



# Additional sustainability disclosures on economic performance

## Introduction

As part of our commitment to transparency and accountability, we diligently manage our defined-benefit plan obligations and financial relationships. The disclosures below provide an overview of the Group's approach to employee benefits, particularly defined-benefit plans, and clarifies our position regarding financial assistance received from governments. By adhering to stringent standards and ensuring clarity in our operations, we aim to foster trust and confidence among stakeholders.

## Defined-benefit plan obligations<sup>1</sup>

We provide a comprehensive range of employee benefits to our permanent full-time and part-time employees, which include retirement savings, medical schemes and death and disability cover. Temporary employees are responsible for arranging their own benefits.

We manage various pension fund schemes, encompassing both defined benefit and defined contribution schemes, as well as post-retirement medical aid plans. Among these schemes, the Absa Pension Fund, Absa Bank Kenya Pension Fund, and Mauritius Pension Fund are the most notable. Additionally, we administer several smaller pension and post-retirement medical aid plans, each tailored to local environments in terms of benefits, funding approach, and legal framework. While a minimum contribution level is mandated, employees have the option to increase their contributions. Notably, certain defined-benefit funds within Absa Regional Operations entities are closed to new membership.

For further details, stakeholders are encouraged to refer to the Absa Group Annual Consolidated and Separate Financial Statements for 2023, specifically Note 41 on Retirement Benefit Obligations, and the Summary of Material Accounting Policies.

## Financial assistance received from government<sup>2</sup>

We do not receive financial assistance from any government entity. However, due to our operational presence in diverse foreign jurisdictions, tax obligations may arise. To alleviate the impact of double taxation, the South African Revenue Service offers tax relief in the form of credits, exemptions, and deductions against our South African tax liabilities.

It's pertinent to note that tax credits, deductions, and reliefs provided by legislation are distinct from financial assistance. Additionally, the Public Investment Corporation, acting as the investment manager of the South African government's pension funds, holds a significant stake in the Group. This ownership arrangement is conducted on an arm's-length basis and constitutes part of the publicly traded shares on the Johannesburg Stock Exchange. Furthermore, the Tanzanian government holds a minority ownership stake in National Bank of Commerce, one of our subsidiaries.

## Conclusion

In conclusion, we reaffirm our commitment to transparency, accountability, and responsible financial management. Through the diligent management of defined-benefit plan obligations and clear communication regarding financial relationships, we aim to build and maintain trust among our stakeholders. Moving forward, we remain committed to upholding high standards of corporate governance and financial stewardship for the benefit of all stakeholders.

<sup>1</sup> GRI 201-3

<sup>2</sup> GRI 201-4