



# Additional sustainability disclosures on ethics and conduct

## Introduction

In line with our commitment to ethical conduct and sustainable practices, we adhere to a comprehensive framework outlined in our policy statement, 'The Absa Way', and our core values. Our interactions with employees, clients, shareholders, regulatory bodies, suppliers and the broader community are guided by principles of ethics, fairness, and sustainability, aiming at long-term value creation for all stakeholders. The disclosures below provide an overview of our approach.

## Policy implementation and training<sup>1</sup>

At Absa, every employee, including the Chief Executive Officer and executive team, commits to upholding 'The Absa Way' Code of Ethics. The Board has approved this policy, underscoring its significance within our organisational culture. To ensure compliance and understanding, all employees undergo annual mandatory training on 'The Absa Way', which encompasses human rights considerations.

## Human rights assessment<sup>1</sup>

We assessed our human rights practices against the principles of the United Nations Global Compact. The evaluation revealed satisfactory outcomes, with ongoing investigations to address any potential issues. Notably, we uphold principles such as freedom of association, do not engage in any form of forced labour, and we do not employ individuals below the age of 18 years. Moreover, no material risk events concerning human rights breaches have been reported.

## Global commitments and standards<sup>1</sup>

We are committed to various global initiatives, including but not limited to the Equator Principles; Global Reporting Initiative (GRI); United Nations Sustainable Development Goals (SDGs); Universal Declaration of Human Rights; UN Guiding Principles on Business and Human Rights; UN Global Compact; UN Finance Initiative; as well as the Principles for Responsible Banking, Investment and Insurance. These commitments underscore the Group's dedication to responsible business practices across all operations.

## Policy implementation and training<sup>1</sup>

To ensure comprehensive awareness and understanding of policies, our various business units and functional areas are consulted during the introduction or revision of policies. Circulars communicating policy changes are disseminated through internal channels, supplemented by business committees and training interventions. Clear allocation of roles and responsibilities, along with monitoring and reporting requirements, are outlined in policy documents. Training interventions are tailored to specific roles and activities, aligning with business objectives and evaluated by the learning council for effectiveness.

General awareness training applicable to all in-scope employees, non-permanent employees and select contractors includes modules on risk management, compliance, ethics, information technology and data privacy, fraud, and workplace conduct.

Over and above employee-wide training, more advanced role-specific training is delivered to relevant employees. This includes training on additional aspects of anti-bribery and corruption, financial crime, market conduct, risk management and compliance, third party standard, and specialist training in various compliance and risk matters.

## Precautionary principle and risk management<sup>1</sup>

We adopt a precautionary approach to environmental impacts, managed through the Enterprise Risk Management Framework. Environmental and social risks are integrated into various risk categories, including strategic, sustainability, reputational, credit, insurance, and operational risks. Our commitment to sustainability and responsible banking is evident through proactive risk management strategies aligned with global standards.

### **Mechanisms for seeking advice and raising concerns<sup>2</sup>**

We provide multiple channels for stakeholders, including clients and employees, to report irregularities or concerns. Face-to-face interactions at branches, telephonic communication, email correspondence, and web-based reporting platforms facilitate the transparent communication of grievances and inquiries. Mandatory compliance training for employees includes guidance on whistleblowing procedures, ensuring a robust mechanism for reporting unethical behaviour or organisational misconduct. It also complies with the Protected Disclosures Act in South Africa.

### **Compliance with laws and regulations<sup>3</sup>**

We maintain a stringent approach to compliance with laws and regulations, overseen by the Group Chief Compliance Officer. Significant instances of non-compliance are identified through approved thresholds, allowing for prompt remedial actions. In 2023, penalties amounting to R99 million were incurred, primarily attributed to non-compliance with the Ghana Foreign Exchange Act 2006. Remediation efforts are underway for process and control breakdowns contributing to regulatory fines.

### **Conclusion**

Ethics and conduct are fundamental pillars of our operations, underpinned by robust policies, comprehensive training programs, and adherence to global standards. Our commitment to ethical behaviour, human rights, and sustainability ensures that we not only meet regulatory requirements but also foster trust and accountability among stakeholders while driving long-term value creation.

<sup>1</sup> GRI 2-23

<sup>2</sup> GRI 2-26

<sup>3</sup> GRI 2-27