



# Additional sustainability disclosures on labour relations and Occupational Health and Safety

## Introduction

As a responsible corporate entity, we place the utmost importance on fostering positive labour relations and maintaining robust Occupational Health and Safety (OHS) practices. The disclosures below delineate our unwavering commitment to compliance with relevant legislation, both in South Africa and Absa Regional Operations (ARO) markets, as well as our dedication to promoting a safe and healthy working environment for all employees. By adhering to stringent standards and implementing proactive measures, we strive to cultivate a culture of trust, transparency, and well-being across our organisation.

We maintain strict adherence to South African legislation concerning labour relations and OHS including the Basic Conditions of Employment Act, Act 75 of 1997, the Compensation for Occupational Injuries and Diseases Act, Act 130 of 1993 and the Occupational Health and Safety Act, Act 85 of 1993. In our ARO markets, we adhere to local legislation and, in the absence thereof, apply Absa South Africa policy and procedures. We therefore comply with all relevant legislation in our various markets and ensure that any changes are implemented with due consideration of the wellbeing of our employees.

## Minimum notice periods regarding organisational change<sup>1</sup>

Operational changes in South Africa follow a structured consultation process, including a notice of termination. Large-scale retrenchment processes involve a minimum notice period of 60 days, during which consultations occur. Depending on employees' corporate grade or union affiliation, consultation procedures may vary. Employees covered by collective agreements engage in consultations with recognised unions, while those not covered engage in consultations at an individual level. This approach ensures that all employees, regardless of job grade, race, or gender, are provided with due process during periods of organisational change.

The Colleague Support program aids affected employees, including reassignment opportunities and support services. Furthermore, our commitment extends beyond legal requirements, as demonstrated by the proactive measures taken to mitigate the negative impacts of organisational change on our workforce. In 2023, there were 215 employees affected by retrenchments of which 95 were reassigned to other positions.

## Occupational health and safety management system<sup>2</sup>

We prioritise the health and safety of our employees through a robust OHS management system. Compliant with South African regulations, including the Compensation for Occupational Injuries and Diseases Act 130 of 1993, the Occupational Health and Safety Act, 85 of 1993, and the Basic Conditions of Employment Act, 75 of 1997, and local legislation in ARO markets, the management system is integral to our Enterprise Risk Management Framework. This framework encompasses policies, procedures, and controls aimed at maintaining a safe and healthy working environment.

## Hazard identification, risk assessment, and incident investigation<sup>3</sup>

Our commitment to OHS is reflected in our comprehensive hazard identification, risk assessment, and incident investigation protocols. We conduct regular assessments to identify and mitigate potential hazards. Incidents are thoroughly investigated, with corrective actions implemented promptly to prevent recurrence. Employees and the OHS department are empowered to halt potentially hazardous work, ensuring the safety of our workforce remains paramount.

## Occupational health services<sup>4</sup>

We prioritise the holistic well-being of our employees, encompassing physical, mental, and emotional health. The wellness strategy, aligned with international standards such as the International Labour Organization Occupational Health Services Convention No. 161, emphasises preventative measures and employee empowerment. Occupational health services, provided by external specialists, offer confidential support and guidance, enabling employees to maintain optimal health and productivity.

## **Employee participation, consultation, and communication on occupational health and safety<sup>5</sup>**

We promote a culture of transparency and collaboration regarding OHS. Worker participation and consultation are integral components of our OHS framework, facilitated through formal committees and regular communication channels. In South Africa, a formal management-worker health and safety committee is a legal requirement. We hold quarterly committee meetings for all corporate buildings where OHS representatives are appointed. These meetings are a platform to discuss OHS matters, including any work-related injuries that may have occurred within the past quarter and upcoming projects and events that might impact employees. Recognised trade unions can provide input into the Group's OHS approach annually. This may, for example, relate to the appointment of representatives.

The commitment to worker involvement ensures that employees have a voice in shaping the Group's health and safety initiatives, fostering a culture of shared responsibility. We do not have workers managed by the bank who are not employees.

## **Training on occupational health and safety<sup>6</sup>**

Mandatory training programs equip our employees with the knowledge and skills necessary to identify and mitigate occupational hazards. We prioritise personalised training tailored to specific roles and responsibilities, ensuring that employees are well-prepared to manage emergency situations and contribute to a safe working environment. By investing in continuous education and development, we empower our workforce to prioritise their safety and well-being.

## **Promotion of worker health<sup>7</sup>**

We implement a range of initiatives to promote employee health and well-being, including educational campaigns, subsidised medical aid coverage, and onsite healthcare facilities. Through proactive measures and strategic partnerships, we provide preventive healthcare and early intervention through onsite health screening campaigns to enabling our employees to lead healthy and fulfilling lives both inside and outside the workplace. We also support employees and their dependants living with disabilities through educational grants for dependants and the procurement of devices they may need to help them meet their needs.

## **Prevention and mitigation of OHS impacts directly linked by business relationships<sup>8</sup>**

We uphold rigorous maintenance and inspection standards of all our premises and equipment to prevent and mitigate OHS risks. Monthly site inspections ensure compliance with regulations and identify potential hazards for remediation. By maintaining comprehensive records and implementing proactive measures, we safeguard the health and safety of our workforce.

## **Employees covered by an OHS management system<sup>9</sup>**

In South Africa, all employees are registered with the Compensation Fund, while contracted workers and consultants are registered by their respective employers. We are regularly audited by the Department of Labour in South Africa and similar government departments in other countries to assess compliance. Within ARO, the mechanisms vary, with some reporting to the local Department of Health while others are required to report to their in-country insurance companies.

## **Incidents of non-compliance concerning the health and safety impacts of products and services<sup>10</sup>**

There were no reports of non-compliance to any health and safety regulations or codes in 2023.

## **Parental leave<sup>11</sup>**

Parental leave, both maternal and paternal, is a key part of our employee benefits package, tailored to comply with local regulations and market standards. Maternity and paternity leave are provided as paid benefits, ensuring no gender-based discrimination in their allocation. This includes support for mothers, fathers, adoptive parents, and surrogates, each eligible for relevant benefits. For surrogacy cases, the type and duration of leave depend on the individual's role in the arrangement. Employees in South Africa benefit from 87 days of maternity or adoption leave, with an additional 10 days of parental leave within the first month after birth. Adoption of children under two months allows for an extra two months of annual or unpaid leave, while children aged three to seven qualify for one month of parental leave, and those older than seven are eligible for 10 days. In cases where both parents are employed by the company, one parent receives adoption leave, and the other receives 10 days of paid parental leave. Non-permanent employees in South Africa are entitled to four months of unpaid leave or 10 days of parental leave, supported by claims from the Unemployment Insurance Fund. Maternity leave for permanent employees in our Absa Regional Operations ranges from 60 to 90 days, and paternity leave varies from one to 14 days, reflecting local market norms.

## **Conclusion**

In conclusion, we reaffirm our steadfast commitment to promoting positive labour relations and OHS. Through comprehensive policies, regular training initiatives, and proactive risk management practices, we endeavour to safeguard the well-being of our employees and create a conducive work environment. By upholding the highest standards of ethical conduct and compliance, we remain dedicated to fostering a workplace where every individual can thrive and contribute to our collective success.

<sup>1</sup> GRI 402-1

<sup>4</sup> GRI 403-3

<sup>7</sup> GRI 403-6

<sup>10</sup> GRI 416-2

<sup>2</sup> GRI 403-1

<sup>5</sup> GRI 403-4

<sup>8</sup> GRI 403-7

<sup>11</sup> GRI 401-2

<sup>3</sup> GRI 403-2

<sup>6</sup> GRI 403-5

<sup>9</sup> GRI 403-8