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Additional sustainability disclosures on governance

Tenure and independence

The Chairman is an independent non-executive director. To maintain independence and refresh perspectives, Absa complies with the South African Reserve Bank Directive, 4 of 2018, which regulates a maximum tenure of nine years for independent non-executive directors. Any directors who have served for longer than nine years would be categorised as non-independent. Absa directors are well within their nine-year tenure.

The Company's Memorandum of Incorporation requires that one-third of the directors retire at each annual general meeting. The Board recommends the directors for re-election by shareholders based on skills, capacity, experience, and independence (as well as a declaration of independence and capacity by all independent non-executive directors). The Board evaluates the performance of each of the directors standing for re-election and determines if they meet the required standards. The directors' profiles can be found in the Notice of Annual General Meeting.

Board meetings regarding sustainability matters

The agenda for each quarterly Sustainability, Social and Ethics Committee (SSEC) meeting, provides for the discussion of environmental, social, and governance (ESG) matters, with inputs from senior executives, as a standing item. The feedback from the SSEC is discussed with and reported to the Board.

Matters of governance are discussed at the Directors Affairs Committee (DAC) and governance-related discussions are held at the quarterly Board meetings. Additionally, pre-meeting Board sessions for non-executive directors allow for confidential deliberations on pertinent issues.

Board and Board Committee meetings are arranged/changed to accommodate all the directors, where possible, to ensure maximum attendance. Meeting attendance is tracked internally to ensure attendance is high and to address any potential attendance matters early if necessary. Attendance is [95%] for 2024.

[Diving deeper: Notice of Annual General Meeting](#)

Critical concerns

The Executive Committee, under the purview of the Board, is responsible for dealing with critical concerns by any of our stakeholders. Matters deemed significant are escalated to the Board or relevant committees. All key matters that occupy the business are reported to the Board every quarter through the Chief Executive Officer (CEO) report, Financial Director (FD) report or Chief Risk Officer report. While specifics are not disclosed, thematic concerns for 2024 encompassed regulatory challenges, matters of reputational risk, leadership changes, macroeconomic challenges and the related impact on socio-economic development in the various jurisdictions in which we operate, socio-political issues, credit risk, social impact, and the integration of sustainability into our business practices and operations. The Board spent time on regulatory matters, succession planning, and leadership changes in respect of the executive.

Advisors to the Board

The Board holds the authority to appoint external advisors or consultants independently, facilitating informed decision-making and strategic guidance.

Knowledge of the Board

Sustainability governance is a priority, evident in continuous efforts to enhance expertise across the organisation. Board members, the Executive Committee, and employees receive training on sustainable development, climate risk, and industry developments to bolster their understanding and to support the integration of sustainability considerations into decision-making.

Other directorships of Board members

The Board Charter outlines a clear policy framework regarding the number and types of additional directorships permissible for Board members. Disclosure of members' external positions and commitments ensures transparency and prevents conflicts of interest. Each member's other significant positions and commitments are disclosed in the Notice of Annual General Meeting.

Non-executive directors without executive roles can hold up to four additional directorships on listed entities and/or significant private company boards. Non-executive directors with executive roles can manage one substantial active private company board or one mid-cap listed board. Non-active entities, special purpose vehicles, and family-related entities are excluded from these limitations.

Voting

Each ordinary share ranks *pari passu* and entitles the shareholder to a vote on all matters required to be voted on by shareholders under company law and as best practice governance, including appointment of directors, appointment of auditors, appointment of Audit Committee members and (from 2025) appointment of Social and Ethics Committee members, non-executive director fees, executive remuneration, shares available for issue by directors, share buy backs, financial assistance provisions, and the like, reinforcing shareholder democracy and participation in corporate decisions.

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 impact arising from climate change and addressing broader social issues.

The SSEC 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 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 the sustainability strategy and its execution aligns with the Group's objectives and values. The Board does not engage in the operational development of products or initiatives but monitors the alignment of sustainability initiatives with the Group's strategic goals and risk management frameworks.

The Group Executive Committee is tasked with integrating sustainability initiatives with 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 all employees understand their role in achieving our sustainability objectives. Moreover, the Group Executive Committee plays a crucial role in stakeholder engagement, ensuring our sustainability efforts resonate with the expectations of our clients, investors, and the broader community.

Group roles and responsibilities

Organisational structure and terms
<p>Group strategy and sustainability function</p> <p>This team oversees 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 supporting the development of sustainability-related policies that can inform product development, service development, etc., aligned with the business and Group's sustainability strategy.</p> <p>The Board established guiding principles to empower the Group Chief Strategy and Sustainability Officer in evaluating our climate change efforts and ensuring alignment with our sustainability pillars. During 2024, we identified key areas within sustainability risk, including the Basel Regulatory Climate Risk Programme and regulatory developments in Absa Regional Operations. A reporting platform was created to improve data collection on our exposure to climate-sensitive sectors. We focused on establishing a financed emissions baseline for the fossil fuel sector, discussing emission target setting, and advancing our net zero goals. A project was launched to develop a central Sustainability Data Programme, enhancing our data collection for sustainability disclosures. In December 2023, we addressed organisational resilience and climate-related risks as part of the South African Reserve Bank inquiry. Additionally, management engaged with the Financial Sector Conduct Authority to review our environmental, social, and governance strategy, reflecting increased regulatory interest.</p> <p>We implemented sustainability training for employees and partnered with Chapter Zero for Executive Committee and Board training on sustainability matters. A refined Sustainability Metrics Framework was also developed to enhance the Group's scorecard.</p>
<p>Business unit and sector sustainability teams</p> <p>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.</p>
<p>Group Finance function</p> <p>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.</p>
<p>Group Risk function</p> <p>These teams oversee 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, setting the climate risk appetite, and stress testing such appetite.</p>

Group Compliance function

These teams set out our 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 SSEC and the Board. They play a critical role in evaluating the effectiveness of sustainability and climate risk governance.

Group Company Secretary

Our Company Secretary advises the Board and individual directors on their fiduciary duties, corporate governance requirements, and practices. 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. In 2024, during its annual review, the Board reconfirmed her independence concerning her interactions and arm's-length relationship with the Board and its members.

Group Executive Committee

The Group Executive Committee integrates sustainability into our corporate strategy, making it a core aspect of operations. Their responsibilities include aligning roles, managing sustainability-related risks and opportunities, and fostering a culture of sustainability within the Group, ensuring all employees understand their role in achieving our objectives.

The Group Executive Committee is vital for stakeholder engagement, aligning our sustainability efforts with clients, investors, and community expectations, thus ensuring alignment with global standards.

Additional sustainability disclosures on risk exposure statement

As a leading financial services provider in Africa, Absa operates within a dynamic and evolving sustainability landscape marked by complex trade-offs, heightened stakeholder expectations, and diverse regional development priorities. The Group's reputation is fundamental to its business success and long-term sustainability. Absa is committed to maintaining a strong and positive reputation by prioritising the needs, expectations, concerns and feedback of its stakeholders, ensuring open and transparent communication channels. We acknowledge that our sustainability journey entails exposure to a range of financial, regulatory, reputational, and ethical risks, including:

- **Climate-related risks** stemming from transition uncertainty, fossil fuel exposure, and variability in emissions trajectories across sectors
- **Reputational risk** linked to stakeholder perceptions of our positions on issues such as natural gas financing, climate commitments, and project-level impacts
- **Greenwashing risk**, where sustainability-related disclosures or product claims may be misinterpreted or misaligned with evolving standards
- **Governance risks**, including civil society scrutiny of ESG oversight, Board competence, and alignment with best practice disclosure frameworks
- **Conduct and ethics risks**, with increased internal reporting volumes reflecting both operational risk exposures and maturing internal accountability mechanisms.

The Group has minimal tolerance for any behavior inconsistent with its core values, ethics, and purpose. We are actively responding to these risks through:

- Strengthening climate risk governance, embedding IFRS S2-aligned disclosures, and refining our sectoral glidepaths
- Engaging openly with stakeholders, including investors, regulators, civil society, and communities on sensitive matters such as just transition financing and legacy-sector exposures
- Enhancing transparency through external assurance, ESG-linked performance targets, and continuous reporting refinement
- Establishing internal controls and ethics mechanisms that surface risks early, ensuring we uphold integrity, fairness, and trust across our operations.

The Group's reputation risk appetite is guided by a commitment to integrity, transparency, and responsible practices that benefit stakeholders and reinforce Absa's role as an active force for good. While we acknowledge the presence of reputational and ESG-related vulnerabilities, we view transparency and stakeholder engagement as key enablers of long-term resilience. We remain committed to evolving our strategies in a way that honours both the global sustainability imperative and the developmental realities of the African continent.

Additional sustainability disclosures on economic performance

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

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 2024, Retirement Benefit Obligations, and the Summary of Material Accounting Policies.

Financial assistance received from government

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 is 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.

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.

Additional sustainability disclosures on anti-corruption and anti-competitive behaviour

As a responsible corporate entity, we maintain a steadfast commitment to combating corruption and maintaining compliance with all relevant competition laws and anti-trust legislation. The disclosures below outline our comprehensive approach to addressing these critical issues and emphasising compliance with our laws, including our adherence to international standards, robust risk management practices, and proactive measures to ensure ethical conduct across our operations.

Anti-corruption

Our Anti-Bribery and Anti-Corruption Policy and related standards underscore our dedication to conducting global activities that are free from bribery or corruption. These policies and standards, benchmarked against international best practices, ensure compliance with legislation across jurisdictions where we operate. Our policy is regularly reviewed and aligned with independent ratings and best practices to mitigate bribery and corruption risks effectively. This policy includes topics such as political- and charitable contributions, gifts and entertainment, hiring practices, facilitation payments, speaker fees, sponsorships, legal settlements and other financial crime red flag considerations.

Under the Group-wide Risk Management and Compliance Programme, financial crime is addressed holistically, supported by policies such as the Group Anti-Money Laundering Policy, Group Sanctions Policy, and Group Anti-Bribery and Anti-Corruption Policy. Periodic training interventions ensure that employees are well-informed about their responsibilities under relevant legislation and Group policies. Our performance management processes reinforce ethical behaviour and underscore the consequences of misconduct.

Provision for direct or indirect contributions or donations

Political donations:

It is a criminal offence to make a political donation to improperly influence Public Officials to obtain or retain business or secure an advantage for the Group. We are an apolitical organisation and do not make political donations (financial or in kind) to political parties, individuals, or campaigns. Moreover, employees must not make or solicit any political contributions (financial or in kind) on behalf of the Group.

Charitable contributions:

Employees must follow the Expenditure ABC Standard, the Corporate Citizenship Standard and any other local applicable procedures issued in relation to charitable donations, business-directed donations and client-requested giving.

Where there is an associated party relationship (Third-party Risk Policy), employees must also follow the control requirements set out in the Third-party Policy.

Operations assessed for risks related to corruption

These risks tend to relate to the countries where we conduct business, how we engage certain parts of our diverse customer base, and how we manage third-party relationships. We conduct monthly bribery and corruption risk assessments to identify potential risks associated with our operations. These assessments focus on factors such as geographical locations, customer engagement practices, and third-party relationships. Action plans are developed and monitored to mitigate identified risks effectively. Additionally, Absa conducts due diligence on suppliers, vendors, and third parties to ensure compliance with anti-corruption standards. The Group remains formally certified and accredited for ISO 37001.

Whistleblowers can email protect@tip-offs.com or visit www.tip-offs.com. They can also email the Absa Priority Investigations and Whistleblowing team directly at protected@absa.africa or send an anonymous WhatsApp to 0860 660 007.

Communication and training about anti-corruption policies and procedures

Our Anti-Bribery and Anti-Corruption Policy and related standards are communicated to and apply to all employees, underscoring our commitment to fostering a culture of integrity. Specific contractual clauses outlining anti-bribery expectations are included in agreements with suppliers and third parties. Annual mandatory compliance training, including assessments and attestations, covering anti-bribery, anti-corruption, anti-money laundering, and sanctions modules, ensures that employees are equipped with the necessary knowledge and skills to uphold ethical standards.

Anti-competitive behaviour, anti-trust and monopoly practices

We are committed to complying with competition and anti-trust laws across all jurisdictions of operation, as outlined in the Group's Competition/Anti-trust Policy. We affirm that there is no involvement in any legal actions pertaining to anti-competitive behaviour, anti-trust, or monopoly practices, underscoring the Group's dedication to fair and competitive business practices.

We remain unwavering in our commitment to combatting corruption and compliance with competition and anti-trust legislation. We ensure that our employees and stakeholders uphold the highest ethical standards through robust policies, comprehensive risk assessments, and ongoing training initiatives. By fostering a culture of integrity and transparency, we continue to uphold our reputation as a responsible corporate citizen and a leader in ethical business practices.

Additional sustainability disclosures on financial services sector and membership associations

As a financial institution, transparency and accountability in our operations are important. The disclosures below address key aspects of our policies and practices concerning environmental and social considerations within our business.

Policies with specific environmental and social components applied to business lines

Our relationships with customers and the mitigation efforts regarding environmental and social risks are guided by standards such as the Wholesale Credit Standard and the Environmental and Social Management System Sustainability Risk Standard. The comprehensive framework outlines minimum requirements for identifying and managing such risks, ensuring compliance with global standards and local regulations. The Environmental and Social Management System Sustainability Risk Standard details the minimum requirements and controls for identifying transactions with potential environmental and social risks. It also outlines when the Equator Principles and guarantee provider requirements must be applied and provides details of the circumstances under which referral to the environmental credit risk management team is required. Further lending and investment banking environmental and social risk guidance is available to support the management of environmental and social risks in projects in accordance with Equator Principles requirements. This include covering additional relevant client-related environmental risk and impact management aspects such as environmental and social impact assessments, independent advice and monitoring, and the need for adequate grievance mechanisms.

Infrastructure transactions

One infrastructure transaction was closed during 2024.

Processes for monitoring clients' implementation of environmental and social requirements

Throughout the transaction life cycle, we engage with clients to ensure environmental and social risks are effectively mitigated. We conduct risk assessments and collaborate with customers to address any concerns and foster sustainable finance opportunities.

Processes for improving employee competence

We offer ongoing training programmes focused on environmental and social risks in credit management, to enhance internal expertise. These initiatives ensure the employees are well-equipped to implement and adhere to the environmental and social policies.

Fair design and sale of financial products and services

Our product development process adheres to rigorous risk assessments and regulatory standards to ensure fair treatment of clients and mitigate associated risks.

The product development and review process consider client and public feedback, new or amended laws and regulations, and feedback from regulators, trade bodies and consumer organisations. The products are developed and approved through a rigorous process overseen by our Product Approval Committee. Post-launch risk reviews are conducted to confirm the product operates as designed and the necessary controls to protect the client and the Group are in place. This process applies to new and existing products offered. Withdrawal occurs when a product is no longer offered due to business performance or regulatory reasons, the closure or disposal of a distinct business unit, the end of a strategic alliance, or due to a risk-based assessment after product launch.

We remain steadfast in our commitment to responsible banking practices, incorporating environmental and social considerations into our operations. Through transparent policies, proactive monitoring, and ongoing engagement with stakeholders, we endeavour to uphold the highest standards of integrity and sustainability in the financial services sector.

Additional sustainability disclosures on labour relations and occupational health and safety

At Absa, we prioritise the wellbeing and rights of our employees through a comprehensive set of policies and practices that comply with national and international standards. Our commitment to occupational health and safety (OHS), fair employment practices, and the promotion of a supportive work environment ensures that our workforce is treated with respect and dignity at all times. We strive to create a safe, inclusive, and healthy workplace, recognising that our employees are integral to the long-term success of our organisation. This report outlines our key initiatives related to employee rights, OHS, and parental leave, providing an overview of our operational practices and compliance with relevant laws.

Workers who are not employees

We do not have workers who are not employees but are controlled by the bank. All employees have a specified contract with the salary or work hours with payment prescribed. Our contracted suppliers of services are responsible for delivering the service in terms of the contract.

Minimum notice periods regarding organisational changes

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 Programme 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.

Occupational health and safety

Our Occupational Health and Safety Policy sets out our minimum health and safety control requirements in accordance with the Enterprise Risk Management Framework (ERMF) to manage the Group's risk appetite. This framework encompasses policies, procedures, and controls aimed at maintaining a safe and healthy working environment. We have adopted a "zero tolerance" stance towards non-compliance with legislation, non-adherence to policy and harm to people. Within South Africa, OHS compliance is governed by the Occupational Health and Safety Act, 85 of 1993. Our Absa Regional Operations is subject to in-country legislation. In the absence of legislation, the Group OHS Policy, supporting documents, and procedures must be adhered to.

Occupational health and safety management system

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, the Basic Conditions of Employment Act, 75 of 1997, and local legislation in Absa Regional Operations, the management system is integral to our ERMF.

Hazard identification, risk assessment, and incident investigation

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

We prioritise the holistic wellbeing 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

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.

Training on occupational health and safety

Mandatory training programmes 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 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 wellbeing.

Promotion of worker health

We implement a range of initiatives to promote employee health and wellbeing, 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 enable 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

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

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 Absa Regional Operations, 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

No notices of non-compliance to health and safety regulations or codes were issued in 2024. However, two minor issues were identified by the Department of Employment and Labour and swiftly remediated.

Parental leave

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.

Absa strives to maintain a workplace that upholds the highest standards of safety, fairness, and wellbeing for all employees. Our adherence to OHS regulations, commitment to transparent communication during organisational changes, and support for work-life balance through parental leave policies reflect our ongoing efforts to nurture a supportive and responsible work environment. Moving forward, we will continue to refine and adapt our practices to ensure the safety, health, and fairness of all employees across our operations, contributing to a positive and sustainable workplace for everyone.

Additional sustainability disclosures on sustainable business practices

The disclosures below reflect our view on sustainable business practices, including discrimination, human rights training for security personnel, political contributions, and customer privacy. With a firm commitment to fostering diversity, respecting human rights, maintaining political neutrality, and safeguarding client data, we demonstrate our dedication to responsible corporate citizenship and our ongoing efforts to contribute positively to the communities we serve. Through transparent policies, proactive measures, and continuous improvement, we endeavour to set a benchmark for social responsibility within the financial sector and beyond.

Incidents of discrimination and corrective actions taken

We are committed to fostering a diverse, inclusive, and discrimination-free work environment that aligns with the International Labour Organization conventions and relevant employment legislation, including the Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000. The Prevention and Elimination of Harassment in the Workplace Standard supports this legislation.

The Employment Relations Policy guides our disciplinary procedures and grievance resolution processes, highlighting prompt and fair resolution of incidents. Throughout the year, eight incidents of discrimination were reported, with three resolved and five pending finalisation, underscoring our proactive approach to addressing such matters.

Security personnel trained in human rights policies or procedures

We outsource security to reputable companies. These security personnel are trained in human rights principles to ensure compliance and adherence to ethical standards. Human rights training is integrated in the basic induction programmes for new recruits and accredited training courses for learners. Across all Absa Regional Operations countries, security personnel undergo comprehensive training on human rights policies and procedures, supported by electronic updates and distribution of human rights booklets. Regular attestations from security providers reaffirm the commitment to upholding human rights standards.

Political contributions

We maintain political neutrality and refrain from engaging in partisan political activities or making political contributions. Strict guidelines prohibiting payments to political speakers, elected officials, or political parties are adhered to. Furthermore, the employees are prohibited from soliciting or receiving donations for political purposes. We abstain from direct political involvement but actively engage in government initiatives aligned with the organisation's strategic objectives and values, ensuring a balanced and ethical approach to interactions with governmental bodies.

Substantiated complaints concerning breaches of customer privacy and losses of customer data

Protecting customer privacy and data security is paramount for the Group. Despite rigorous safeguards, substantiated complaints are addressed regarding breaches of customer privacy and losses of customer data with urgency and transparency. In 2024, 140 substantiated customer privacy complaints were addressed, demonstrating the commitment to accountability and compliance with regulations such as the Promotion of Access to Information Act, 2 of 2000. Our ongoing efforts focus on enhancing data protection measures and ensuring the integrity of our customer information across all interactions.

We remain steadfast in our commitment to upholding social responsibility principles and promoting ethical practices across our operations.

Additional sustainability disclosures on ethics and conduct

At Absa, we recognise the importance of integrating responsible business practices into every facet of our operations. We understand that our role as a financial institution extends beyond profitability; it encompasses a responsibility to uphold high standards of ethics, sustainability, and human rights. This report provides an overview of how we manage environmental, social, and governance (ESG) risks and opportunities across our business, aligning our practices with global frameworks, including the United Nations' principles and the Equator Principles. Through proactive risk management, robust compliance with laws and regulations, and an unwavering commitment to fair treatment and inclusivity, Absa strives to create long-term, mutually beneficial relationships with our customers, employees, and communities. Our actions reflect our mission to empower individuals and communities, promote financial inclusion, and contribute positively to societal and environmental challenges.

Precautionary principle and risk management

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.

Compliance with laws and regulations

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.

Ethics

Respect for the environment

We are committed to addressing our environmental and social impact by taking steps to identify both direct (own consumption and disposal of resources through its own operations) and indirect (those arising through the supply chain or through the provision of financial services to businesses and projects which may have material environmental social impacts) environmental and social risks. We have developed the Sustainability Principal Risk Framework and associated policies and standards that specifies the environmental and social risks that should be considered and mitigated when lending decisions are made. Where relevant, the Equator Principles and the United Nations (UN) Principles for Responsible Banking are also adhered to in the decision-making process.

Data privacy

We abide by privacy laws and regulations that set out requirements for handling customer information in all the jurisdictions we operate in.

Our Data Privacy Policy includes the Group, all employees and secondees to the Group from a third party, irrespective of their location, function, grade or standing; and all third parties such as suppliers. Second and third line of defence data privacy audits/assurance initiatives are coordinated on a regular basis. Relevant records must be retained in accordance with the most recent applicable country's records retention schedules. Records are stored in a manner to protect the integrity of the records. They are protected from unauthorised access, and physical and environmental damage and must be de-identified or destroyed in a timely manner upon expiry of their retention period.

Ensuring a safe and secure working environment

Absa is committed to ensuring the health, safety and welfare of our employees, contractors, customers, and visitors, in line with our Occupational Health and Safety (OHS) Policy. This includes managing physical security risks, protecting data and providing safe and inclusive working conditions for employees and other people for whom we are responsible.

Harassment

We have no tolerance for unfair discrimination in employment practices, nepotism, cronyism, favouritism, sexual harassment, and bullying. In cases where the complainant believes that the sexual harassment is of a serious nature and/or where People Management, the Human Capital Partner, the Employment Relations Specialist or the Employment Legal Counsel considers the bullying or racial/sexual harassment as serious misconduct warranting a disciplinary meeting, a formal process is followed.

Sanctions laws and regulations

The Group must comply with applicable sanctions, laws and regulations in every jurisdiction in which we operate and is restricted from conducting business with countries, governments, entities, industries and individuals sanctioned by the UN, the EU, the United Kingdom (UK), and the US, beyond its legal requirements. The Restricted Activity Matrices summarises these restrictions. Business must ensure that customers/clients, third parties, employees, or transactions, including payments, trade finance/service

arrangements or business arrangements/deals are screened against the Sanctions lists which includes a list of suspected terrorists.

We screen customers and their related parties to identify individuals and entities included in the Sanctions lists (Public and Private lists) and countries on the Risk Activity Matrix, Domestic Politically Exposed Persons (DPEP), Foreign Politically Exposed Persons (FPEP) and Prominent Influential Persons (PIP) (also known as Politically Exposed Person (PEP)), and watchlist individuals and entities. Records must be retained in accordance with the most recent applicable country retention schedule(s).

Human rights assessment

We recently conducted a gap analysis to review our existing policies, procedures, and systems and assess the level of alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and The Organization for Economic Co-operation and Development (OECD) Guidelines (Due Diligence Guidance for Responsible Business Conduct).

Key outcomes from this analysis include the development of a clear action plan for areas for improvement, as well as a clear roadmap for our human rights journey ahead. Some of our focus areas are training and awareness, internal communication, and further elevation of human rights within our core processes.

Our commitment as a financial services company

Our customer approach is centred on developing products that are inclusive and accessible, with clear and straightforward pricing. Guided by principles of respect, equality, and fairness, we prioritise these values regardless of race, gender, or other factors.

At Absa, we are dedicated to advancing financial inclusion, especially for the unbanked and underbanked. Recognising our pivotal role, we provide universal access to formal banking and payment solutions, promoting socio-economic inclusion. We strive to improve accessibility in underserved areas, utilising continual innovation to offer affordable financial products amid digital banking transformation.

Within the financial services sector, customers expect to receive services and products that cater to their requirements, from companies they trust. To support this, the Treating Customers Fairly Framework adopts an outcomes-based regulatory and supervisory approach. Its goal is to safeguard consumer rights, ensuring that individuals experience fair outcomes when engaging with regulated financial firms.

As a reflection of our commitment to this approach, our customers can anticipate the following standards from our services:

- 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 customer'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 conduct our business in a manner that prioritises the fair treatment of financial customers, while ensuring that the decisions we make are within the confines of the law, internal policies and standards and allow business to meet set performance targets. From the point-of-sale to the conclusion of the transaction, Absa is dedicated to treating customers fairly.

We also place great importance on providing customers with clear and relevant information about the product they are interested in, ensuring transparency throughout the process. We have implemented effective processes and procedures to ensure customers can exercise their rights without any hindrances after making a purchase.

We have defined a set of conduct risk outcomes that guides our strategy, business plans, decision-making and operational execution:

- Our culture places customer interests and ethical decisions at the heart of our strategy, planning, decision-making and judgements.
- Our strategy is to develop long-term banking relationships with our customers by providing products and services that meet their needs and do not cause detriment.
- We do not disadvantage or exploit customers, customer segments, or markets.
- We pre-emptively identify conduct risks where possible and intervene before they occur by managing, escalating, and mitigating them promptly.

- Our products, services and distribution channels are designed, monitored, and managed to provide value, accessibility, transparency, and to meet the needs of our customers.
- We provide banking products and services that meet our customers' expectations and perform as represented. Our representations are accurate and comprehensible, so our customers understand the products and services they are purchasing.
- We address any customer detriment and dissatisfaction in a timely and fair manner.
- We safeguard the privacy of personal data and only use it responsibly, and for the purpose collected.
- We facilitate market integrity and do not wilfully cause distortions and participate in anti-competitive behaviour.
- We engage with regulators constructively, transparently, and proactively.

Financial inclusion

The financial rights of our customers are a critical component of human rights. 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, with a particular focus on youth and women.

- Through our Group Enterprise and Supplier Development Programme, we have increased our efforts towards providing both non-financial and financial support, as well as access to the market for small, women-owned, and youth-owned businesses.
- We 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.

Financial literacy:

We are committed to meaningfully educating our customers by providing information about products, pricing and rewards benefits, and credit-related matters, through various financial education programmes.

- Consumer Financial Education Programme: Provides basic financial literacy and understanding of rights and responsibilities, and targets school learners, unemployed, and those earning < R250 000 annually
- Absa Young Africa Works (Ghana): A five-year partnership with Mastercard Foundation, aiming to create 50 000 dignified jobs, focusing on MSMEs
- Absa ReadyToWork Programme: Supports youth in job market preparation, provide learning content and career guidance, and offers job portals for direct access to recruiters
- Gradesmatch Collaboration: Supports Grade 12 learners in rural Limpopo, Eastern Cape, and KwaZulu-Natal, and aims to increase higher education admission chances.

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.
- Climate change can impact a broad range of human rights, including health, access to clean water, food, sanitation, and other basic human needs. Therefore, we play a vital role in combating climate change through our renewable energy solutions. We have responded to this need through the provision of alternative power solutions for our consumers.

Diversity and inclusion

We foster a working environment with zero tolerance for bullying and harassment, and diversity is an established practice. The contractual rights and obligations of Absa and its employees are upheld in our employment practices. This ensures the organisation operates within the prescripts of the local labour laws and does not infringe on human rights.

The Absa Way Code of Ethics requires colleagues to act with the highest standard of ethics and integrity and to respect the inherent dignity of all people. Wherever we operate, we seek to promote, protect, and respect the rights of our employees as reflected in our Human Capital and Health and Safety policies and practices, and in our compliance with local health and safety and labour legislation. We strive to provide a working environment and employment practices that promote the respect and dignity of our employees and do not violate their human rights. We are mindful of our responsibility to ensure our employees have the necessary competencies, qualifications, experience, and personal honesty and integrity to fulfil their duties. We comply with all six human rights and labour principles as derived from the UN Global Compact. Controls around these principles are established, well embedded, and are continuously being improved and enhanced Group-wide.

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

Absa upholds the following human rights as an employer:

- We outsource security to reputable companies whose employees receive basic human rights training. The International Bill of Rights is incorporated into the induction process for new security personnel, and new learners enrolled in accredited training programmes.
- In Absa Regional Operations, we adhere to local laws and regulations. Human rights training is included in security personnel training in all our presence countries. Security personnel receive electronic updates and a human rights booklet/brochure, which is also distributed to security employees and discussed during the opening of all courses as a Toolbox Talk. Our security providers provide attestations annually to validate conformance to human rights requirements.
- The freedom of association and the effective recognition of the right to collective bargaining.
 - Promotion of equality and prevention of unfair discrimination.
 - Fair labour practices.

Our Absa Group Women Manifesto guides some of our key initiatives that promote human rights in the workplace, including:

- Growth in the share of women in leadership to promote diversity, gender equality, and inclusive decision-making, contribute to ethical business practices and enhance our overall corporate sustainability
- Ensuring 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
- Inclusion of men in driving the gender agenda through the launch of our Absa Group Mens' Forum.

Supply chain diversity

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, and we approach this responsibility with a sincere commitment.

We remain steadfast in integrating ethical principles into our operations, epitomised by the ongoing incorporation of the Absa Way Code of Ethics. The Supplier Code of Ethics was developed to specifically address environmental, social, and corporate governance imperatives. This endeavour mitigates the risks associated with supplier associations but also establishes a framework that binds our suppliers to ethical values, standards, principles, and guidelines.

- Overarching supplier code of conduct – In adherence to the Supplier Code of Ethics Policy, Absa aligns with the Group's Enterprise Risk Management Framework and Strategic, Sustainability, and Reputational Risk Framework. All new suppliers now attest to our Supplier Code of Ethics as part of introducing a harmonised ethics-driven approach to sourcing while we effectively manage our risks and opportunities.
- Risk identification and assessment – Risk assessment includes the robust ethical and sustainability risk assessment tool. The tool assesses the exposure with control risk to arrive at the residual risk that are comprehensively managed.
- Risk management – Testament to the Group's commitment to ethical practices is the absence of supplier relationship terminations depending on exposure due to ethical concerns. Group Supplier Assurance actively and specifically reviews critical and high-spend suppliers for financial, operational, and reputational risks. Annually, an average of 500 or more discrete control reviews were conducted, reflecting the Group's proactive stance in managing supplier-related risks.
- The Group High-Risk Onboarding and Exit Committee, a management committee, plays a pivotal role in decision-making regarding high-risk clients and related financial, compliance, conduct, and reputational risks. Business segments also contribute to this governance structure through their client exit and onboarding committees, escalating significant reputational risk matters to the Group High-Risk Onboarding and Exit Committee. Since its inception in 2019, this governance process has assessed 185 suppliers, resulting in 12 supplier relationships being exited. These exits were predominantly driven by the potential high reputational risk as assessed by the committee. Most matters were addressed through a legally privileged principle to ensure a smooth exit and no reputational damage.
- One of our signature initiatives is driving supply chain diversity with a 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. Included in the assessments and monitoring, enhanced due diligence is undertaken on matters related to perceived fraud and fronting against the B-BBEE legislation.

Our commitment to communities

Corporate citizenship is fundamental to our mission to act as an active force for good in everything we do. It forms an integral part of our Sustainability Framework, and we aspire to address the socio-economic dynamics within our areas of operation and generate sustainable impact.

Focused on promoting financial inclusion through entrepreneurship, our forward-thinking citizenship strategy aims to enhance the economic participation and inclusion of young people and women. This involves supporting, formalising, and empowering enterprises.

Our objective is to drive the growth and development of the continent, fostering intergenerational inclusion to address the socio-economic challenges facing our communities. Our contribution to our communities includes:

- Humanitarian support and relief across our markets
- Corporate donations in support of various initiatives

- Employee volunteerism.

Governance

The Absa Board is responsible for overall oversight of human rights matters and approval of the business strategy, by working with management in setting and implementing human rights policies that reflect our commitment to respecting human rights as well as align with international standards and best practices.

Monitoring and reporting on progress are ongoing, both internally through robust governance processes as well as externally on an annual basis through our integrated reporting and Board oversight through the Absa Group Social, Sustainability, and Ethics Committee (SSEC).

Various teams hold the day-to-day responsibility for integrating human rights into our operations, including compliance, risk, human capital, sustainability, and business due diligence oversight teams.

Due diligence

Transaction level

During the KYC process, compliance and business teams conduct pre-screening at a client/transaction level to identify potential risks. This involves conducting sanctions screening and adverse media screening, with significant adverse findings being escalated to the relevant risk committees.

As part of the credit process, we apply our Environmental and Social Management System Standard, alongside our human rights statement and exclusion list, to address human rights risks. We identify, evaluate, and manage these risks in accordance with industry best practices such as the IFC Performance Standards and Equator Principles, as well as legal requirements. In instances where human rights risks are identified, an environmental and social action plan is developed and included in the facility agreement for implementation. Where relevant, we require human rights assessment and monitoring by independent specialist consultants. Progress toward fulfilling environmental and social requirements is closely monitored and loans are reassessed if progress is deemed unsatisfactory.

Suppliers

Rigorous due diligence precedes engagements with key suppliers, underscoring the commitment to ethical conduct throughout our supply chain. Continuous monitoring mechanisms are in place to avert adverse impacts and ensure ongoing compliance with ethical standards guided by the Absa Way Code of Ethics. Supplier due diligence also includes thorough anti-bribery and anti-corruption checks.

Suppliers are required to uphold high corporate governance standards and align with the Group's ethics and human rights policies. Their readiness to address, manage, and mitigate operational, financial, and reputational risks is rigorously assessed during the onboarding process and periodically thereafter.

This approach aligns with our Group Procurement Policy, External Supplier Standard, Supplier Management Standard, and Supplier Code of Ethics. To further fortify governance and due diligence, independent assurance processes are in place for high-risk and high-value tenders and outsourced agreements. This ensures compliance with regulatory requirements, frameworks, policies, and processes.

Policy implementation and training

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.

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.

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.

Mechanisms for seeking advice and raising concerns

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.

Legislation and regulations governing whistleblowing vary significantly from country to country. Where any element of the Group's policy would bring Absa into conflict with these laws and regulations, the laws and regulations take precedence.

Whistleblowing is audited regularly (internally and externally), where external audits focus on the process and internal audits assess the details.

Whistleblowers can email protect@tip-offs.com or visit www.tip-offs.com. They can also email the Absa Priority Investigations and Whistleblowing team directly at protected@absa.africa or send an anonymous WhatsApp to 0860 660 007.

Absa aims to integrate ethical conduct, sustainability, and respect for human rights into our strategy and operations. Through careful risk management, adherence to relevant regulations, and ongoing refinement of our practices, we seek to build trust and contribute positively to the communities and stakeholders we serve. Our focus on financial inclusion, diversity, climate action, and human rights reflects our intention to support a more resilient and equitable society. Moving forward, Absa will continue to evaluate and adapt its policies and practices to align with evolving standards and expectations, ensuring we operate responsibly and make meaningful contributions to a sustainable future.