



# Stakeholder Engagement Principles

Absa prioritises regular stakeholder engagement to shape strategic direction, enhance decision-making, and safeguard its reputation. We recognize all material stakeholders as key partners and are committed to effectively identifying, understanding, and managing these relationships to strengthen business sustainability, mitigate risks, and support the successful execution of the Group’s strategy.

The stakeholder engagement principles aims to provide a framework for engaging with key stakeholders, aligning with the organisation’s strategy, fostering trust and credibility, and safeguarding and strengthening Absa’s reputation, all with the goal of achieving long-term commercial success.

## Overview of Stakeholder Engagement

Absa has adopted the King IV Code of Good Practice in its operations. Principle 16 of the King IV Code of Good Practice advocates the adoption of a “stakeholder-inclusive approach” that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.

Stakeholder engagement is the process through which an organisation interacts with individuals and groups impacted by or influencing its operations and decisions. It plays a vital role in value creation, supporting Absa’s growth ambitions by providing key insights into its business, as well as its social, political, and physical environment. Additionally, it helps identify material and influential stakeholders essential to the organisation’s success.

Absa has identified its primary stakeholders based on their level of influence on the business and the extent to which they are impacted by its activities. These stakeholders are categorized into **commercial and non-commercial groups**. The **Group Stakeholder Engagement team** oversees non-commercial relationships, excluding the media, while **Group Citizenship** manages certain key civil society stakeholders.

Stakeholder categories include:

Commercial Stakeholders	Non-Commercial Stakeholders
1. Customers/Clients	1. Government
2. Shareholders	2. Parliament
3. Employees	3. Civil society organisations (including academic institutions, foundations, NGOs)
4. Suppliers	4. Multilateral institutions
5. Regulators	5. Media
6. Rating Agencies	6. Business, professional and industry associations
7. Investor Community	7. Regional trade blocs
8. Board	8. Political parties
9. Organised Labour	
10. Banking/financial service bodies and business enablers	

Note: The categories are not mutually exclusive, and some stakeholders may be classified as both commercial and non-commercial.



## **Stakeholder Engagement Principles**

The following principles underpin meaningful engagement with stakeholders:

<b>Consistency</b>	Ensure consistent messaging to all stakeholders
<b>Dialogue</b>	Understand the needs, interests and expectations of stakeholders and incorporate them into the Organisation's decision-making processes. Ensure that the Group's objectives and goals are properly understood.
<b>Collaboration</b>	Establish meaningful relationships and link them to the Group's goals to stakeholder interests.
<b>Transparency</b>	Ensure proactive, honest and continuous communication with stakeholders.
<b>Commitment</b>	Create a sustainable business and being a force for good in society.
<b>Responsiveness</b>	Adopt continuous assessment and responses to changing business environment and legitimate stakeholder needs, interests and expectations

## **Funding of Political Parties and Faith-based Organisations**

Absa has elected to support non-governmental organisations (NGOs) operating in the fields of human rights, democracy, constitutionalism, law and governance. Absa does not fund political parties, politically affiliated parties, individual activists or faith-based organisations in any of its markets

## **Stakeholder Funding Guidelines**

All stakeholder funding proposals and agreements are subject to Absa's governance processes and must be strictly assessed in line with the following guidelines:

### **1. Submission of Proposal and Evaluation**

- a. **New proposals:** The proposed stakeholder or beneficiary must submit a detailed proposal outlining the nature of the project, associated cost, relevance and/or benefit to [Stakeholder.Relations@absa.africa](mailto:Stakeholder.Relations@absa.africa)
- b. **Existing agreements:** The Absa relationship owner, as specified in an existing agreement, must review the funding agreement on an annual basis to ensure that it remains relevant and beneficial to the Group.

***Upon receipt of application/proposal, Absa must acknowledge receipt in writing, ensuring that no undue expectations are created.***

In evaluating the proposal, the value to the organisation will be determined and the level of participation based on availability of resources. If there is alignment to strategic objectives and funds available Absa must advise the applicant to submit the following documentation for a due diligence assessment to be conducted before a final decision can be made about whether to allow the applicant to participate:

- a. A company registration document from the relevant authority, outlining: The name of the organisation, registration number and physical address; and Names of directors and their identity numbers.
- b. In the absence of a company registration certificate, a letter from the organisation's auditors confirming the name of the organisation, registration number, physical address, names of directors and their identification numbers may be presented.

### **2. Due Diligence Assessment**

The assessment is conducted in three phases:

- a. Sanctions assessment;
- b. Anti-bribery and corruption assessment; and



- c. Politically exposed persons and Adverse media assessment.

If red flags are identified during the due diligence assessment, the process will be terminated instantly and the applicant must be advised in writing that no relationship can be entered. For more information on all the screening requirements, please refer to the Anti-bribery and Corruption Requirements for Donations, Sponsorships and Business Enhancements - Supporting Document. Once all assessments are successful, a contract must be drafted based on the nature of the agreement;

- a. All contracts must be on an Absa Group template – potential partners cannot use their own templates;
- b. The contract must be approved by Absa Group Legal prior to signature; and
- c. The contract can only be activated once all the required processes are met.

### **Stakeholder Engagement Assessment and Monitoring**

Ongoing assessment and monitoring of Absa's stakeholder engagement efforts are essential to ensure the organization remains responsive to stakeholder needs, material concerns, and interests. Assessment methods include, but are not limited to, surveys, client feedback channels, relationship managers, social media, seminars, conferences, and one-on-one meetings. Stakeholder relationship managers must report reputational issues within their respective areas to the Group Stakeholder Engagement team at least once per quarter. These issues may include negative media coverage, public statements misaligned with Absa's values, or unlawful conduct that could harm the brand and reputation. This reporting requirement complements, rather than replaces, existing governance and reporting channels.