



Absa Group Limited

Sustainability Report 2023



About our Sustainability Report

Scope and reporting period

Our Sustainability report aims to communicate our approach, performance and impact on material sustainability matters using double materiality. It supplements our 2023 Integrated Report.

The report covers 1 January to 31 December 2023 but includes notable or material events after this period and its approval date.

The data provided in this report – both financial and non-financial – pertains to Absa Group Limited (the Group) as the reporting entity, which includes all entities over which the Group has control or significant influence.

Currency and measurement

All amounts in this report are in South African rand unless otherwise noted. Measurements used in this report are metric.

Application of King IV

As a South African based organisation with a primary listing on the Johannesburg Stock Exchange, we seek to comply with the King IV voluntary disclosure principles. In a section of this report, we provide information on how we have applied the principles in practice. On page 56, we provide a reference table to guide readers to the relevant disclosures for each King IV principle.

Assurance

We apply a risk-based, combined assurance approach to the Group's operations. Internal controls, management assurance, compliance and internal audit reviews, supported by independent external service providers, ensure the accuracy of disclosures within all our published reports. In line with their respective mandates, specific reports are reviewed and recommended to the Board for approval by the Disclosure; Social Sustainability and Ethics; Remuneration; Directors' Affairs; Group Audit and Compliance; and Group Risk and Capital Management Committees.

Deloitte provided limited assurance on selected sustainability key performance indicators for the year ended 31 December 2023. Please refer to Deloitte's limited assurance conclusion detailed on page 59.

All assurance documents are available on our website at www.absa.africa.

Feedback

We welcome feedback on this report and any aspect of our sustainability performance. Please address all feedback to Absa Group Strategy and Sustainability Function at sustainabilitymatters@absa.africa.

Oversight and approval of the report

The accountability of our sustainability strategy and reporting is part of the Social Sustainability and Ethics Committee's (SSEC) mandate.

On behalf of the Board, the Committee is of the opinion that this report presents a fair and balanced view of our sustainability disclosures.

The Committee approved the report on 19 March 2024.

KingIV™



King IV application

Online



Online Download

Table of contents

Our Group annual reporting suite	2
Overview	4
Strategy	9
Governance	17
Financial inclusion	26
Diversity and inclusion	32
Climate	36
Corporate citizenship	45
Other disclosures	49
Annexures	54



Our Group annual reporting suite



Annual Consolidated and Separate Financial statements (Group and Bank)

Integrated Report

Sustainability Report Sustainability data disclosure Limited Assurance Report

Climate Report

Principles for Responsible Banking

Description

Our Financial Statements present details of our annual financial performance, including a balance sheet, statement of profit and loss, statement of changes in equity, cash flow statement, and notes to the financial statements.

Our integrated report is our primary report to our investors. It aims to explain Absa's holistic enterprise value to providers of financial capital. It connects our material matters (financial materiality) to financial disclosures, thereby demonstrating how governance, strategy and risk management could affect enterprise value.

Our Sustainability Report aims to communicate our approach, performance and impact on material sustainability matters.

Our Climate Report aims to convey the advances we have made in understanding and addressing climate-related risks and unlocking opportunities, as well as the progress made in implementing the Task Force on Climate-Related Financial Disclosures recommendations.

Our Principles for Responsible Banking Report aims to provide shareholders with a concise yet sufficiently informed view of the Group's strategy, governance, performance and prospects in the context of our operating environment, reporting on how value is created, protected or eroded over time.

Frameworks

- Banks Act
- Companies Act
- International Financial Reporting Standards
- Johannesburg Stock Exchange Listings Requirements
- King IV Report on Corporate Governance for South Africa 2016 (King IV)

- International Financial Reporting Standards Foundation Integrated Reporting Framework (2021)
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV).

- Global Reporting Initiative
- Johannesburg Stock Exchange Sustainability Disclosure Guidance
- United Nations Global Compact Principles
- Principles of the Financial Sector Code.

- Financial Stability Board's Task Force on Climate-Related Financial Disclosures framework.

- United Nations Environment Programme Finance Initiative's Principles for Responsible Banking.

Our Group annual reporting suite continued



Remuneration Report

Broad-Based Black Economic Empowerment Report

Pillar III Risk Management Report

Tax Transparency Report

Description

Our Remuneration Report sets out our Remuneration Policy, which remains fit for purpose and is unchanged. It further sets out our remuneration implementation outcomes for 2023, including for executive directors and prescribed officers.

Our Broad-Based Black Economic Empowerment Report demonstrates Absa's progress in meeting its aim of achieving transformation, diversity and inclusion meaningfully and sustainably, using our financial resources, the expertise of our people and our infrastructure, as we simultaneously transform our organisation.

Our Pillar 3 Risk Management Reports offer the required quarterly perspective on Absa Group Limited's risk, liquidity and capital governance and risk management positions, serving as additional information for investors to support their decision-making process.

Our tax transparency report, aligned with GRI 207, details our country by country tax contributions. It highlights our commitment to sustainable governance, ethical tax practices, and stakeholder engagement, emphasising transparency and responsibility.

Frameworks

- Banks Act
- Basel Committee on Banking Supervision Pillar 3 disclosure requirements
- Companies Act
- Johannesburg Stock Exchange Listings Requirements
- South African Prudential Authority's Governance of Insurers standards
- Local remuneration-related legislative and regulatory requirements in countries in which we operate.

- Principles of the Financial Sector Code
- South Africa's Broad-Based Black Economic Empowerment Amendment Act.

- Basel Committee on Banking Supervision Pillar 3 disclosure requirements (Pillar 3 Standard)
- Regulation 43 of the Regulations relating to Banks (Regulations), issued in terms of the Banks Act, 1990 (Act No. 94 of 1990), where not superseded by the Pillar 3 disclosure requirements.

- Enacted tax legislation
- Global Reporting Initiative 207: Tax 2019.



Overview

Chief Executive Officer's message	5
2023 Highlights	7
Absa at a glance	8



Chief Executive Officer's message



Arrie Rautenbach
Group Chief Executive Officer

“Leading with purpose and commitment to a sustainable and inclusive future.”

In the face of unprecedented global challenges, we remain committed to being an active force for good in everything we do, driving positive change and making a meaningful impact on the world.

Our renewed purpose statement, “Empowering Africa’s tomorrow, together ... one story at a time,” signifies our commitment to the continent, recognising the power we possess as a financial institution to propel the future forward in an ecosystemic context.

Globally, we’ve grappled with crises like the pandemic, global conflict and high inflation. Africa faces unique challenges, including political unrest and humanitarian crises. Additionally, climate change compounds these issues, threatening lives and exacerbating social inequalities. Notably, floods in Southern Africa this year and in 2023 caused significant loss of life, particularly affecting vulnerable groups. In South Africa, load shedding reached unprecedented levels, highlighting the urgent need for energy security.

Our purpose is underpinned by our company values and encapsulates our dedication to being an active force for good in everything we do, acknowledging the interconnectedness of financial success and societal well-being.

Our commitment to financial inclusion, diversity, and climate action drives our sustainability strategy, guided by strong governance and responsible corporate citizenship.

Increasing our sustainability and climate intent

Our Board and management team have worked diligently this year to solidify our foundation for a sustainable future. Our efforts – led by the Group Strategy and Sustainability Function with oversight from the SSEC – have strengthened processes, introduced metrics for improved accountability and integrated sustainability initiatives into the Group strategy.

In 2023, we published our Net Zero Statement, outlining a pathway to achieve net zero greenhouse gas emissions by 2050 across operational and financed Scope 1, 2, and 3 emissions. Our goal has been fully supported by our Board and executive management team, who have taken on the pledge with the seriousness it deserves.

We believe a just energy transition is critical for South Africa and the continent. As such, we advocate for an equitable transition that balances social inclusion and fair employment with the imperatives to protect the environment.

Our SSEC played an important role in overseeing our climate objectives, approving our strategy and goals. It reviewed key climate-related standards and scenario approaches, such as the International Energy Agency Announced Pledges Scenario, to ensure our Scope 3 financed emission reduction pathways are aligned with best practice and sound methodology.

Through this process, we finalised our first two financed emissions reduction targets from 2022 to 2030, focusing on our most intensive carbon emissions sector. We set targets to cut coal-financed emissions by 25% and reduce oil and gas-financed emissions by 9%. Our sustainability metrics within Organisational Health in our incentive scorecards have been refined to include these elements.

Our efforts have been recognised by industry awards and global sustainability rankings. This includes being recognised by the 2024 Sustainable Finance Awards as Best Bank for Sustainability Transparency and for Sustainable Bonds in the Africa region category. It also includes our S&P Global Sustainability 93rd percentile rating and our CDP rating of B.

Chief Executive Officer's message continued

Progress in our sustainability focus areas

Financial inclusion – We continue to provide equitable access to affordable financial services and products that cater to the specific needs of our communities to improve financial inclusion and resilience. This includes:

- The launch of ChatWallet, a secure WhatsApp-based digital product with no monthly charges, assisting unbanked and underbanked populations.
- Absa Credit Coach, an in-app credit tool to improve client credit scores and to coach one million people towards financial resilience.
- Supporting the development of an affordable housing market by offering tailored financial solutions.

Diversity and inclusion – Our commitment to empowering Africa one story at a time is demonstrated through transformative initiatives and recognitions that underscore our dedication to creating an equitable workplace and society. This includes:

- The launch of the Absa Broad-Based Black Economic scheme on 1 September 2023 stands as a testament to empowering employees and communities to drive socio-economic development and community upliftment through ownership, fostering a sense of belonging and shared success. It improves financial inclusivity by offering employees and communities a stake in the company's future.
- The prioritisation of women inclusivity in our leadership, supply chain and financial inclusion solutions, promoting diversity, gender equality, and inclusive decision-making.

Climate – Our approach to climate action focuses on reducing carbon emissions and managing other environmental issues, while supporting our customers and communities with growing opportunities. This includes:

- Setting and managing our Scope 1, 2 and 3 emission reduction targets. In addition to our Scope 3 progress detailed earlier, we have reduced our own emissions by 33% against a target to reduce emissions by 51% between 2018 and 2030.
- Increasing our green finance efforts to mobilise R100 billion in sustainable finance by the end of 2025. We have reached over 80% of this target, with R84.1 billion in sustainability-linked financing being distributed since 2021.
- Expanding our status as Africa's leading financier of renewable energies. Our Renewable Independent Power Producer Programme investments since inception resulted in R89.8 billion disbursed to support 43 projects, generating 4 025MW of clean energy.

Looking forward

While we have made good progress, we are driven to continuously learn and improve the way we manage our key focus areas. Some important initiatives underway to enable this include:

- Undertaking a comprehensive sustainability data programme to improve the availability and quality of data required for sustainability measurement and management.
- Conducting skills development and awareness on sustainability to empower our Boards and workforce.
- Providing innovative inclusive banking products and affordable home loans, while supporting financial inclusion in the agriculture sector, as well as small and medium enterprises with a focus on women and youth.
- Growing the share of women in leadership, improving fair and responsible remuneration, and developing supply chain diversity.
- Identifying and setting additional sector-specific pathways for our other climate-sensitive sectors within our Scope 3 financed emissions framework.
- Enhancing our climate risk assessment methodologies through improved data capabilities and more comprehensive scenario testing.

As we reflect on our achievements and lessons learned during 2023, we express optimism about Africa's future: grounded in the resilience of its people, the untapped potential of its economies, and the positive impact that purpose-driven organisations like Absa can have on shaping a sustainable and prosperous future for the continent.

Our unwavering commitment to achieving our sustainability commitments extends to all stakeholders – employees, clients, communities, and beyond.



2023 Highlights

Empowering Africa's tomorrow, together ... one story at a time

Climate



Sustainable financing **R84.1 billion** (2022: R48.5) cumulative since 2021. Achieved more than 80% of our R100 billion sustainable finance target by 2025.

Developed Financed Emissions Targets for our Fossil Fuels Portfolio

Financial inclusion



Concluded a **R4.5 billion** loan agreement with the International Finance Corporation through the Market Accelerator Green Construction (MAGC) programme, with at least **50% of the overall MAGC** allocated to affordable housing transactions.

105 337 (2022: 79 173) consumer education participants

Market first **low-cost Chatwallet** launched

80% finalisation rate of debt review applications within industry timelines

Sustainable financing of **R2.1 billion** (2022: R723 million) to small and medium enterprises

Diversity and inclusion



Launched a Broad-Based Black Economic Empowerment share scheme for employees – the **Absa eKhaya Colleague Share Scheme**.

Absa Group was named by Forbes as one of the **World's Top 400 Women Friendly Companies**, the top African organisation to champion women's agenda, for two consecutive years.

Achieved **Level 1 B-BBEE** status for the past **three years**

Received the **"BEE deal of the year"** from the DealMakers Annual Gala Awards 2023 for our Ekhaya transaction

Governance



Advancing the Group's sustainability journey towards global goals and ethical excellence by integrating sustainability into strategy and embedding it into our operations.



Launched a refreshed brand promise – **'Your Story Matters'** embodies our purpose

96.5% retention (2022: 94.8%) of high performing senior management and **95.4%** (2022: 94%) of all employees

93rd percentile (2022: 89th) ranking on S&P Global rating and CDP (former Carbon Disclosure Project) **rating B** (2022: B)

Absa at a glance

We are a purpose-led financial services provider that has operated in Africa for over 100 years, present in 12 countries across Africa and four countries beyond the continent.

We play an integral role in the economic life of individuals, businesses, and nations. We help create, grow, and protect wealth through partnerships in economic development while playing a shaping role in Africa's growth and sustainability.

Our purpose

Empowering Africa's tomorrow, together ... one story at a time

What sets us apart...

Our infrastructure: Network across Africa of >1 000 outlets, >6 000 ATMs, digital channels, and strategic partnerships and suppliers

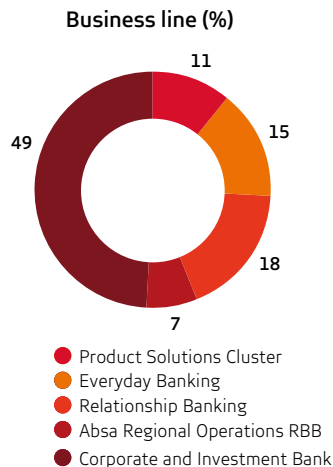
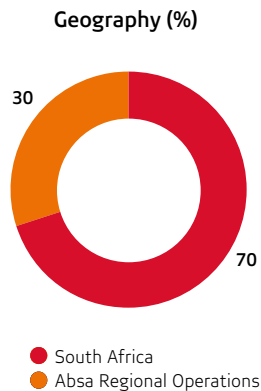
Our employees: >37k diverse, dedicated and passionate employees, including an experienced Executive Committee with 204 years combined Absa experience

Our culture and values: Trust, resourcefulness, stewardship, inclusion, and courage

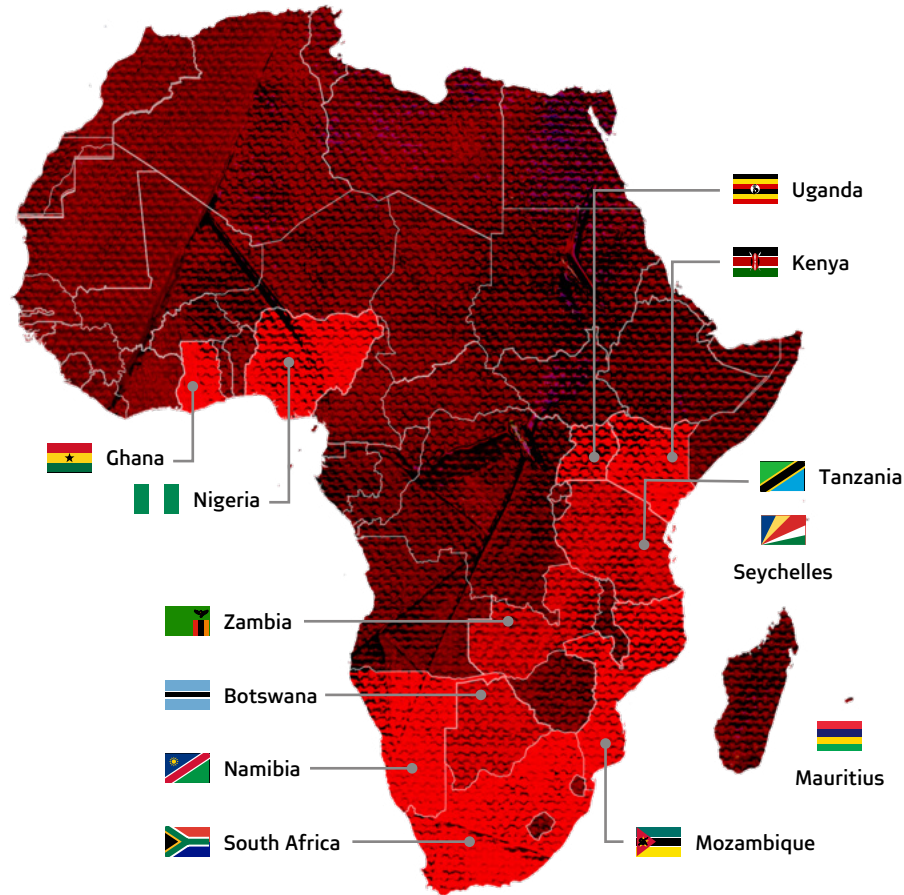
Our brand: Strong brand and presence in key markets, with heritage dating back >100 years

Our capabilities: Deep financial, commercial, technical, risk and management skills

Diversity of earnings



A leading pan-African bank with deep heritage and roots



General advisory support

Czech Republic¹ People's Republic of China²

¹ Technical (IT support resources to the Group).

² Non-banking subsidiary providing general advisory services to clients based in China for concluding transactions in South Africa and across the African continent.

Securities entities

UK USA

Scale of the organisation

Number of clients
12.2 million
2022: 11.7 million

Income
R104.5bn
2022: R96.8bn

Headline earnings
R20.9bn
2022: R20.0bn

Market capitalisation
R146.4bn
2022: R164.4bn

Capital adequacy ratio
15.8%
2022: 16.6%

Total assets
R1.9trn
2022: R1.8trn

Gross loans and advances
R1.3trn
2022: R1.2trn

Strategy

Our Group strategy	10
Our sustainability framework	11
Integrating sustainability into Group strategy	12
Our material matters	13
Our stakeholders	14



Our Group strategy



How our sustainability framework delivers our Group strategy

At Absa, our purpose to serve as an active force for good permeates our operations. This commitment is part of our identity and a strategic directive, intersecting our Group strategy, Group policies and practices. Our strategy relies on the seamless integration of our sustainability objectives to create a sustainable future for Africa. Our sustainability strategic pillars are aligned with our purpose which drives our sustainability framework, and which is supported by enablers such as governance and corporate citizenship. This alignment is critical as it informs our actions and decisions, ensuring that our corporate strategy delivers on our sustainability goals.

“ Our sustainability framework is seamlessly integrated into our Group strategy, embodying our core principle of being “an active force for good in everything we do”. ”



Our sustainability framework

Empowering Africa's tomorrow, together... one story at a time

Drive measurable, material change in our communities, in a way that brings our Purpose to life, differentiates us from peers, and strengthens our business

Strategic pillars

Enablers

Our priorities **Financial inclusion**

Our goals Make intergenerational wealth creation accessible to all

- Our goals**
- Equitable access for underbanked communities – individuals and SMEs, and with a particular focus on youth and women
 - Full set of clients' financial needs met across transactional banking, credit, insurance, and wealth accumulation

SDG alignment



Our priorities **Governance**

Our goals Commit to the highest standards of governance and ethics

- Our goals**
- Sector-specific pathways defined with a thorough analysis of trade-offs
 - Proactive compliance with the highest standards of evidence and ethics across all businesses

SDG alignment



Our priorities **Diversity and inclusion**

Our goals Enable all our employees to bring their true selves to work, and be a beacon of inclusion externally across the continent

- Our goals**
- Disadvantaged demographics are fairly represented at each level of the organisation
 - High share of employees feel they are accepted members of the workforce
 - Supply chain is strengthened and diversified by the inclusion of under represented groups

SDG alignment



Our priorities **Corporate citizenship**

Our goals Address the socio-economic dynamics within our areas of operation and generate sustainable impact.

- Our goals**
- Improve financial literacy and expand access to financial services
 - Cultivate a thriving entrepreneurial ecosystem that empowers individuals and entrepreneurs
 - Foster a culture of employee volunteerism for community upliftment
 - Empower communities to promote self-sufficiency and build resilience
 - Become a thought leader and trusted partner in financial inclusion through entrepreneurship.

SDG alignment



Our priorities **Climate**

Our goals Contribute to Africa's transition in a way that is just and fair to all

- Our goals**
- Net zero achieved by 2050
 - Absa established as Africa's leader in sustainable finance
 - Maintain leadership in renewable energy finance

SDG alignment



Integrating sustainability into Group strategy



“We are integrating sustainability into our operations through various measures.”

Sustainability issues pose both challenges and opportunities, providing us with an opportunity to lead the way, find innovative solutions, improve our competitiveness, build stronger relationships with our clients and stakeholders while also making a positive impact on our environment and society. Our sustainability framework is inextricably linked to, and strongly aligned with our Group strategy and is embedded in our strategic pillar called ‘an active force for good in everything we do’. Our approach to sustainability is therefore proactive and strategic, focusing on transforming our ambitions into tangible actions and outcomes.

We have integrated sustainability into our business strategy and are operationalising it through various measures.

<p>Align purpose and sustainability strategic pillars</p>	<ul style="list-style-type: none"> Fostering collaboration across business units to develop initiatives that align with our sustainability goals, thereby ensuring that these initiatives are not standalone projects but integrated into our business strategy. This includes purpose ambassadors, who are responsible for advancing sustainability awareness Established a Principles for Responsible Banking (PRB) Committee to enable us to uphold our universal sustainability commitments
<p>Develop actions and outcomes</p>	<ul style="list-style-type: none"> Identified key sustainability metrics and established ambitious targets to ensure that our efforts are measurable, impactful, and aligned with our broader business objectives Announced our net zero ambition to all our stakeholders and undertook a thorough baselining of financed emissions, setting clear targets for reducing our exposure to high-emission sectors such as coal, oil, and gas. We also reviewed all sensitive sectors financing standards Establishing control measures to ensure the delivery of our sustainability ambition, including linking leadership rewards and incentives to sustainability outcomes
<p>Integrate sustainability into our operations</p>	<ul style="list-style-type: none"> Sustainability is at the core of our operations. Each business unit and function has developed a plan to integrate sustainability into key aspects of our operations <p> Diving deeper: Remuneration Report 2023</p>
<p>Execute a sustainability data programme</p>	<ul style="list-style-type: none"> Commenced with a comprehensive sustainability data programme to enhance data availability and quality. This will enable us to accurately measure, analyse, and report on our environmental, social, and governance performance, enabling informed decision making and fostering transparency and accountability
<p>Integrate sustainability into key reporting and engagements</p>	<ul style="list-style-type: none"> Embarked on a journey to improve our sustainability reporting to align with our strategy and best reporting practice. Refer to our Integrated Report 2023, this Sustainability Report 2023, the Climate Report 2023, B-BBBEE Report 2023 and PRB Report 2023 Identified material sustainability metrics and set targets to ensure accountability, expand impact across our business towards a common goal, as well as effectively track and monitor our progress Establishing a sustainability communication and stakeholder engagement approach
<p>Drive skills development and awareness on sustainability</p>	<ul style="list-style-type: none"> Launched a group-wide learning and development platform focused on sustainability thereby building the necessary capacity to drive our sustainability agenda Empowering colleagues with the knowledge and tools necessary to champion sustainability practices within their respective roles.

Our material matters

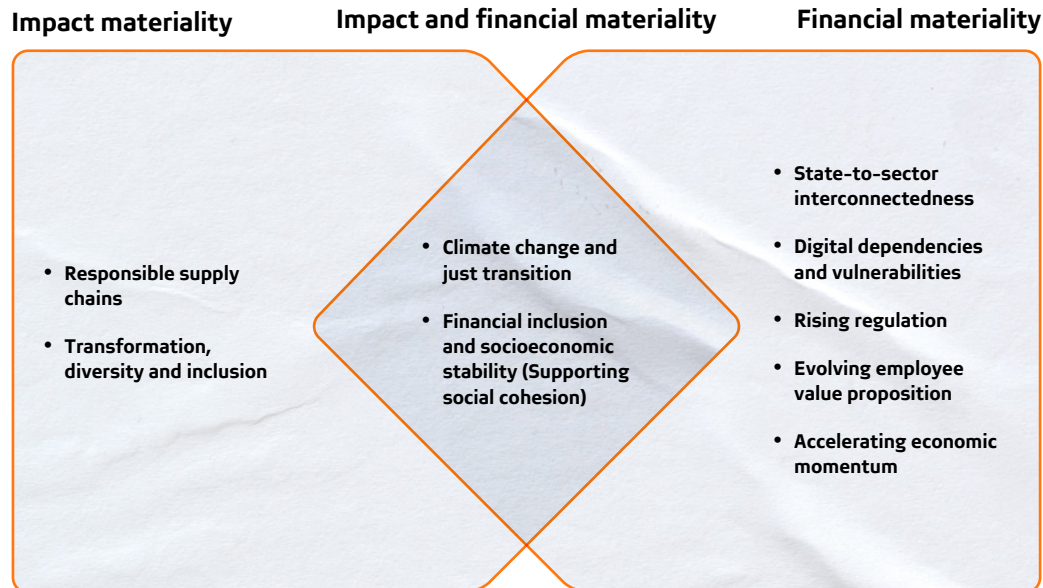
In 2023, we conducted a comprehensive double materiality assessment (the union of financial materiality and impact materiality). This involved gathering diverse perspectives and information on sustainability matters from various stakeholders. To establish a fitting definition for our Group, we analysed existing materiality definitions from frameworks like the Global Reporting Initiative, International Sustainability Standards Board, European Sustainability Reporting Standards, and Johannesburg Stock Exchange, along with industry best practices and regulatory requirements.

Our approach to double materiality enables our business to identify the material sustainability factors, prioritise them and understand how we can integrate our response to financial and impact material matters. While our financial material matters (sustainability topics that have an impact on the business) are already embedded within our Group strategy and risk framework, our approach confirmed the impact of material matters (how our business impacts sustainability topics) that inform our sustainability strategic pillars.

[Diving deeper: Integrated Report 2023](#)

Double materiality outcomes

Our material matters can be seen in three segments: financial materiality, impact materiality, and financial and impact materiality (intersection). By understanding the type of material matter, we can better manage, govern and report on it effectively.



Material matters per impact assessment

Material matter	Description	SDGs
Climate change and just transition	Concerns over climate change continue to be a top priority. However, climate change also presents opportunities. In recognising Africa's vulnerability to climate change, we have adopted taking action on climate change as one of our strategic priorities. We also recognise that climate change cannot be considered in isolation from the other environmental challenges facing the continent.	
Transformation, diversity and inclusion	Our approach to transformation, includes diversity, equity and inclusion with belonging being interwoven in our culture. Internal and external stakeholders cite diversity and inclusion as critical topics and enablers in unleashing our talent and delivering outperformance. We also ensure our stakeholders have a say in our climate change decisions.	
Financial inclusion and socioeconomic stability	In the face of rising social inequality and instability, we enhance social cohesion through targeted initiatives that promote financial inclusion and socioeconomic stability. Financial inclusion is achieved by ensuring that both individuals and enterprises can easily access affordable financial services and products that cater to their specific needs. We are uniquely positioned to make a substantive difference in responsibly extending financially inclusive products and services to underserved groups and desire to make inter-generational wealth creation accessible to all.	
Responsible supply chains	We have a responsibility to promote an ethical and inclusive supply chain, which respects human rights. Delivering on this responsibility requires us to exercise due diligence to identify, prevent and address any actual or potential human rights impacts resulting from our activities or the activities of our supply chain. We continue to embed the Supplier Code of ethics in order to manage risks the bank is exposed to through association with suppliers.	




Our stakeholders

Commitment to our stakeholders

As Absa we recognise that we are part of an ecosystem, and our stakeholders are critical to our success. We understand that the quality of our relationships significantly influences our ability to fulfil our purpose and therefore are building and maintaining trust-based relationships with all our stakeholders, taking into consideration their diverse needs and expectations. To this end, we carried out a high-level stakeholder diagnostic exercise to better understand perceptions of our sustainability efforts among employees and external stakeholders and developed an extensive pan-African stakeholder map for sustainability. This approach enabled us to understand stakeholder needs while also advancing our own sustainability objectives, to create a sustainable future for Africa. The stakeholder engagement table below provides details of who our key stakeholders are, how we engaged with them, and the outcomes of these engagements.

Understanding and meeting our stakeholder expectations

Stakeholders	Who they are	What matters to them	How we engage	2023 Performance
 Customers	<ul style="list-style-type: none"> • Individuals: Entry-level to high net-worth individuals, across all ages • Businesses: Sole proprietors, small, and medium enterprises, large corporations and multinationals • Public sector: Local, provincial, and national government and state-owned enterprises • Other legal entities: development finance institutions, other financial institutions, trusts, non-governmental entities and associations. 	<ul style="list-style-type: none"> • Cost-effective, convenient and innovative financial services • Credible brand, trustworthy relationships, safety and protection against fraud, encompassing physical and data security • Responsible banking with transparent pricing • Excellent client service and advice • User-friendly and reliable systems and ability to transact through their chosen platform • Best practice safety measures for client wellbeing. 	<ul style="list-style-type: none"> • Client meetings and engagements • Letters updating top clients on business performance and key organisational developments • Client surveys, online-communication channels • Call centres • Social media • Branch walk-ins • Education and coaching programmes. 	<ul style="list-style-type: none"> • We invested R10.2 million in small, medium and micro enterprise development during 2023 • Transformed the lives of over 3 400 families with affordable housing solutions • Over 480 families received funding assistance through the government subsidy for first time buyers • Over 4 000 clients were empowered with borrower education providing invaluable knowledge to consumers on financial management, property maintenance, and the importance of sustainable home-ownership
 Investors	<ul style="list-style-type: none"> • Over 56 503 local and international shareholders, including retail investors, asset managers, pension funds, sovereign wealth funds and corporate holdings • Investment analysts • Prospective investors • Debt investors and credit rating agencies. 	<ul style="list-style-type: none"> • Strong operational performance, including, revenue, dividend and earnings growth and high returns • Maintaining a solid balance sheet (well provisioned, strong capital and liquidity) • Adequate, sustainable shareholder returns • Sound risk management • Transparent reporting and disclosures and effective communication • Sound sustainability practices. 	<ul style="list-style-type: none"> • Annual General Meeting, Stock Exchange News Service announcements, presentations and roadshows • Annual reports • Sustainability Reports • Pre-Annual General Meeting engagement on matters related to sustainability. 	<ul style="list-style-type: none"> • At the 2023 Annual General Meeting, investors had the opportunity to engage Board members and executive management about their concerns and interest prior to voting on the business of the Annual General Meeting • Concerns raised by non-governmental organisations were subsequently followed up by management. Engagements are ongoing • Details on value creation are in our integrated report • Some of the Board members and management from investor relations had four days of pre-Annual General Meeting engagements with investors.

Stakeholders	Who they are	What matters to them	How we engage	2023 Performance
 Employees	<ul style="list-style-type: none"> 37 107 employees (South Africa 27 085; Absa Regional Operations 9 825; international 197). 	<ul style="list-style-type: none"> A diverse, inclusive and supportive workplace where all employees are treated equitably without bias Secure employment, strong leadership and change management Flexible working hours and workspaces Fair and responsible remuneration and terms of employment with market-related remuneration and benefits Learning and development and career opportunities. An ethical, safe workplace with opportunities to contribute to society and one that is supportive of environmental and social sustainability. 	<ul style="list-style-type: none"> Face-to-face interactions between employees and human capital managers Employee mobile app Town halls Absa's corporate intranet Internal "Newsbreak" communication Emails Internal TV news network Let's Talk sessions with Group executives Senior leadership group sessions Employee Experience Survey. 	<ul style="list-style-type: none"> Absa Group was named by Forbes as one of the World's Top 400 Women Friendly Companies, and the top pan-African organisation to champion the women agenda, for two consecutive years Absa received a Top Employer Africa certification in 2023 Significant improvement in employee experience as measured in the annual Employee Experience Survey The additional benefits employees at Absa enjoy (page 49) Launched the Human Rights statement.
 Regulators	<ul style="list-style-type: none"> Regulators: Prudential Authority, Financial Sector Conduct Authority, Financial Intelligence Centre, National Credit Regulator, Information Regulator, Johannesburg Stock Exchange and equivalent in-country regulators Industry bodies and associations: Banking Association South Africa, Payment Association of South Africa and in-country industry bodies and associations Revenue authorities: South African Revenue Service and in-country revenue authorities. 	<ul style="list-style-type: none"> Compliance with all relevant laws and regulations Financial system stability spanning financial soundness to fair treatment of clients An ethical work environment Contribution to governmental development plans, national priorities, and the fiscus through fair tax payments. 	<ul style="list-style-type: none"> Periodic one-on-one engagements and discussions on the regulatory environment and emerging policy issues Industry briefings. 	<ul style="list-style-type: none"> Our Board met with the Prudential Authority to discuss the Group's approach to climate risk management as part of the regulator's "Flavour of the Year" supervisory programme in 2023 The executives met with the Financial Sector Conduct Authority, providing transparency regarding our approach to climate change Through these engagements, the leadership gained a better understanding of the regulators' key areas of interest and provided feedback on those topics.
 Society	<ul style="list-style-type: none"> Individual citizens Communities Civil society organisations Media Suppliers. 	<ul style="list-style-type: none"> Meaningful contribution towards scalable and innovative solutions that address societal and economic challenges. This includes supporting key priority interventions relating to disaster relief, National Development Plans, the United Nations SDGs and the global ESG agenda. 	<ul style="list-style-type: none"> Various communication channels including traditional and digital media One-on-one engagements Public announcements Reports. 	<ul style="list-style-type: none"> Maintained our focus on minimising our direct environmental impact Ensured robust due diligent process funded projects We participated in a number of initiatives related to disaster management, water projects and biodiversity Entrenched the just transition approach on various platforms.

Stakeholders	Who they are	What matters to them	How we engage	2023 Performance
<p>Planet</p>	<ul style="list-style-type: none"> The natural resources on which we, our stakeholders and future generations, depend. 	<ul style="list-style-type: none"> Comprehensive climate-change response, increased transparency in risk management and sustainability-related policies and standards Proactive management of the environmental and societal impacts of our business to encompass lending practices and our operational footprint Mobilising funds to support the just transition to a low-carbon economy and support for other environmental priorities such as a circular economy and responsible consumption. 	<ul style="list-style-type: none"> We are continuously addressing climate change and playing an active role in minimising pressure on nature's resources by: <ul style="list-style-type: none"> Supporting clients in responsible consumption and the transition to a low-carbon economy Advancing our environmental and social risk management practices and capabilities in climate risk management. 	<ul style="list-style-type: none"> R84.1 billion funds mobilised for sustainable finance projects R6.9 billion green bonds and deposits issued
<p>Government</p>	<ul style="list-style-type: none"> Key national departments Agencies of government. 	<ul style="list-style-type: none"> Collaborative partnerships with Absa Financial support for government initiatives that seek to combat climate change Access to Absa leaders Public-private partnerships in energy, corruption, crime, and infrastructure matters. 	<ul style="list-style-type: none"> Bilateral meetings Letters and electronic communication Surveys Reports Briefings Panel round tables. 	<ul style="list-style-type: none"> Actively engaged key global sustainability initiatives, including COP28 and the World Economic Forum, and co-hosted climate action panel discussions, demonstrating a strong commitment to strategic environmental partnerships and policy engagement. Absa joined Project Vulindlela championed by business through BUSA, BLSA

Looking forward

Our priorities for 2024 will be guided by our materiality assessment deep dive. This assessment will enable us to better understand our stakeholders' material matters enabling us to drive our stakeholder and thought leadership strategy systematically. The insights will further determine our engagement planning and activations. The overall purpose is to build stronger relationships, and balance stakeholder expectations thereby creating shared value.

A COP 28- wish list for Africa

Climate action holds opportunities for Africa

Absa supports conference aimed at finding solutions to sas energy and climate challenges

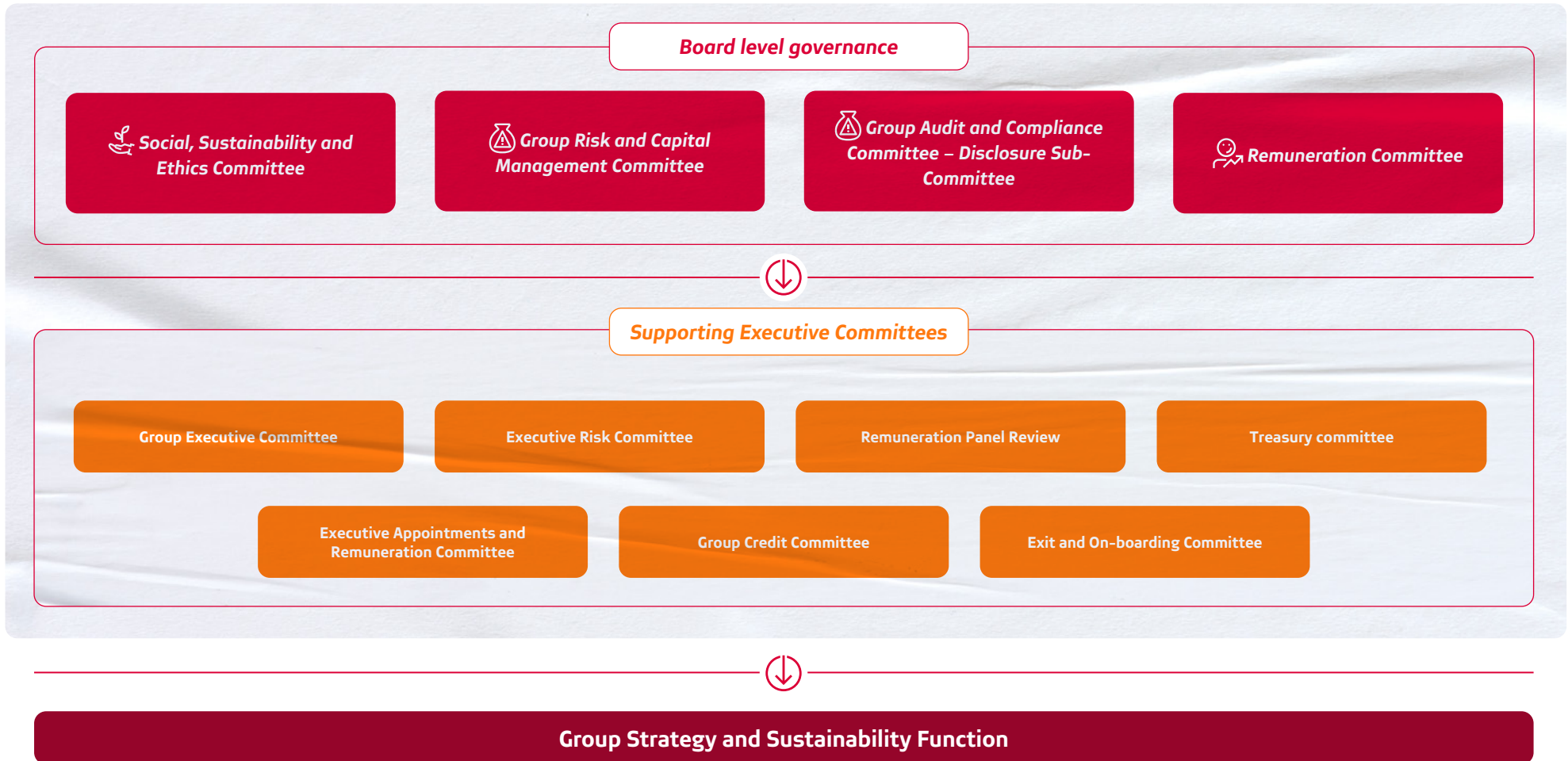
Governance

Our sustainability governance	18
Protecting value through strong governance	22
Empowering our employees and clients to do the right thing	24



Our sustainability governance

Group governance structure



[Diving deeper: Climate Report 2023, Sustainability structure](#)

Social, Sustainability and Ethics Committee



Ihron Rensburg ⁶³
Committee Chairman



Luisa Diogo ⁶⁴



Nonhlanhla Mjoli-Mncube ⁶⁴



Sello Moloko ⁵⁸
Group Chairman



Rose Keanly ⁶⁴



Arrie Rautenbach ⁵⁸
Chief Executive Officer



Attendees

- Group Chief Compliance Officer
- Chief Executive Corporate and Investment Banking
- Chief Executive Relationship Banking
- Group Chief Human Capital Officer
- Chief Executive Absa Regional Operations
- Group Chief Strategy and Sustainability Officer
- Group Chief Brand Marketing and Corporate Affairs Officer

Board and management

<https://www.absa.africa/about-us/board-and-management/>

Focus for the year

Throughout the past year, the Committee diligently adhered to the governance tenets set forth by King IV and the Companies Act, ensuring the mandate is executed with integrity and excellence. We have dedicated our focus to a series of key initiatives to elevate our sustainability practice:

- Continued to monitor and support the establishment and evolution of standards within extractive and environmentally sensitive sectors
- Actively evaluated our sustainability framework against international best practices
- Sharpened our sustainability agenda with the prioritisation of three strategic pillars
- Approved our decarbonisation targets, aligning with global efforts
- Concluded the prioritisation of the Sustainable Development Goals, setting specific, actionable targets
- Refined our strategic purpose, aligning it with the aspirations of our stakeholders
- Heightened our focus on nurturing a diverse and inclusive organisational culture
- Strengthened our commitment to ethical governance and risk management through the “Absa Way Code of Ethics Policy” and the implementation of the “Conduct Risk Framework”
- Refined the Group’s societal contribution, placing entrepreneurial support at the forefront
- Approved sustainability-related measurement framework and metrics
- Approved and enhanced human rights policy
- Approved the public commitment statement to achieve net zero by 2050
- Approved carbon emissions targets for coal, oil and gas
- Approved the recently launched values of the organisation

Our three-tiered approach to managing sustainability

Our Board has delegated authority to the SSEC for the management of sustainability related matters. To effectively manage sustainability related challenges, our organisation employs the “Three Lines of Defence” model. This framework provides a structured approach to risk management, ensuring clear roles, responsibilities, and accountability across different parts of the organisation.



First line of defence: operational management

The first line includes the teams and individuals directly involved in operational activities, such as the group strategy and sustainability function, divisional or sector sustainability teams. These units are at the forefront of defining and implementing the organisation’s sustainability strategy. They develop and execute plans, initiatives, and products that align with our commitment to environmental and social sustainability. Their hands-on approach ensures that sustainability is integrated into daily operations and decision-making processes.



Second line of defence: risk management and compliance functions

The second line consists of functions that oversee and facilitate risk management and compliance, such as the Group Compliance and Risk Management teams. These teams ensure that climate and sustainability risks are appropriately identified, assessed, and integrated into the overall compliance and risk management framework. They provide guidance, establish risk appetites, and ensure that the first line’s activities align with the group’s strategic objectives and regulatory requirements.



Third line of defence: independent assurance

The third line, represented by Group Internal Audit, provides independent assurance by reviewing and verifying the effectiveness of risk management practices across the organisation. This team ensures that the first and second lines are operating effectively and that the organisation’s sustainability efforts are robust, comprehensive, and in line with both internal standards and external regulations.

Through this three-tiered approach, our organisation ensures a comprehensive and accountable framework for managing sustainability and climate risks, enabling us to meet our objectives while contributing positively to global and local environmental and social goals.

Group roles and responsibilities

Organisational structure and teams



Group strategy and sustainability function

This team takes the helm in overseeing the strategic approach of the group concerning environmental and social sustainability. Their primary duties include overseeing the group's response to global and local sustainability challenges, developing strategic initiatives, and crafting sustainable product offerings aligned with the group's sustainability strategy.



Business unit and sector sustainability teams

These teams operate at the divisional or sector level, assisting in the execution of the group's sustainability strategy. Their responsibilities encompass setting strategic responses to climate risk, creating business strategies, setting emissions targets, and developing transition plans to meet environmental commitments.



Group finance function

This team integrates climate considerations into the group's financial planning and external reporting, ensuring that sustainability is reflected in key financial aspects of the organisation.



Group risk function

These teams are in charge of managing risks associated with ESG factors, particularly climate change. Their duties include developing methodologies to quantify climate risk, overseeing the group's net zero strategies, and setting the climate risk appetite.



Group compliance function

These teams set out Absa Group's commitment and approach to managing Regulatory Compliance and Compliance risks and provide a framework within which the broader organisation should operate to establish, enforce and foster a compliance culture. Key responsibilities include ensuring that sustainability risks are identified and accounted for in compliance related policies and standards, overseeing reporting on sustainability related practices and assurance reviews to ensure adherence to regulations and compliance policies, using a risk-based approach.



Group Internal Audit

The Group internal audit team specialises in assessing sustainability risks, providing independent assurance to the Social Sustainability and Ethics Committee and the Board. They play a critical role in evaluating the effectiveness of sustainability and climate risk governance.

Protecting value through strong governance

Guided by our purpose of **Empowering Africa's tomorrow, together ... one story at a time**, our Board operates with sound corporate governance practices. This is vital for creating and sustaining shareholder value and ensuring that behaviour is ethical, legal and transparent, thereby reducing the risk of value erosion. It also strengthens our foundation for a sustainable future. The Board is continuously improving our corporate governance principles, policies, frameworks and practices by remaining abreast of evolving regulations and best practices.

Our governance is further enhanced through engagement with regulators and industry bodies and other stakeholders. This enables a healthy environment and a just society while also unlocking new business opportunities for long-term value creation.

Trust, Resourcefulness, Stewardship, Inclusion and Courage are the values that underpin our approach. We are expected to deliver on our ambitions within the context of the highest standards of governance, ethics and accountability, a robust control environment and a vibrant culture that inspires us to do what is right.

We maintain high ethical standards through internal policies that incorporate:

- Respect for human rights
- Respect for the environment
- Making a positive contribution to society
- Managing conflicts of interest
- Complying with Competition/Anti-trust and Anti-bribery/corruption laws
- Complying with all laws and regulations and not engaging in unlawful activities.

Roles and responsibilities

Given the Group's commitment to sustainability, our governance structure is designed to ensure clear oversight and strategic alignment with our sustainability ambitions. This is crucial in managing the impacts arising from climate change and addressing broader social issues.

The Social Sustainability and Ethics Committee plays a pivotal role within this structure. It holds the delegated authority from the Board to lead the Group's strategic direction concerning sustainability. This includes overseeing the Group's responses to both global and local sustainability challenges and ensuring that our strategic initiatives align with our overarching sustainability goals. The Committee ensures that our sustainability strategy is robust, relevant, and effectively implemented across the Group.

Within the governance framework, the Board retains ultimate oversight responsibility. Their role is specifically focused on providing oversight, performing checks, and offering challenges to ensure that the sustainability strategy and its execution remain aligned with the Group's objectives and values. The Board does not engage in the operational development of products but ensures that the sustainability initiatives align with the Group's strategic goals and risk management frameworks.

The Group Executive Committee is tasked with integrating sustainability initiatives within the broader corporate strategy. This integration ensures that sustainability is not a standalone concept but a core aspect of our business operations. The executives' responsibilities include aligning roles and managing sustainability-related risks effectively. They are also responsible for promoting a culture of sustainability within the organisation, ensuring that all employees understand their role in achieving our sustainability objectives.

Moreover, the Group Executive Committee plays a crucial role in stakeholder engagement, ensuring that our sustainability efforts resonate with the expectations of our clients, investors, and the broader community. By doing so, they help in aligning our sustainability initiatives with global standards and stakeholder expectations.

Group Company Secretary

Our Company Secretary advises the Board and individual directors on their fiduciary duties, corporate governance requirements, and practices.

Governance signature initiatives

- **Sustainability data programme:** A data programme to facilitate the measurement, analysis, and reporting of our sustainability progress. This initiative is designed to enhance decision-making, promote transparency, and enforce accountability.
- **Embedment of sustainability metrics:** The initiative aims to integrate reporting on our sustainability metrics to demonstrate our commitment and uphold regulatory and statutory compliance.
- **Promoting responsible practices:** This initiative supports and encourages ongoing learning among the Group Board, subsidiary boards and employees regarding sustainability matters, and the practice of responsible principles.

She has unfettered access to the Group Chairman, and her office is sufficiently resourced to perform its duties. The Board evaluates the qualifications, competence and experience of the Group Company Secretary annually and remains satisfied that she is qualified for the role.

During its annual review in 2023, the Board reconfirmed her independence concerning her interactions and arm's-length relationship with the Board and its members.

Policy on balance of power and authority

The Board endorses the recommendation of King IV that a board of directors should comprise the appropriate balance of knowledge, skills, experience, diversity and independence. The Johannesburg Stock Exchange requires listed entities to establish a policy on the promotion of broader diversity at board level. We have such a policy and we set (30% gender and 40% racial diversity) and regularly review targets for race and gender. Furthermore, in accordance with the structure of the Board and the Board Charter, there is a clear balance of power and authority at board of directors' level, to ensure that no one director has unfettered powers of decision-making.

The extent and complexity of the Group influences our Board's composition, and we strive to achieve appropriate diversity to ensure robust governance, keen commercial decision-making, and strong

technical inputs. The Board considers a range of factors in the selection of candidates. These include, but are not limited to, skills, knowledge, professional experience, the ability to provide strong technical inputs, cultural and educational background, gender, race, age, tenure, and the requirements of all relevant regulations.

Our Board is diverse in terms of age, race, gender, ethnicity, tenure, country of origin, culture, educational background, skills, experience, and knowledge. The composition review considers rotation plans, tenure, succession, retirement, resignation, skills, and the outcomes of Board evaluations. The Board evaluation is prescribed in terms of the Group Board Charter, and we have policies in place for complying with the Johannesburg Stock Exchange Debt Listings Requirements including Evaluation, Nominations, and Conflicts of Interest. Our Directors' Affairs Committee formally facilitates and recommends director appointments for final approval by the Board after considering various factors, including but not limited to the fitness and propriety of the director. The election or re-election of Board members is recommended to shareholders for vote at the annual general meeting.

Strengthening sustainability-related Organisational Health metrics in our incentive scorecards

Our organisation understands the significant role that Organisational Health metrics, including those related to sustainability, play in shaping Management's strategic decisions, and the importance of ensuring alignment in this regard with respect to our short-term and long-term incentives. Recognising the pressing challenges of climate change and aligned with stakeholder expectations, sustainability has been strategically included in our overall Organisational Health metric which makes up 20% of the total incentive scorecard. Included in the 20% is 10% linked to sustainability and this applies to short-term and long-term incentives.

For the 2024 long-term incentive, our sustainability targets reflect our commitments to sustainable financing, reductions in Scope 1 and 2 carbon emissions, and advancements in the Scope 3 financed emissions glide-path over the three-year performance period (2024 – 2026) applicable to this award. This strategic focus reflects our strong commitment to environmental stewardship and addresses the broader concerns associated with climate change. For the 2024 short-term incentive, there will be a similar focus on appropriate sustainability-related outcomes over the 2024 performance period.

The ongoing emphasis on sustainability-related Organisational Health metrics within our Group Balanced Scorecard and our incentive plans underscores our deeper commitment to sustainability principles, enriched by valuable insights from our

stakeholders. We have established comprehensive evaluation frameworks to ensure the robustness and significant impact of these organisational health outcomes. Ongoing engagement between our Remuneration Committee and our SSEC remains crucial for integrating these essential indicators into our overall Group performance strategies, thereby enhancing transparency and accountability in respect of these, which is central to our corporate ethos.

We recognise the essential role of Organisational Health metrics in promoting sustainable growth and enhancing stakeholder value. Committed to responsible corporate conduct and long-term value creation, we will uphold transparency by consistently reporting on our progress and achievements regarding our sustainability-focused Organisational Health objectives. This enduring commitment not only aligns with our strategic priorities but also strengthens our dedication to sustainable development and ethical business practices.

Details on the 2024 long-term incentive scorecard are on page 8 of the [Remuneration Report](#). We also set out how we have considered sustainability-related outcomes in our 2023 short-term incentive, on page 17 and our 2021 long-term incentive, on page 30.

Human Rights at the heart of our corporate purpose

The past year has seen us intensively realign our corporate purpose with our sustainability goals, placing a strong emphasis on human rights in every facet of our business. Our efforts are encapsulated in our refreshed Human Rights Policy Statement and Human Rights Booklet, which showcase our strides towards integrating human rights into our operational commitments. These include:

- Cultivating a diverse and inclusive workplace that upholds the dignity and rights of all employees
- Developing financial products and services that are responsible, equitable, and respectful of human rights
- Upholding data privacy and ethical handling of personal information

- Conducting rigorous supplier assessments to ensure they meet our high standards for human rights.

We are proud of our progress and continue to transparently share our practices and advancements towards creating a sustainable and equitable future.

 [Diving deeper: Our full Human Rights Statement](#)
[Our Human Rights Booklet](#)

Sustainability matters

The multifaceted nature of sustainability matters calls for a holistic approach from our governance structures. This involves carefully considering the short-term, medium-term and long-term consequences of our actions as we strive to advance our signature initiatives aligned with our strategic pillars. This approach ensures that we address not only immediate challenges but also anticipate and mitigate potential risks, as well as respond to opportunities over the longer term. By taking a holistic view of sustainability, we can better manage our impact and drive positive outcomes for our stakeholders and the environment.



Empowering our employees and clients to do the right thing

Absa's values help to shape our culture and guide how we behave and how we want our employees, clients and stakeholders to feel about interacting with us.

 **Diving deeper:** [Integrated Report 2023, An ethical bank](#)

The Absa Way Code of Ethics outlines our values and expected behaviours when engaging with our fellow employees, clients, shareholders, governments, regulators, business partners, suppliers, competitors and the broader community.

Several mechanisms govern employee conduct, including, but not limited to, the Absa Way Code of Ethics, Absa Values, Employment Relations Policy, Conduct Risk Framework, Fraud Risk Policy, Outside Business Affiliation Standard and ethical use of data.

Learning, development and awareness

All employees complete annual mandatory compliance learning and development courses, such as fighting financial crime, which includes anti-bribery, anti-corruption, anti-money laundering and sanctions modules. The learning and development awareness programmes ensure our employees can develop a sensitivity towards situations with real or perceived conflicts of interest and learn how to deal with them when they arise. It also ensures they are aware of the tools available to them to raise their concerns of unethical behaviour or suspected bribery and corruption, or fraud through our whistleblowing programme. In 2023, an impressive 99.8% of our employees successfully completed anti-bribery and anti-corruption awareness learning and development as part of our comprehensive Fighting Financial Crime curriculum. Targeted bribery and corruption learning and development is also periodically provided to senior management and members of the Board. There is an explicit commitment and support from the Board for the anti-bribery and anti-corruption framework.

Mechanism to raise concerns (GRI 2-25 and 2-26)

Our Whistleblowing Policy provides a framework through which all employees, including temporary employees, seconded employees, contractors and consultants, can raise concerns. Whistleblowers may raise concerns about inappropriate or unlawful conduct anonymously. They may do so either through our Priority Investigations and Whistleblowing team, which falls under Group Compliance, or through our independent, external service provider, Tip-offs Anonymous. We provide further details on our web page (www.absa.co.za/talk-to-us/).

Data privacy and cybersecurity (GRI 418 and 419)

At Absa, safeguarding our customers' information is integral to our broader sustainability strategy. We view cyber security as a significant risk and engage customers, employees, and partners in our initiatives.

Our 'defence in depth' strategy, employs multiple layers of controls reflecting our robust risk management practices. This strategy includes deploying advanced security architecture and adopting industry best practices, metrics for which are regularly reviewed and reported to our stakeholders, ensuring transparency and accountability.

Governance through our Information Technology Board Committee and the Group Privacy Office ensures the implementation of privacy best practices and adherence to regional regulations. This framework aligns with the principle of accountability and is a testament to our dedication to ethical management and protection of stakeholder information. We demonstrate this commitment through our comprehensive risk management and materiality assessment processes, identifying and prioritising cybersecurity risks and their mitigation strategies.

We actively engage with our stakeholders through initiatives like the "Know your Rights" campaign, aimed at enhancing understanding and awareness of data protection and privacy rights. This engagement aligns with standards on stakeholder inclusiveness and responsiveness.

Our continuous improvement is evidenced through regular performance evaluations, third-party assessments, and benchmarking against industry best practices. We transparently report these findings, contributing to an environment of trust and accountability. Future objectives include further integration of cybersecurity into our overall sustainability goals, focusing on the nexus between technological security and social, economic, and environmental sustainability.

Case studies from our "defence in depth" strategy illustrate our proactive approach in safeguarding customer data against emerging threats, showcasing our advancements and learning experiences in cybersecurity. These examples highlight our commitment to continuous improvement and adaptation, reflective of the dynamic nature of cyber threats.



Our collaborations with industry counterparts and governmental entities enhance our cybersecurity measures and contribute to the broader goal of sustainable, secure business practices. These partnerships, underscored by our commitment to collective defence and knowledge sharing, align with the focus on community collaboration and collective action.

Looking forward, we are committed to enhancing our cybersecurity framework, with clear objectives set for the next reporting period. These include increasing stakeholder engagement, advancing our data protection technologies, and further aligning our practices with evolving standards and cybersecurity benchmarks.

Our integrated approach to cybersecurity and data privacy not only addresses immediate risks but also contributes to our long-term goal of sustaining a secure, ethical, and resilient operational environment. This approach is in alignment with our corporate sustainability objectives and the broader sustainability framework, underscoring our commitment to transparency, accountability, and continuous improvement.

Responsible use of Artificial Intelligence (AI)

As an organisation that is committed to being an active force for good in everything that we do, we believe that the responsible use of AI is foundational for trust, sustainability, and long-term success. We have agreed on a set of responsible use principles for AI, in line with our purpose and values. These principles are important for colleagues and stakeholders to understand the purpose, capabilities, and potential limitations of AI solutions. They provide guidelines to determine how and where to apply AI solutions. We have a group of Absa leaders who oversee our adoption of AI, the AI Guild. The AI Guild propagates the principles as well as the understanding of AI across the bank. We believe that establishing robust governance structures and collaborating with industry peers to share best practices contribute to a corporate environment where AI is harnessed responsibly, aligned with ethical standards, and aligned with our values.

Anti-corruption and financial crime (GRI 205, 2-27 and 205)

Financial crime inflicts hardship, plunging victims and their communities into profound distress and suffering. In the ever-evolving economic landscape, characterised by shifts in consumer spending patterns and technological change, a complex interplay of uncertainties emerges for individuals and businesses. This environment, provides a fertile ground for criminal elements to exploit, preying upon the vulnerable and unsuspecting through deceitful schemes and illicit activities. We have established capabilities within the Group to detect and prevent financial crime to limit the economic cost and impact in the jurisdictions in which we operate.

Furthermore, we are committed to complying with our legal and regulatory responsibilities in relation to financial crime prevention and have no appetite for non-compliance. Our Anti-bribery and Anti-corruption Policy and related standards, processes and controls are in place to mitigate bribery and corruption risks and threats.

We conduct our global activities with integrity and will not tolerate any breach of financial crime laws and regulations that apply to businesses and their transactions (for example, bribery, corruption, money laundering or tax evasion). Consistent with this, we have developed a robust

anti-bribery and anti-corruption control framework to manage the legal, regulatory and reputational risks associated with bribery and corruption. Our financial crime risk framework adopts a risk-based and proportionate approach to meet risk management, legal and regulatory expectations.

Incidents of corruption and actions taken (GRI 205-3)

Any breaches should be reported via the whistleblowing process. Non-adherence to any requirement in the Anti-bribery and Anti-corruption Policy may result in disciplinary action, which could lead to dismissal. The number of disciplinary cases as a percentage of employees remains stable. Most matters dealt with in 2023 related to less serious offences. Of the 1 678 disciplinary cases concluded in the year (2022: 1 690), 341 were due to ethical breaches (2022: 422).

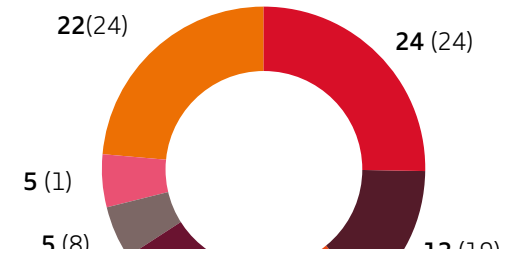
Ethical breaches are followed up with consequence management as part of continually shaping an ethical culture. In addition, no third parties were under review for possible corruption-related violations. There were 6 (2022: 9) confirmed incidents where employees were dismissed or disciplined for corruption regarding gratification paid to staff by suppliers or clients. Appropriate actions such as dismissal, suspension, disciplinary processes and reporting to the relevant authorities were taken. There were no confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption and no public legal cases regarding corruption were brought against the bank or its employees during the year.

Collaboration and stakeholder engagement

We work closely with other banks and industry bodies recognising the importance of collaboration when it comes to matters relating to financial crime. Recognising the importance of anti-corruption and financial crime prevention, some of the initiatives to combat corruption are conducted with the South African Anti-Money initiatives and stakeholder engagement to combat corruption is conducted with the South African Anti-Money-Laundering Integrated Task Force, the Banking Association of South Africa and in collaboration with the Royal United Service Institute.

The following is a detailed breakdown of the concluded cases:

Substantiated whistleblowing cases 2022 comparatives in brackets



Approach to taxation

As a financial services provider, we play an integral role in the economic life and aspirations of individuals, businesses, and communities. Moreover, as a pan-African organisation, we recognise that a sustainable approach to tax is a critical component of our purpose and values. We are therefore committed to being a responsible taxpayer by complying with tax legislation, regulations and best practice to create long-term value for our stakeholders. We are deliberate in engaging and maintaining a collaborative and transparent approach with the Revenue Authorities in the jurisdictions in which we operate.

[Diving deeper: Tax transparency Report 2023](#)



Financial inclusion

Creating accessibility to economic opportunities	27
Our products and services	28



Creating accessibility to economic opportunities

Financial inclusion is achieved by ensuring that both individuals and enterprises can easily access affordable financial services and products that cater to their specific needs. The G20 has recognised financial inclusion as a catalyst for achieving seven out of the 17 United Nations SDGs and promotes its global advancement. Our dedication lies in extending financial inclusion to underserved groups and helping our clients access and create intergenerational wealth, in particular women and youth. Our products and services support financial wellbeing and extend financial inclusion to lower-income groups. In this way, we contribute to a more inclusive economy and societal financial wellness, developing affordable, needs-based financial products delivered through innovative and convenient channels supported by consumer education and financial literacy learning and development.

Empowering communities through sustainable finance

Our dedicated contribution to financial inclusion

- **Affordable housing market:** We maintain an active role in the affordable housing market by offering tailored financial solutions to investors, developers, and the communities we serve. As part of our home loan offering, our Borrower's Education programme equips clients with comprehensive knowledge about all aspects of home buying and ownership.
- **Consumer financial education:** Our interventions in consumer financial education aim to empower individuals to make informed choices and enhance their lives through responsible personal financial management. This programme, funded through our regulatory spending as outlined in the Financial Sector Charter, strives to promote financial literacy within the communities we serve.
- **Equitable access:** Through our range of products, we provide equitable access to financial services for underbanked communities. Our offerings span transactional banking, credit, insurance, and wealth accumulation, ensuring that we meet the diverse financial needs of our clients.

Our responsibility

In the financial services industry, providers of products and services are usually better informed than their clients. This imbalance results in the potential for unfair treatment of clients. Treating Customers Fairly is an outcomes-based regulatory and supervisory approach aimed at protecting consumer rights and ensuring that consumers are delivered specific fairness outcomes when dealing with regulated financial firms. In line with this, our clients can expect the following from us:

- Fair treatment
- Retail products and services that are designed to meet the needs of our consumer groups
- Clear information before, during, and after the point of sale
- Suitable advice that takes account of the client's circumstances
- Products that perform to expectation and associated services of an acceptable standard. No unreasonable post-sale barriers to changing products, switching providers, submitting a claim or making a complaint

We are mindful of our responsibility to ensure that our employees have the necessary competencies, qualifications, experience, and personal honesty and integrity to fulfil their duties.

Financial inclusion signature initiatives

- **Provide innovative inclusive banking products**, to remove access barriers to financial services, promote financial inclusion for underserved populations and drive innovation within the financial sector ([page 28](#))
- **Provide affordable home loans** to extend housing finance accessibility to low-income earners, who are the most impacted by macro-economic factors ([page 30](#))
- **Drive financial inclusion within the agriculture sector** to boost economic growth, alleviate poverty, and enhance food security. By providing farmers with access to credit and other financial services, we contribute towards sustainable farming practices, innovation, and the overall well-being of rural communities ([page 31](#))
- **Support inclusive financing and enterprise growth (small and medium enterprises; women and youth)** to foster economic empowerment, reduce gender and generational disparities, and promote overall societal development. By facilitating access to financial resources and entrepreneurial opportunities, we can contribute to building more resilient, diverse, and equitable economies ([page 31](#); [Climate Report 2023](#)).



Our products and services (GRI 2-6; FS 13; FS 14)

We are dedicated to fostering financial inclusion and accessibility across all sectors of society, with a specific emphasis on the unbanked and underbanked populations. Recognising our significant role, we guarantee universal access to formal banking services, payment alternatives, and information regarding financial products and tools for efficient financial management. We understand the paramount importance of equal financial access in creating avenues for socioeconomic inclusion. Therefore, our objective is to enhance accessibility to banking products and services, particularly in underserved segments and areas. Through ongoing innovation in our products and offerings, we strive to ensure that all our clients can avail themselves of suitable and cost-effective financial products and services.

Additionally, we embrace the transformative impact of digitisation in the banking sector.

Absa Credit Coach – a guide to monitor and improve your credit score profile (South Africa)



We launched Absa Credit Coach, an in-app credit tool to improve client credit scores, powered by TransUnion. This product is part of the 'Yes' initiative to support our clients in achieving their financial goals.

We aim to coach one million South Africans towards financial inclusion, financial wellness and to adopt healthy credit behaviours. Customers will benefit by increasing their credit worthiness, and enhanced access to credit and tools to manage their risk profile, achieving their financial goals and promoting financial resilience.

ChatWallet



We launched ChatWallet a digital wallet powered by WhatsApp enabling clients to store, receive and send money conveniently through chat.

ChatWallet is secured by AbsaID and is supported by the Absa virtual assistant, Abby. It also integrates the latest technology to understand the clients' natural chat language.

It is affordable, as no monthly fees are required, and ATM cash deposits and prepaid purchases are free.

Absa partnership with Unemployment Insurance Fund (UIF)



We have collaborated with the Unemployment Insurance Fund to offer pre-filled Unemployment Insurance Fund unemployment forms through our ATMs, along with accompanying bank confirmation letters, as mandated by the new Unemployment Insurance Fund application process. Since the start of 2023, our ATMs have distributed over 10 000 application forms.

This capability marks a notable advancement in minimising commuting and time expenses for unemployed clients. It streamlines the administrative burdens associated with waiting in line at a bank branch or a labour centre.

Mobile Branches: Bank on the Move



The implementation of this initiative aims to ensure our constant readiness, accessibility, and unwavering presence for our community, particularly in remote and underserved areas.

Currently, there are 18 mobile banks in operation of which nine mobile vehicles have off-road capability. We pioneered the branchless banks concept through our mobile banking pods, designed to deliver a comprehensive range of banking services, from basic transactions to more intricate financial consultations. Our objective extends beyond merely providing a service; we aspire to foster financial literacy and independence within the communities we serve.

Digital solutions to assist our clients in running secure and efficient businesses



Absa Life continues to offer its end-to-end digital Group Life cover and Employee Care Plan, in partnership with a FinTech to employees of small and medium enterprises. The product offers life, disability and family funeral cover for these employees at an affordable price. These small and medium enterprises typically do not have access to traditional intermediated Group Life cover.

Furthermore, Absa Life offers Embedded Life Insurance in a partnership that aims to transform the taxi industry into a digital cashless environment. The solution gives a previously underserved lower-income client segment access to Life Insurance for free.

In the quest to empower Africa's tomorrow, our unwavering commitment to financial inclusion and sustainability stands as a testament to our innovative and empathetic approach towards banking. Facing a macroeconomic environment characterised by rapid interest rate rises, high inflation, and low employment levels, we have risen to the challenge, implementing strategic initiatives to support our clients and communities. Amidst economic turmoil, we

have refined our forbearance framework and debt review processes, ensuring swift and efficient support for distressed clients. This approach not only highlights our agility and foresight but also underscores our commitment to empathy and client-centric solutions. Our strategic initiatives have garnered industry recognition, with the bank achieving accolades for our seamless debt review processes. Notable improvements include an 80% finalisation

rate of debt review applications within industry timelines and a substantial increase in the personal loans forbearance conversion rate. These achievements reflect our operational excellence and our impactful role in financial inclusion. Our dedication to financial inclusion and sustainability has not only transformed lives but has also been recognised industry-wide, reflecting the bank's leadership and commitment to excellence.

Debt Review Industry Awards: In 2023, we were honoured with three awards, celebrating our seamless debt review processes. These accolades underscore the bank's innovative approach and effectiveness in supporting distressed clients.

Debt review process efficiency: Over 80% of debt review applications were finalised within the stipulated industry timelines, and more than 70% were completed in just 70 days, significantly outpacing the 120 days stipulated by the regulator.

Forbearance conversion rate improvement: The conversion rate for personal loans forbearance accounts saw a remarkable improvement, jumping from 40% to 70% in 2023. This metric not only reflects our responsive measures to economic challenges but also our tangible impact on clients' financial well-being.

These accolades and metrics are a testament to our impactful strategies and our pivotal role in advancing financial inclusion. By setting industry benchmarks and achieving remarkable success rates, we continue to demonstrate our value creation for clients and our contribution to the broader economic landscape of Africa.

Our efforts have catalysed a positive impact across communities, promoting financial resilience and empowerment. Through initiatives like the Credit Coach programme, we are driving financial education, enabling clients to navigate economic challenges with informed decisions. This comprehensive approach fosters sustainable community welfare and contributes to the broader goal of economic empowerment.

The story of Jessica*, an Absa bank client, perfectly illustrates our commitment to championing financial inclusion and safeguarding the financial well-being of our clients. Jessica was in arrears on her loans for months and was struggling to keep up with payments. Using our revised forbearance framework, Absa Collections offered her a forbearance

solution that enabled Jessica to meet her loan obligations, while also preserving her income to enable her to weather the tough economic times. Her story highlights the transformative influence of our client support strategies and our commitment to uplift individuals facing economic hardships.

In her own words to the client services agent that supported her, Jessica had this to say: "I want to give you compliments on your work. You are an angel who helped me without hesitation, I was struggling for weeks and months to sort out my situation and you finally did it for me in seconds."

Looking ahead, we will enhance our financial inclusion initiatives and respond proactively to the evolving needs of our clients and communities. Our dedication to empathy, innovation, and sustainability is poised to drive positive change, reinforcing our mission to empower Africa's tomorrow.

* Not the client's real name

Stories from our clients

Protecting Mr A Smith* – A Fraud Prevention Success Story

Mr A Smith, a client who benefited from our inclusive banking services, was unfortunately targeted by a smishing attack. A fraudster led Mr Smith to believe that he was preventing an unauthorised debit order through his mobile banking app, while he was in fact using the opportunity to access his banking details.

After realising the potential fraud, Mr Smith reached out to Absa, triggering our robust fraud prevention mechanism. Our team acted swiftly, engaging with the recipient bank and a crypto-currency company to halt the transaction. Through decisive action, we recovered approximately R4 million, demonstrating our commitment to safeguarding the financial security of our clients, regardless of their banking platform.

* Not the client's real name

Empowering Horizon Industry Pty Ltd* – Restoring financial integrity

When Horizon Industry Pty Ltd* faced a fraudulent card swap at an ATM, our cutting-edge fraud detection system quickly identified the anomaly. The swift response from Absa Fraud, involving coordination with telecoms companies, led to the recovery of approximately R300 000. This response was underpinned by our financial inclusion ethos, which is to ensure that even in adverse situations, our clients' access to their funds remains uncompromised and secure.

* Not the client's real name

Our financial inclusion in action – Absa fraud solutions

In an era where financial inclusion is as much about providing access as it is about ensuring financial security, we stand at the forefront of protecting clients against fraud. Our commitment extends beyond traditional banking services to encompass a meaningful contribution to combating financial crimes. Our strategy is deeply rooted in empathy and focuses on providing inclusive solutions that consider the diverse needs of our clients. In 2023, our team of dedicated fraud professionals averted fraud of over R12 billion and recovered more than R500 million in criminal proceeds. Our approach combines digital innovation with a human touch, thus ensuring that every client experiences a secure and inclusive banking journey, especially during times of distress. We are at the forefront of promoting financial inclusion while combating the pervasive and constant threat of organised crime. We believe in not just granting access to financial services but also in creating a secure environment where clients remain confident that peace of mind and banking co-exist harmoniously. Our efforts are integral to preserving the integrity of the banking system and making a substantial impact on society by fostering an inclusive, financially secure future for all.

Affordable housing (FS7)

We continue to play an active role in the affordable housing market by providing relevant and appropriate financial solutions to investors, developers, and the communities we serve.

3 491

(2022: 6 843)

R1.9bn

(2022: R3.9bn)

R17.8 bn

(2022: R16.8bn)

Home loans to affordable housing clients

Total affordable housing home loan book

Our financial inclusion in action – affordable housing

Our commitment to the affordable housing market is more than just a business strategy; it is a testament to our dedication to societal progress and financial inclusion. By providing tailored financial solutions to investors, developers, and most importantly, the communities we serve, we aim to bridge the gap in home ownership.

In 2023, our focus on affordable housing transformed the lives of many in the communities we serve through:

- Innovative financing solutions
- Partnerships with industry stakeholders and government
- Leveraging digital to scale understanding of home ownership
- Harnessing the wisdom of subject matter experts to empower our clients with borrower education knowledge
- Unlocking financing that addresses the needs and friction points that many face when making the most important financial decision.

Impact for 2023

- Our affordable housing transformed the lives of over 3 400 (2022: 6 800) families with affordable housing solutions.
- Over 480 (2022: 460) families received funding assistance through the government subsidy for first-time buyers. This collaboration with government enabled us to unlock financing to the value of R247.8 million for households classified within the affordable housing “gap market” segment.
- More than 4 000 (2022: 6 900) clients were empowered with borrower education, providing invaluable knowledge to consumers on financial management, property maintenance, and the importance of sustainable home ownership.

- The total value of our affordable housing Home Loan and Commercial Property Finance books grew by 6% and 28% respectively year-on-year.
- Our Commercial Property Finance product offers financing solutions across the full affordable housing range from fully to partially subsidised units as well as the conventional market. In 2023 we provided R2.5 billion toward buildings with a social impact, with a portion of this meeting green certification as well.
- In 2023, we concluded a R4.5 billion loan agreement with the International Finance Corporation through the Market Accelerator Green Construction programme. Included in this agreement are performance-based incentives for developers to partly offset greening and certification costs. The benefit of buying in developments that meet the Market Accelerator Green Construction requirements has also been made available to eligible transactions in residential home loans. At least 50% of the overall Market Accelerator Green Construction is allocated to affordable housing transactions.

Looking forward

As we look ahead, our commitment to expanding ownership impact remains unwavering. Collaborating with industry partners, we will continue to grant title deeds to additional South African communities, ensuring broader access to property ownership. Our focus on scalability drives us to address affordability challenges and transaction costs within the affordable housing sector through innovative financial solutions.

Our role in the affordable housing market exemplifies our commitment to financial inclusion and socio-economic stability.

Our efforts extend beyond banking to addressing property rights for previously dispossessed families and providing consumer education to enable informed financial decisions. Active involvement in industry platforms such as the Banking Association of South Africa reflects our commitment to shaping policies for a more inclusive and prosperous housing market.

Our ongoing partnerships with local developers and government agencies will ensure that we continue to offer competitive, sustainable financial solutions that meet the evolving needs of our communities.

A Story from our community

We empowered the Free State community to participate in the economy through ownership

The 'Khaya Lam Title Deed title initiative, started by the Free Market Foundation, aims to secure the property rights of previously dispossessed families in South Africa by assisting them in obtaining title deeds. Through our partnership with Khaya Lam in 2023, we sponsored 200 families in the Free State with title deeds and introduced the financial literacy programme to the recipients. Recipients such as Lerato Moloi* now have a place that they can call their own. When receiving her title deed at the handover ceremony in Free State, Lerato Moloi* said: “Today is the most important day of my life. I never thought that one day I would receive something that I have been desiring for many years. I am extremely happy.” These are the stories that further underscore our unequivocal commitment to financial inclusion.

These are families that now can participate in the economy, stimulating the future growth of the affordable housing segment.

* Not the client's real name

Agriculture (FS7)

Business development

Inclusive and sustainable growth is a key focus point in agriculture. We have made significant strides in enhancing inclusivity within the agricultural sector by implementing innovative strategies to overcome key challenges to access to finance across all segments. These challenges include limited technical expertise, security gaps, and the high cost of borrowing.

Through our initiatives, we have successfully supported the learning and development of 94 rural entrepreneurs in essential business knowledge. At the conclusion of the programme, we offered them basic agricultural inputs to bolster their enterprises. As a proactive follow-up measure, we introduced them to the Absa Business Evolve account, which is coupled with a cash flow manager tool. This online platform enables the entrepreneurs to maintain accurate financial records seamlessly, perform real-time bookkeeping during transactions, and generate financial statements that are vital for accessing credit. Furthermore, we actively promoted the adoption of mobile payment systems to reduce cash transactions and ensure the safety of entrepreneurs' income.



In collaboration with Khula! App, we are financing developing farmers in corporate supply chains. This App is a robust ecosystem that offers comprehensive technical assistance to help the farmers become bank-ready, end-to-end support to ensure that they produce a product of acceptable quality, a secure payment system that minimises the risk of financial misconduct, and access to quality inputs. Our successful pilot of this robust ecosystem has proven itself as a future pathway for granting farmers improved access to markets and finance.

In the livestock industry, we contributed to the learning and development and mentorship programme for developing farmers that was implemented by a leading role player in the livestock value chain. We also supported production sales of two newly established black cattle breeders in the North-West province. Through these initiatives, we have attracted a significant proportion of the developing cattle farmers in both the Free State and North-West provinces as clients. Since 2022, we have sponsored 27 previously disadvantaged farmers to attend the LRF Stockman School, underscoring our commitment to empowering farmers and fostering sustainable practices within the livestock sector.

Through the Absa Education Delivery Programme we continued to offer consumer financial literacy to underserved people in agriculture. Over 2 000 subsistence farmers and farmworkers were trained to manage their income, save and generate more revenue. Youth inclusion is critical to inclusive and sustainable growth in agriculture, particularly given the high unemployment rate in South Africa. In 2023, we continued to support the remaining 34 agricultural students on the Agri Scholarship programme. This was done through webinars on the agricultural sector and jobs of the future. Prizes were awarded to the best-performing and most improved scholars.

As a result of our efforts, we have grown our advances in developing agriculture to over R1.1 billion and have set ambitious targets for the near future. We intend to support these ambitions through our collaborative partnerships to address the limitations to access to finance.

Enterprise Development (FS7)

Our enterprise development approach is centred on fostering the growth of emerging small and medium black-owned businesses and preparing them for absorption into our supply chain and access to other corporate clients within our value chain. Our programmes consist of various small

initiatives vital for revitalising economic activity in the local communities where we are present. In 2023, we emphasised interventions to improve access to markets and funding and offered business development support tailored to their developmental needs. R40 million was spent on enterprise development initiatives in 2023 compared to R110 million in 2022, which included a once-off grant payout of R79.5 million to 19 black-owned beneficiaries.

The Amended Financial Sector Code requires that we measure the level of procurement spend from Broad-Based Black Economic Empowerment compliant companies, qualifying small enterprises, exempted micro enterprises and black-owned and black women-owned companies. We believe creating opportunities for small and medium, and micro enterprises to access corporate supply and delivery chains is one of the most efficient and consistent ways established corporates can contribute to sustainable entrepreneurial development. We use our purchasing power to support a transformation agenda and support black-owned small and medium enterprises through our enterprise and supplier development initiatives. For qualifying entities, we:

- Provide financial support through preferential rates for projects funded through the Group's supplier development initiatives
- Provide non-financial support through business development guidance utilising technology to manage and report on growth strategies to enable sustainability
 - Use a secured supply or service contract as a basis of funding to ensure responsible financing. Our preferential procurement programme allows a growing number of small black-owned and black female-owned companies to supply us with goods and services.

 [Diving deeper: Broad-Based Black Economic Empowerment Report 2023](#)

Advancing financial inclusion through corporate citizenship

Our corporate citizenship agenda allows us to further our financial inclusion ambition.

 [Diving deeper: Corporate citizenship](#)

Diversity and inclusion

Embracing diversity and inclusion	33
Advancing women in leadership	34
Promoting a fair and responsible remuneration	34
Sustainable procurement	34
Building an inclusive culture	35



Embracing diversity and inclusion

The Group's commitment to diversity, equity, and inclusion is deeply rooted in our core values and business ethos, recognising that our strength lies in the diversity of our employees and the inclusivity of our environment. As a leading pan-African financial services group, we understand the critical importance of mirroring the rich diversity of the communities we serve. Our journey towards achieving a truly inclusive culture is ongoing, marked by deliberate strategies aimed at fostering an environment where every employee feels valued, heard, and empowered to reach their full potential. Our diversity, equity, and inclusion initiatives are not just about meeting benchmarks; they are about embedding equity and inclusivity into every facet of our operations, from recruitment and talent development to leadership and decision-making processes. It also creates the possibility of a sustainable future rising from the solid employee foundations that have been set. This commitment underpins our strategic pillar of sustainability, driving not only social progress but also innovation, client satisfaction, and business success.

We have steadfastly upheld our responsibility to foster an ethical and inclusive supply chain, deeply respecting human rights. This commitment is rooted in a comprehensive due diligence process, designed to identify, prevent, and address any potential or actual human rights impacts stemming from both our direct activities and those within our supply chain. Our approach to responsible supply chains underscores a broader commitment to human rights, recognising the profound impact that business actions can have on individuals' daily lives across the African continent.

Diving deeper: [Integrated Report 2023, Empowering ethical and inclusive supply chains](#)

At the heart of our operations lies an unwavering commitment to human rights. We firmly believe that these rights are paramount, influencing every aspect of employees' daily lives. Our success is intricately linked to the well-being of our employees, clients, suppliers, communities, and stakeholders. To translate this belief into action, we have adopted business practices that not only adhere to legal standards but also aim to positively impact lives. Our commitment extends to all employees, ensuring their rights are safeguarded and prioritised within our organisational framework. Moreover, we approach our responsibility within the supply chain with a sincere commitment. By prioritising human rights, we demonstrate our profound dedication to ethical business practices. Our vision extends beyond profit margins; it encompasses the dignity and rights of every individual involved.

We are dedicated to making a tangible difference, aligning with our values and objectives to not only achieve business success but also contribute positively to societal progress and sustainability. Through our actions, we boldly tell a story of empowerment, ethical practice, and unwavering commitment to inclusivity and human rights.

Diversity and inclusion signature initiatives

- **Grow share of women in leadership to promote diversity, gender equality, and inclusive decision-making**, and contribute to ethical business practices and enhance our overall corporate sustainability ([page 34](#))
- **Ensure fair and responsible outcomes** at each stage of the human capital value chain, including recruitment, appointment, promotions, performance management and remuneration, to ensure a solid and sustainable foundation for fair and responsible remuneration ([Remuneration Report 2023](#)).
- **Drive supply chain diversity with specific focus on women, black youth-owned businesses and small and medium enterprises** to mitigate risk and contribute towards social responsibility, as well as promote a resilient and ethical business ecosystem ([page 34](#)).



Women in Leadership, VSL Group

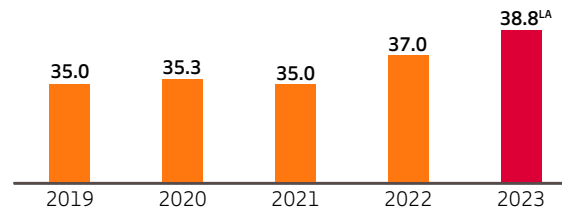


Advancing women in leadership

Our commitment to advancement of women is embedded in our Women Manifesto, which is the cornerstone of our strategy and key to the foundation for a sustainable future. The Manifesto is instrumental in yielding positive progress across our gender agenda. We have established six priorities and four enablers to accelerate our efforts, focusing on developing a robust pipeline of female leaders through targeted recruitment, succession planning, and comprehensive learning and development programmes. Noteworthy initiatives include Ignite Her, Empower Her, Excel Her, and Duke Women in Leadership, aimed at nurturing and advancing women within our organisation.

Absa's recognition by Forbes as one of the World's Top 400 Women Friendly Companies for two consecutive years highlights its role as a leading pan-African organisation championing the women's agenda. This accolade not only reflects our internal efforts to support and uplift women within the organisation but also our external influence in advocating for women's empowerment across the continent.

Women in senior leadership (%)



Promoting a fair and responsible remuneration (GRI 2-19 to 2-21)

We are committed to ensuring fair and responsible remuneration across the Group. Our comprehensive pay review analysis in 2023 aimed to identify and take steps to address unfair remuneration differentials, reinforcing our commitment to gender pay parity. These efforts are part of our broader strategy to integrate diversity and inclusion into all aspects of our business operations.

[Diving deeper: Remuneration Report 2023](#)

Sustainable procurement (GRI 204-1)

Our approach to sustainable procurement practices is deeply rooted in our overarching sustainability strategy, which seeks to integrate environmental, social, and governance goals into all aspects of our operations. Our commitment extends beyond conventional business practices to encompass a holistic view that includes the well-being of our third-party suppliers, the local communities, and the broader environment.

Our procurement policy and practices are designed to reflect our commitment to sustainability and responsible sourcing. The Group Procurement Policy, revised annually, underscores our dedication to managing suppliers through their entire lifecycle — from selection through to the termination of services. This policy is supported by our Supplier Diversity Standard, External Supplier Management Standard, and Supplier Code of Ethics, ensuring that our principles of fairness, transparency, and accountability are upheld across all procurement activities.

We emphasise robust risk management to identify and mitigate market risks, including business continuity and concentration risks. Our procurement framework is designed to ensure transparent, data-led reporting and effective management of third-party risks. This is achieved through systematic evaluations based on relevant data methodologies and risk ratings.

In line with the South African Amended Financial Sector Code, we focus particularly on enhancing the proportion of historically disadvantaged South African suppliers. Our preferential procurement programme aims to support a growing number of small, black, and women-owned companies, providing them with opportunities to supply goods and services, engage in tenders, and receive non-refundable development support grants for capacity building.

Our total procurement spend highlights our commitment to local and diverse suppliers, with a significant portion allocated to locally registered businesses, thereby contributing to local economic development and empowerment. We actively work to unbundle large contracts into smaller components, making it feasible for small and medium-sized enterprises to participate.

We have implemented various initiatives aimed at fostering supplier diversity and development. These include:

- Providing funding at preferential interest rates
- Offering capacity-building grants to empower small and medium enterprises
- Creating a user-friendly online portal for suppliers to access information, register their services, and identify potential business opportunities with Absa
- Going forward, we will expand our sustainable procurement practices to ensure they contribute positively to our ESG objectives. We will continue to engage with and support our suppliers to adhere to sustainable and ethical business practices, aligning with our vision of driving shared value and being an active force for good in all aspects of our business operations.

Total female employees 60.6% (2022: 60.8%)	Women in revenue generating functions 63.5% (2022: 63.6%)
Women in middle management ² 51.8% (2022: 51.2%)	Women in junior management ¹ 67.3% (2022: 66.8%)
Women in junior, middle and senior management 59.4% (2022: 61.7%)	Female Board members 38% (2022: 37%)

¹ Business area 3 and business area 4.

² Assistant Vice President and Vice President.

³ Managing Principal and Principal.

[Diving deeper: GRI Index, Broad-Based Black Economic Empowerment Report 2023.](#)

Absa procurement technologies

Marketplace

We have developed a user-friendly online portal to sustain our practices and further open access to the Absa internal market. The Absa Procurement Marketplace is a simplified, single platform for small, micro and medium enterprises to register their company profiles, upload their value propositions and access supply opportunities with Absa.

The portal enables prospective suppliers to:

- Access information relating to services and/or products that Absa procures
- Add their details to Absa’s database and easily identify the procurement categories and services the bank requires
- Determine whether they may be eligible for Absa’s Supplier Development Programme, which provides business support, learning and development, mentoring and advisory services.

The total number of users registered increased to 1 385, including:



Diving deeper: Broad-Based Black Economic Empowerment Report 2023

Risk assessment tooling

As part of the supplier selection process, risks must be assessed, and the appropriate evaluations conducted. The options for selection include justified exceptions/deviations from the process and market engagement through a tendering process. The risk assessment through a questionnaire is currently in progress as part of an improved measure and data collection point. This enables the due diligence activities and assessments that must be carried out prior to ultimate supplier selection.

Key indicators will be used to monitor any material changes to the broader landscape. The system implementation is in progress and is likely to be operational in 2025.

2023 procurement achievements

- Our Group procurement is Certified with the Chartered Institute of Purchasing and Supply (CIPS) Kite award (two consecutive years, 2022 and 2023)
- We have been assessed for due diligence by an independent agency to achieve ISO 37001
- Our Supplier Code of Ethics is available on our internal web portal
- Absa in collaboration with Business Ethics Network hosted the supplier ethics day as part of awareness raising about our Supplier Code of Ethics.

Building an inclusive culture

Our inclusive culture is a dynamic, evolving journey towards creating a workplace where diversity, equity, and inclusion are not just embraced but celebrated. It is a key enabler of diversity, equity, inclusion, and belonging, principles that are deeply woven into the fabric of our operations and our corporate ethos. Our commitment to these principles is reflected in our actions, our policies, and most importantly, in the leadership demonstrated at the highest levels of our organisation.

Our leadership’s commitment to fostering an inclusive environment is exemplified by the Inclusive Leadership Journey Programme. This initiative saw our executives actively participating in programmes designed to assess and enhance inclusion practices at every touchpoint of our employee life cycle, as well as within our supply chain and business value chain. By setting the tone from the top, we lead by example, embedding inclusivity into every aspect of our business operations. Our commitment extends beyond internal policies to impact every individual we interact with, ensuring that our ethos of inclusivity, respect, and empowerment is felt across all levels of our organisation and beyond. Our journey towards a truly inclusive culture is ongoing, but with each step, we move closer to a future where everyone, regardless of background, identity, or ability, can thrive

To ensure that our commitment to inclusion is more than just theoretical, we have implemented targeted workshops and webinars aimed at identifying and addressing gaps in our practices. These sessions delve into unconscious biases, enhance psychological safety, and encourage behaviours that support inclusive decision-making. Through these efforts, we aim to create an environment where every employee feels seen, heard, and valued.

Currently, individuals recorded to be living with disabilities make up 0.75% of our workforce. While we do encourage voluntary declaration of disabilities, we acknowledge that this might not be a true reflection due to reluctance to self-disclose. We are steadfast and deliberate in creating a culture of inclusivity in this area and are hopeful that our efforts of providing a safe space, where self-declared employees feel embraced and accommodated, will foster an environment of openness for others to declare.

Employee Experience Survey

Our Employee Experience Index has steadily improved over the past four years, reaching an overall score of 71.5, reflecting the positive outcome of our collective effort to transform our organisational culture and build an Absa we can all be proud of. Key outcomes include:

- **Employee sentiment:** 74.9% of employees are delighted or satisfied with their experience at Absa (up from 69% in 2022)
- **Job satisfaction:** The mean score improved to 7.76 out of 10, indicating strong satisfaction
- **Employer Advocacy eNPS:** Likelihood of recommending Absa as a bank of choice increased from +24% to +36.1% in 2023.

Climate

Our commitment to climate action	37
Sustainable finance issuance and green financing initiatives	38
Managing climate risk	41



Our commitment to climate action

As part of our commitment to driving positive change, our approach to sustainability is deeply intertwined with our operational ethos and strategic ambitions to strengthen the foundations for a sustainable future. Recognising Africa's particular vulnerability to climate change, we have embraced it as one of our core sustainability strategic pillars. Our efforts extend beyond climate action, addressing the broader environmental challenges that face the continent. Our comprehensive environmental sustainability programme underscores our dedication to ensuring that future generations inherit a world that is just, equitable, and sustainable. We are proud to share our progress on these fronts in this update. Climate is extensively covered in the [Climate Report 2023](#).

We have seen significant strides in our sustainability journey. Our initiatives aimed at reducing our carbon footprint, supporting the agriculture sector in adopting climate-resilient practices, and driving sustainable financing underscores our commitment to a just transition in Africa.

Our strategic initiatives are carefully designed to align with our commitment to environmental and social sustainability. Key highlights include the development of sector-specific net zero pathways, fostering sustainable agricultural practices, and promoting renewable energy solutions. These efforts are complemented by our adherence to global frameworks such as the Equator Principles, the UN Principles for Responsible Banking, and membership of the United Nations Global Compact.

The journey towards sustainability is not without its challenges. However, our proactive and strategic responses have enabled us to maintain our course. We have exceeded our targets in several environmental performance metrics, a testament to our relentless pursuit of excellence in sustainability. Our initiatives, such as the installation of solar photovoltaic panels and water-saving projects, exemplify our innovative approach to overcoming these challenges.

Our progress in sustainability is a reflection of our broader commitment to empowering Africa's tomorrow. We are grateful for the continued support of our shareholders, whose faith in our vision fuels our drive toward a sustainable and inclusive future. Together, we are not just facing environmental challenges; we are seizing the opportunity to redefine the landscape of sustainable banking on the continent.

 [Diving deeper: Climate Report 2023](#)

Climate signature initiatives

- Reach net zero by reducing our carbon footprint and developing our pathways by sector to enable us to achieve our climate ambitions, and simultaneously factor in socio-economic impacts and considerations, while concurrently playing an important role for our clients in supporting them in their own carbon footprint reduction journeys ([Climate Report 2023](#)).
- Support the agriculture sector to adopt adaptation solutions to build climate resilience, alleviate poverty, and foster sustainable agricultural practices, addressing the unique challenges faced by the continent ([page 43](#)).
- Drive sustainable financing (including renewable energy and green products and solutions) to alleviate energy poverty and facilitate a just transition in Africa by supporting accessible and environmentally responsible energy solutions that contribute to both social equity and economic development on the continent ([Climate Report 2023](#)).

As a member of the United Nations Global Compact Network South Africa, we supported the development of the country's Voluntary National Review Report, which will be presented by President Cyril Ramaphosa to the United Nations High Level Political Forum in July 2024. Our involvement supported the Global Compact to hold dialogues with business stakeholders to include the voice of business and United Nations SDGs narrative into the national report.

We participated in global forums such as COP28 and the World Economic Forum, where sustainability emerged as a business imperative. These engagements are crucial as we navigate the complexities of global climate policy and seek to amplify our impact through strategic partnerships.



Our efforts have been recognised during the COP28 in Dubai, where we were awarded an accolade by Sustainable Trade Africa. This accolade affirmed our aspiration of being a leader in sustainable finance.

Looking ahead, we will aim to lead the way in sustainable finance in Africa. Our strategic focus will continue to be on reducing our environmental impact, supporting the transition to a low-carbon economy, and promoting social equity through sustainable practices. We are excited about the opportunities to further integrate sustainability into every facet of our operations, driving positive change for our communities, the environment, and our shareholders.

“Driving sustainability through environmental protection, social wellbeing, economic growth, and carbon reduction.”

Sustainable finance issuance and green financing initiatives



“Leveraging the Sustainable Finance Issuance Framework to empower environment and social impact.”



We actively seek appropriate opportunities within the Bank to which we apply the use of proceeds methodology as outlined in our Sustainable Finance Issuance Framework. We focus also on entering into sustainability-linked loans, which promote active participation in both climate and social endeavours.

During the 2023 financial year we issued a green Tier 2 bond totalling R2.2 billion and introduced green deposits to the market. The green deposits encompass two distinctive offerings: the Absa Fixed Deposit; and the Absa Access Deposit Note. The proceeds from the Tier 2 bonds were specifically earmarked for wind and solar projects within the Corporate and Investment Bank, while the green deposit proceeds were directed towards commercial asset finance for solar projects across relationship banking and the Corporate and Investment Bank.

In line with our ongoing commitment to support net zero targets and our comprehensive sustainability strategy, we successfully secured a R4.5 billion green loan from the International Finance Corporation. This loan is dedicated to promoting green building developments in South Africa over a five-year term. Notably, this transaction received support from grant funding under the Mortgage Accelerator Green Construction programme from the UK Government, resulting in cash back incentives for Absa home loan clients and commercial property finance clients. Since the start of 2021 we have raised R17.0 billion in green and social loans.



Bonds, Loans and ESG Capital Markets Africa Awards

- 2024 Winner of ESG Loan House of the year
- 2024 Winner of Bank treasury and Funding team of the year



Detailed Allocation Report

Sustainable liability instruments

Allocated sustainable assets

Instrument	Bond code	ISIN	Issuance date	Maturity date	Amount (R)	Asset category	No. of projects	Rand Amount/ exposure
Bonds								
Senior unsecured	ABGN01	ZAG000187436	27 June 2022	27 June 2025	439 000 000	Concentrated solar power	4	3 456 009 466
Senior unsecured	ABGN02	ZAG000187428	27 June 2022	27 June 2027	1 098 000 000	Wind	6	2 981 045 286
Senior unsecured	ABGN03	ZAG000187410	27 June 2022	27 June 2029	1 032 000 000	Solar photovoltaic	3	735 269 654
Tier II	ABLG01	ZAG000189580	15 September 2022	16 September 2032	1 916 000 000			
Tier II	AGLG02	ZAG000198334	25 August 2023	26 August 2033	2 158 000 000			
Subtotal sustainable bonds					6 643 000 000 ^{LA}	Subtotal sustainable assets	13	7 172 324 406
Deposits								
Absa Green Deposit			15-Jan-23	n/a	236 850 000	Solar photovoltaic	317	649 731 054
Subtotal sustainable deposits					236 850 000 ^{LA}	Subtotal sustainable assets		649 731 054
Total sustainable liabilities					6 879 850 000	Total Sustainable Assets		7 822 055 460
Total proceeds allocated to eligible assets (R)					6 879 850 000			
Balance of unallocated proceeds					0			
Percentage of net proceeds of green funding allocated to eligible assets (%)					100			
Percentage of refinancing from green bond proceeds (%)					100			
Percentage of new financing from green deposit proceeds (%)					100			

Impact report

	Project category	Installed capacity (MW)	Production in GWh ¹	CO ₂ avoidance (tCO ₂ /year) ²
Renewable energy				
Green Bonds	Concentrated solar power	300	867	875 670
	Wind	803	2 364	2 387 640
	Solar photovoltaic	155	337	340 370
Green Deposits	Solar photovoltaic	36	65	66 080
Total		1 294	3 633	3 669 760

¹ Production only included for projects that have reached commercial operating date

² Based on the Eskom emissions factor of 1.01 tons per MWh

 [Diving deeper: Assurance opinion page 59](#)

Capital Market Development (Tanzania and Botswana)

The development and deepening of local currency capital markets are critical to supporting the just transition in Africa. We supported issuers to unlock R1.5 million in the debt capital markets during the year and played a key role in developing local currency capital markets. Notable transactions include:

- In East Africa, we supported NMB Bank Tanzania as joint lead transaction advisor on the launch of their sustainability bond, aimed at delivering both positive and environmental impact to Tanzanian communities. The sustainability bond was issued in two tranches valued at TZS212.9 billion (c.R1.6 billion) and USD73 million (c.R1.3 billion) respectively
- In Southern Africa, Absa Bank Botswana issued a BWP47.4 million (c.R61.3 million) inaugural sustainable bond.

Absa facilitated and arranged R31 billion in sustainable finance transactions (South Africa)

In 2023, we provided financing and corporate banking services to several captive power projects, including:

- A R2.5 billion 100MW solar photovoltaic plant, operated and owned by the SOLA Group with the energy being supplied to African Rainbow Minerals Platinum
- A 97.5MW solar photovoltaic facility, developed by Mainstream Renewable Power that will deliver renewable energy to Sasol and Air Liquide
- A R2.8 billion 150MW solar photovoltaic project developed by SOLA Group, located in the Free State. The project initially secured three multinational anchor offtakers, with a significant portion of the project's energy reserved for flexible, short-term power purchase agreements which will enable a wide range of clients across South Africa to have access to clean and affordable energy.

Our approach to climate change acknowledges the need for a just and inclusive transition

Whilst our moral obligation to act is clear, we are aware that our commitment to combat climate change must harmonise with the reality of our world, acknowledging the interdependence of job creation, economic growth, and environmental stewardship. Faced with this trilemma, our approach to climate acknowledges the need for a just and inclusive transition and therefore our efforts extend beyond mitigation but addressing adaptation and as well as resilience.

This includes setting our targets towards a sustainable, low-carbon economy in full consideration of the unique challenges in Africa. This is more critical in South Africa due to its historical economic reliance on fossil fuels, particularly coal.

We have developed emission reduction targets for our fossil portfolio based on global scenarios that align with the development imperatives of Africa while targeting a declining emissions trajectory. We emphasise ongoing support for clients in transitioning to a low-carbon economy and a commitment to adjusting targets based on evolving climate science and decarbonisation scenarios, recognising the need for additional Africa-specific energy transition scenarios. Overall, our approach reflects a strategic commitment to transparency, sustainability, and proactive measures to contribute to global decarbonisation efforts.

Looking ahead, we will prioritise our climate change efforts and ensure that we have the right foundational elements to reach our ambitious carbon emission and energy reduction targets. We will do our utmost to ensure our material contribution to addressing the global climate challenge.

“We have developed emission reduction targets for our fossil portfolio based on global scenarios which align with the development imperatives of Africa.”



Managing climate risks

Assessing and screening environmental and social risks (FS 2)

As part of our commitment to being an active force for good, we have adopted rigorous due diligence processes for projects related finance transactions. This includes comprehensive reviews to ensure alignment with our principles and the development of action plans to address any gaps, ensuring projects not only comply with our standards but also contribute positively to the communities they impact. This includes the following components:

- Customer-facing employees and credit analysts review of individual transactions for environmental and social risks as part of the credit review and approval process, guided by our specialist environmental credit risk management teams and designated environmental and social officers in the Absa Regional Operations
- Credit analysts consider environmental and social risks when providing credit facilities, as environmental credit risk is embedded into the credit risk process. They document applicable material risks and propose mitigating actions in the credit paper
- Transactions are referred to the appropriate committees for approval, as determined by our credit policy and business procedures, for initial support and final credit approval
- Financing requests for sensitive sectors are assessed on a case-by-case basis, using several considerations as guided by our sensitive sector lending standards.

We appoint independent environmental consultants to assess and mitigate the identified risks, where appropriate. A transaction will be rejected based on a holistic decision considering numerous factors, including environmental and social risks. Finance will only be provided if all requirements are met. Identified gaps regarding environmental and social risks are included in action plans and covenanted in facility agreements, where appropriate.

An Environmental and Social Risk Assessment tool has been developed to improve efficiencies during the screening and assessment of environmental and social risks. The tool was also updated to capture and identify potential positive impact activities, underlying risk identification and management, as well as starting to understand climate risk vulnerability beyond just greenhouse gas emission management.

The tool has been automated and was integrated into credit systems during 2023.

The Environmental and Social Risk Assessment tool requires consideration of environmental and social risks using the IFC Performance Standards, which include consideration of the client Environmental and Social Management System and related systems, grievance mechanisms, labour practices, biodiversity aspects, climate-related risks (greenhouse gas emissions and reduction targets), social risks and legal compliance.

Over 559 employees across the Corporate and Investment Bank in South Africa and Absa Regional Operations have received Environmental and Social Risk Assessment tool learning and development during 2023.

Equator Principles

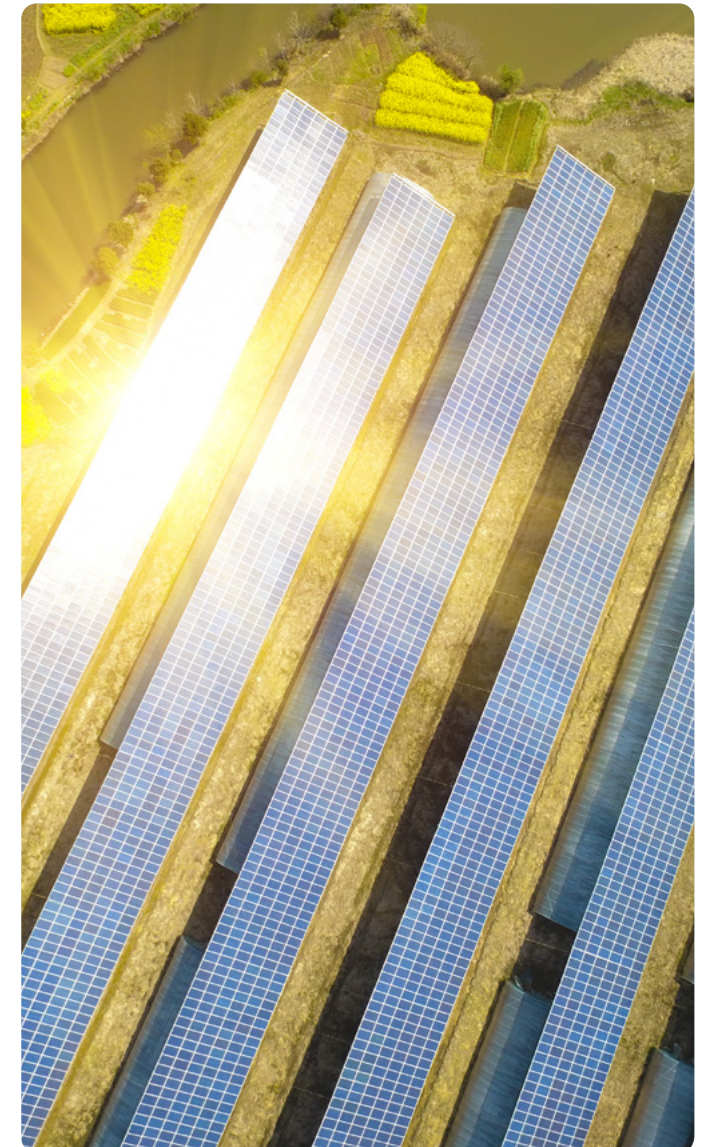


Project finance transactions¹ 8 2022: 4	Project-related bridge loan 0 2022: 0	Project-related corporate loans² reaching financial close 1 2022: 1
General transactions 263 2022: 227	Project finance advisory service 0 2022: 0	Project-related finance 0 2022: 1

¹ Over USD10 million.
² Over USD50 million that meet specified criteria.

Since 2009, we have undertaken environmental risk assessments for all transactions within the thresholds defined in the Equator Principles, including project finance, project-related corporate loans and project-related refinance. All Equator Principles transactions are reviewed by the Environmental credit risk management team, working closely with the business and legal teams.

[Diving deeper: Pillar III Risk Management Report 2023](#)



Equator Principles projects are categorised in terms of the International Finance Corporation's environmental and social categorisation process as category A, B or C based on the expected magnitude of their environmental and social impacts:

A – Potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented

B – Potentially limited adverse social or environmental impacts that are few, generally site-specific, largely reversible and readily addressed through mitigation measures

C – Minimal or no social or environmental impacts.

Our policies and standards reflect the requirements of the Equator Principles IV (effective 2020). Eight project finance and one project-related corporate loan reached financial close during 2023.

Equator Principles transactions	Project finance			Project-related corporate loans			Project-related refinance					
	2022	2023		2022	2023		2022	2023				
	A	B	C	A	B	C	A	B	C	A	B	C
Sector												
Mining and metals	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Oil and gas	-	-	-	-	-	1	-	-	-	-	-	-
Power generation	-	4	-	-	8	-	-	-	-	1	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Region												
Americas	-	-	-	-	-	-	-	-	-	-	-	-
Europe, the Middle East and Africa	-	4	-	-	8	-	-	1	-	1	-	-
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-
Country designation												
Designated country	-	-	-	-	-	-	-	-	-	-	-	-
Non-designated country	-	4	-	-	8	-	-	1	-	1	-	-
Independent review												
Yes	-	4	-	-	8	-	-	1	-	1	-	-
No	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	4	-	-	8	-	-	1	-	1	-	-

General transactions	2021	2022	2023
	A	A	A
Sector			
Mining and metals	24	33	44
Infrastructure	14	35	74
Oil and gas	21	31	23
Power generation	3	10	12
Power generation (renewable energy)	7	14	22
Agriculture and fisheries	5	10	14
Chemicals and pharmaceuticals	0	6	0
Manufacturing	7	45	38
Services	8	38	43
Utilities and waste management	4	4	2
Transportation		1	0
Region			
Americas	0	0	0
Europe, the Middle East and Africa	93	227	263
Asia Pacific	0	0	0
Total	93	227	263

Agriculture (FS 2)

Climate-smart agricultural financing (Kenya)

We entered into a financing agreement with Eco.Business Fund to the value of KES1.3 billion (c.R147.9 million) to support climate-smart agricultural practices in Kenya.

As a result of fragmented supply chains, outdated practices, and poor infrastructure, an estimated one-third of Kenya's agricultural production goes to waste. The funding allocation aims to enhance resource efficiency, bolster food security, and reduce the impact of climate change on agriculture.

Our investment will contribute towards equipping various value chain actors in Kenya, including agricultural producers, aggregators, processors and exporters. These clients will use the finance and knowledge to achieve biodiversity and climate-friendly sustainable production and exports while alleviating food insecurity.

Climate

Agriculture is frequently identified both as a contributor to and a casualty of climate change. Consequently, it is imperative for the industry and its stakeholders to collectively contribute to mitigating the contribution of agriculture to climate change and to proactively establish resilience against the potential disruptions it will cause. However, achieving resilience necessitates substantial investment. This need for investment is growing, yet it arises at a time when various subsectors are grappling with challenges that have adversely affected profit margins and put significant pressure on cash flow. Some of these challenges include:

- Adverse weather conditions have affected yields and quality of products such as table grapes, berries and deciduous fruit
- Infrastructure decay and high distribution and shipping costs
- Load shedding
- Multiple outbreaks of animal disease which include foot and mouth disease in the beef sector and avian Influenza in the poultry sector
- High input costs fuelled by geo-political developments such as the wars in Ukraine and the Middle East.

Recognising these challenges, we rolled out numerous initiatives throughout the year aimed at mitigation and adaptation. These primarily revolved around raising awareness among diverse stakeholders regarding climate-specific matters, and emphasising enhanced efficiencies to promote positive outcomes for nature and reduce carbon emissions. Our objective is to spark discussions among stakeholders that can shape future funding models and the features of financial products, ultimately optimising our ability to serve clients and facilitate investment in climate mitigation and adaptation projects.

In terms of general awareness drives, we organised a client educational incentive trip to the Middle East. This was done to expose and position clients to tap into efficiencies created through new technology that can facilitate climate change mitigation and adaptation. The Middle East is considered to be a leader in the development and commercialisation of agricultural technology. We also collaborated with agricultural producer organisations such as Grain SA to sensitise producers on the opportunities and requirements that financiers and their clients would face within the broader sustainability framework. To underscore the importance of aligning expectations among stakeholders in the industry, our final initiative entailed the placement of a sustainability section as a standing item in our bi-annual AgriTrends flagship research publication, where the autumn edition highlighted the financial benefits of renewable energy and the spring edition focused on the value of natural capital.

Going forward, our sustainability engagements will be more focused on client discussions. Here we will leverage climate research work that has been done in 2021 and 2022 to identify high-emitting areas/sectors or areas with high climate risk.

Agricultural financing in Botswana

To support the Botswana government's efforts in the agriculture sector, Absa Bank Botswana has financed agricultural projects to the value of R622 million during 2023. The financing assisted clients in acquiring equipment such as greenhouses and solar systems, to drive Smart Agriculture.

Botswana's Smart Agriculture, incorporating technology, efficient water management, and improved market access, is crucial for addressing challenges such as climate variability, limited arable land, water scarcity, and outdated farming methods.

Agri-innovation and digitisation as a tool to mitigate risk and unlock opportunity

Mitigating sustainability, digitisation and data integration risks are imperative. We continuously monitor this environment to identify possible new technologies we can test and use to improve our client offerings.

During 2022 and 2023, we conducted a remote sensing pilot project among selected summer and winter grain producers. This highlighted the value of monitoring crop progression and weather development through time, in managing risks for primary producers and financiers.



*Being a force
for good*



Food security in South Africa

The Agricultural Growing-to-Market Project/Food Security Programme, funded by Absa in Gauteng, in partnership with Hand in Hand Southern Africa and the Agricultural Development Agency, focuses on developing small-scale vegetable gardens and transferring gardening skills to community members. The aim is to build a sustainable food system, improve health and nutrition, and create opportunities for members to earn an income by selling surplus vegetables. Participants learn primarily hydroponic farming techniques.

To date, over 600 community members have participated in the project, which may be scaled up to other provinces. Diana Sekese from Olievenhoutbosch said: "I am delighted to have participated in the project. I was equipped with a unique skill that I didn't have, and I will use what I learned to continue with vegetable farming". Over time, successful participants will receive support to develop their small-scale gardens into larger agricultural cooperatives and, eventually, agribusinesses in the community.

Biodiversity

The financial sector faces growing risks from biodiversity loss and climate change, prompting increased scrutiny of the threats they pose. Declining biodiversity undermines nature's ability to provide essential services, posing an existential threat to the global economy tied to the world's GDP dependence on nature. Climate change directly impacts biodiversity loss, affecting food security and resource availability. Addressing the challenge of biodiversity-related financial risk requires biodiversity risk assessment frameworks and various approaches to the risk as well as opportunities. Our strategic climate pillar in the sustainability strategy advocates proactive management of climate change and biodiversity risks, aligning with SDG 15.

Our strategy has sustainable finance principles at its core, and thus includes biodiversity risk management in lending, insurance and investment decisions. As a member of the United Nations Environment Programme Finance Initiative Principles for Responsible Banking, we participated in the Taskforce on Nature-Related Financial Disclosures discussions, piloting an approach in our agricultural portfolio to identify and address natural capital risks.

Our approach to this pilot included integrating specific biodiversity spatial layers into the existing map feature of our current physical risks dashboard to enable us to identify biodiversity dependencies, risks and opportunities linked to our clients' operations. Steps included:

- Conducting an initial assessment of our agriculture book exposure by using the prototype dashboard to identify natural capital risks as it relates to our agriculture book exposure for primary agriculture

- Engaging key clients to test the applicability of the approach in order to customise and make it fit for purpose
- Using the outcomes of the above to further inform our approach.

Based on the overlays on the dashboard, we were able to identify how many of our clients were located in the following biodiversity priority areas: essential life support areas, critical biodiversity areas, ecological support areas, strategic water source areas, protected areas, conservation areas and threatened ecosystems.

We involved key clients in discussions about biodiversity risks identified through the dashboard, seeking their comprehension of and exposure to dependencies, impacts, risks, and the measures they have taken to mitigate these risks and leverage opportunities.

More work is needed to understand nature-related risks, enabling capital allocation toward positive solutions and investment opportunities, preventing biodiversity loss and promoting a transition to sustainable practices in the financial sector.

We have been actively involved in forest restoration across the continent, thereby contributing not only to the carbon sink but also to increasing local resilience and protecting biodiversity.



Tree planting in Africa to restore forests

Kenya

We launched a 150 000 Mangrove Tree Reforestation Initiative in Mombasa. Mangrove forests remain an important biodiversity hot spot that must be protected and conserved. These mangrove ecosystems also provide livelihood opportunities such as fishing and tourism, contributing to the economic well-being of the Tudor and Jomvu communities. Each mangrove tree can absorb 300 kg of CO₂ from the atmosphere every year, thereby playing an active role in combating the climate crisis. Mangroves also act as formidable barriers against natural disasters, specifically storms and tsunamis as their intricate root systems dissipate wave energy, reducing the impact on vulnerable coastal communities and minimising the destruction caused by these catastrophic events.

Botswana

Since 2021, Absa employees have planted over 4 000 trees across Botswana in partnership with Green Trust Botswana and clients that have the same vision of reducing greenhouse gas emissions. In recent years we have focused on planting fruit trees at medical centres. This initiative is aimed at ensuring patients have easy access to fresh and nutritious fruits that may help them with recovery and healing.

Seychelles

In partnership with the Ministry of Environment in Seychelles we assisted with the planting of mangrove trees along the coast to prevent coastal flooding and filter the water.

Corporate citizenship

Our community impact

46

Absa CSI Trust

48



Our community impact

At Absa, our Corporate Citizenship strategy is fundamental to our mission to be an active force for good in all our endeavours. This strategy is an integral part of the sustainability framework, which is designed to address the socio-economic dynamics within our areas of operation and generate sustainable impact. Looking back to 2021 relative to 2023 our Corporate Citizenship strategic focus was based on the Role in Society strategy, which was based on the pillars of Education and youth employability, Strategic engagement initiatives, Inclusive finance, and Environmental sustainability.

Our approach to corporate citizenship

Through a meticulous analysis of our operating landscape and comprehensive stakeholder engagement, we have crafted a forward-thinking Corporate Citizenship strategy centred on financial inclusion through Entrepreneurship. This approach is aimed at fostering the economic participation and inclusion of young people and women, through the support, formalisation, and capacitation of enterprises. Our goal is to catalyse the continent's growth and development, promoting intergenerational inclusion to mitigate the socio-economic challenges confronting our communities.

- **Financial inclusion and consumer education:** We aim to create a financially inclusive future, enhancing access to essential financial services and digital banking solutions. Our initiatives focus on financial empowerment through education for individuals and small businesses, and promoting inclusive economic growth, particularly for youth and women.
- **Entrepreneurship and employability interventions:** We are committed to nurturing an entrepreneurial ecosystem that supports aspiring and current entrepreneurs with the necessary resources, networks, and support. Additionally, we focus on empowering young individuals and women entrepreneurs to overcome barriers and achieve their full potential.
- **Employee volunteerism:** Aligned to our strategic ambition of being an active force for good in everything we do, we promote a culture of engagement that encourages employees to actively participate in social causes, fostering a sense of responsibility towards community upliftment.
- **Social impact response:** We take a purpose-driven approach in our efforts to make a positive social impact and are dedicated to building resilient communities by addressing their critical needs and enhancing their long-term well-being.

- **Applied measurements, policy influence, and thought leadership:** Our commitment extends to influencing policies and advocating for an entrepreneurship-friendly environment. Through data-driven decision making and sharing best practices, we aim to contribute meaningfully to the broader discourse on sustainability.

Achievements for the year

During the period under review, we invested over R285.8 million (2022: R266.7 million) towards community development through education, youth employability, strategic engagement initiatives, as well as corporate community support. The investment underscored our commitment to community upliftment as well as contributing to promoting inclusive and sustainable economic growth in Africa. Key achievements include:

- Investment of over R35.8 million (2022: R33.8 million), reaching 105 337 (2022: 79 173) beneficiaries through consumer financial education. We provided consumers with basic financial literacy concepts and an understanding of their rights and responsibilities in the financial services sector. In South Africa, the programme is delivered by accredited partners and targets school learners, the unemployed and individuals earning an annual income of less than R250 000. These initiatives speak to our strategic goal of Improving financial literacy and expanding access to financial services for underserved communities.
- Working on our goal of cultivating a thriving entrepreneurial ecosystem that empowers individuals and entrepreneurs with skills, resources, and opportunities to pursue sustainable income-generating opportunities. To achieve this over 37 659 (2022: 47 641) youth were upskilled and accelerated into income-generating opportunities, this included:
 - Supporting over 2 940 (2022: 3 140) small and medium enterprises and smallholder farmers and creating 3 302 (2022: 9 144) employment opportunities.
 - Empowering over 26 859 (2022: 29 881) young people through our ReadyToWork programme; and
 - Over 3 758 (2022: 5 476) young people upskilled then redirected into jobs and/or self-employment in collaboration with various stakeholders across the value chains.

- Over 14 458 (2022: 8 137) learners were supported to access post-school education opportunities, this included:
 - 122 (2022: 94) students supported through the Absa fellowship programme, equipping them with essential competency skills through leadership development, emotional wellness and academic tutoring; and
 - Over 12 297 (2022: 6 636) Grade 12 learners in rural areas of Limpopo, Eastern Cape, and KwaZulu Natal supported to increase their chances of qualifying for and gaining admission to higher education institutions.
- Colleague volunteerism: Over 5 500 employees contributed 15 300 volunteer hours, demonstrating our collective commitment to social upliftment and being an active force for good in our communities.



Stories from our communities

David's* IT empowerment journey: At 30, David* transitioned from a cycle of underemployment to a fulfilling career in information technology, thanks to the Cross Skilling programme. Previously working as a casual worker, his life changed when he enrolled in a learnership programme for an information technology manager position. David's* dedication and passion for information technology led to his rapid advancement and eventual full-time employment. Now, as an integral part of the information technology team, David* has not only uplifted his family's financial status but also set a new course for his future, demonstrating the power of targeted skill development and employment support.

Nia's* rise to a sales powerhouse: Nia*, shouldering the responsibility of being the sole provider for her extended family, found new hope and opportunity through the Cross Skilling programme. Her journey from unemployment to becoming a force in sales illustrates the transformative impact of skill acquisition and employment support. Nia's* success story is a testament to how empowering individuals can lead to collective upliftment and positive community impact.

Thando's* record-breaking delivery achievements:

Thando*, a young individual from Lusikisiki, pivoted to the last-mile delivery market with the Green Riders programme, setting new benchmarks by achieving a record 406 deliveries in a single month. His remarkable achievement not only highlights his personal and professional growth but also inspires others within the sector to excel, showcasing the significant potential for upward mobility through skill enhancement and determination.

Nomalizo's* swift progression from new rider to trainer:

Starting as a delivery rider, Nomalizo* quickly advanced to become a trainer within the Green Riders programme, demonstrating the rapid career progression opportunities available. Her success story is not just about personal achievement; it's about contributing to her family's well-being and aspiring to even greater heights as a potential fleet owner. Nomalizo's* journey from a new rider to an influential trainer underscores the programme's effectiveness in providing meaningful opportunities and inspiring ambitions for a better future.

* Not the client's real name

Stories from our employees

In a demonstration of unwavering commitment to social responsibility, our employees came together to drive meaningful change through impactful initiatives.

An employee within Everyday Banking took the initiative to organise and lead a Charity Golf event, resulting in the successful raising of R500 000. This remarkable achievement was further amplified by a matching contribution of R150 000, totalling a substantial R650 000. The funds were then allocated to various charitable organisations dedicated to addressing a wide array of social challenges.

Expressing gratitude for the collaborative effort of colleagues, the employee highlighted the significance of their selfless commitment in organising the annual charity golf day. The event's success transcended monetary gains, as it directly benefited diverse organisations supporting vulnerable groups such as children with disabilities, survivors of human trafficking, animals in shelters, and individuals receiving daily meals through Meals on Wheels.

Reflecting on the collective impact, the employee emphasised the transformative power of teamwork in effecting positive change within the community. The collaborative endeavour underscored our organisation's unwavering dedication to making a meaningful and lasting difference in society, reinforcing the ethos of compassionate action and social responsibility.

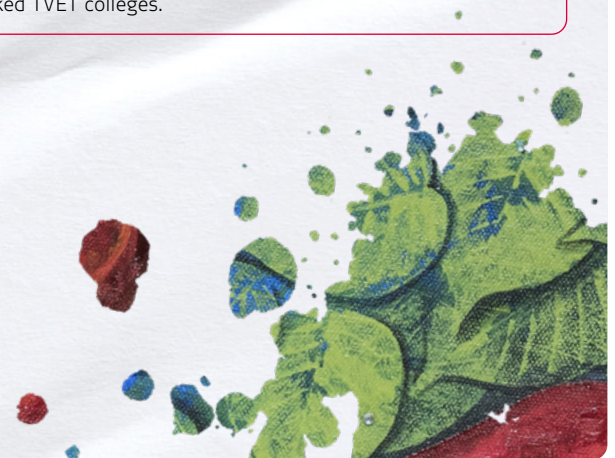
To commemorate the 16 Days of Activism No Violence against Women and Children Campaign, over 200 employees participated in a walk organised by Absa Women in Compliance. The event, themed "Empower Walk for GBV Awareness," aimed to raise awareness about the long-term physical, psychological, and social consequences of abuse. Through their collective efforts, participants raised an impressive R132 000, which was directed towards supporting a vital initiative in Berea, Johannesburg, assisting 225 beneficiaries affected by human trafficking.

These are some of the initiatives that exemplify our commitment to making a positive difference in society. Through proactive community engagement and philanthropic endeavours, our employees have demonstrated their dedication to fostering a more equitable, inclusive, and compassionate world. This collective action underscores our ethos of empathy, empowerment, and social responsibility, leaving a lasting impact on the communities we serve.

Employee volunteerism stories of impact

In 2023, our colleague volunteering initiatives were curated and executed in line with the strategy and enabled colleagues to amplify the Group's ambition to be an active force for good in communities. Anchored on our ESG principles, Group-led colleague volunteering initiatives included:

- **Environment:** Urban greening and tree planting to promote environmental sustainability, urban greening and community engagement through the planting of trees in a designated community. 450 trees were planted across nine provinces in South Africa.
- **Social:** Expansion of food security through a food drive in partnership with our implementing partner using an international food banking model. The initiative enabled employees to participate in packing and distribution of food relief packages to vulnerable communities, where over 22 770kgs of food (equating to over 91 080 meals) were distributed across seven provinces.
- **Governance:** Promote ethical leadership guided by the ambitions of the United Nations SDG 16 and 17, peaceful and inclusive societies as well as partnership for realisation of the goals. We developed a bespoke Ethical Leadership curriculum that was delivered by employees in Ethical Leadership sessions across five provinces in South Africa, reaching 150 Student Representative Council youth members across five Absa-banked TVET colleges.



Absa CSI Trust

We launched the Group's landmark Broad-Based Black Economic Empowerment (B-BBEE) transaction on 1 September 2023, underscoring the Group's commitment to transformation. The transaction enables employees and communities to participate in the value generated. Absa CSI Trust was allocated a 4% stake in the Group, which is meant to benefit communities. The transaction, one of the largest B-BBEE transactions in recent times, received the 'BEE deal of the year' recognition from the DealMakers Annual Gala Awards 2023.

The CSI Trust is a "Broad-Based Ownership Scheme" as contemplated in the Financial Sector Code and has been registered as a public benefit organisation with the South African Revenue Services. The principal object of the Trust is to operate as a public benefit organisation and to carry on one or more public benefit activities. Recognising the triple challenge of unemployment, poverty and inequality, the Trust will predominantly focus on education and youth employability to enable youth to participate in income-generating activities and be meaningful contributors to the country's economy. The Trust will seek niche opportunities to invest in to drive social and economic impact and enable earning pathways for youth.

At least 85% of the value of the benefits allocated by the Trust to its beneficiaries must accrue to black persons, of which the Trustees shall endeavour to allocate up to 30% to black women. The Trust's efforts will be undertaken in South Africa only; therefore all initiatives will seek to impact South African citizens. Beneficiaries will be selected annually, in accordance with the Trust Deed and will take cognisance

of Absa's Active Force for Good strategy. The Trust is independent of the Group, with a majority of independent trustees who decide on the strategic direction as well as initiatives to be undertaken by the Trust.

To date, a total of R65 million has been committed towards education and employability initiatives. The initiatives selected for support have a track record of impact; they maximise the impact by building on existing foundations and accelerate the ability to impact education and youth employability in a scalable manner. These initiatives demonstrate innovation and are importantly aligned with the strategic intent of addressing the key issues of unemployment, poverty, and inequality. Cost efficiency and sustainability were also key considerations in selecting the approved initiatives for funding support.

The initiatives identified for support seek to provide access to quality education and to enhance youth employability by developing digital, technical, vocational, and future skills in young people.

The initial projects being implemented in line with the CSI Trust mandate are:

- **IKUSASA Student Financial Aid Programme and Fundi:** seeks to provide access to post-graduate education in fields that are in high demand; this includes chartered accountancy, actuarial science, humanities, engineering, entrepreneurship, and the post-graduate diploma in technical and vocational teaching.
- **Gradesmatch:** recognising extensive research that indicates the need for student support at a university level especially for youth from previously disadvantaged communities to enable their success, the initiative will provide comprehensive wrap-around support to students in different universities across the country. The support will include career planning, tutoring, mentoring and psycho-social support.
- **Harambee Youth Employment Accelerator:** through this initiative, unemployed youth will be trained as Last Mile Delivery Drivers which will transition them into income-generating opportunities in growing sectors of the economy.
- **National Business Initiative:** unemployed youth will be trained in installation, repair and maintenance skills. Pathways will also be developed for them to qualify as artisans.

Looking forward

Our journey for 2024 and beyond represents a powerful shift towards a comprehensive approach, acknowledging the deep connection between business prosperity and the well-being of our communities. We are moving strategically from standard education and employability plans to focused financial inclusion and entrepreneurship education programmes, prioritising the upliftment of young people, women, and micro enterprises. Our aim is to equip them with knowledge and resources that fuel the entrepreneurial spirit and enable wise financial choices, igniting economic empowerment across our markets.

Moreover, the rollout of CSI trust-aligned initiatives in the coming years promises to magnify our societal impact significantly. We are excited about the possibilities of creating lasting socio-economic benefits and empowering individuals and businesses for sustainable growth paths. The launch of the CSI Trust underlines our unwavering commitment to driving positive change and leveraging our strengths to address societal needs effectively.





Other disclosures

Empowering our employees through learning and development	50
Enhancing the wellbeing of our employees	51
Operational health and safety	53

Empowering our employees through learning and development (GR401)

In 2023, our Employee Experience Survey spotlighted ‘growth and development’ as a cornerstone of our culture, with 85% of our workforce acknowledging access to learning and development opportunities, an increase from 83% in 2022. This feedback validates our focused approach to bolstering employee skills, knowledge, and competencies. Our commitment aligns with enhancing individual performance and dovetails with the organisation’s overarching growth trajectory.

Our strategy for learning and development has been to prioritise the nurturing of scarce and critical skills to solidify our foundations for a sustainable future. By devising a comprehensive skills strategy, we aimed at elevating capabilities, readiness, and ultimately, the entire employee experience. Our investment of R608 million in 2023, though slightly reduced from R638 million in the previous year, was strategically employed to yield remarkable outcomes through efficiency and precision.



Central to our approach is the facilitation of real-time skills detection, enabling prompt development and application of necessary skills. This proactive stance empowers our employees to make informed decisions regarding their professional development, applying their new skills effectively and swiftly.

Each business unit within our organisation identifies skills pivotal to its operations, as delineated in individual workplace skills plans. Employees actively contribute to these plans, ensuring that learning initiatives are personalised and strategically aligned with our broader objectives. Access to diverse learning platforms and content, such as Udemy, along with Group and business unit-specific programmes and masterclasses, supports this alignment. Notably, our Absa Leadership Academy has played a crucial role in enhancing talent mobility. Analysis from 2020 to 2023 has shown a positive correlation between programme participation and subsequent promotions, underscoring the value of these initiatives in facilitating career advancement.

Acknowledging the critical importance of sustainability, our investment extends to developing capabilities that integrate sustainability principles with our industry’s expertise. This focus not only ensures compliance with regulatory demands but also fosters innovation and drives long-term value creation. In a landscape marked by the scarcity of skills at the intersection of sustainability and finance, our consistent investment in learning and development is vital for upskilling our employees, preparing them to navigate and lead in a rapidly evolving environment.

Our strategic investment in growth and development has fostered a workforce that is not only skilled and knowledgeable but also adaptable and strategically evolved for the future. By creating an environment where employees are attracted, nurtured, inspired, and empowered, we have laid the groundwork for outperformance and innovation. Our approach to embracing uncertainty, accepting imperfections, and liberating human capital has prepared us to respond rapidly to both known and anticipated challenges, securing our organisation’s success and sustainability for the long term.

Key learning and development highlights

Our **total skills development spend**

for the Group was R608 million, benefiting employees and unemployed learners, while R479 million was directly invested in the learning and development of our employees (2022: R638 million; R500 million).



99% of our permanent employees participated in **non-mandatory learning and development programmes**,

with employees accessing 7 328 available learning programmes (2022: 4 329).



29 669 employees engaged in learning on the **Udemy learning platform**,

consuming 26 506 hours of content (2022: 24 496 employees consuming 29 893 hours of content).



The **Absa Digital Campus**

enables our employees to create a hyper-personalised learning experience, with proficiency improvements of up to 80% recorded. 2 796 employees utilised this platform in 2023 (2022: 10 828). The most popular courses cover client value conversations and pricing, suspicious transactions, mandate assessments, fintech disruptive innovation, critical thinking, and emotional intelligence.

The decline in the use of this platform is related to the availability of various other platforms to the employees.



Absa was ranked as a Top Employer Africa in 2023 in an independent audit for the third time in a row by the global Top Employer Institute.

Sustainability skills development and capacity building

Approach

We initiated a comprehensive learning and development programme in 2023 aimed at embedding a solid foundation of sustainability principles among its workforce. This initiative reflects the company's dedication to ensuring that all employees understand and can contribute to sustainability goals.

Outcomes

A significant 68% of all employees completed the foundational sustainability learning and development, indicating a high level of engagement and a broad understanding of sustainability principles across the organisation. The remainder of employees will complete the training in the first quarter of 2024.

The company has made concerted efforts to engage executives and management through targeted learning and development. This includes mandatory online courses tailored to the unique needs of different business units and functions such as front-office and risk teams. By doing so, we ensure that our leadership is well-versed in sustainability practices and principles.

More than half of the executives completed mandatory sustainability learning and development, signalling strong leadership commitment to sustainability and its integration into corporate strategies.

Participation in the International Finance Corporation Green Social and Sustainability Bonds executive learning and development programme showcases our commitment to global best practices and continuous learning in sustainable finance.

The involvement in advanced learning and development programmes, both locally and internationally, has elevated the sustainability literacy and capabilities of our executives and Board members, ensuring informed decision-making and leadership in sustainable practices.

By partnering with Chapter Zero and implementing Board-level learning and development programmes, we commit to high-level governance excellence in sustainability, ensuring that its top leadership is equipped with the latest insights and practices.

The immersive learning and development programmes for Board members, including workshops and masterclasses, have strengthened governance structures and strategic alignment with sustainability goals, ensuring that sustainability is deeply integrated into corporate oversight and planning.

The implementation of culture-focused programmes aims to influence the organisation's ethos and daily interactions, promoting a sustainability-conscious culture throughout the corporation.

Through cultural and coaching programmes, we have fostered an environment that supports sustainability as a core value, influencing employee interactions and reinforcing the company's commitment to sustainability at all levels.

The data presented below provides an overview of internal learning and development achievements. It currently excludes tertiary education, external learning and development programmes, seminars and continuing education programmes. Our total average learning and development hours per person remained reasonably stable at 47 (2022: 48).

Learning programmes per delivery type

7 769 learning and development programmes were used during the year and included 1 746 633 learning and development hours.

[Diving deeper: Data sheet](#)

Coaching

Absa's various coaching and culture programmes seek to positively influence the daily interactions of our employees and provide the relevant support in helping our employees realise their outperformance ambitions at every level.

In 2023, we offered two culture programmes; "Conversational Technology for Leaders"; and "Culture Facilitation and Human Dynamics".

Each engagement spans from six to 12 months and generally has eight to 12 sessions.

[Diving deeper: Data sheet](#)

Knowledge management

A virtual knowledge base provides employees with access to over 482 articles relating to all aspects of human capital management. In line with the self-service and digital strategies, we encourage employees to search for the information they require directly from the knowledge base.

Enhancing the wellbeing of our employees

Ratio of basic salary and remuneration of women to men (GRI 405-2)

Fair and responsible remuneration remained a core focus for the Group in 2023, building on the actions taken in 2022. We seek to ensure fair and responsible outcomes at each stage of the human capital value chain, including recruitment, appointment, promotions, performance management and remuneration.

Our implementation outcomes continue to reflect ongoing conscious decisions to strengthen fair pay both vertically (across different levels) and horizontally (across employees performing similar roles at similar levels).

The ratios have remained stable year-on-year.

[Diving deeper: Remuneration Report 2023](#)

Collective bargaining agreements (GRI 2-30)

We uphold the rights of our employees to freedom of association, the right to collective bargaining, the protection of employee representatives, and the right to be a member of a trade union of their choice.

Agreements with trade unions

16 unions

(2022: 16)

% of employees covered

36.2%

(2022: 40.8%)

For outside the collective bargaining process, their working conditions and terms of employment are governed and/or determined in terms of their employment contract and relevant policies.

[Diving deeper: GRI Index](#)

Absa Leadership Academy

11 813 employees engaged in the Absa Leadership Academy programmes (2022: 9 194 excluding learning week), maintaining an overall programme rating of 4.6 and improving the average net promoter score from 74 in 2022 to 76 in 2023. Accelerated Development programmes delivered by IMD Business School and Duke Corporate Education increased to 406 in 2023 (2022: 396).

Employee bursaries

R49.3 million in **bursaries** was disbursed to 1 237 employees (2022: 1 056), of which 89.3% are black, and 69.9% are women (2022: R38.2 million).

Learnerships and internships

3 037 learnerships were awarded in 2023

(2022: 2 636). 46% of these learnerships were unemployed learners (2022: 48%), while 5.8% (2022: 9.6%) are employees living with disabilities.

1 425 internships were offered in 2023 (2022: 929). 11% of these internships were unemployed learners (2022: 20%), while 0.5% (2022: 0.6%) are employees living with disabilities.

Women in Tech SA and Amazon Web Services

We have partnered with Women in Tech SA and Amazon Web Services to create a unique opportunity for 50 women to get Amazon Web Services Cloud certification.

Future workforce development – closing the skills gap initiatives

We invested R180 million in 31 targeted initiatives, engaging 612 students to bridge the skills gap for unemployed youth in critical tech sectors. The participants are 90% African, 1.5% Indian, 8% Coloured, and 0.5% White. Gender representation is 50.5% male, 49% female, and 0.5% undisclosed. Of the students, 18% are individuals with disabilities. 394 students are actively engaged in programmes. Of the 228 who have completed learning and development, 59% found positions within the Group, other companies hired 25%, and 16% remain unemployed. We are collaborating with external vendors to help these students find employment opportunities.

Performance and career development reviews (GRI 404-3)

Employee performance management is essential for the sustained success of our organisation. Our performance management approach, MyContribution, assists to align the individual employee goals with our organisational objectives fostering a culture of accountability and achievement. MyContribution prioritises the following essential focus areas:

- Enabling high-quality objective-setting aligned with the business strategy, function and/or team priorities
- Improving the quality and value of ongoing, high-cadence performance conversations
- Upskilling managers and employees to identify and mitigate unconscious bias
- Improving the quality of rating decisions using data and insights.

MyContribution allows employees to set goals, provide feedback to colleagues throughout the year and encourages leaders to recognise employees' positive contributions continually. This approach provides each employee with clarity regarding their contribution to the business while delivering feedback that enables growth, development, and enhanced contribution. In 2023, we continued to focus on high-quality outcome-focused objectives and ongoing performance conversations to create further alignment between business priorities and values and employee development and contribution.

Feedback and check-ins

105 039

feedback forms were completed

55 815

recognition badges were awarded on Workday

23 974

ongoing performance check-ins were completed on Workday

Consistency check process

99.8%

of employees had formal performance ratings (of which 61% were women)

Employee benefits

Retirement funding and medical aid plans (GRI 201-3)

We have a suite of employee benefits that contribute towards our employees' wellbeing and financial future. These benefits include several pension fund schemes, including defined-benefit schemes, defined-contribution schemes, and post-retirement medical aid plans. The largest schemes operated by the Group are the Absa Pension Fund, the Absa Bank Kenya Pension Fund and the Absa Bank Mauritius Pension Fund. The Group also operates several smaller pension and post-retirement medical aid plans. The benefits provided under these schemes, the approach to funding, and the legal basis of the plans are consistent with the local environments in which we operate.

 [Diving deeper: GRI Index and supplementary documentation Annual Consolidated and Separate Financial statements 31 December 2023](#)

Leave and work flexibility (GRI 401-3)

Leave

Leave benefits are crucial for employee work-life balance and support physical and mental wellbeing. Leave is offered for various circumstances, such as holiday leave, sick leave, study leave and compassionate leave, among others. Our leave benefits accommodate diverse cultural and religious practices allowing our employees to observe holidays and traditions that are important to them. Leave in each country aligns or exceeds the local regulatory requirements. We do not have a formal sabbatical leave policy but handle requests on a case-by-case basis allowing our employees flexibility in managing their careers and time off.

We retained flexible and hybrid working as a critical element of our Employee Value Proposition, contributing to a positive employee experience and enhancing our talent retention. Flexitime and hybrid working are permitted, subject to operational requirements and country-specific rules.

Parental (maternal and paternal) leave is considered within the context of overall leave benefits afforded to our employees, informed by local regulations and market practice. Based on these requirements, maternity and paternity leave are regarded as paid leave. We do not discriminate based on gender when considering parental leave. All parents, including mothers, fathers, adoptive parents and commissioning parents in surrogacy arrangements, may be entitled to benefits under this section.

925

(2022: 1 300)

Parental leave benefit used

1 213

Employees who took parental leave in 2022 still in our service

Operational health and safety (GRI 403)

The health and safety of our employees, clients, visitors and contractors is a key priority for the Group. To this end we are continuously working to create a safe working environment for our employees and have zero tolerance for non-compliance with relevant occupational health and safety (OHS) legislation. Our SSEC receives regular, comprehensive updates on the Group's OHS performance.

2023 OHS achievements:

- We introduced our newly developed internal OHS and ergonomic system to oversee the Group's OHS and ergonomic compliance.
- We continued with the OHS365 campaign, focusing on safety topics for employees that work remotely, and safety at the office.
- We initiated a programme to onboard approximately 696 Absa Insurance Cluster contractors, ensuring their adherence to Occupational Health and Safety legislation and Absa's OHS policy. This programme focused on educating these suppliers about their legal responsibilities toward clients and employees, enhancing their OHS competence, skill and capabilities within their respective fields. Many of these suppliers are small, medium, and micro enterprises.

Internal and external annual testing and assurance reviews are performed to assess the effectiveness of our controls. Ninety percent of our employees are administrative, and office workers and their functions are considered low risk for work-related diseases and injuries. Should a claim arise, we follow the directives of the South African Compensation for Occupational Injuries and Diseases Act.

 [Diving deeper: Data Sheet](#)

Conclusion

We recognise that our success is intricately linked to the well-being of the communities we serve and the planet we inhabit. As we move forward, we remain committed to being an active force for good in everything we do, leveraging our resources, expertise, and influence to create meaningful and lasting impact.



Annexures

Policies/Standards	55
King IV principles reference table	56
United Nations Global Compact index	57
Johannesburg Stock Exchange guidance	58
Independent Assurance Practitioner's Limited Assurance Report	59



Annexure 1: Policies/Standards

The bank has policies, processes and procedures in place to identify, analyse, measure and report on the risks that affect it in performing its functions and how such risks are monitored and managed.

Ethics/conduct

The Absa Way Code of Conduct
 Account acquisition and management risk policy
 Absa anti-bribery and anti-corruption policy
 Anti-money laundering policy
 Conflict of interest policy
 Client assessment and aggregation policy
 Client (client) money and asset policy
 Competition law policy
 Contact with regulators policy
 Customer complaints standard
 Data privacy
 Exchange control compliance policy
 Exit from relationships policy
 Financial advisory and intermediary services continuous professional development policy
 Gift and entertainment standard
 Group media relations policy
 Third party policy
 Large shareholding policy
 Litigation policy
 Management of dispensations, waivers and breaches standard
 Market conduct policy
 New regulations requirements policy
 OHS policy
 Sanctions policy
 Supplier diversity standard
 Tax standard
 Whistleblowing policy

Labour

Conditions of service policy
 Employee benefits policy
 Employee wellness policy
 Learning policy
 Talent management policy
 Talent acquisition policy
 Promotion standard
 Remuneration policy
 Retrenchment and reassignment standard
 Sexual harassment standard
 Staff expense policy and business travel standard

Environmental and social management

Absa-Sustainable-Finance-Issuance-Framework
 Corporate Real Estate Solutions Environmental Management Standard
 Environmental and social risk for lending standard
 Group sustainability
Summary agriculture financing standard
Summary coal financing standard
Summary environmental and social management system
Summary manufacturing standard
Summary mining, metals, minerals and precious/semi-precious stones financing standard
Summary oil and gas financing standard
Summary real estate and construction financing standard
Summary transport financing standard
Sustainability policy
 Sustainability principal risk framework


Citizenship

Citizenship policy
 Group citizenship standard
 Sponsorship standard
 Stakeholder engagement policy

Risk and compliance

Business continuity management
 Cloud computing policy
 Credit risk mitigation policy
 Data privacy policy
 Data and records management policy
 Enterprise risk management framework
 Fraud management information and reporting requirements policy
 Fraud risk policy
 Group model risk policy
 Information security (and cyber) risk policy
 Investigation of leaked information policy
 Liquidity risk policy
 Payment scheme group policy
 Primary risk policy
 Process management
 Tax risk policy
 Technology risk policy
 Traded market risk policy

Annexure 2: King IV principles reference table

Leadership and organisational ethics	GRI Index	Stakeholder relationships	GRI Index
<p>1: The governing body should lead ethically and effectively.</p> <p>2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	2-9 to 2-13, 2-15, 2-23, 2-26	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	2-29
Responsible corporate citizenship and regulatory compliance		Risk governance	
<p>3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p> <p>13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	2-13	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	2-5, 2-9, 2-12
Strategy and performance		Technology and information governance	
The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of value creation.	2-12	The governing body should govern technology and information in a way that supports the organisation's setting and achieving of its strategic objectives.	2-9
Reporting and assurance		Delegation to management and committee	
<p>5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.</p> <p>15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	2-5, 2-14	<p>8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.</p> <p>10: The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities.</p>	2-18
Board's primary role and responsibility		Remuneration governance	
The governing body should serve as the focal point and custodian of corporate governance in the organisation.	2-9	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	2-9, 2-20
Board composition		Board and committee performance evaluation	
The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	2-10	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	2-18
Responsibilities of institutional investors			
The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.		 https://www.absainvestmentmanagement.co.za/wealth-and-investment-management/about-us/governance/	

Annexure 3: United Nations Global Compact Principles

Human rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Page 23; GRI Index and supplementary documentation
Principle 2	Make sure that they are not complicit in human rights abuses.	Page 23; GRI Index and supplementary documentation
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Page 52; GRI Index and supplementary documentation
Principle 4	the elimination of all forms of forced and compulsory labour;	Page 52; GRI Index and supplementary documentation
Principle 5	the effective abolition of child labour; and	Page 52; GRI Index and supplementary documentation
Principle 6	the elimination of discrimination in respect of employment and occupation.	Page 52; GRI Index and supplementary documentation

Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	GRI Index
Principle 8	undertake initiatives to promote greater environmental responsibility; and	Climate Report 2023
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	Climate Report 2023
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	GRI Index and supplementary documentation

Annexure 4: Johannesburg Stock Exchange guidance

G Governance metrics		
G1 Board composition		
G1.1	Board diversity	GRI Index 2-9
G1.2	Board competence	GRI Index 2-9
G1.3	Board independence	GRI Index 2-9
G2 Remuneration		
G2.1	Remuneration practices	2022 Remuneration Report
G3 Ethical behaviour		
G3.1	Anti-corruption	GRI Index 205; GRI Index 2-25
G3.2	Lobbying and political contribution	GRI Index 415-1
G4 Compliance and risk management		
G4.1	Incidents	GRI Index 2-27
G4.2	Fines and monetary loss	GRI Index 2-27
G5 Tax transparency		
G5.1	Tax paid and estimated tax gap	GRI Index 207
S Social metrics		
S1 Labour standards		
S1.1	Diversity and inclusion	GRI Index 2-7 and Data sheets; GRI Index 406-1; GRI Index 2-23
S1.2	Pay equality	GRI Index 2-21; Remuneration Report 2023
S1.3	Wage level and living wage	GRI Index 202-1; Remuneration Report 2023
S1.4	Freedom of association and collective bargaining	GRI Index 2-30
S1.5	Characteristics of employees and workers in workforce	SR – Absa at a glance; GRI Index 2-7; GRI Index 2-8; Data sheets
S2 Community development		
S2.1	Community human rights	GRI Index 2-23
S2.2	Skills for the future	GRI Index 404

S2.3	Employment and wealth creation	GRI Index 401-1
S2.4	Economic contribution	GRI Index 201-1; GRI Index 201-4; GRI Index 203-1; GRI Index 203-2; GRI Index 204-1
S3 Health and safety		
S3.1	Workplace health and safety	GRI Index 403
S4 Customer responsibility		
S4.1	High-risk products and services	N/A
S4.2	Product innovation	GRI Index FS 7; FS8
S4.2	Customer data privacy	Integrated Report 2023; GRI Index 418-1
S5 Supply chain		
S5.1	Supply chain	GRI Index 2-6
E Environmental		
E1 Climate change		
E1.1	GHG emissions	GRI Index 305-1 to 305-3
E1.2	Energy mix	GRI Index 302
E1.3	Science based targets	GRI Index 305
E1.4	Just transition	Climate Report 2023
E2 Water security		
E2.1	Water usage	GRI Index 303
E3 Biodiversity and land use		
E3.1	Biodiversity footprint	GRI Index FS7
E4 Pollution and waste		
E4.1	Solid waste	GRI Index 306
E4.2	Single-use plastic	GRI Index 306
E4.3	Atmospheric pollution	GRI Index 305
E4.4	Water pollution	GRI Index 303
E5 Supply chain and materials		
E5.1	Supply chain	GRI Index 2-6
E5.2	Materials of concern	

Independent Assurance Practitioner's Limited Assurance Report

To the Directors of Absa Group Limited

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Sustainability Report 2023 of Absa Group Limited ("Absa") for the year ended 31 December 2023 (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 our report on the following selected KPIs, marked with an "LA" on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with the Bank's criteria for reporting supported by the Global Reporting Initiative (GRI) standards ("reporting criteria"). The reporting criteria is available on www.absa.africa.

Key performance indicators	Unit of measurement	Boundary	Page number
Women in senior leadership	%	Group	34
Sustainability Bond Issuances	ZAR	Group	39
Green Deposits	ZAR	Group	39

Directors' responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the Bank's criteria for reporting supported by the Global Reporting Initiative (GRI) standards ("reporting criteria"). This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and 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. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Deloitte applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs 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 (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These Standards requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs 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 Absa's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. 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 KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Absa.

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 Absa's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Absa's reporting criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 31 December 2023 are not prepared, in all material respects, in accordance with the reporting criteria.

Other matters

Our report includes the provision of limited assurance on the following KPIs:

- Women in senior leadership (%)
- Green deposits (ZAR)

An assurance provider was previously not required to provide assurance on these selected KPIs.

The maintenance and integrity of Absa's website is the responsibility of Absa's management. 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 limited assurance report that may have occurred since the initial date of its 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 KPIs to the Directors of Absa 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 Absa, for our work, for this report, or for the conclusion we have reached.



Deloitte & Touche

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Chartered Accountant (SA)
Registered Auditor
Partner

28 March 2024

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Raji Bamidele

2019 Absa L'Atelier
Ambassador Nigeria



Scan to view the
artist full portfolio

Raji Bamidele is a self-taught multifaceted artist (born in 1994). Through his art, Bamidele, delves into the interplay of natural laws, mythology, philosophical beliefs, and scientific principles while calling into question the existence of time and being. His focus is on the resilience of the human spirit and the concept of dualism, which forms the core of the world that he envisions. He invites viewers to contemplate their place within the grand tapestry of existence.

Featured Artwork: Of Forms
and forming I





www.absa.africa

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