborate with us in achieving this goal, by ensuring that all their employees and sub-contractors who interact with Absa's personnel, clients and customers on Absa's behalf demonstrate these values and behaviours. Where appropriate, suppliers are to communicate the information contained in the Absa Way Code of Ethics to their employees to help them reflect and demonstrate the Absa Values in their interactions with Absa's employees, clients and customers.





Supplier personnel should be aware of rules and restrictions that regulate interaction with Absa employees and must not cause non-compliance with laws and policies, specifically:

Avoidance of conduct risk

Absa is committed to conducting our activities free from any form of bribery or corruption. We adopt a zero-tolerance approach to any acts of bribery or corruption perpetrated by Absa employees, suppliers and others with whom we do business or who act on our behalf.

Any suspicions of or attempts at bribery or corruption, or suspected or actual breaches of the Absa Anti-bribery and Anti-Corruption Policy must be reported. The whistleblowing and contact details sections provided later in this document will explain the process.

Gifts and entertainment

We do not offer, accept or solicit gifts or entertainment inappropriately as an incentive or means of influencing actions or opinions which amount to or create the impression of bribery. If a supplier wants to offer an Absa

employee a gift or entertainment, the employee will be guided by what is and is not acceptable as outlined in our Absa Gifts and Entertainment Standard.

Conflicts of interest

In line with regulations and ethical responsibility, Absa has policies and controls managing conflicts of interest, and takes appropriate measures to properly identify and manage potential conflicts. Absa employees are required to seek approval for outside affiliations, including those with suppliers. Our suppliers are obligated to support our conduct risk initiatives and notify us of any known or perceived conflicts of interest.

Fraud

Absa has zero tolerance for fraud and other dishonest actions. As the Group's defences become more robust, fraudsters are increasingly targeting customers, suppliers and employees directly. Our suppliers must support our organisation's efforts to combat fraud by being vigilant, maintaining processes and procedures that have built-in fraud controls and taking proactive steps to report incidents

7. Raising a concern (whistleblowing)

We expect everyone to speak up if they believe that something is not right – such as misconduct, fraud or illegal activity – or if they feel that our standards are not being met. All stakeholders should act in good faith by only reporting information that you reasonably believe to be true. We prohibit malicious and false reporting.

Concerns raised are taken seriously, treated sensitively and, where appropriate, investigated independently. No person will be treated less favourably or discriminated or retaliated against because they have raised a concern.

We expect our suppliers to make their employees aware of how to whistleblow and strongly encourage their employees to raise concerns (whistleblow) to Absa regarding inappropriate conduct by Absa or our employees.

Suppliers must inform their employees that they will not be subjected to retaliation by their employer, Absa, or Absa's employees as a result of raising a concern; and that if they are retaliated against, this should be reported to Absa.

Suppliers are required to adopt appropriate internal procedures, if they do not have a process already that assists workers (employees or sub-contractors) with concerns to blow the whistle internally about matters that are relevant.



To report any ethical breaches, our suppliers, sub-contractors and other stakeholders can contact the Priority Investigations and Whistleblowing team directly on protected@absa.co.za, the Tip-offs Anonymous Hotline (protect@tip-offs.com), the website (www.tip-offs.com) or the toll-free number 0800 205 055 (South Africa only). Employees in all other countries can request a call back on +27 11 929 333. [Click here](#) for a complete list of tip-off numbers in all countries in which we operate. All reports will be treated in confidence and seriously.

8. Monitoring and due diligence

Absa has a responsibility to conduct appropriate due diligence before entering into relationships with suppliers. This will include, but is not limited to, reviewing copies of employment and health and safety policies and undertaking due diligence with the aim of establishing that none of our suppliers have any association with activities linked to adverse human rights, financial crimes, environmental breaches or other unethical practices.

All suppliers are required to self-monitor their compliance with our Supplier Code of Ethics and to inform us of any non-compliance. Absa further requires that suppliers whose services are segmented as high and medium risk to Absa are to conduct an annual self-certification against our Supplier Code of Ethics. All suppliers are obligated to provide us with responses to our requests for information about compliance with our Supplier Code of Ethics.

Key suppliers will be subject to on-site audits from time to time. Any suppliers not meeting our requirements (through either self-certification or on-site review), will be subject to measures that may include a remediation process and where no suitable resolution is reached, the termination of services.



Definitions

Supplier means any juristic or natural person that provides a product or service to Absa or to any of its clients either directly or indirectly.

Sustainability risk results from the failure to implement responsible operational, procurement and lending practices, has a direct and indirect negative impact on the environment and society and/or geographies in which we operate and may reduce value over the long term. Details of Absa Group's aim to support sustainability is outlined in the published Group Sustainability Policy, which can be found at

<https://www.absa.africa/content/dam/africa/absafrica/pdf/news/2020/sustainability-policy.pdf>

The Absa Way outlines the purpose and values that govern our way of working across our business. It defines the way that we think, work and act at Absa to ensure that we help you bring your possibilities to life. It provides guidelines for our working relationships, specifically between employees, customers and clients, governments, regulators, business partners, suppliers, competitors and the broader community.

The Absa Way can be found at <https://www.absa.africa/absafrica/about-us/who-we-are/code-of-ethics/>

Ownership diverse refers to businesses that are owned and operated by a "disadvantaged" member/s of the population, which could be women, minorities, people with disabilities and black economic empowerment (BEE) or other businesses deemed disadvantaged due to their size, location, or due to being socially or economically disadvantaged.



