

Absa Bank Kenya PLC

2023 Sustainability Report

Banking on a better, sustainable future



Your story matters





List of acronymns

AGF: Africa Guarantee Fund

AHL: Acorn Holdings Limited

AI: Artificial Intelligence

BMI: Body Mass Index

CBK: Central Bank of Kenya

CRES: Commercial & Real Estate Services

CMA: Capital Markets Authority

CMC: Country Management Committee

EAP: Environmental Action Plan

EDGE: Excellence in Design for Greater Efficiencies

ESD: Enterprise Supply Development

ESG: Environmental, Social and Governance

ESMS: Environmental & Social Management System

IFC: International Finance Corporation

IFRS: International Financial Reporting Standards

ITC: International Trade Centre

GDP: Gross Domestic Product

GHG: Greenhouse Gas

GIZ: German Agency for International Cooperation

GRI: Global Reporting Initiative

KBA SFI: Kenya Bankers Association Sustainable Finance Initiative

KMRC: Kenya Mortgage Refinance Company

KNCCI: Kenya National Chamber of Commerce & Industry

KYC: Know Your Client

MKO: Magical Kenya Open

NSE: Nairobi Securities Exchange

PBSA: Purpose-Built Student Accommodation

PL: Premier League

PLWD: Persons Living with Disability

REITS: Real Estate Investment Trusts (REITs)

SHE: See Her Empowered

SME: Small Medium Enterprises

SSR: Strategic Sustainability Reputational Risk

TCFD: Task Force on Climate-related Financial Disclosures

TNFD: Task Force on Nature-related Financial Disclosures

UN SDGs: United Nations Sustainable Development Goals

UNCTAD: United Nations Conference on Trade and Development

UNEP FI: United Nations Environmental Programme Finance Initiative

VAT: Value Added Tax

WSME: Women-led-Small-and Medium-sized Enterprises

WWF: World Wide Fund for Nature



Contents

About our Sustainability Report	4
About our theme	4
Scope and purpose	4
Reporting period	4
Disclosures	4
Audiences	4
Reporting frameworks	4
Overview	5
Message from the Chairman	6
Message from the CEO	7
Our Purpose	8
Our Values	9
Our Aspirations	9
Absa Kenya at a Glance	10
Our Sustainability Strategy	12
Awards	14
Our Focus on Sustainability	15
Absa Sustainability Journey	16
Overview of Sustainability Performance in 2023	18
Our Alignment to UN Sustainable Development Goals	20
Performance against our 13 Sustainability Commitments	22
Stakeholder Analysis Matrix	25
Our Sustainability Risk Policy	28
Sustainability Risk Policy Overview	29
Risk Management	30
Material Topics	32
Our Corporate Governance	56
Environment and Biodiversity	62
Social and Citizenship Strategy	69
Economic Impact	79
Economic Contribution	80
Tax Management	81
2024 Sustainability Outlook	82
GRI Checklist	83
UN Global Compact Principles	89

About our Sustainability Report

About our theme

Absa's 2023 Sustainability Report theme, **Banking on a Better, Sustainable Future**, is inspired by the Bank's commitment to sustainable development and responsible banking practices. Through its partnerships, initiatives, and investments, Absa is actively contributing to the advancement of sustainable practices and the creation of a more inclusive and sustainable economy in Kenya and beyond. By aligning its operations with the United Nations Sustainable Development Goals (SDGs) and investing in initiatives that promote clean energy, responsible construction, and climate-smart agriculture, Absa is actively working towards a better and more sustainable future for Kenya and the region.

Scope and purpose

Our Sustainability report aims to communicate our impact on material Environmental, Social and Governance (ESG) issues, such as climate change, customer wellbeing, governance, human rights and diversity, equity and inclusion. It discloses how our business is managing ESG risks, and how the maximisation of our risk management approach in this area creates opportunities for the Bank to enhance its ability to continue lending to Kenyans and preserve value for all our stakeholders. The report outlines the ways in which Absa aims to fulfil its purpose of **"Empowering Africa's tomorrow, together ... one story at a time"** by using financial expertise to do good, thereby creating value for society.

References in this publication to 'Absa', the 'Bank,' 'we,' 'us,' and 'our' refer to Absa Bank Kenya PLC.

Reporting period

This report covers the financial year from January 1, 2023 to December 31, 2023. For a more detailed overview of the value we add to our stakeholders and our impact on society, this



report should be read together with the 2023 Absa Kenya Integrated Report and Financial Statements.

Disclosures

The ESG reporting disclosures at Absa Bank Kenya PLC at hand are not subject to standalone external assurance. The Audit and Risk Committee of the Board has the primary role of ensuring

integrity in non-financial reporting and audit and overseeing the maintenance of sound internal control and risk management systems. The Bank will commission external auditors to provide assurance in its ESG reports.

We have taken proactive steps in defining a structured approach for disclosing material climate-related risks, opportunities, and strategic decisions to all stakeholders, including investors and regulators. The Bank submitted the first Task Force on Climate-related Financial Disclosures (TCFD) report to the Central Bank of Kenya (CBK) by June 30, 2023, and will be part of our annual reporting practice going forward. In a bid to reduce our carbon emissions, the Bank started measuring and disclosing Scope 1 and Scope 2 emissions in our 2022 TCFD report.

Audiences

This report is published for all our stakeholders. Our stakeholders include, but are not limited to, current and prospective clients, investors, employees, suppliers, governments, regulators and non-governmental organisations.

Reporting Frameworks

Absa Bank Kenya PLC has prepared this report with reference to the Global Reporting Initiative (GRI) Standards as well as other regulations and legislative frameworks, including the Nairobi Securities Exchange (NSE) ESG Disclosures Guidance Manual and Central Bank of Kenya's Guidance on Climate-Related Risk Management (Guidance) to commercial banks and mortgage finance companies. Furthermore, as the nature of ESG matters, frameworks, and reporting obligations continue to evolve, we refine our reporting approach over time to ensure that it is providing stakeholders with relevant, transparent, and timely information on our ESG performance and impact. Absa has standardised reporting metrics for Sustainability and climate risks and opportunities. Externally, these metrics are communicated annually through the Sustainability and TCFD report (Climate report), and internally, quarterly to the Sustainability Steering Committee.



Overview

Message from the Chairman	6
Message from the CEO	7
Our Purpose	8
Our Values	9
Our Aspirations	9
Absa Kenya at a Glance	10
Our Sustainability Strategy	12
Awards	14

Message from the Chairman



“ Absa is working towards a better future for Kenya and the region. Our efforts have positioned Absa as a responsible and forward-thinking financial institution. ”

Charles Muchene
Chairman, Board of Directors, Absa Bank Kenya PLC

In everything we do, Absa Bank aims to meaningfully contribute and accelerate a significant positive impact on society while also entrenching itself as a relevant brand driving a sustainable future.

The Board of Absa Bank Kenya PLC remains unwavering in its mandate to drive the successful implementation of the Bank’s sustainability strategy, which focuses on 13 key areas of consideration outlined in this Sustainability Report.

As part of our organisational commitment to this critical agenda, the Bank has instituted a comprehensive framework that ensures all ESG policies and strategies are rigorously reviewed, approved, and continuously implemented. The Board, in its role of ensuring good governance, has institutionalised several key committees, including Audit and Risk, Credit, Corporate Governance, Nominations and Remuneration, and Strategy.

We are fully committed to realising the Sustainable Development Goals (SDGs) within the next six years as a bank. As one of Kenya’s leading financial services organisations, we are proud of our progress and significant contribution to attaining the SDGs.

Our commitment to diversity and inclusion remains evident, with 15.5% of our active suppliers being women, youth, and persons with disabilities. We have also continued to enhance financial inclusion and enterprise development among the marginalised yet high-potential population segments such as women and MSMEs.

Furthermore, in 2023, we allocated KES 150 million for sustainability and citizenship-related projects, contributing positively to the upliftment of the socioeconomic status of the communities where we operate.

In education, Absa’s Ready to Work programme has continued to impact thousands of young people, equipping them with the requisite skills to transition from institutions of higher learning to the world of work, reaching 20,274 youth in the year under review. Additionally, we continued to reinforce efforts aimed at closing the digital divide through our Computers for Schools programme, installing computer labs in 65 schools across the country.

In a time of accelerated climate change and heightened social and sustainability concerns, Absa Bank continues to execute our

climate action and environmental conservation efforts. We are dedicated to transitioning our Scope 1 and 2 emissions to net zero by 2040 and Scope 3-financed emissions by 2050.

The Board acknowledges the management team’s efforts in executing the Bank’s strategy, bringing Absa closer to its 2030 environmental action plan. Part of this plan includes incorporating sustainable financing into the lending envelope and aligning with the Central Bank of Kenya’s Guidance on Climate-Related Risk Management. In 2023, the Bank allocated KES 63 billion to sustainable finance, with 84% of the allocated KES 26 billion for climate financing taken up. Of this, KES 2 billion was specifically allocated for climate-smart agriculture.

For our customers, our unwavering dedication remains to offer convenient, safe, and easily accessible solutions and services to meet their diverse needs and aspirations.

As a vote of confidence in our efforts, in 2023, we were honoured to be the 1st runner-up in the Best Internal Customer Experience category at the Service Excellence Awards. This achievement highlights our commitment to delivering exceptional customer experiences. We have made significant improvements compared to 2022, with a retail banking composite score of 69% in 2022, increasing to 93% in 2023. The customer experience index also rose impressively from 86% in 2022 to 110% in 2023.

To sustain our growth momentum, we understand the importance of serving our customers with excellence. This includes resolving grievances promptly, enhancing system reliability, and providing the flexibility to transact through preferred channels.

For us, it is not only about the big numbers but also about the big picture – bringing the world one step closer to zero emissions while addressing socioeconomic challenges to ensure a better future for our stakeholders. Our sustainability future has now become fundamental to our business and the value we provide. Together, we shall continue to forge ahead and address the challenges of climate change, ensuring a brighter and greener future for Kenya and beyond.

Thank you for being with us on our journey of common prosperity for all.

Message from the CEO



“ The Absa Kenya Board has played a critical oversight role in implementing our sustainability strategy, which revolves around 13 key areas and is primarily committed to achieving net zero status by 2050. ”

Abdi Mohamed
Managing Director and CEO, Absa Bank Kenya PLC

Dear Stakeholders,

Sustainability has been an integral part of Absa Bank Kenya’s operations, which we believe has contributed to our success over the years. We have evolved with the times, keeping our compass fixed on the direction of environmental, social responsibility and governance.

In 2023, we made significant strides in advancing our sustainability efforts. This edition of our Sustainability Report’s theme, “Banking on a Better Sustainable Future,” aptly reflects our transition towards a forward-looking, net zero future.

Living in a time of unprecedented change, we are constantly evaluating our strategies. We understand that the geopolitical, social, environmental, and technological shifts of the next decade will have far-reaching effects. In response, we remain resolute in our commitment to turning our words into action, implementing strategies that will positively impact the environment, enhance customer experiences, and support the communities we serve.

Advancing environmental conservation with community partnerships

Last year, we made significant progress in environmental conservation by partnering with the Kenya Forest Service to launch a nationwide tree-planting initiative. This project involves Community Forest Associations, including groups representing women, youth, and persons with disabilities (PWDs). It aims to plant 10 million trees by 2032 while creating employment opportunities for these communities. In alignment with the Kenyan government’s goal of planting 15 billion trees by 2032, we have already planted 10,000 trees at Njukiini Forest in Embu County.

Additionally, recognising the need for a conducive environment for sports, we collaborated with Athletics Kenya, Safaricom PLC, and the Stockholm Environment Institute to plant over 2,500 trees at Kasarani Stadium.

Promoting growth and inclusion through strategic initiatives

As a purpose-led institution, our mission is to help stakeholders navigate challenges and embrace opportunities for growth. We support small and medium-sized enterprises (SMEs) by

monitoring their evolving needs. Our See Her Empowered (SHE) Star Programme has empowered over 35,000 women entrepreneurs, promoting financial inclusion. Our Women in Business initiative, backed by a KES 10 billion fund, aims to enhance credit access for women-owned SMEs by 2025.

We prioritise gender equality in our inclusive workplace and support persons with disabilities (PWDs) through our PWD Roadmap, targeting 5% of our suppliers by 2025. Expanding banking access is crucial; our Timiza platform has attracted over five million customers since 2018, disbursing KES 21 billion in 2023, including 1.5 million loans to 300,000 women customers.

Delivering sustainable economic impact

Our initiatives demonstrate our commitment to economic impact, with total contributions rising from KES 372.76 billion in 2022 to KES 478.9 billion in 2023. We increased employee wages and benefits to KES 11.7 billion, supporting our recognition as a top employer in Kenya and Africa. Payments to capital providers reached KES 8.4 billion, while corporate tax payments rose to KES 16.2 billion. Our investments in green initiatives grew to KES 26.9 billion, and local procurement spending reached KES 4.5 billion. We also equipped 65 computer labs and donated KES 25 million to enhance education, fostering sustainable development in our communities.

Commitment to innovation and sustainability

At Absa, innovation and sustainability are central to our mission. We recognise the significant impact of our actions on the environment, society, and our long-term success. By leveraging advanced technologies and insights, we aim to mitigate risks, seize opportunities, and create lasting value for all stakeholders.

We are uniquely positioned to address critical business and economic challenges for our clients. We act with urgency and accountability in all our endeavours. I invite you to read the following report to learn how we are strengthening our business and supporting our communities. From driving net zero to expanding financial inclusion and investing in infrastructure, we are committed to action and measurable results, positioning Absa for future success.

Our Purpose

Absa Kenya aspires to be a truly purpose-led organisation. This means we are deeply committed to positive contribution to the world around us and putting our purpose at the heart of everything that we do. Our purpose serves as the 'North Star', illuminating our reason (why) for existence.

At Absa, our purpose is Empowering Africa's tomorrow, together...one story at a time



Empowering

At Absa Bank Kenya, we empower and enable – from investing in our employees to uplifting our communities and enabling our clients' ambitions. Empowerment is active, every moment, walking together as partners. We unlock opportunities for our clients through imagination, energy and passion, and finding innovative solutions. Empowerment ensures that we invest in people and their capabilities.



Africa's

Our heartbeat is African. We are committed to a Pan-African presence and contribution. We cherish our home; we care for it and invest in it. Africa is a home that we are proud of. Our organisation was born in Africa over 100 years ago.



Tomorrow

We value our heritage and embrace the challenge of reimagining a better tomorrow – for our colleagues, clients and communities. We know that every action we take has a consequence for a meaningful tomorrow. We relentlessly deliver on our commitments today with a long-term mindset through good times and bad. We are stewards of a sustainably better world. Tomorrow embodies the aspiration of youth and future generations. Tomorrow represents one day or many years.



Together

We are a trusted and caring partner committed to collaborating with all our stakeholders. We embrace diversity and inclusivity. This strengthens us, unleashes everyone's full energy and enables better outcomes. We are a collective, holding ourselves and one another accountable for our outcomes. We are stronger together. We listen to many perspectives while remaining decisive. We work together to bring our strategic ambitions to life.



One story at a time

Brick by brick, we build a masterpiece – no matter how big or small. We embrace Africa's heritage of storytelling. Stories bind us. We see you. We hear your story – it inspires us to act and grounds us in what is real.

Our Values

Our values act as guiding lights, providing direction and inspiration. As we embark on this journey of sustainable outperformance, our culture becomes the foundation upon which we engage with the world and shape our future.

Trust



We believe in ourselves and each other.

Resourceful



We innovate for colleagues, clients and communities.

Stewardship



We take actions today that sustain our tomorrow.

Inclusion



We are stronger together.

Courage



We show up as our authentic selves to our own story.

Our Aspirations



For our people,
we will create a culture that appreciates, unifies and differentiates us from our competitors.



For our customers,
we will create unprecedented, seamless experiences to engage and delight while adding value.



For society,
all our employees will lead with a conscience, doing their best for people and the planet.



Absa Kenya at a glance



Over 100
Years of Experience



84
Branches



196
ATMs Countrywide



60
Cash Deposit Machines



2130
Employees



Over 1M
Customers



51:49
Employee Gender (F:M)



49%
Women in Management



+12%

KES 16.4B
Profit After Tax



+18%

KES 51.9B
Income



+18%

KES 336B
Customer Assets



+19%

KES 363B
Customer Liabilities



“ We pride ourselves as A Trusted Brand
driving A Sustainable Future ”



Our Corporate Sustainability Strategy

Empowering Africa's tomorrow, together...one story at a time

Trust | Resourceful | Stewardship | Inclusion | Courage

To be a Trusted Brand driving a sustainable future

Environmental

We are committed to managing climate change and biodiversity risks and opportunities

Social

We are committed to investing in the wellbeing and development of our communities in which we operate

Governance

We are committed to upholding the highest standards of governance and ethics

Public Policy & Regulation

We are committed to positively influencing public policy and regulations

Financial Inclusion. Environment and Climate. Diversity & Inclusion. Education. Enterprise Development

Partnerships | Talent & Diversity | Absa Kenya Foundation | Data & Insights | Access to Finance & Financial Systems

To be an active force for good driving Kenya/Africa's sustainable growth

Awards

Kenya Bankers Association SFI (Sustainability) Awards 2023



Winner:
Best in Sustainable Finance

Winner:
Best in Bank Operations

1st runner-up for Promoting Gender Inclusivity

2nd runner-up:
Most Innovative Brand

2nd runner-up:
Overall KBA SFI Awards 2023 Edition

Think Business Awards 2023



Winner:
Best Bank in Asset Finance

1st runner-up:
Best Bank in Agency Banking

2nd runner-up:
Best Bank in Retail Banking

2nd runner-up:
Best Bank in Product Innovation

2nd runner-up:
Best Bank in Trade Financing

Best Bank for Trade Finance in Africa



Best Bank for Cash Management in Africa

Best Trade Finance Platform Initiative in Africa

Best API Initiative of the Year in Kenya



Employer of the year awards 2023 (EYA 2023)



Certified: **Top Employer:** 3 years in a row

Winner:
Human Resource Practice and Industrial Relations

1st runner-up:
Learning and Development

Finnovex East Africa Awards 2023



Excellence in Digital Banking

Service Excellence Awards 2023



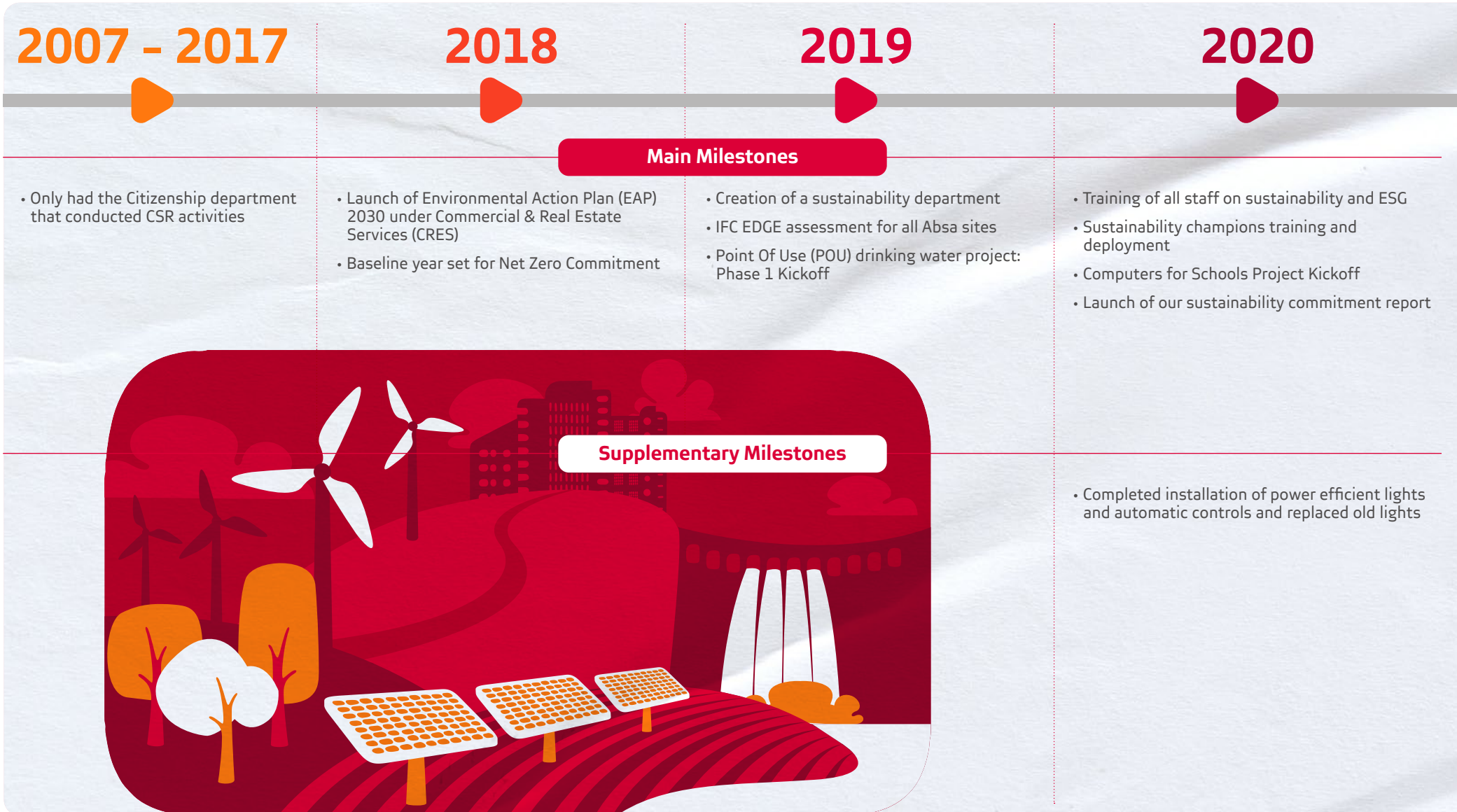
2nd Place:
Best Internal Customer Experience



Our Focus on Sustainability

Absa Sustainability Journey	16
Overview of Sustainability Performance in 2023	18
Our Alignment to UN Sustainable Development Goals	20
Performance against our 13 Sustainability Commitments	22
Stakeholder Analysis Matrix	25

Absa Sustainability Journey



Absa Sustainability Journey - continued

2021



2022



2023



2024



Main Milestones

- Retrofitting of all our Absa sites with energy saving technology to reduce our operational emissions
- Sustainability implementation plans and sign-off
- Supplier Training Programme with Strathmore University
- Tree planting project kick-off
- Waste recycling pilot with Takataka Solutions for Head Office and 14 other Absa sites
- Supplier Diversity IFC Sourcing to Equal Programme

- Adoption of annual climate reporting using CBK guidelines on climate risk management
- Adoption of annual sustainability reporting using NSE ESG reporting guidelines
- EDGE certification for head offices and three branches
- Climate Finance Strategy development project kickoff with IFC
- See Her Empowered (SHE) Stars project with GIZ and Yunus

- Launched our 2022 Sustainability report themed "Creating shared value for growth"
- Tuungane 2X SHE project with Africa Guarantee Fund (AGF) and Melanin Kapital kick off
- Absa Kenya Foundation setup project kickoff
- PLWD Roadmap development and sign-off

- Absa Kenya Foundation launch
- Climate Finance Strategy Launch
- Complete phase 1 of 70 labs
- Plant and grow 1M trees
- Adopt IFRS S1 and S2 sustainability reporting standards
- Train and certify additional suppliers on sustainability especially youth and PWDs
- Roll out youth and PWD product proposition

Supplementary Milestones

- Supplier Diversity at 6%
 - Included a ReadytoWork placement programme of interns to our suppliers. 21 interns were placed to support suppliers implement sustainability in their organisations
- 6,600 trees planted
- Developed 7 computer labs
- Undertook snags closure, benefit tracking and documentation
- Tuungane 2x SHE project with AGF and Melanin reached 600 women-focused startups

- Supplier Diversity stood at 10.3%
- 303,664 trees planted
- Launched 43 computer labs in various learning institutions in Kenya
- Achieved certification for five of our premises with IFC EDGE certification
- The first cohort of Tuungane 2x SHE project with AGF and Melanin of over 300 entrepreneurs were taken through a credit-readiness programme
- 300 suppliers had completed the training programme with Strathmore.
- See Her Empowered (SHE) Stars Project with GIZ programme garnered significant attention, attracting a total of 2,146 applicants

- Supplier Diversity stood at 15.5%
- 728,095 trees planted
- Installed and launched an additional 22 computer labs
- 85 plus Absa sites have been retrofitted
- Over 400 suppliers had completed sustainability training with Strathmore University, Amani Institute
- Over 500 women suppliers trained on corporate procurement in partnership with IFC through Sourcing2Equal programme
- See Her Empowered (SHE) Stars programme graduation held on May 2023, celebrated 402 SHE Stars from cohort III and IV

Overview of Sustainability Performance in 2023



Sustainable Finance Commitment

Total sustainable finance allocation
KES 63 billion

KES 60 billion
sustainable finance utilised

KES 26.1 billion
allocated to climate finance
(*KES 22.3 billion in uptake*)

KES 36.9 billion
allocated to inclusive finance
(*Timiza KES 21 billion, MSMEs KES 11 billion, WSME KES 4.9 billion in uptake*)



Enhanced Financial Literacy

“Every Kind of You” – reinforce commitment to financial wellness among Kenyans through solutions, tools & tips

KES 2 billion
invested in technological uPagerades

Introduction of digital onboarding platform where customers can open accounts and transact independently under **12 minutes**



Tree Planting & Growing

Over **700,000** trees planted and grown with partners

Introduced mapping of planted trees for carbon offsets

On course to rehabilitate a section of the degraded **100-hectare** Sorget Forest in Kericho County

Donated **20,000** bamboo tree seedlings for planting in Kiu Wetlands

10,000 seedlings to support restoration of Kinale Forest



Sustainability in Sports

Partnered with Athletics Kenya as part of our sponsorship of the Absa Kipkeino Classic to plant over **2,500** trees at the Kasarani Stadium

Birdies for Trees Initiative:
Committed to plant **100** trees for every birdie scored at the Magical Kenya Open



Overview of Sustainability Performance in 2023 - continued



PWD Roadmap

Developed through the pillars below:

- KYC** – Mapping of staff and clients with disabilities
- Access** – Physical access, creation of strategy & policies for PWDs
- E-banking** – Accessibility of all the Bank's digital channels
- Support** – Training and capacity building to support PWDs
- Information Access** – Documentation & Signage



Digital Literacy

Fully equipped and furnished **22** computer labs in select schools

KES 25 million donated to support computer labs in primary & secondary schools

Each school selected to receive **20** fully networked desktop computers, including lab furniture



Financial Inclusion

See Her Empowered (SHE) Star Programme has empowered over **35,000** women

R2W is a soft skill curriculum that is online and free & self-paced

R2W was launched in 2015 and over **250,000** youth reached



Climate Finance

Climate Smart Agriculture: Partnered with Eco-business fund investing **USD10 million** allocated for climate-smart agriculture

Green Building: Partnered with Acorn Holdings Limited (AHL) for **KES 6.7 billion** in a financing deal for the development of **10** Purpose-Built Student Accommodation (PBSA) to address current student housing deficit



Renewable Energy

Partnered with Sun King to invest **KES 2 billion** in development of solar-powered projects for off-grid communities

Participated in financing Safaricom's **KES 20bn** Sustainability Linked Loan





Our Alignment to UN Sustainable Development Goals



Absa Kenya sustainability programme

Business & Enterprise functions Initiatives

New & existing memberships and capabilities

Corporate Social Investment (Citizenship)

Stakeholder communication & reporting

Partnerships + Collaboration

Our corporate strategy



Empowering Africa's tomorrow, together... one story at a time

The sustainability framework guides the overall coordination of our efforts to build a sustainable business.

Existing & new capabilities will be the key drivers and proof points of our sustainability journey.

We will seek to leverage our existing partnerships as we pursue new ones in our selected areas of focus.

We will align our execution with our corporate strategy, with the main aim to advance our purpose to be an active force for good in everything we do.

We will benchmark our efforts against various goals and standards:

1. Global goals
2. Principles for Responsible Banking
3. UN Global Compact
4. Women Empowerment Principles

We will have focus on high priority SDGs and endeavour to create value across board.

Our Alignment to UN Sustainable Development Goals - continued



Absa Kenya proudly upholds the Group’s sustainability strategic priorities, as exemplified below. By aligning itself with these priorities, Absa Kenya is committed to driving positive change and sustainable development for the benefit of our valued customers, employees, shareholders, and the communities we serve. As an integral part of the Absa Group, we are dedicated to championing environmental stewardship, fostering social responsibility, promoting ethical business practices, and ensuring long-term economic growth. Together, we strive to create a brighter and more sustainable future for Kenya and beyond.

	Our Priorities	Our Goals	SDG Alignment
<p>Empowering Africa’s tomorrow, together... one story at a time</p> <p>Drive measurable, material change in our communities, in a way that brings our Purpose to life, differentiates us from peers, and strengthens our business</p>	 <p>Financial Inclusion Make intergenerational wealth creation accessible for all</p>	<ul style="list-style-type: none"> Equitable access for underbanked communities – individuals and SMEs, and with a particular focus on youth and women Full set of clients’ financial needs met across transactional banking, credit, insurance, and wealth accumulation 	 
	 <p>Diversity & Inclusion Enable all our people to bring their true selves to work, and be a beacon of inclusion externally across the continent</p>	<ul style="list-style-type: none"> Disadvantaged demographics are fairly represented at each level of the organisation High share of employees feel they are accepted members of the workforce Supply chain is strengthened and diversified by the inclusion of underrepresented groups 	 
	 <p>Climate Contribute to Africa’s transition in a way that is just and fair for all</p>	<ul style="list-style-type: none"> Net Zero achieved by 2050 Absa established as Africa’s leader in sustainable finance Leadership maintained in renewable energy financing 	 
	 <p>Governance Commit to the highest standards of governance and ethics</p>	<ul style="list-style-type: none"> Sector-specific pathways defined with a thorough analysis of trade-offs Proactive compliance with highest standards of evidence and ethics across all businesses 	



(More on how the SDGs have been adopted is captured in the Material Topics)

Performance against our 13 Sustainability Commitments

The sustainability commitments are aligned to the **ACTIVE FORCE FOR GOOD STRATEGY**.


Anchors	Commitments	Key Result
 <p>Sustainable Financing</p>	<p>Diversifying our portfolio and increasing our funding and capital allocation for initiatives that support:</p> <ol style="list-style-type: none"> 1. Renewable and clean energy 2. Industries, innovation and infrastructure 3. Financially excluded groups 4. Sustainable cities and communities 5. Responsible consumption and production 6. Value chains 	<p>KES 26.1 bn: Total value of climate financing allocation and KES 22.3 bn uptake</p> <p>KES 14.1 bn: Total value of renewable & clean energy financing</p> <p>KES 36.9 bn: Total value of Inclusive Financing (TIMIZA, SME, WSME, Inclusive Sourcing, Absa Scholarships)</p> <p>KES 6.7 bn: Total value of Green Building allocation</p> <p>KES 2.2 bn: Total value of Climate Smart Agriculture financing</p>
 <p>Social Responsibility</p>	<p>Investing in the future of the youth through skills development with our ReadyToWork programme</p>	<p>20,274 youths trained through Ready2Work programme</p> <p>27 interns under Ready2Work</p> <p>13 Ready2Work trainees were absorbed</p> <p>22 labs completed and in use with immediate impact on over 60,000 students</p>
	<p>Direct and indirect economic contribution to the Kenyan economy through our current and future funding</p>	<p>KES 150 m in community investments</p> <p>KES 16.2 bn paid to government in form of tax</p> <p>KES 335.7 bn total loans advanced</p>
	<p>Investing in training and upskilling the future skills and competencies of our employees</p>	<p>All colleagues have been trained in at least one future skill</p> <p>New and existing colleagues still enrol on LinkedIn, Udemy and KBA Sustainable Finance courses</p>
	<p>Become one of the best places to work in Kenya</p>	<p>51% women in workforce</p> <p>60% of workforce enabled to work from home</p> <p>We have Diversity Equity and Inclusion, Talent Development & Retention, Human Rights & Sexual Harassment policies</p> <p>49% of management are women</p> <p>9 participants completed She Leads Leadership programme</p> <p>26 female colleagues empowered on SHE Mentorship</p> <p>24 male colleagues attended the Man Cave session on Fatherhood & Finances</p>

Performance against our 13 Sustainability Commitments - continued

Anchors	Commitments	Key Result
 <p>Social Responsibility - Continued</p>	Increase proportion of women within all levels - junior, management and Board positions: Gender parity	51% of women in Junior Management (BA3) 52% of women in Middle Management (BA4) 49% of women in management 35% of women in Director position 40% of women on the Board
	Increase diversity in the supply chain focusing on women, youth and persons with disabilities	15.5% procurement diversity Women suppliers: 15.3% Youth suppliers: 0.1% PWD suppliers: 0.1% 503 women suppliers trained on Absa procurement
	Empower our suppliers and create awareness on corporate sustainability and responsible business practices	Over 400 active suppliers trained on Sustainability & ESG Over 15,000 businesses trained
 <p>Environmental Responsibility</p>	Increase biodiversity and encourage environmental responsibility through planting trees	37400 trees grown through employee initiative 728,095 trees planted & grown with partners 19,580 fruit trees grown 4 community forest associations impacted
	Assess and manage our indirect environmental and indirect social impacts	ESMS fully automated 100% transactions screened through ESMS/ESRA tool that met threshold 8.3% reduction in power usage
	Become a net zero carbon footprint company by 2040	4066 tCO₂e carbon ¹ footprint recorded (More on this is found in Absa Kenya's Climate Report) Breakdown of carbon emissions recorded: Scope 1: 2413.67 Scope 2: 1136.26 Scope 3: 516.23 167.37 kgCO₂ emissions avoided through waste management Sites installed with Smart metre readers: Westend & Bishops Gate 5 sites are EDGE Certified 85 sites retrofitted with energy saving technology



¹ Absa Kenya has calculated its carbon footprint using the Greenhouse Gas Protocol (revised edition). We have used the operational control approach for emissions calculation. The latest electricity emission factor from the International Energy Agency (IEA) for Kenya was used, along with the 2023 Carbon Emission Factors from the UK Government for other energy sources, air travel, and refrigerant gases. This helps Absa assess its environmental impact using recognised standards and reliable emission factor sources.

Performance against our 13 Sustainability Commitments - continued



Anchors	Commitments	Key Result
 <p>Reporting & Governance</p>	<p><i>Adherence to governance and control policies internally and through the supply chain</i></p>	<p><i>Policies embedded include:</i> Human Rights Climate Risk Sustainability Policy Framework & Standards</p>
	<p><i>Continued partnerships for the goals</i></p>	<p>Partners for Collaboration International Finance Corporation (IFC) Kenya Mortgage Refinance Company (KMRC) – to support GOK initiative for affordable housing Eco Business Fund UN Global Compact KBA SFI – Kenya Bankers Association Sustainable Finance Initiatives AGF- Africa Guarantee Fund Melanin Kapital ITC – International Trade Centre</p> <p>Membership UNEP FI Principles for Responsible Banking</p> <p>Associations Kenya National Chamber of Commerce & Industry (KNCCI) – strengthen collaboration between businesses</p>



Stakeholder Analysis Matrix



Stakeholders	How do we interact?	What main subjects were discussed and what feedback was given in response?	How did we respond?
<p>Customers</p> 	<ul style="list-style-type: none"> • Phone calls • In-person engagements (face-to-face) at branch level and during marketing activation activities • Email when addressing their complaints • Social media • SMS • During onboarding process in branch interaction • Use of surveys/questionnaires • Customer engagements during product launches and exhibitions 	<ul style="list-style-type: none"> • Trustworthy relationship • Excellent customer service • Adherence to Disability Act regulations • Cybersecurity and data privacy • Reliability of digital channels • Product quality • Responsible banking with transparent pricing 	<ul style="list-style-type: none"> • We provided disability-friendly facilities and services to all our customers • We offered reliable and secure digital channels, subject to regular maintenance and updates • We prioritised delivering excellent customer service. • Improved access to financial services in local, regional and global markets • Deepened relationships with customers through a life-stage and ecosystem approach • Protected data privacy and ensured cyber security through robust technology and data management
<p>Employees</p> 	<ul style="list-style-type: none"> • Performance discussions • Regular staff meetings • Email • Phone calls • Surveys • Induction • Learning platforms • Staff briefings • One-on-one engagements • Town halls 	<ul style="list-style-type: none"> • An ethical workplace with opportunities to contribute to society and one that is supportive of environmental and social sustainability • A diverse, inclusive and supportive workplace where all employees are treated equitably without bias • Secure employment, strong leadership and change management. • Fair and responsible pay and terms of employment with market-related remuneration and benefits • Training, development and career opportunities • A safe workplace with consideration of overall wellness • Skills development and support to match contextual changes in the workplace • Systems and service stability ensure service delivery 	<ul style="list-style-type: none"> • Created differentiated experiences and inspired a diverse and inclusive workforce • Attracted and retained the best talent • Encouraged self-led development and opportunities for career progression • Delivered performance-based reward and recognition • Provided a comprehensive wellness training programme and supporting different ways of work • Invested in technology to ease hybrid work and value creation for customers • We value diversity and inclusion, with a non-discrimination policy to mirror the diverse communities we serve

Stakeholder Analysis Matrix - continued

Stakeholders	How do we interact?	What main subjects were discussed and what feedback was given in response?	How did we respond?
<p>Partners & Collaborators</p> 	<ul style="list-style-type: none"> • Business meetings • Sector/industry forums • Conferences • Phone calls 	<ul style="list-style-type: none"> • Business growth areas • Customer capabilities enhancement • Shared value 	<ul style="list-style-type: none"> • Ensuring that our partners adhere to prudential guidelines • Data privacy protection • Standard enforcement for cases of systems integrations • Shared value for areas in focus
<p>Investors</p> 	<ul style="list-style-type: none"> • Annual General Meetings (virtual or physical) • Phone calls • Email channels • Investors briefings • Analysts (physical or virtual) 	<ul style="list-style-type: none"> • Strong business performance, including efficiency, revenue growth and returns • Maintaining a well-capitalised balance sheet (strong capital and liquidity positions) • Adequate, sustainable shareholder returns • Sound risk management • Transparent reporting and disclosures and effective communication • Sound ESG practices 	<ul style="list-style-type: none"> • Ensuring Absa is a well-diversified Group both by revenue streams and distribution • Maintaining substantial market share in Kenya • Offering improving shareholder returns and a rising dividend yield ratio • Ensuring strong capital and liquidity levels to support the balance sheet



Stakeholder Analysis Matrix - continued

Stakeholders	How do we interact?	What main subjects were discussed and what feedback was given in response?	How did we respond?
<p>Society & Communities</p> 	<ul style="list-style-type: none"> • Micro-lending teams • Marketing engagements • Absa news • Social media • Feedback surveys and questionnaires 	<ul style="list-style-type: none"> • Corporate Social Responsibility initiatives, such as education scholarships • Environmental stewardship and protection • Food security – agricultural support • Climate-smart technologies • County Integrated Development Plans • The UN SDGs • Global ESG frameworks 	<ul style="list-style-type: none"> • Prepared young people for the future of work • Advanced financial literacy and inclusion • Provided products and services with a positive social impact • Supported an inclusive and responsible supply chain • Minimised the impact of our business and carbon footprint on communities and society • We minimised environmental impact and prioritised sustainable practices such as tree planting • We have adopted climate-smart agriculture, climate-smart construction, such as green buildings, climate-smart energy • We promote financial access and education through local initiatives • We are committed to philanthropic efforts that address local needs • We have sponsored tertiary education for some students through a scholarship programme • Supported national development objectives and policies to stimulate inclusive growth generating and distributing economic value • We backed agribusinesses
<p>Regulators & Government</p> 	<ul style="list-style-type: none"> • Dialogue • Phones • Emails • Memos • One on one engagements • Organised conferences/ meetings • Reporting 	<ul style="list-style-type: none"> • Compliance with all relevant laws and regulations • Financial system stability spanning financial soundness to fair treatment of customers • An ethical work environment • Contribution to governmental development plans, national priorities, and through fair tax payments • Cyber security and data security • Responsible banking • Integrity and transparency in reporting • How we manage our SDGs across the business 	<ul style="list-style-type: none"> • Comprehensive regulatory change management programme • Facilitated responsible banking by ensuring appropriate due diligence is followed • Maintained a transparent and constructive relationship with regulators • Focused on cybersecurity and customer data protection from a technology perspective • We adhered to responsible banking governed by the UNEP FI banking board • Maintain integrity in reporting by setting and adhering to standards, policies and procedures that govern the reporting • We ensure our suppliers and service providers are law compliant



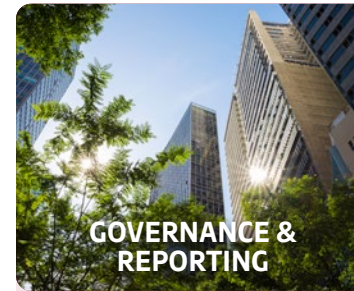
Our Sustainability Risk Policy

Sustainability Risk Policy Overview	29
Risk Management	30

Sustainability Risk Policy Overview

Our Sustainability Risk Policy specifies the broad principles and control requirements for managing sustainability and climate-related risk management.

“At Absa Kenya, we strive to be an active force for good in everything we do”



- Water consumption and management
- Waste and pollution management
- Energy performance
- Biodiversity management
- Greenhouse gas (GHG) emissions management

- Financial inclusion
- Diversity and inclusion
- Economic inclusion
- Human rights, including child labour, forced labour or slavery
- Employee health and safety
- Labour and working conditions
- Employee engagement
- Community
- Indigenous people
- Cultural heritage

- Sustainability reporting
- Climate reporting
- Embedding ESG in our policies
- To champion sustainability and climate risk and opportunities agenda for Kenya

Risk Management

Absa, like any financial institution, is exposed to internal and external risks as part of its ongoing activities to create value for stakeholders. Managing risk is a critical underpinning to the execution and realisation of our strategy.

These risks are managed as part of the business model, through alignment of the risk appetite to changes in the operating environment, instilling a risk-aware culture throughout all levels of the Bank, and proactively adapting and improving our risk management capabilities.

Please refer to pages **29-32 and 76 of the 2023 Integrated Annual Report** for a full discussion of our risk management process, our Enterprise Risk Management Framework (ERMF), our new principal risks taxonomy, risk appetite, three lines of defence and Absa's response to current and emerging risks.

Environmental and social risk management

The key environmental and social risks are:

- Adverse impact of ongoing and rapid climate and social change on communities and customers, negatively impacting communities and heightening the Bank's credit and insurance risks.
- Evolving complexities in the management of social trends in society and alignment required to the local political environments that can pose challenges to how the Bank operates.
- Increasing expectations from stakeholders to integrate sustainability risk management practices within business activities.

Our responses to managing these risks are enumerated below:

- Implement the United Nations Environmental Programme Finance Initiative Principles for Responsible Banking and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Reduce the Bank's direct environmental footprint in line with its 2030 environmental action plan and understand physical climate risk impacts.



- Embed processes encouraging customers to adopt business strategies and practices aligned with the Bank's sustainability policy.
- Develop financing standards for other climate-sensitive industries in line with the existing Coal Financing Standard.
- Continuously enhance credit risk models to assess the impact of climate change risk.
- Continue to develop internal capabilities to use scenario analyses and stress testing to better estimate the impact of climate change on the Bank's portfolio to inform the review and alignment of Absa portfolios for climate change risk and opportunities.
- Regularly assess the suitability and strategic alignment of products and customer value propositions with changing environmental and social factors and the impact on the Bank's risk profile.

- Maintain focus on the financial inclusivity of customers, including the ongoing support of small and medium-sized enterprises.

Challenges & emerging risks

The operating environment is challenging as standards and frameworks keep changing within a short period of time. While our climate strategy provides guidance on our approach to climate-related risks and opportunities, we have found ourselves having to review our policies from time to time to keep up with local and global trends that govern climate risk management. We follow in-country guidelines on climate management and the NSE guidelines that require listed companies to report on the ESG aspects of their businesses.

Risk Management - continued

In 2023, President William Ruto assented to the Climate Change (Amendment) Act, 2023, which creates the much-needed framework to allow for the regulation of carbon trading in Kenya, and many other climate-related regulations have been enacted by the Kenyan government.

Looking internally, we have identified gaps and have decided to come up with an ESG tool that would incorporate all climate-related issues for Absa.

Another challenge is the rapid evolution of the reporting landscape and frameworks, such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD). Before we begin implementing those, the Taskforce on Nature-related Financial Disclosures (TNFD) and the International Financial Reporting Standards for Sustainability Reporting, IFRS S1 and S2, will be implemented in 2024.

While evolving reporting standards are putting a strain on us, we are developing structures and systems to adapt to emerging

risks. We also incorporate updated carbon standards into our sustainability toolkit.

Further, all our policies are reviewed annually to assess their effectiveness and identify areas of improvement, to ensure that they are aligned with the latest legal requirements, to adapt them to the evolving needs of the Company, to ensure that emerging risks are identified and addressed promptly and for quality assurance.

Challenges in reporting and regulatory changes

Lack of enough expertise on climate finance: We have embarked on training staff and certified a number of them on sustainability risks, more so the sustainability risk team. We have also partnered with the International Finance Corporation (IFC) to enhance our capacities.

Data gaps: We are revamping loan origination systems to capture sustainability-related risks and opportunities. Absa is also developing an internal tool that will help gather, collate and synthesise data on ESG risks.

Our response mechanisms

Absa has automated the ESMS tool, automated the process and continues to improve the tool to capture all the ESG risks.

The Bank has identified non-compliance as falling under legal or liability risk, especially on ESG and identified physical and transition risks that impact credit risk. Hence, we have put



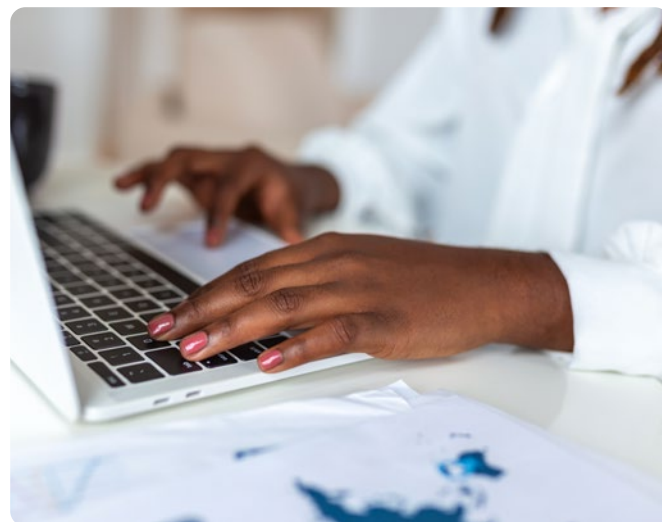
in place mitigations to counter those risks in the event they happen.

Under legal and liability risks, there are several important developments that have taken place. Firstly, in 2021, the Central Bank of Kenya (CBK) introduced clear guidance on climate risk management, which emphasises the regulator’s commitment to ensuring compliance. Non-compliance with these guidelines may result in violations.

Additionally, the NSE has recently released ESG reporting guidelines. While it’s currently not compulsory for companies to adhere to these guidelines, they are encouraged to report on ESG risks using the Global Reporting Initiative (GRI) framework.

In line with the Capital Markets Authority (CMA) guidelines, we have published our ESG policy on our website. These guidelines stipulate that companies are required to make their policies available to the public on their websites.

“ We have embarked on training staff and certified a number of them on sustainability risks, more so the sustainability risk team. ”





Materiality Topics

Environmental & Social Risks	34
Diversity Equity & Inclusion	36
Employment & Wellbeing	37
Customer Wellbeing, Experience & Protection	40
Supplier Management	44
Community Empowerment	47
Compliance	51
Financial Performance	52
Product Stewardship	53

Materiality Topics

Our organisation focuses on the most significant environmental, social, economic, and governance issues that have an impact on us and our stakeholders. This section explains these important topics, how they affect us, and how we address them. In line with our dedication to the Sustainable Development Goals (SDGs), we have identified and included references to the SDGs that we prioritise and that are most applicable to each chapter.

The Global Reporting Initiative (GRI) updated its standards in 2023 to align with the new Universal Standards. The GRI Topic Standards have been revised, and the previous groupings of 200 (Economic), 300 (Environmental), and 400 (Social) were eliminated. Instead, there are now 31 separate Topic Standards that companies should follow when reporting on Material Topics.

The material topics for Absa Kenya have been prepared in accordance with the relevant GRI Topic Standards. These standards guide reporting material topics and disclosing the impacts identified through the materiality process. By following the GRI Standards, we demonstrate our commitment to transparency and sustainability reporting.

“ The Global Reporting Initiative (GRI) updated its standards in 2023 to align with the new Universal Standards. ”



Materiality Topics - continued



Environmental & Social Risks

Climate Change Strategy and Approach

Absa Kenya has developed a comprehensive climate change strategy that guides our approach to managing climate risks and opportunities. The strategy aims to reduce emissions and create value through sustainable finance opportunities. The bank has set ambitious net zero targets aiming to achieve this by 2040 at operational and major outsourced arrangements, and by 2050 at the portfolio level.

To effectively manage climate-related risks, Absa has implemented a climate risk management strategy in line with the CBK's Guidance on Climate-Related Risk Management published in 2021. We also have a sustainability risk policy that addresses most climate-related risks and we are in the process of developing a specific climate risk standard. Additionally, Absa utilises an Environmental Social Management system (ESRA) tool to assess both social and climate-related risks.

Loan Assessment and Climate Risks

In our loan assessment process, Absa has set a threshold of USD 5 million and loans with a tenure of 36 months to be assessed for climate risks. However, there are instances where we may request an assessment for facilities that are below this threshold, depending on the partner we are working with and the environmental and social risks involved.

Absa employs an Environmental and Social Management System (ESMS) as a tool to screen environmental and social risks. We have automated our ESMS tool to conduct a thorough assessment of climate risk exposure for customer loans.

Identified Climate Risks and ESG Considerations

We are looking at all the risks in general but within climate risk, we have identified eight sectors that carry the highest level of climate risk, including agriculture, manufacturing, real estate, transport, electricity, gas and water supply, construction and communications as well as mining and quarrying. We have

sustainability risk, with two sub-categories — sustainability risk and climate risk. Under sustainability risk, we are looking at environmental, social, and governance risks.

Secondly, we have identified climate-related physical risks (such as hurricanes, heat or cold waves or floods) and transition risks— which result from the uncertainty created by the global shift towards a more sustainable and net zero economy.

For the physical risks, they are extreme weather conditions, which we also consider during our loan scoring and process, while in transitional risks, the clearest indicators we look for is the exposure to coal and to oil and gas.

Absa Kenya has trained customers on a just transition on climate finance, but we will be upscaling that in 2024 to train customers to transition to the net zero carbon economy.

Furthermore, we are in the process of mapping out all environmental, social and governance risks and define their key performance indicators. But for the ones that we have identified like social risks, we have policies in place to mitigate their impact on our business.

Climate Risk - Capacity Building

In 2022, the Bank conducted staff sensitisation programmes focused on climate risk concepts and expectations. This effort aimed to raise awareness among employees about the significance of climate-related matters. Additionally, the Bank



Our long-term ambition is to become a net zero carbon footprint company by 2040.

Materiality Topics - continued

organised virtual meetings to provide training on climate risk assessment and opportunities.

To further enhance its climate resilience, Absa facilitated additional training through the Kenya Bankers Association (KBA) Sustainable Finance Initiative curriculum. Critical staff members received specialised training on climate finance, environment and social risk assessment tools, and ongoing policy embedment related to climate change.

The Bank recognises the importance of continuous learning and has developed e-learning modules on climate-related matters. These modules are accessible through the KBA Sustainable Finance Initiative (SFI) curriculum, ensuring that employees can further educate themselves on climate related topics. Moreover, the Bank is actively working on developing internal e-learning modules to expand the knowledge base of their colleagues.



Climate Resilience Champions

Absa Kenya has nominated Climate Risk champions from critical departments and training is done every quatre to support reporting from their business functions. The champions are integral members of the Climate Risk and Sustainable Finance working groups, actively contributing to the Bank's efforts in building climate resilience.

Customer Education and Collaboration

Since October 2022, the Bank has partnered with the International Finance Corporation (IFC) to organise customer education and awareness programmes on climate risks and opportunities. This collaboration aims to develop both capacity and infrastructure for product development that considers and integrates climate risks and opportunities. The Bank has also leveraged external expertise by onboarding ESG experts, who provide valuable insights to enhance its proficiency in climate finance.

Alignment to the SDGs



SDG 9: Industry, Innovation, and Infrastructure:

Absa has employed an approach to managing climate risks and creating sustainable finance opportunities that align with SDG 9. The Bank promotes innovative solutions and sustainable infrastructure development that supports economic growth and environmental sustainability.



SDG 11: Sustainable Cities and Communities: Absa's identification of climate risks in sectors such as real estate and data and communications supports SDG 11. We contribute to the development of resilient and sustainable cities, ensuring the wellbeing of urban communities.



SDG 12: Responsible Consumption and Production: Absa's sustainability risk policy and focus on mapping environmental, social, and governance risks align with SDG 12. It promotes responsible consumption



and production practices, encouraging sustainable business operations.

SDG 13: Climate Action: Absa's comprehensive climate change strategy, climate risk management, and focus on emission reductions demonstrate our alignment with SDG 13. The Bank actively addresses climate risks and opportunities, contributing to global efforts to combat climate change.



SDG 17: Partnerships for the Goals: Absa's collaboration with the CBK (including aligning with the Guidance on Climate Risk Management) and other partners, reflects our commitment to SDG 17. We recognise the importance of partnerships in achieving sustainable development and work together to address climate-related risks.

Materiality Topics - continued



Diversity Equity & Inclusion

Equal Opportunity and Diversity at Absa

At Absa, we are committed to being an equal opportunity employer that values and promotes diversity and inclusion. These principles are integral to our sustainability agenda and are deeply ingrained in our people's function policy. Beginning with the recruitment process, we strive to attract and onboard individuals from all backgrounds.

Inclusion of the Differently Able

In our efforts to foster inclusivity, we have actively encouraged differently-abled individuals to apply, increasing the number of differently-abled employees within our workforce. Currently, we are proud to have 29 colleagues with disability, accounting for approximately one percent of our entire workforce. However, our target is to achieve a **5%** representation of persons with disabilities (PWDs).

Gender Diversity Milestones

In terms of gender diversity, we have made significant strides. Among our total workforce, 51% are women and 49% are men. We are committed to maintaining gender balance at all levels of management, aiming for a 50% representation of women. We have already made progress in this area, with 51% of women in junior management roles, 47% in middle management, and 40% at the board level in 2023. Our ultimate goal is to achieve a 50% representation of women by 2025.



Among our total workforce, 51% are women and 49% are men.

Case Study

Enhancing Financial Inclusion for Muslim Investors

Absa Bank Kenya is committed to promoting financial literacy among Muslim investors and asset owners. In line with this commitment, we have launched a range of new products specifically designed to meet their unique needs.

One of these products is the introduction of unsecured personal lending solutions, known as Tawarruq. These solutions are tailored for scheme customers working in both county and national governments. By offering Sharia-compliant lending options, we aim to provide financial support to individuals while adhering to Islamic principles.

Absa Bank Kenya has also unveiled Sharia-compliant investment products to cater to the needs of Muslim investors. These investments have been carefully developed to ensure compliance with Islamic finance principles. We recognise the importance of offering diversified investment options that align with our customers' beliefs.

Furthermore, we have taken a significant step in the market by launching Kenya's first Sharia-compliant structured investment notes. These notes provide elite clients with offshore exposure and the opportunity to leverage potential upside profits while guaranteeing capital protection. This innovative offering addresses a market gap and provides a unique investment opportunity for our valued customers.



Materiality Topics - continued

Diversity in our Supply Chain

Furthermore, we recognise the importance of supporting PWD-owned businesses. Currently, less than one percent of our suppliers are registered as PWDs. However, during the pandemic, we actively engaged with PWD-owned and operated firms by contracting them to produce masks. As part of our commitment to financial inclusion, we aim to increase the number of PWD-owned firms among our suppliers to reach **5%** by 2025.

PWD Roadmap and Accessibility Initiatives

In line with our dedication to accessibility, we launched our PWD roadmap in 2023. This initiative was influenced by the consolidated Roadmap for Digital Accessibility & Financial Inclusion of People with Disabilities released by the Kenya Bankers Association (KBA) in May 2022.

While we have maintained the five-pillar structure provided by the KBA, we have also developed our own unique roadmap for Absa Bank Kenya focusing on the following areas:

- 1. KYC (Know your customer):** Mapping staff, clients, and stakeholders with disabilities.
- 2. Access:** Ensuring physical access and creating strategies and policies for PWDs.
- 3. E-banking:** Enhancing accessibility across all of the bank's digital channels.
- 4. Support:** Providing training and capacity building to support PWDs.
- 5. Information Access:** Improving documentation and signage to enhance information accessibility.



We aim to increase the number of PWD-owned firms among our suppliers to reach 5% by 2025.

Commitment to Diversity and Inclusion

At Absa, we are dedicated to fostering a diverse and inclusive environment for both our employees and the broader community. We believe that by embracing diversity, we can drive innovation and create a more sustainable future for all.

Alignment to the SDGs:



SDG 5: Gender Equality: Absa is committed to achieving gender equality and empowering all women and girls. We have ensured women's full and effective participation & equal opportunities for leadership at all levels of decision-making.



SDG 8: Decent Work & Economic Growth: We have made our goal to create decent jobs and economic opportunities for everyone. Through this, we are promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



SDG 10: Reduced Inequalities: At Absa, we have adopted policies that achieve greater equality, such as the PWD Roadmap. We have also established programmes to incorporate a greater representation of PWDs.



Employment & Wellbeing

Employee Wellness Initiatives at Absa

At Absa, employee wellness and safety are top priorities. We have developed various programmes to support the emotional and mental health of our employees. These initiatives extend to colleagues who work remotely as well. For example, we provide support for purchasing ergonomic furniture to ensure their comfort.

To promote emotional intelligence, we organise regular sessions led by our HR department. These sessions aim to equip employees with the necessary skills for emotional wellbeing.

In 2023, our employee wellness programmes focused on promoting work-life balance. We encouraged employees to engage in physical exercise for their mental and physical fitness. As part of this initiative, we provided equipment such as skipping ropes to help them stay fit. Additionally, we hired a physical fitness coach who conducted virtual training sessions for employees between 5 p.m. and 6 p.m.

We also extended our wellness initiatives to include employees' nannies by offering training on first aid. Furthermore, we facilitated the process of obtaining new car number plates for our employees to reduce the inconvenience caused by a recent directive from the National Transport and Safety Authority.

Post-pandemic, we have implemented flexible working hours



In 2023, approximately 50% of Absa Kenya employees were able to work remotely.

Materiality Topics - continued



for some employees. We have refined our hybrid working model to strike the perfect balance between working from home and reporting to the office. Each department has developed its hybrid working model to accommodate the needs of employees. In 2023, approximately 50% of Absa Kenya employees were able to work remotely. We continued to prioritise employee wellbeing through our Soul Food sessions, which expanded to cover non-health-related wellness topics such as personal finance, parenting, and education on pension. We also focused on mental and emotional resilience, lifestyle disease management, cancer prevention and treatment, and understanding health metrics like body mass index (BMI), blood sugar levels, and blood pressure. To encourage active living, we held physical online workout sessions on Tuesdays and Thursdays.

Our employee health reward programme recognises employees for their sustainable and objective use of their medical cover. We hosted a wellness month that included activities promoting

healthy living, such as HIV testing and counselling, audiometric tests for colleagues in the contact centre, and other medical tests conducted at the workplace. We also provided care calls through professional counsellors to address various wellbeing matters and offer psycho-social support. In 2023, we launched our wellness magazine, featuring articles from colleagues covering a wide range of wellbeing topics.

Collective Bargaining and Employee Engagement

At Absa, we uphold the constitutional rights of our employees, including freedom of association and the right to collective bargaining. Our commitment to these rights is outlined in our Employment Relations Policy, which is accessible to all employees on our intranet. We have entered into recognition agreements with unions to facilitate collective bargaining, such as salary negotiations for employees within the bargaining unit. We do not condone anti-union discrimination and rely on in-country laws and International Labour Organisation principles. Additionally, we established the Absa Africa Consultative Forum, a platform for consultative discussions on matters of mutual interest, fostering co-determination, dialogue, trust, and employee voice.

We value employee feedback and engagement at Absa. In 2023, we engaged with employees through various sessions, including town hall meetings. We also conducted anonymous surveys to gather candid feedback. Our Employee Experience Survey Results, conducted annually, measure employee satisfaction across key thematic areas. We prioritise indicators such as autonomy, collaboration, feedback and recognition, growth and development, innovation and support, and leadership role modelling. We analyse low scores to identify areas for improvement and take action accordingly. High scores are celebrated and encouraged.

Grievance Mechanism and Employee Retention

At Absa, we are committed to providing a high standard of service. However, we recognise that issues may arise, and we have an external grievance mechanism in place. We review all

complaints received fairly and promptly, resolve them at the first point of contact, provide regular updates on the progress of resolving the problem, and handle complaints in compliance with legal and regulatory requirements.

In terms of employee retention, our turnover rate in 2023 was 4%, one of the lowest in the country. This improvement can be attributed to our continued enhancement of human resource policies, including the implementation of our hybrid working model. This model has not only contributed to employee retention but has also attracted top candidates in their respective areas of expertise.

Absa is dedicated to promoting employee wellness, supporting collective bargaining rights, fostering employee engagement, and providing effective grievance mechanisms. We strive to create a positive and inclusive work environment that prioritises the wellbeing and satisfaction of our employees.

Our Performance

Below are the results of the colleague experience survey:

Metrics	2022	2023	Change
Participation Rate	90%	88%	Decrease
Colleague Experience Index	73.4%	75.3%	Increase
Job Satisfaction	7.81	8.02	Increase
Employer Advocacy	+41.3%	+49.6%	Increase


Below are our areas of strength:


- 92.9% of colleagues believe they know what to do to become successful in their roles

Materiality Topics - continued

- 90.4% are proud to be working in Absa Kenya
- 91.4% are confident in Absa Kenya's ability to achieve its goals
- 89.4% have access to learning and development opportunities
- 89.9% are inspired by Absa Kenya's purpose and look for ways to live this in their everyday work

Alignment to the SDGs


SDG 3: Good Health and Wellbeing: Absa's employee wellness programmes focus on promoting physical, mental, and emotional wellbeing, contributing to SDG 3's objective of ensuring healthy lives and promoting wellbeing for all.


SDG 5: Gender Equality: Absa's initiatives, such as providing support for purchasing ergonomic furniture and offering training on first aid to employees' nannies, promote gender equality by ensuring a safe and inclusive work environment for all employees.



SDG 8: Decent Work and Economic Growth: Absa's commitment to collective bargaining rights, fostering employee engagement, and providing effective grievance mechanisms aligns with SDG 8's aim of promoting inclusive and sustainable economic growth, productive employment, and decent work for all.



SDG 10: Reduced Inequalities: Absa's focus on employee wellness, flexible working hours, and hybrid working models contribute to reducing inequalities within the workplace, ensuring equal opportunities and work-life balance for all employees.



SDG 17: Partnerships for the Goals: Absa's establishment of the Absa Africa Consultative Forum, a platform for consultative discussions on matters of mutual interest, fosters partnerships and collaboration, aligning with SDG 17's objective of strengthening global partnerships for sustainable development.

Case Study

Recognition as a Top Employer

In 2023, we once again received the prestigious Top Employer award in Kenya and Africa. This global recognition, awarded by the Top Employers Institute, acknowledges our commitment to creating an exceptional work environment. It serves as validation that we prioritise our people and value the contributions of each and every colleague.

The Top Employers Institute, established over 30 years ago, has certified 2,200 organisations in 122 countries. Their certification process has positively impacted the lives of over seven million employees worldwide. This recognition enables organisations to assess and improve their workplace environments, ultimately striving to create exceptional places to work across the globe.



Materiality Topics - continued



Customer Wellbeing, Experience & Protection

Absa Kenya is committed to providing convenient, safe, and easily accessible solutions to meet the needs of its customers. Safety is a top priority, and strong safeguards are maintained to protect customer accounts and data. Ongoing engagement with customers has allowed Absa Kenya to innovate and remain relevant, inspiring confidence and driving customer growth. To sustain our momentum in the market, we understand the importance of servicing our customers with excellence. This includes resolving grievances quickly, enhancing system reliability and uptime, and providing the ability to transact through preferred channels when needed.

- a. Enhancing Customer Experience:** Absa Kenya follows the outcomes-based approach of Treating Customers Fairly, ensuring specific fairness outcomes for customers. The Net Promoter Score is used to measure customer willingness to recommend products and services. Customer Experience scores are tracking positively, supported by investments in engagement, service standards, and process improvements.
- b. Product Development:** Absa Kenya strives to offer tailor-made products that cater to the specific needs of customers.
- c. Fintech/Digital Experience:** Absa Kenya prioritises leveraging fintech and digital solutions to enhance the customer experience.
- d. Supporting Customers Through Transition:** Absa Kenya is committed to supporting customers during transitional phases by providing necessary assistance and resources.

Partnerships with Business Associations and Engagements: Absa Kenya recognises the importance of collaboration and partnerships in supporting SMEs and fostering economic growth. We have actively engaged with business associations

Case Study

Absa Business Club Trips

Part of the Business Club non-financial offering is to create opportunities for networking, exposure to markets and business benchmarking for our customers through trade missions to various destinations internationally, regionally, and locally. In 2023, we organised two trips to Ghana and South Africa.

We organised a trade mission to Accra, Ghana, where over 30 women in business attended the 2023 Inspire Me Conference. The conference gathered about 500 women SMEs across the continent (Ghana, Zambia, Uganda, Tanzania, Nigeria and Kenya) to connect, learn, share, and be inspired by renowned international and local speakers with the theme of the conference being, "Empowering women's economic growth together". The business trip was supported and sponsored by our partners, International Trade Centre (ITC) and Finance in Motion.

In addition, we organised a seven-day business tour to Cape Town for our Business Club members. The week-long tour brought together over 30 business owners to meet and benchmark with South African business executives and entrepreneurs, enabling them to forge partnerships and seize potential investment opportunities.

Absa Business Club members started the trip with a tour of Deli-Co Farm, a family-owned business established in 1998. The story of Deli-Co Farm is a testament to visionary leadership, leveraging technology, and involving the next generation early on. With 450 daily deliveries and 2,000+ clients, the farm is expanding nationally and internationally.

The team also visited Fairview Wine & Cheese Farm, a wine and cheese producer based in the Paarl region of the Western Cape province. The farm is one of the most visited attractions in the Cape Winelands receiving over 300,000 tourists per annum. Wine tourism has recorded strong growth in South Africa and Fairview's combination of wine and cheese is particularly popular with locals and international tourists.

Deli-Co Farm and Fairview Wine & Cheese Farm are our clients with a long standing relationship with Absa South Africa.

Such trips aim to educate and inform our business customers about viable business opportunities, expanding their knowledge and skills to enhance their expertise upon their return.



SHE Stars Academy Graduation

Over the course of 18 months, Absa Bank in partnership with GIZ aimed to support up to 1,500 women-led SMEs to build more resilient, sustainable and competitive businesses in response to disrupted livelihoods, climate change, biodiversity loss and a resource depleting economy. The beneficiaries were equipped with the necessary tools and skills to capitalise on their business models to drive change and examine the broader landscape in which they thrive. Between December 2022 to June 2023, the programme garnered significant attention, attracting 2,146 applicants.

Materiality Topics - continued

and organisations to drive entrepreneurship and provide valuable resources to entrepreneurs. Through partnerships with the Kenya National Chamber of Commerce and Industry (KNCCI), SME Founders, SNDBX, and Market Storms, we have established strong networks to support SMEs in their journey towards success.

Women In Business (WIB) Engagements:

Absa Kenya is committed to empowering women entrepreneurs and promoting gender equality. As part of our Women In Business (WIB) initiative, we have engaged with women entrepreneurs through various activities and events. These engagements provide a platform for networking, knowledge-sharing, and support, enabling women entrepreneurs to thrive in their business ventures.

Market Storms Impact:

One of the key initiatives undertaken by Absa Kenya is the implementation of Market Storms. Through these events, we have impacted over 35,000 entrepreneurs, providing them with opportunities to showcase their products, connect with potential customers, and expand their business networks. Market Storms have proven to be a powerful platform for SMEs to gain visibility and grow their businesses.

Introducing WezeshStock:

In line with our commitment to supporting SMEs, Absa Kenya introduced WezeshStock, a real-time digital platform designed to boost inventory management and trading for Small and Medium Enterprises (SMEs). WezeshStock provides SMEs with a user-friendly and efficient solution to manage their inventory, allowing them to streamline their operations and make informed business decisions. This innovative business proposition enhances the competitiveness and growth potential of SMEs, contributing to a vibrant entrepreneurial ecosystem.

Transforming Customer Engagement & Experience

Absa Kenya has made significant strides in enhancing customer engagement and experience, leveraging innovative technologies



and strategic initiatives. By incorporating Artificial Intelligence (AI) in fraud analytics, we have strengthened our ability to detect and prevent fraudulent activities, safeguarding our customers' financial security.

In line with our commitment to providing accessible and convenient financial solutions, we have improved the availability of our Timiza platform. In 2023, we advanced loans totalling KES 21 billion impacting over one million customers through Timiza, empowering our customers with the necessary financial support to pursue their aspirations.

Another notable development at Absa Kenya is our transition from debt-led customer relationships to transactional relationships. This shift reflects our focus on fostering dynamic and mutually beneficial interactions with our customers, enhancing their financial journeys.

Our dedication to delivering exceptional customer experiences has been recognised through our achievement as runner-up in the Best Internal Customer Experience category at the Service Excellence Awards 2023. This accolade underscores our

commitment to continuously improving our service delivery and meeting evolving customer expectations.

As we navigate a dynamic banking landscape characterised by changing consumer preferences and intensified competition, Absa Kenya remains steadfast in prioritising customer experience. We understand the importance of convenient and innovative touchpoints that resonate with our customers' journeys. To this end, we have made substantial investments in new and engaging ways to interact with customers, addressing pain points and increasing overall satisfaction.

These customer-centric efforts have yielded significant results. Our customer assets have increased by 18% to KES 336 billion, a testament to the trust and confidence our customers place in us. Additionally, customer deposits have grown by 19% to KES 363 billion, reinforcing our commitment to providing the necessary financial and non-financial support to help our customers achieve their objectives.

Looking ahead, Absa Kenya has established an ambitious transformation investment plan. This plan aims to support a larger business that serves a broader customer base, capturing market share in a market of over 40 million customers. As the Kenyan consumer market transforms, demanding greater value, innovative solutions, and exceptional customer experiences, we are determined to meet these demands head-on. We are dedicated to significantly transforming our services to improve the customer experience and proposition at every touchpoint.

At Absa Kenya, our focus remains on empowering our customers, building lasting relationships, and delivering value that goes beyond traditional banking services. We are committed to creating meaningful financial experiences that positively impact our customers' lives and contribute to their financial wellbeing.

Building Brand Relevance

Absa Kenya's main goal in 2023 was to build brand relevance. This was achieved through four pillars:

Materiality Topics - continued

- 1. Building consideration and connection:** The “Africanacity” brand thematic campaign showcased Absa as a doing brand, bringing the brand purpose to life and growing relevance and consideration.
- 2. Growing relevance and market share:** Compelling propositions and solutions, such as Timiza, were showcased based on understanding customer needs.
- 3. Deepening brand trust and affinity:** Absa demonstrated its role in society as a force for good and commitment to creating shared value through sustainability and citizenship initiatives.
- 4. Growing brand reputation and advocacy:** Stakeholder engagements, thought leadership and strong positioning of the corporate brand were accelerated.

Stakeholder Engagement and Thought Leadership

Absa Kenya prioritises stakeholder engagements, data-led profiling, impactful messaging, and thought leadership to boost the corporate profile and position the Bank as a purpose-led business. Colleague engagement initiatives are also spearheaded to foster advocacy, pride, and passion for the brand. In 2023, we had approximately 200 champions across the business who supported our sustainability agenda by raising awareness and understanding of sustainability concepts. These colleagues also provided training and mentorship to youth, contributing to our efforts to make a positive impact in the community.

Absa Kenya actively participates in socioeconomic initiatives, aligns activities with sustainable development goals, and builds brand relevance through various pillars. Stakeholder engagement, thought leadership and the Ready to Work programme are key components of Absa Kenya’s commitment to making a positive impact in the community.

Alignment to the SDGs:



SDG 9: Industry, Innovation, and Infrastructure:

Absa Kenya prioritises leveraging fintech and digital solutions to enhance the customer experience. By embracing technology and innovation, the Bank contributes to the development of robust infrastructure and promotes economic growth.



SDG 10: Reduced Inequalities:

Absa Kenya actively participates in socioeconomic initiatives through product service and community social investment. These activities are aligned with global Environmental, Social, and Governance (ESG) frameworks, promoting inclusivity and reducing inequalities.



SDG 11: Sustainable Cities and Communities:

Absa Kenya forms strategic partnerships to uplift communities and enhance financial inclusion. By investing in community development, the Bank contributes to creating sustainable cities and communities.



SDG 12: Responsible Consumption and Production:

Absa Kenya’s commitment to sustainability and citizenship initiatives demonstrates its dedication to responsible consumption and production. The Bank aims to create shared value and protect the environment.



SDG 17: Partnerships for the Goals: Absa Kenya collaborates with various stakeholders, including customers, communities, and strategic partners, to achieve its goals. These partnerships enhance financial inclusion, uplift communities, and contribute to the overall sustainable development agenda.

Customer Experience (CX) Metrics	2022	2023
Retail Banking		
Composite Score	69%	93%
CX index (Performance & Satisfaction)	86%	110%
Net Promoter Score (NPS)	41%	49%
Treating Customers Fairly	86%	88%
Business Banking		
Composite Score	60.4%	91%
CX index (Performance & Satisfaction)	82%	116%
Net Promoter Score (NPS)	23%	60%
Treating Customers Fairly	94%	90%

Materiality Topics - continued

Supplier Management

As a responsible and sustainable organisation, Absa places great importance on responsible procurement and sourcing practices. To ensure that our suppliers adhere to sustainable practices, we have implemented several modalities and initiatives.

Certification Requirement:

To screen suppliers, Absa requires them to be certified, with ISO Certification being one of the preferred certifications. By doing so, we can guarantee that we work with firms that prioritise and adhere to sustainable practices. This certification requirement serves as a strong indicator of a supplier's commitment to responsible procurement.

Sustainable Business Practices Training:

In partnership with Strathmore University, Amani Institute and IFC's (Sourcing2Equal) programme, we conducted sustainable business practices training for our suppliers. In 2023, over 90% of our active suppliers participated in training sessions focused on various sustainability aspects, such as corporate sustainability, responsible business practices, climate change, and climate finance. This training equips our suppliers with the necessary knowledge and skills to integrate sustainability into their business operations.

Professional Accreditation:

Absa engages suppliers who have been accredited by their respective professional bodies. These bodies have established their own professional codes of conduct, which our suppliers must adhere to in order to continue doing business with the Bank. This ensures that our suppliers maintain the highest ethical standards and conduct their operations responsibly.

Procurement Policy, Standards, and Procedures:

In addition to the supplier code of conduct, Absa has documented procurement policies, standards, and procedures for every procurement activity. These guidelines provide a framework for responsible and ethical procurement practices.



By the end of 2023, we had trained over 500 special groups suppliers on Absa Procurement.

Our procurement space is also manned by professionals with expertise in the field, ensuring that all procurement activities are carried out in accordance with best practices.

Initiative for Special Groups:

Absa is committed to promoting diversity and inclusion in supplier sourcing. We have launched an initiative aimed at increasing the proportion of special groups, including women, youths, and persons with disabilities, in our supplier base. Our goal is to ensure that these special groups account for 30% of our entire supplier base.

Capacity Building for Women Businesses:

As part of our initiative, we have been actively building the capacity of women-owned businesses through training programmes. By the end of 2023, we had trained over 500 special group suppliers on Absa Procurement. This capacity-building initiative empowers these special groups to participate and thrive in the procurement process.

Partnerships for Upscaling:

Absa is dedicated to promoting inclusivity and empowering underrepresented groups in the business sector. To further enhance these efforts, the Bank has partnered with the International Finance Corporation (IFC) to provide training and capacity-building opportunities. The focus is on women, youths, and persons with disabilities, specifically in the area of procurement practices.

Through this partnership, Absa has already made significant progress. More than 500 women-led businesses have

Materiality Topics - continued



Absa is committed to responsible procurement and sourcing practices.

received training on corporate procurement readiness through collaboration with the IFC's Sourcing to Equal Programme. This initiative aims to equip women entrepreneurs with the necessary skills and knowledge to participate in corporate procurement processes successfully.

Looking ahead, Absa plans to expand these initiatives by partnering with the Ministry of Gender, Children and Social Development. This collaboration will focus on providing training and capacity-building programmes tailored to the specific needs of these groups. The aim is to prepare them for future procurement opportunities, enabling them to actively participate in the business sector.

By partnering with reputable organisations like the IFC and government entities, Absa demonstrates its commitment to fostering economic empowerment and creating an inclusive business environment. Through these training and capacity-building initiatives, the Bank aims to unlock the full potential of women, youth, and persons with disabilities, creating opportunities for them to thrive in the procurement space.

Through our certification requirements, capacity-building programmes, supplier code of conduct, and diversity and inclusion initiatives, we ensure that our suppliers align with sustainable practices. Our documented policies and standards, as well as the close management of supplier contracts, further reinforce our commitment to responsible procurement. By prioritising sustainability, ethics, and diversity in its procurement practices, Absa aims to create a positive impact on society and contribute to a more sustainable future.

Case Study

Expansion of our Ecosystem Banking Model

At Absa Kenya, our ecosystem banking model has continued to grow throughout the year, with the addition of new corporate clients to our programme. As part of our Enterprise Supply Development (ESD) initiative, we have signed Memorandums of Understanding (MOUs) with 20 corporate clients. The primary objective of this programme is to support SMEs within their value chains by providing them with access to working capital facilities.

In 2023, we disbursed over **KES 3.5 billion** to SMEs through this initiative. Furthermore, we are actively developing a digital solution to enhance the impact and reach of this programme, aiming to provide even greater support to SMEs.

Building the capacity of SMEs

Under our SME Business Club, we have organised several webinars that are specifically designed to provide SMEs with valuable information and resources. These webinars are led by subject matter experts and cover a wide range of topics including financial management for SMEs, tax issues, succession planning, managing responsibilities as an entrepreneur, business resilience, digital transformation, and personal and business branding.

These training sessions aim to equip SMEs with the knowledge and skills they need to thrive in today's business landscape. We are committed to supporting the growth and success of SMEs in Kenya.



Materiality Topics - continued

Alignment to the SDGs:



SDG 5: Gender Equality: Absa's capacity-building programmes for women-owned businesses empower women entrepreneurs and promote gender equality.



SDG 8: Decent Work & Economic Growth: By providing training and support to women-owned businesses, Absa contributes to decent work and economic growth.



SDG 10: Reduced Inequalities: Absa's initiative to increase the proportion of special groups, including youth and persons with disabilities, in the supplier base promotes inclusivity and reduces inequalities.



SDG 12: Responsible Consumption and Production: By requiring suppliers to be certified and adhere to sustainable practices, Absa promotes responsible consumption and production patterns.



SDG 16: Peace, Justice & Strong Institutions: Absa's documented procurement policies foster transparency, accountability, and responsible practices, supporting strong institutions.



SDG 17: Partnerships for the Goals: Absa's partnerships with the International Finance Corporation and the Ministry of Gender, Children and Social Development demonstrate collaboration and contribute to achieving the SDGs.



Materiality Topics - continued



Community Empowerment

Ready to Work – Equipping Youth for Employment and Entrepreneurship

Our Ready to Work initiative is dedicated to upskilling and capacity building for young people aged between 16 and 35 years. The programme aims to equip them with the necessary soft skills to transition from education to the world of work. While the focus is primarily on students, the programme also extends its reach to other constituencies such as entrepreneurs, government employees, and governance bodies. The Ready to Work curriculum can be accessed at www.readytowork.absa.africa.

Since its launch in December 2015, the Ready to Work programme has achieved remarkable success, reaching an impressive 250,000 young people in Kenya. Building on this momentum, the programme continued to make a significant impact, reaching 20,274 individuals in 2023.

Enhancing Digital Literacy in Kenya

We are committed to improving digital literacy among primary schools in Kenya through our computer lab donations project. This initiative involves donating fully equipped computer labs to schools across all 47 counties in partnership with Computers for Schools. Each computer lab consists of 20 fully networked desktop computers, along with desks, tables, and relevant software. So far, we have supported 65 schools, benefiting 63,000 students. By repurposing and refurbishing computers



that are no longer needed, we can provide valuable resources to schools and enhance digital literacy in the country.


SHE (See Her Empowered) Proposition – Supporting Female Entrepreneurs

The SHE Proposition is designed to support female entrepreneurs from various sectors in Kenya, helping them overcome the challenges they face in business. Through partnerships with organisations such as GIZ, Yunus Environmental Hub, Daughters of Zion Conference, and Kangemi Business Community, we impacted 10,703 female

entrepreneurs across 19 events. Additionally, we have provided training on gender intelligence to 350 colleagues, including branch managers, bankers, relationship managers, and assistant relationship managers, to ensure that our engagements under the SHE Proposition are effective and inclusive.

Economic Impact and Contribution to Communities

Our commitment to the communities we serve is reflected in our various initiatives. To date, we have trained 20,274 youth through the Ready to Work programme, supported 574 needy students in accessing university education, and provided



In line with our sustainability commitments, we planted 2,500 trees to promote sustainability in sports.

Materiality Topics - continued

computer labs to 65 schools. Furthermore, we have allocated KES 150 million for sustainability and citizenship initiatives. Additionally, 15.5% of our active suppliers are women, youth, and PwDs, demonstrating our commitment to diversity and inclusion.

Enhancing Our Brand through Passionate Connections

To build and enrich our brand, we leverage four main platforms that resonate with Kenyans and our clients. These platforms include athletics, golf, the Premier League (PL), and Absa Connect.

Athletics holds a special place in the hearts of Kenyans, and we tap into this passion by sponsoring events such as the Kip Keino Classic. By connecting with Kenyans through athletics, we deepen our relationship with the community and provide them with memorable experiences.

Football, particularly the PL, is another platform we use to connect with Kenyans at their passion points. We recognise the widespread love for football in the country and leverage this platform to engage with our customers.

Golf is also an important platform for us. In preparation for the Magical Kenya Open, we support the Safari Tour, which provides Kenyan professionals with an opportunity to compete on the world stage and enhance their skills.

On the other hand, Absa Connect serves as a platform for both formal and informal connections with our customers. Through information seminars and other events, we engage with our customers and provide them with valuable insights and experiences.

By leveraging these platforms, we aim to deepen our connections with Kenyans and our clients, ultimately enhancing our brand and fostering meaningful relationships.

Promoting Positive Change through Sports

At Absa, we are deeply committed to the development of sports. In line with this commitment, we have made significant investments to support major sports events in Kenya. These investments not only reinforce the Absa brand locally but also create diverse income opportunities for Kenyans. By positioning Kenya as a vibrant hub for tourism and sports, we affirm our role as a catalyst for positive change in society.

- Investing in Major Sports Events**

In 2023, we allocated KES 70 million towards the Magical Kenya Open and an additional KES 60 million to sponsor the 2023 Kip Keino Classic. These investments demonstrate our commitment to supporting and promoting sports in Kenya. These events not only showcase the talent and potential of Kenyan athletes but also contribute to the growth of the sports industry in the country.

- Birdies for Trees Initiative**

As the presenting partner of the 2023 Magical Kenya Open, we launched the Birdies for Trees initiative. Under this initiative, Absa committed to planting 100 trees for every birdie scored during the tournament. This unique initiative not only encourages golfers to contribute to community development projects but also supports national tree-planting initiatives. The Birdies for Trees initiative has already raised over KES 11 million, making a significant impact on long-term community development and environmental conservation efforts.



- Promoting Sustainability in Sports**

In line with our sustainability commitments, we planted 2,500 trees to promote sustainability in sports. We understand that athletes need a good environment and clean air to train optimally and perform well in competitions. By planting these trees, we aim to create a positive impact for generations to come. Absa Bank Kenya, Athletics Kenya, Safaricom, the Kenya Forestry Service, and the Stockholm Environment Institute collaborated to plant these trees at Kasarani Stadium during the 2023 Absa Kip Keino Classic championship.



Football, particularly the PL, is another platform we use to connect with Kenyans at their passion points.

Materiality Topics - continued



Taking Action Against Climate Change through Tree Planting

As an active force for good, we believe in caring for the communities around us and the environment in which we operate. By leveraging the love of athletics, a passion point for many Kenyans, we promote eco-friendly practices and mindsets. Through partnerships and the power of sports, we



In line with our sustainability commitments, we planted 2,500 trees to promote sustainability in sports.

raise awareness and take action against climate change. Our commitment to planting trees and promoting sustainability in sports is a testament to our dedication to creating a better future for all.

- **Community Impact**

At Absa, we understand the importance of community impact and the need to empower special groups within our society. Through our partnership with the Kenya Forestry Service (KFS), we have initiated a tree planting and growing project that involves Community Forest Associations across the country. These associations comprise special groups such as women, youth, and people living with disabilities.

- **Improving Living Standards Through Tree Planting**

Our tree planting initiative not only aims to restore diversity but also seeks to improve the living standards of members of the Community Forest Associations. By partnering with these associations in tree planting and growth, we indirectly provide employment opportunities to these special groups. We recognise that looking after the trees until maturity requires care and maintenance, and we actively involve the community in these efforts.

- **Promoting Sustainability and Empowerment**

Through our tree planting initiative and partnerships with the community, we are not only promoting sustainability but also making a positive impact on the lives of individuals within special groups. By engaging in diversity restoration and providing employment opportunities, we contribute to the wellbeing and empowerment of these communities.

Alignment to the SDGs:



SDG 4: Quality Education: Absa is enhancing digital literacy in Kenya and aims to ensure inclusive and equitable quality education opportunities for all.



SDG 5: Gender Equality: Absa's SHE programme supports female entrepreneurs and this initiative aims to achieve gender equality and empower all women and girls.



SDG 8: Decent Work & Economic Growth: By providing training and support to women-owned businesses, Absa contributes to decent work and economic growth.



Materiality Topics - continued

Case Study

Food For Education

At Absa Kenya, our commitment to making a positive impact extends beyond the financial sector. One inspiring case study involves a team of colleagues from our business banking division who took initiative and raised funds to support Food for Education, an organisation dedicated to providing subsidised nutritious meals to primary school children.

The team demonstrated their dedication by raising KES 558,000 through their own fundraising efforts. To make an even greater impact, Absa Kenya matched the funds raised through our Matched Fundraising Campaign. As a result, a total of KES 1,116,000 was donated to Food for Education.

Food for Education operates on the principle of improving educational outcomes by providing nutritious meals to primary school children. They source fresh food directly from local farmers and prepare it in central kitchens, adhering to internationally recognised food safety standards. These nutritious subsidised meals are then delivered to students using cutting-edge technology.

With a cost of only KES 30 per meal, Food for Education currently serves 300,000 children daily throughout the school term, Monday to Friday. The organisation's efforts not only alleviate hunger but also contribute to the overall wellbeing and educational success of these children.

To gain firsthand insight into the impact of their contribution, the team from Absa Kenya visited one of Food for Education's kitchens. This visit allowed them to witness the behind-the-scenes work involved in food preparation and distribution. Additionally, they actively participated in serving food to students at Dandora Primary School, further connecting with the beneficiaries of their generous donation.



Materiality Topics - continued

Compliance

Absa Kenya has established a comprehensive sustainability framework, policy, and standards to ensure adherence to sustainability regulations. This framework emphasises the importance of monitoring and reporting on sustainability practices.

To facilitate compliance with sustainability regulations, the company has implemented a compliance regulatory portal. This portal enables the monitoring of regulatory returns related to sustainability. Additionally, it incorporates a prompt mechanism that triggers reminders 10 days before the due date of regulatory returns.

Communication and Dissemination Channels for Stakeholders

The Bank employs a variety of channels and mechanisms to effectively communicate and disseminate information to its stakeholders, including shareholders. These channels include:

Annual Integrated Report: The Bank publishes an Annual Integrated Report that provides a comprehensive overview of its activities, including sustainability performance.

Sustainability Report: The Bank also releases a dedicated Sustainability Report, which focuses specifically on its sustainability initiatives and progress.

TCFD Report: By June 30 of every year, the Bank publishes on its website the TCFD Report in alignment with CBK's guidelines on climate risk management.

Financial Results: The Bank ensures transparency by making full-year, half-yearly, and quarterly financial results available on its website.

Investor Returns and Shareholder Obligations

As part of its ongoing obligations to shareholders, the company



files monthly investor returns as required by the Capital Markets Authority (CMA) and the Nairobi Securities Exchange (NSE). Additionally, the Bank files an annual list of shareholders with the Registrar of Companies in accordance with the Companies Act.

Regulatory Compliance and Reporting

Absa Kenya complies with various regulations and guidelines related to sustainability reporting. These include:

CBK Guidelines on Climate Risk Management: The Bank adheres to the guidelines issued by the Central Bank of Kenya (CBK) on climate risk management. It ensures that climate-related risks are effectively managed and reported.

NSE ESG Reporting Guidelines: The Bank follows the guidelines issued by the Nairobi Securities Exchange (NSE) on Environmental, Social, and Governance (ESG) reporting. The NSE recommends the use of the Global Reporting Initiative (GRI) framework for sustainability reporting.

CBK Prudential Guidelines and Other Applicable Regulations:

The Bank complies with all disclosure requirements outlined in the CBK Prudential Guidelines, the Capital Markets Act, and other relevant regulations such as the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, and the Banking Act.

Revamped Sustainability Policies for Climate Risk Management and ESG Reporting

The Bank recently updated its sustainability policies to align with climate risk management practices and ESG GRI reporting standards. These policy revisions demonstrate the company's commitment to effectively managing climate-related risks and improving its sustainability reporting practices.

Data Collection and Sustainability Data Tool

While the Bank does not currently have any noncompliance issues, it has identified data collection gaps. To address these, the Bank will be developing a sustainability data tool. This tool will help enhance data collection processes and ensure accurate and comprehensive sustainability reporting.

Recent Guidance from CBK and NSE

In 2021, the Central Bank of Kenya issued guidance on climate risk management, emphasising the need for increased focus on climate action and reporting. Additionally, the Nairobi Securities Exchange issued guidance on ESG reporting, recommending the use of the GRI framework for sustainability reporting. These guidelines were developed in response to investor demand for comprehensive ESG disclosures and reporting, aiming to improve and standardise ESG reporting by entities listed on the NSE.

Materiality Topics - continued

Financial Performance

In the financial year ending December 31, 2023, Absa achieved strong financial results, demonstrating its commitment to delivering value to its stakeholders. The Bank experienced growth in its income streams and profitability, indicating its ability to generate sustainable and profitable operations.

By delivering solid financial performance, Absa strengthened its shareholder value and upheld its tradition of consistently paying dividends. This not only rewards shareholders for their investment but also reflects the Bank's focus on creating long-term value and sustaining profitability.

These positive financial outcomes are a testament to Absa's effective business strategies, strong risk management practices, and customer-centric approach. The Bank's ability to navigate the evolving economic landscape and adapt to changing market dynamics played a significant role in achieving these results.

Absa's commitment to maintaining solid financial performance underscores its dedication to long-term stability and growth. By consistently generating profits, increasing shareholder value, and honouring its dividend commitments, Absa reinforces its position as a trusted and reliable financial institution.

Metrics	2021	2022	2023
Market capitalisation	KES 64.4bn	KES 66.8bn	KES 62.2bn
Headline earnings	KES 10.9bn	KES 14.6bn	KES 16.4bn
Deposits	KES 269bn	KES303.8bn	KES 362.7bn
Return on equity	19.3%	22.9%	23.7%
Cost-to-income ratio	46%	41%	42%
Net customer loans	KES 234bn	KES 283.6bn	KES 335.7bn

Find more of our financial performance in the Integrated Report (Page 110)

“ The Bank experienced growth in its income streams and profitability, indicating its ability to generate sustainable and profitable operations. ”

Fraud Prevention Measures and Performance

Absa has demonstrated the effectiveness of its proactive fraud prevention measures. To ensure that its employees are well-equipped to combat fraud, Absa conducted 22 fraud training sessions for its colleagues in 2023. Furthermore, a total of 1,640 colleagues completed annual fraud training, demonstrating Absa's commitment to building a knowledgeable and vigilant workforce.

As a result of these efforts, Absa registered a significant decrease in fraud cases and market improvement in fraud recoveries. The bank successfully frustrated fraud attempts amounting to KES. 498 million, underscoring the robustness of its fraud prevention measures.

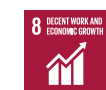
Absa also prioritises customer awareness and protection. In 2023, the Bank sent 12 fraud sensitisation SMS alerts to its customers, keeping them informed about potential fraud risks. Additionally, Absa engaged in two social media campaigns to raise awareness about fraud prevention. The Bank actively participated in fraud awareness campaigns spearheaded by the Kenya Bankers Association, further emphasising its dedication to protecting customers from fraudulent activities.

It is important to note that fraud is a pervasive issue that affects not only financial institutions but also customers. According to a survey by McKinsey, more than 10 percent of credit and debit card users experienced fraud over a 12-month period, leading to feelings of anxiety, stress, and frustration

among victims. To combat the evolving nature of fraud threats, Absa recognises the need for a proactive approach that goes beyond reactive measures. The Bank aims to continually strengthen its core capabilities and improve its ability to identify and address vulnerabilities arising from new fraud methods.

While Absa's efforts have yielded positive results, it is crucial to remain vigilant in the face of ever-evolving fraud tactics. By prioritising fraud prevention measures, employee training, customer awareness, and collaboration with industry associations, the bank is committed to maintaining the security and trust of its customers.

Alignment to the SDGs:



SDG 8: Decent Work and Economic Growth: Absa's strong financial results and ability to generate sustainable and profitable operations contribute to SDG 8 by promoting economic growth and creating decent work opportunities.




SDG 9: Industry, Innovation, and Infrastructure: Absa's effective business strategies, strong risk management practices, and ability to adapt to changing market dynamics demonstrate a commitment to SDG 9, which focuses on promoting inclusive and sustainable industrialisation and fostering innovation.



SDG 16: Peace, Justice, and Strong Institutions: Absa's commitment to maintaining solid financial performance and delivering value to its stakeholders reinforces its position as a trusted and reliable financial institution, contributing to SDG 16, which aims to promote peaceful and inclusive societies and ensure access to justice for all.

Product Stewardship

Below is a quick summary of our products, services and channels:

Products 	Bank Products	Experience convenient, budget-friendly banking that is customised to meet your unique requirements. Choose from a wide selection of services and benefits offered through a diverse range of current, savings, and fixed-deposit accounts, catering to personal, business, corporate, Islamic, prestige, and premier banking needs.
	Credit Products	Take advantage of a comprehensive array of borrowing options, encompassing personal and business loans, overdraft facilities, credit cards, mortgage solutions, asset finance, and insurance premium financing. These lending products offer you the flexibility and convenience you need to meet your financial goals.
	Investment, Asset and Fund Management	Optimise your investment returns by strategically managing client funds and strategically aligning them with the most suitable economic cycles. Our subsidiary entity offers (Absa Asset Management Limited) a range of wealth solutions to help you make the most of your investments.
	Bancassurance	Partnering with our bancassurance entity (Absa Bancassurance Intermediary Limited) and approved licensed insurers, we provide an extensive selection of life and short-term insurance solutions tailored to meet both personal and business requirements. Benefit from a wide range of coverage options to safeguard your financial wellbeing.
	Wezesha Biashara	Our SME proposition offers funding opportunities for existing businesses to support their growth. This includes up to 95% asset financing, and LPO financing, among other beneficial services.
	Women in Business	Our proposition is specifically designed to empower women entrepreneurs and enterprises by offering a range of support services. This includes financing options, advisory services, capacity-building programmes, networking opportunities, and enhanced access to markets. We are dedicated to helping women succeed in their entrepreneurial ventures by providing comprehensive support every step of the way.
Services 	Absa App	Our mobile app provides the solution to all your basic banking needs, right at your fingertips.
	TIMIZA	The Timiza App offers a wide range of convenient services including instant loans, money transfers, bill payments, airtime purchases, and insurance options. Experience the ease and efficiency of managing your financial needs all in one place with the Timiza App.
	R2W App	A free training curriculum to empower young people with training & skills needed to enhance their employability.
	Chatbanking (Abby)	This is a world-first secure banking service that allows customers to bank using Facebook or WhatsApp.
	Internet Banking	If you love living online, internet banking could be the perfect solution for you. Open an Absa account online within 12 minutes and start transacting!
	Credit Card	With an Absa card, you get much more than financial freedom-you are in control.
	NovoFx App	Make international payments anytime, anywhere, for free.
	Hello Money *224#	With Hello Money, customers can access banking services without the need for data by simply dialling *224#. They can conveniently send money to anyone through CashSend, regardless of whether the recipient has an Absa account or not. Enjoy the ease and accessibility of banking services at your fingertips, even without an internet connection.
Channels 	Physical Channels	ATMs, branches and POS: Physical footprint of 84 branches, 196 ATMs, 60 cash deposit machines and 5,209 POS devices.
	Agency Banking	Enjoy a world of convenience with agency banking. Deposit and withdraw money from your Absa account countrywide.
	Call Centre	Call to speak to an agent on sales, service and general enquiries.

Materiality Topics - continued

Absa's Service Management and Customer Engagement

Absa recognises the importance of service management and customer engagement in providing a seamless banking experience. The dedicated service management team, situated within the IT department, plays a crucial role in monitoring uptime and service availability. This team ensures early alerts are in place to promptly address system downtime or decryption issues, ensuring that customers can access their banking services without interruption.

Since its launch in 2018, Timiza has attracted over five million customers, indicating its popularity and success. In 2023, the value of disbursements reached approximately KES 21 billion, with around 1.2 million loans disbursed to approximately 300,000 customers. This demonstrates Timiza's significant impact and reach in providing financial support to a wide customer base. The activity rate for Timiza stands at approximately 15% every 30 days, indicating a high level of customer engagement and utilisation of the platform.

Asset Quality and Risk Management

Absa places a strong emphasis on asset quality and risk management. In 2023, Absa's loss rates remained below 4%, reflecting the Bank's commitment to maintaining a healthy asset portfolio. The volatility experienced in the loss rates can be attributed to the macroeconomic environment. To mitigate this, Absa has implemented various measures, including a proactive collection strategy and rewarding customers for early repayments with discounts on facility fees. These measures



aim to encourage positive customer behaviour and ensure that customers can afford to pay for their facilities.

Responsible Banking and Environmental Management

As a signatory to the United Nations Principles for Responsible Banking (UN PRBs), Absa is committed to responsible banking practices and environmental management. The Bank has implemented an Environmental and Social Management System (ESMS) to effectively manage environmental and social risks and opportunities across its processes and risk types. This system evaluates potential investment environmental and social risks

and opportunities and monitors the ongoing environmental and social performance of financed activities. By integrating sustainability into its operations, Absa demonstrates its commitment to environmental stewardship and responsible banking.

Climate Finance Strategy and Inclusive Financing

Absa is actively developing a climate finance strategy that focuses on opportunities in renewable energy, energy efficiency, green building, and climate-smart agriculture. By aligning its products and services with these areas, Absa aims to contribute

“ In 2023, the value of disbursements through Timiza reached approximately KES 21 billion, with around 1.2 million loans disbursed to approximately 300,000 customers. ”

Materiality Topics - continued



to the global transition towards a low-carbon economy and sustainable development. Additionally, Absa has proactively sought funding partners to support its inclusive financing agenda, enabling businesses with specific needs to access finance. In 2022 and 2023, Absa accessed technical support grants to support women-led businesses and empower youth and startups. These initiatives demonstrate Absa's commitment to fostering economic growth, inclusivity, and sustainability.

In terms of climate finance allocation, Absa has advanced significant funds towards clean and renewable energy

initiatives. This includes KES1 billion supporting solar initiatives for off-grid communities. The bank has also allocated KES 3 billion towards green buildings, supporting affordable housing through responsible construction. Furthermore, Absa has invested KES 2.2 billion in climate-smart agriculture, aiming to reduce post-harvest losses and enhance productivity. Additionally, Absa has advanced KES11 billion towards Micro, Small, and Medium Enterprises (MSMEs), with 30% of this specifically dedicated to women-led businesses. These allocations highlight Absa's commitment to driving sustainable development and supporting key sectors of the economy.

Alignment to SDGs



SDG 1: No Poverty: Absa's focus on inclusive financing, supporting women-led businesses, and providing technical support grants to empower youth and startups aligns with SDG 1. By facilitating access to finance and supporting underserved groups, Absa contributes to reducing poverty and promoting economic inclusion.



SDG 8: Decent Work and Economic Growth: By providing financial support through platforms like Timiza and allocating funds towards MSMEs, Absa contributes to promoting economic growth, creating decent work opportunities, and fostering entrepreneurship.



SDG 9: Industry, Innovation, and Infrastructure: The Bank's efforts to monitor service availability, ensure uptime, and manage environmental and social risks demonstrate a commitment to promoting inclusive and sustainable industrialisation, fostering innovation, and building resilient infrastructure.



SDG 12: Responsible Consumption and Production: Absa's implementation of an ESMS, its focus on responsible banking practices, and its efforts to support climate-smart agriculture and renewable energy initiatives align with SDG 12.



SDG 13: Climate Action: By aligning its products and services with climate-friendly sectors and investing in clean energy initiatives, Absa contributes to addressing climate change and promoting sustainable development.



Our Corporate Governance

Governance



Effective governance is at the core of Absa's ability to navigate the volatile and complex operating environment successfully.

Absa's Board of Directors ("the Board"), ultimately responsible for governing the Company, believes that good corporate governance and strategic decision-making are inextricably linked.

The Board is committed to the highest standards of corporate governance, which it believes are critical to achieving the business objectives and maintaining the trust of its investors, customers and other stakeholders.

Please refer to **pages 82-109** of our 2023 Integrated Annual Report for a detailed discussion of our governance practices.

“ The Board is committed to the highest standards of corporate governance, which it believes are critical to achieving the business objectives and maintaining the trust of its investors, customers and other stakeholders. ”

In keeping with the Global Reporting Initiative, detailed information on our Board and subcommittees is reported in our 2023 Integrated Annual Report on **pages 95-98**.

The Absa Board reported no conflicts of interest during the financial year ended 31 December 2023.

The Board evaluates its performance, that of its committees, individual directors, the Board Chairman, the Managing Director and the Company Secretary every year as required by the Central Bank of Kenya (CBK), regional regulators and the Capital Markets Authority (CMA).

The evaluation is facilitated externally every two years. Subsidiary board evaluations are also performed bi-annually.

In years when an external facilitator is not engaged, as was the case in 2022, the Chairman leads the assessment of the Board and each Director, with the Company Secretary coordinating.

Further information can be found in the 2023 Integrated Annual Report on **pages 91-99**. To understand the context in which Absa's governance of ESG and climate risks exist, it is necessary to highlight the excellent guidance provided to the sector by the Central Bank of Kenya (CBK), Nairobi Securities Exchange (NSE) and Kenya Bankers Association (KBA).

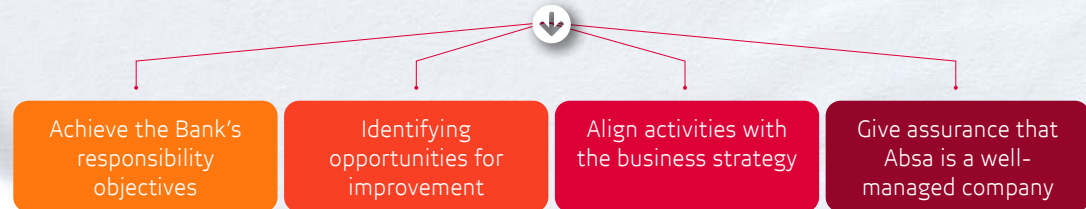


Governance framework

To enable Absa to achieve the highest standards of corporate governance, the Company continues to operate within its established Governance Framework, which aims to ensure that the Board:



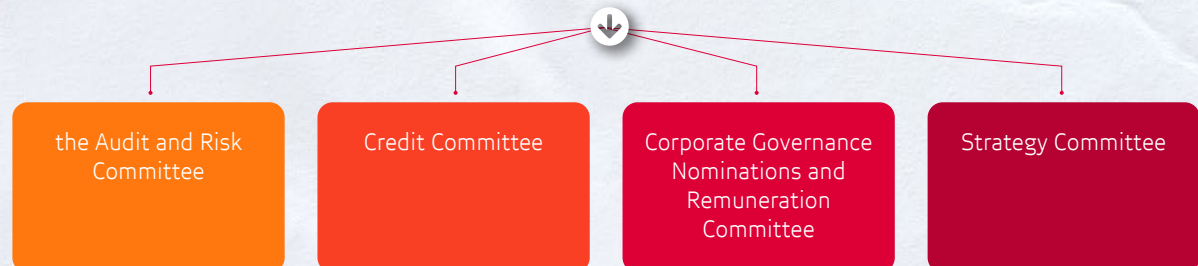
The Board is to use the Governance Framework to set and monitor governance to:



The Governance Framework also defines the authority that can be delegated by the Board and how it can be delegated.

Please refer to **pages 91 and 92** of the 2023 Integrated Annual Report

The Board has four committees (outlined in the Board Charter) that meet quarterly to undertake tasks stipulated in their work plan based on the committees' Terms of Reference. Refer to **pages 95-98** of the 2023 Integrated Report. These are:



The Board has also delegated the responsibility for the day-to-day management of the Company to the Managing Director, who leads the Country Management Committee.

The Managing Director is responsible for recommending strategy to the Board, steering the Country Management Committee and making and implementing operational decisions.

Once the Board has defined and approved the strategy that is aligned with the purpose of the Company and the legitimate interests and expectations of its shareholders and other stakeholders, it empowers management (lead by the Managing Director) to implement it. The Board shall hold Management accountable for the implementation of the approved strategy, annual business plans and Board decisions.

The Company regularly reviews its Governance Framework and practices to ensure that they are continuously evolving. As part of the review, the Board evaluates the Company's existing policies and their efficacy in describing the roles and challenges for the Board looking forward.

The review process involves identifying emerging global governance best practices, legal and regulatory developments, sustainability imperatives and stakeholders' expectations.

The Governance Framework takes into account the guidelines of ESG governance as published by the Nairobi Securities Exchange (NSE).

The NSE believes that ESG reporting provides a framework through which investors, owners of capital and the public at large can have a more comprehensive view of the company's activities and performance, beyond its financial numbers.

Through these guidelines, the NSE aims at improving and standardising ESG information reported by listed companies in Kenya.

The Board's oversight role in sustainability

As the highest decision-making body with the overall responsibility for oversight over the management of the Bank, the Absa Board demonstrated its continued commitment to people, planet and profit by approving the implementation

of its 13 sustainability commitments. These sustainability commitments align with the Sustainable Development Goals, the Paris Climate Agreement and the UN Global Compact Principles, among others.

The Board is responsible for monitoring the progress made in implementing these commitments as well as alignment to the Central Bank of Kenya's requirements to assess and manage climate-related risk identified across the Bank's portfolio.

The Audit and Risk Committee, in addition to other sustainability and climate related risk mandate listed below, oversees effective management of sustainability and climate-related

risks of the bank on behalf of the Board as per the Enterprise Risk Management Framework and in line with the Strategic, Sustainability and Reputational Risk (SSR).

The Strategy Committee is responsible for ensuring that these commitments remain aligned with the overall strategy of the Bank and drive value for all stakeholders.

The Country Management Committee, supported by the Sustainability Steering Committee, along with sustainability and business and enterprise function teams, ensures implementation of and ongoing feedback on the efficacy of implementation and value being created for all stakeholders.



Audit and Risk Committee

The Board's Audit and Risk Committee as per the Enterprise Risk Management Framework and in line with the Strategic, Sustainability and Reputational Risk (SSR):

- Ensures that sustainability and climate-related risks are considered when developing the Bank's business objectives and Enterprise Risk Management Framework.
- Ensures that the Bank's exposure to sustainability and climate-related risks arising from its various lines of business are assessed, quantified and reported to the committee alongside other material risks such as credit, market, operational risks, etc.
- Oversee development and implementation of the sustainability and climate risk strategy.
- Approves necessary resources, human, financial, etc. required for effective implementation of the sustainability and climate-related risk strategy and framework.
- Exercises oversight over the Bank's exposure and responses to sustainability and climate-related issues, including adequately embedding climate-related risks into the Bank's risk management framework.
- Ensures effective implementation of the sustainability and climate strategy, by playing an active role in overseeing the development and implementation of the Bank's sustainability and climate risk objectives and reporting, including:
 - a) Setting the Bank's sustainability and climate-related financial risk appetite and obtaining assurance that the risks are effectively managed and controlled.
 - b) Cultivating a risk culture from the top that embeds sustainability and climate-related considerations into the business activities and decision-making process.
 - c) Conducts an annual review of the regulatory reports and periodic review of any regulatory submissions, e.g. Sustainability Report, TCFD reports and Central Bank submission on climate risk implementation.



Country Management Committee

Our sustainability agenda is spearheaded by the Country Management Committee (CMC) in our day-to-day operations. To strengthen our commitment to sustainability, we have established a dedicated Sustainability Steering Committee that reports directly to the CMC. Clear KPIs for all facets of the operation have been set and are driven by the Sustainability Steering Committee to ensure the realisation of our sustainability commitments.



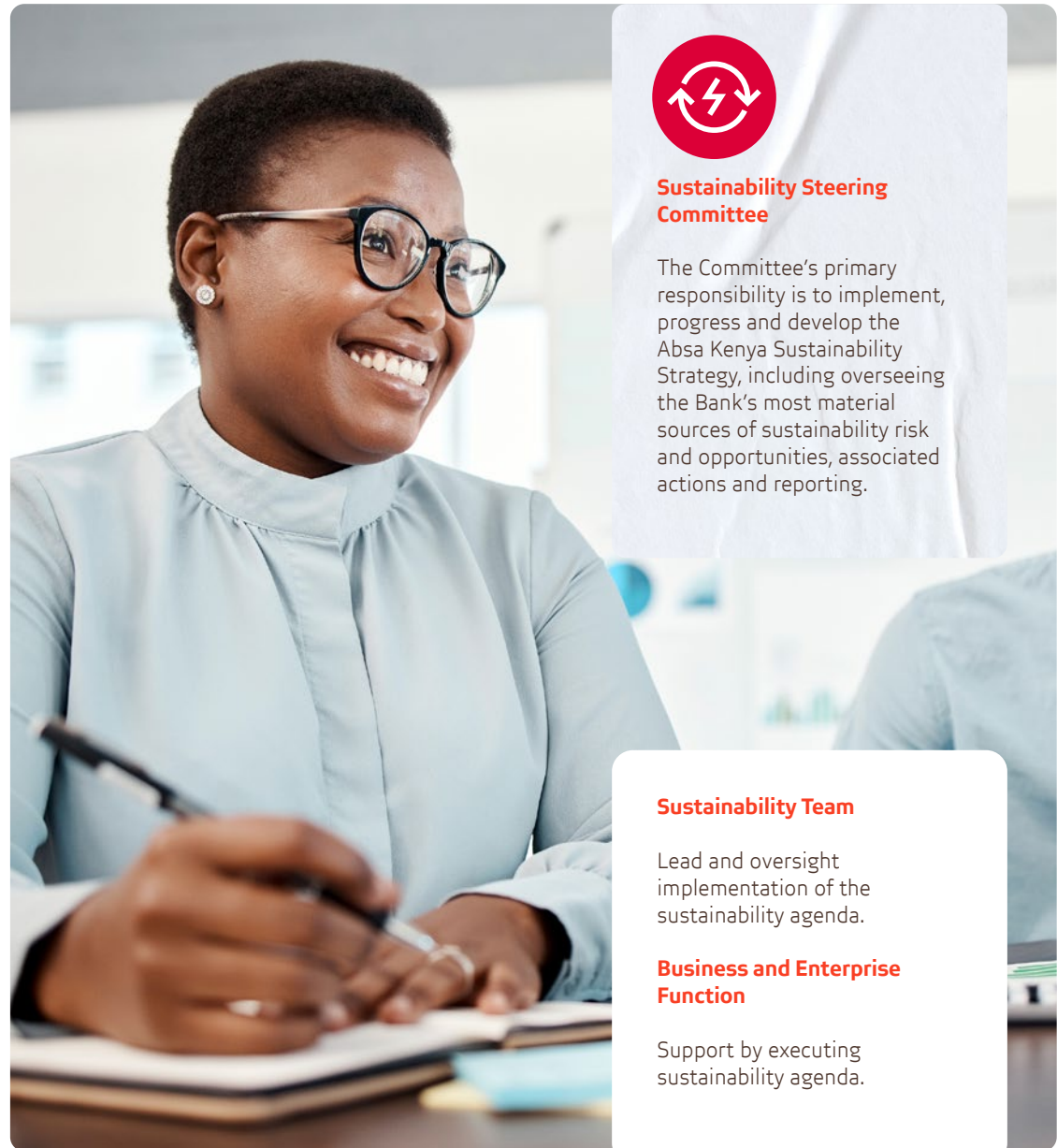
Country Management Committee



Strategy Committee

In addition to the work conducted by the Corporate Governance and Nominations Committee, the Strategy Committee, in conjunction with the Bank's senior management:

- Ensures that bank-wide risk discussion and management are key components of the strategic planning process, including consideration of risk and opportunities relating to the economy, the environment, ethics, finance, leadership, operations, politics, reputation, strategy, competition, technology and other matters.
- Ensures that deep dives are conducted on behalf of the Board in areas of key strategic significance, including but not restricted to product and process innovation, sustainability, the investments required and the timing of deployment of such investments to support implementation, and measures put in place to bring customer obsession to life.
- Ensures that sustainability (ESG) elements are considered when developing the Bank's overall strategy as per the Enterprise Risk Management Framework and in line with the Strategic, Sustainability and Reputational Risk (SSR).
- Approves the sustainability and climate strategy recommended by senior management, having regard to relevant local, regional and global developments (including economy-wide, nation-wide and internationally agreed goals).
- Reviews regular reports from the Sustainability Steering Committee on its activities and the progress of the Bank's sustainability practices.
- Oversees the Bank's disclosures relating to sustainability (e.g. in the annual Sustainability Report and regulatory submission).
- Oversees developments and compliance with emerging best practice approaches to sustainability and provides insight into the Bank's strategy.
- Holds the senior management to account for sustainability performance as a fiduciary responsibility to stakeholders.



Sustainability Steering Committee

The Committee's primary responsibility is to implement, progress and develop the Absa Kenya Sustainability Strategy, including overseeing the Bank's most material sources of sustainability risk and opportunities, associated actions and reporting.

Sustainability Team

Lead and oversight implementation of the sustainability agenda.

Business and Enterprise Function

Support by executing sustainability agenda.



Environment and Biodiversity

Environment

KPI Summary

1 Reducing our environmental footprint and cost of operations

 **728,095** trees were planted in total.

- Contributed **20,000** bamboo seedlings for Kiu Wetland.
- Contributed **10,000** seedlings for Kinale Forest Restoration.
- Over **25,000** mangroves planted at the Coast.

2 Responding to climate risk

 **5** of our buildings have received EDGE certification.

5 Climate finance

 **KES 26 bn** was allocated to support climate finance.

 **84%** uptake of **KES 22.3 billion** for climate financing.

 **KES 2.2 bn** was allocated for climate-smart agriculture.

3 Greenhouse gas (GHG) emissions

 Fuel consumption was at **241tCO2e** by the close of 2023.

- Emissions from water supply, paper, and business travel were valued at **0.52tCO2t**.

6 Green Projects

i) **Green building**
Announced the successful conclusion of a **KES 6.7 billion** financing agreement to support the development of a further **10** purpose-built student accommodation (PBSA) in partnership with Acorn Holdings.


ii) **Climate-smart agriculture**
 **KES 1.26 bn** financing deal with Eco-Business Fund to support climate-smart agricultural practices.

4 Energy performance

 **85** sites were retrofitted with energy-saving technology.

- Absa won an energy management award.

7 Water Consumption and Management

 Introduction of stand-alone water purification points in all the branches.

Environmental Impact

1. Reducing our environmental footprint and cost of operations

One of our main focuses is tree planting, recognising the immense benefits it brings to the environment. By the end of 2032, we have set a target to plant 10 million trees. This initiative serves multiple purposes: increasing the country's forest cover, reducing our carbon footprint, promoting biodiversity, and fostering environmental responsibility.

In 2023 alone, we made significant progress towards this goal by planting a remarkable 728,095 trees. The majority of these trees were planted through our partnership with the Kenya Forest Service (KFS), with a total of 607,500 trees planted through this collaboration.

Additionally, as part of the World Environment Week in 2023, we proudly planted over 100,000 trees in Njukiini Forest, Embu County. To further support ecosystem restoration, we contributed 20,000 bamboo tree seedlings for planting in Kiu Wetland through the State Department of Forestry. Moreover, we provided 10,000 seedlings to aid in the restoration of Kinale Forest.

Furthermore, we celebrated National Tree Planting Day by launching a KES 2 million tree-planting initiative. This initiative aims to plant more than 30,000 tree seedlings in the counties of Kiambu and Makeni.

In our relentless efforts to combat deforestation, we have developed a comprehensive digital strategy agenda to significantly reduce paper usage. Our ultimate goal is to make all our branch services accessible through our digital platforms.

We have already achieved a major milestone in our paperless journey by allowing customers to open accounts on our website and access their funds through our Absa banking app. Through these digital channels, customers can conveniently manage their finances while minimising the need for paper-based transactions.



“ In our relentless efforts to combat deforestation, we have developed a comprehensive digital strategy agenda to significantly reduce paper usage. Our ultimate goal is to make all our branch services accessible through our digital platforms. ”



728,095
In 2023 alone, we made significant progress towards this goal by planting a remarkable 728,095 trees.

By embracing digital innovation, we are actively contributing to the reduction of deforestation and promoting a more sustainable future.

2. Responding to climate risk

Our successful progress on the 2040 decarbonisation journey can be attributed to several key factors, with one of the main drivers being Kenya's renewable energy mix. Over 80% of the energy in our national grid comes from clean and sustainable sources, including geothermal, hydropower, and wind energy. This abundance of clean energy plays a vital role in powering Absa's operations, ensuring that our electricity needs are met sustainably.

In line with our commitment to environmental responsibility, we have implemented policies to guide us in designing green properties. As a testament to our dedication, five of our buildings have received EDGE certification, a prestigious green certification system that focuses on enhancing resource efficiency. These certifications highlight our commitment to achieving net zero status by 2040, aligning with our Group's target of 2050. Our aim is for all future Absa property designs to adhere to green building principles, further reducing our environmental impact.

Furthermore, we are actively managing the environmental risks within our portfolio. We classify assets into high, medium, and low-risk categories, and monitor climate-sensitive and high-carbon emission sectors closely. As part of our sustainability goals, we are striving to have at least 10% of our portfolio consist of green assets by 2025. This commitment reflects our dedication to supporting sustainable industries and transitioning towards a low-carbon economy.

3. Greenhouse gas (GHG) emissions

In 2022, we committed to publishing our carbon emission numbers annually as part of our ongoing efforts to become a net zero emitter of greenhouse gases (GHG) by 2040. To ensure accurate and comprehensive reporting, we are currently working on incorporating robust tools that will provide a clear picture of our carbon emissions. As part of this process, we have mobilised relevant departments to gather data on Scopes 1, 2, and 3 emissions.



Scope 1 Emissions

Under Scope 1, we focus on emissions from sources that the Bank owns or directly controls. This includes our diesel-powered generators, company cars (especially those used by top leadership), and air conditioners. By the end of 2023, our company cars and fuel generator consumption resulted in emissions of 2.41tCO₂e.



Scope 2 Emissions

Scope 2 covers emissions that the Bank indirectly causes. In our case, we primarily focus on emissions from our electricity consumption. We collect data on our electricity consumption throughout the year and calculate emissions based on this data. By the end of 2023, our purchased electricity resulted in emissions of 1.14tCO₂e.



Scope 3 Emissions

Scope 3 emissions encompass emissions that are not produced by the Bank and are not the result of activities from assets owned or controlled by Absa. This includes emissions from piped water, paper consumption, and business-related travel (such as air travel or the use of taxis by our employees). Excluding financed emissions, emissions from water supply, paper, and business travel were valued at 0.52tCO₂e.

To calculate our carbon emissions, we use the Greenhouse Gas (GHG) revised edition protocol, primarily focusing on operational perspectives. It's important to note that we have not yet started measuring emissions from our portfolio. Additionally, we rely on the latest electricity factor published by the International Energy Agency to ensure accurate calculations.

4. Energy performance

In 2022, we achieved a significant milestone by obtaining International Finance Corporation (IFC) certification for five of our Absa sites. Additionally, we retrofitted 85 of our sites with energy-saving technology, resulting in a remarkable 30% reduction in energy usage since the retrofitting initiative began in 2020. In 2023 alone, we achieved an energy-saving rate of 8.3% as a direct result of these retrofits.

To further enhance our energy efficiency, we implemented automatic switch sensors in all our lighting systems. These sensors ensure that lights are only activated when someone is present in the building, significantly reducing unnecessary energy consumption. Furthermore, we are in the process of



30%

We retrofitted 85 of our sites with energy-saving technology, resulting in a remarkable 30% reduction in energy usage since the retrofitting initiative began in 2020.

8.3%

In 2023 alone, we achieved an energy-saving rate of 8.3% as a direct result of these retrofits.

installing smart metre readers to monitor energy consumption at our top energy-consuming sites, allowing us to identify areas for further optimisation.

In line with our commitment to sustainability, we are also replacing our existing generators with modern, energy-efficient models. This transition to more efficient generators aligns with our goal of reducing our carbon footprint. Additionally, we are extending the use of the latest energy-efficient technologies to our air conditioning systems, further contributing to our energy-saving efforts.

Our dedication to energy efficiency has not gone unnoticed. In 2022, we were honoured to receive an energy management award, recognising our commitment to sustainable practices and our achievements in reducing energy consumption.

5. Our contribution to mitigating climate risk in society

At Absa, we are fully committed to embedding and promoting sustainable financing practices in line with our overall sustainability agenda. As part of our comprehensive climate-risk strategy, we have been actively assisting our customers, particularly those in high-emission sectors such as manufacturing, transport, and electricity, to transition towards low-carbon alternatives. Our focus is to provide training and awareness on climate-related risks and leverage climate finance solutions to support their shift to low-emission operations.

To further drive sustainability and support biodiversity conservation, we have partnered with the Eco-Business Fund (EBF), a Germany-based investment fund established in 2014. The EBF is a joint initiative aimed at strengthening the role of the private sector in biodiversity conservation, sustainable resource use, climate change mitigation, and adaptation.

In alignment with our growth plans, our Business Banking division is actively seeking partnerships to drive expansion in the agribusiness sector, which is a key focus area for us. Through a collaboration with Finance in Motion, we have secured long-term currency funding and are implementing capacity-building initiatives for our agri customers and colleagues across the Bank.

Through our partnership with Finance in Motion and the Eco-Business Fund, Absa Bank aims to support agribusiness and climate-related initiatives. A funding line of US\$10 million has been designated to enhance capacity-building efforts for our colleagues and customers, fostering growth in agribusiness and facilitating green lending.

As part of this collaboration, we have implemented a technical assistance programme focused on post-harvest loss management in key value chain sectors such as horticulture, dairy, and cereals. The programme has seen significant participation from various value chains, including carrot, avocado, fine beans, banana, macadamia, tomato, kale, and mango, among others.



US\$10 million

A funding line of US\$10 million has been designated to enhance capacity-building efforts for our colleagues and customers, fostering growth in agribusiness and facilitating green lending.

6. Climate finance

By the end of 2024, we are diligently working on developing a comprehensive climate strategy. We aim to leverage climate finance as a key driver of our performance, aligning our financial activities with sustainable practices. To ensure the successful implementation of this strategy, we have established a dedicated working group tasked with conducting climate risk stress testing and scenario analysis, in accordance with our established framework. This working group is committed to delivering results by December 2024.



KES 26.1 billion

In 2023, we allocated KES 26.1 billion specifically for climate financing, with an impressive uptake rate of 84%.

In 2023, we made a bold commitment to double our financing for sustainable finance, setting a target of KES 120 billion. This initiative, which is part of our broader sustainability commitment, aims to advance green and inclusive finance, support financially excluded groups, and reduce our carbon footprint. By the end of 2023, we had already advanced close to KES 60 billion in sustainable finance, incorporating both green and inclusive finance components.

Recognising the long-term challenges posed by climate-related financial risks, we have partnered with development organisations to unlock climate finance opportunities and support green and sustainable banking initiatives. These partnerships enable us to address emerging risks while promoting environmentally responsible practices in the financial sector.

In 2023, we allocated KES 26.1 billion specifically for climate financing, with an impressive uptake of KES 22.3 billion. Our focus within climate finance lies in energy efficiency, green buildings, and climate-smart agriculture. Notably, KES 2.2 billion has been allocated for climate-smart agriculture, reflecting our commitment to sustainable food production. Additionally, through the Timiza platform, we have disbursed KES 21 billion to support financially excluded groups, fostering financial inclusivity and empowerment.

7. Green projects

a) Absa Sun King

Absa Kenya, in collaboration with Sun King, embarked on a significant investment of KES2 billion towards the development of solar-powered projects in off-grid communities across Kenya. This initiative is part of a larger syndicated finance facility valued at KES 17.9 billion (\$130 million), which brings together various



Absa Bank Kenya, as one of the investors, provides funding to a Special Purpose Vehicle (Sun King Financing Ltd) to acquire eligible receivables from Sun King Kenya. This facility will enable Kenyan households and companies to transition to clean, reliable and environmentally friendly energy sources.



KES2 billion

Absa Kenya, in collaboration with Sun King, is embarked on a significant investment of KES2 billion towards the development of solar-powered projects in off-grid communities across Kenya.

30%

It is estimated that approximately 30% of Kenyans currently live without access to electricity, resulting in off-grid households spending a significant portion of their income on polluting fuels and technologies for lighting and power.

commercial banks and partners to promote financial innovations that channel funding towards environmentally friendly projects.

The transaction is structured to leverage payments for solar products from both current and future customers of Sun King, a leading off-grid solar energy company. These payments will be utilised to raise funds for future growth and expansion. As part of the agreement, customers' future payments for solar equipment purchased on credit will be securitised and funded by investors.

Absa Bank Kenya, as one of the investors, provided funding to a Special Purpose Vehicle (Sun King Financing Ltd) to acquire eligible receivables from Sun King Kenya. This facility will enable Kenyan households and companies to transition to clean, reliable, and environmentally friendly energy sources.

It is estimated that approximately 30% of Kenyans currently live without access to electricity, resulting in off-grid households spending a significant portion of their income on polluting fuels and technologies for lighting and power. Solar energy presents a viable solution, offering clean and reliable energy while providing long-term cost savings for homes and businesses. However, the high upfront equipment cost often acts as a barrier preventing many Kenyan consumers from adopting solar energy.

Through our deliberate efforts, we are committed to promoting and driving sustainable financing for our customers, aligning with our overall sustainability agenda. The innovative pay-as-you-go service eliminates the upfront cost barrier, making solar energy systems accessible to a wider consumer base. This securitisation approach plays a crucial role in unlocking the substantial capital required to fund solar energy initiatives at the scale necessary to address the climate crisis. These pioneering financial mechanisms effectively transform global challenges related to energy access, social development, and climate action into compelling investment opportunities.

b. Green building - Our partnership with Acorn Holdings

Acorn Holdings Limited (AHL), the largest institutional rental housing developer in East Africa, along with Absa Group and Absa Bank Kenya, entered into a KES 6.7 billion financing agreement.



KES1.26 billion

Absa Kenya has successfully signed a KES1.26 billion financing agreement with the Eco-Business Fund to support climate-smart agricultural practices in Kenya.

This funding supports the development of 10 purpose-built student accommodation (PBSA) projects in Nairobi, Kenya. The addition of these developments will provide an additional 12,000 beds to the Acorn Student Accommodation Real Estate Investment Trusts (REITs), making it the largest portfolio of its kind in Africa, with a total of 21,000 beds.

As a pioneer of REITs in Kenya, Acorn will construct student accommodation housing units over the next three years. This initiative is aligned with the Kenyan Government’s affordable housing goals, as it aims to address the current student housing deficit estimated at 300,000 beds nationwide.

Furthermore, these new facilities will have a positive social and environmental impact, as they will be certified as green buildings under the internationally recognised International Finance Corporation (IFC) EDGE green building certification system.

Strategically located near universities such as Kenyatta University, Jomo Kenyatta University of Agriculture and Technology, and the University of Nairobi, this financing agreement supports the growth of the continent by enabling the development of top-tier, sustainable, and purpose-built student accommodation for both public and private universities.

This partnership directly aligns with the Kenyan government’s agenda of providing affordable yet decent housing to millions of Kenyans. The KES6.7 billion debt facility from Absa Bank forms part of a KES 11 billion financing package that Acorn has assembled to fund the development of 12,000 new beds that are affordable, high quality, and safe. The remaining financing will be provided by equity through the Acorn Student Accommodation REITs, which offer a capital markets solution to housing finance in Kenya.

With a significant student housing deficit of at least 200,000 beds in Nairobi alone, the market is underserved. This innovative development REIT provides access to capital and increases the supply of purpose-built student accommodation, while also offering amenities such as high-speed internet and well-equipped study and recreational areas. Absa is dedicated to partnering on projects that empower the youth of Africa to not only survive but thrive.

c. Climate-smart agriculture

Absa Kenya signed a KES1.26 billion financing agreement with the Eco-Business Fund to support climate-smart agricultural practices in Kenya. This funding allocation is specifically designed to enhance resource efficiency, strengthen food security, and mitigate the impact of climate change on the agricultural sector.

By providing financial support to climate-smart agricultural initiatives, Absa aims to promote sustainable farming practices that optimise resource utilisation and reduce the sector’s carbon footprint. This funding will play a pivotal role in enabling farmers to adopt innovative technologies, implement efficient irrigation systems, and enhance soil health management practices, ultimately fostering resilience and sustainability in the agricultural sector.

In addition to the financial support, the Eco-Business Fund intends to organise roundtable discussions that will facilitate the establishment of relationships and the sharing of information among exporters, aggregators, and processors. These discussions will focus on prioritising sustainability in two emerging export crops: avocados and macadamia. By engaging key stakeholders in these conversations, the aim is to collectively identify and implement sustainable practices throughout the value chains of these crops, ensuring that they are produced and processed in an environmentally responsible manner.

Through this financing deal and the accompanying roundtable discussions, Absa and the Eco-Business Fund are actively working towards a more sustainable and climate-resilient agricultural sector in Kenya. By supporting climate-smart practices and fostering collaboration among industry players, this initiative contributes to the long-term development of a greener and more sustainable agricultural landscape.

9. Water Consumption and Management

As part of our commitment to responsible water usage and waste reduction, we have implemented stand-alone water purification points in all our branches, replacing traditional water dispensers. These stand-alone purification points rely on piped water, providing a more sustainable solution.

By introducing these stand-alone water purification points, we have achieved multiple benefits. Firstly, it allows us to save on distribution costs associated with water dispensers, streamlining our operations and reducing expenses. Secondly, and more importantly, this initiative helps to significantly cut back on plastic waste generation. By eliminating the need for single-use plastic water bottles typically used with dispensers, we are actively contributing to a cleaner and greener environment.

This transition to stand-alone water purification points demonstrates our commitment to sustainable practices and reducing our ecological footprint. By utilising piped water and eliminating plastic waste, we are taking steps towards a more environmentally conscious approach to water usage in our branches.



As part of our commitment to responsible water usage and waste reduction, we have implemented stand-alone water purification points in all our branches, replacing traditional water dispensers.



**Social and Citizenship
Strategy**

KPI Summary

1 Employees

A. Our People Strategy

- Voted as top **10** best places to work
- Has a target to achieve **50%** gender parity.
- **900** of colleagues invested over **3,500** hours in community work

B. Promoting gender parity

- Has a target to achieve **50%** gender parity.

51% are women while **49%** are men

C. Top employer

- Named Top Employer 2023 in Kenya
- 2nd year in a row as top employer in Africa

D. Wellness Initiatives

50% of employees are able to work remotely

E. Recruit, retain and promote

Employee turnover rate was at **4%** one of the lowest in the country

2 Society

A. Ready to work

- **250,000** beneficiaries

B. Computer labs to support digital literacy in Kenya

- **65** schools have benefitted while impacting **63,000** students

C. SHE (See Her Empowered) Proposition

- **10,703** female entrepreneurs were impacted across **19** events in partnership with GIZ
- **350** employees trained on gender intelligence to support SHE proposition

D. Economic impact

- Payment of **KES 16.2 billion** to government entities in the form of tax
- Spend on local vendors **KES 4.5bn**
- **20,274** youth trained on Ready to Work totalling to **252,014** to date
- **574** needy students were supported to access university education
- **KES 150m** allocated for sustainability and citizenship initiatives
- **15.5%** of active suppliers are women, youth and PWDs

E. Diversity, equity and inclusion

- **29** employees are differently-abled making it about **1%** of the workforce.
- **51%** women, **49%** men

F. Sports development

- **KES 70m** allocated towards the Magical Kenya Open
- **KES 60m** to sponsor 2023 Kip Keino Classic
- Birdies for Trees Initiative has raised **KES 11m** for community development
- Planted **2,500** trees to promote sustainability in sports

3 Service Providers and Partners

A. Capacity building

More than **90%** active suppliers trained on different sustainability aspects

B. Diversity and inclusion in supplier sourcing

15.5% of active suppliers are women, youths and PWDs



Social impact

1. Human Rights, including child labour, forced labour and/or slavery

Absa respects and upholds human rights principles. We are committed to operating in accordance with Absa's statement on human rights, the Universal Declaration of Human Rights and the associated International Bill of Human Rights. We also take account of other internationally accepted human rights standards, the UNGC-United Nations Global Compact Principles, the Convention on the Elimination of all Forms of Discrimination Against Women, the International Labour Organisation Core Conventions and Treaties and the African Charter on Human and Peoples' Rights (also known as the African Union (AU) Banjul Charter).

We are committed to respecting and upholding human rights in all our operations. These commitments are highlighted in the Absa Group Human Rights Statement, the Absa Code of Ethics and the Employment Relations Policy. We recognise that responsible business can only be achieved in a society that upholds and protects human rights, and we therefore seek to uphold all human rights principles in the management of all our business and stakeholder relationships. Our human rights principles are in line with international standards and frameworks such as the UN Global Compact, and we ensure that they are embedded in our policies, standards and frameworks.

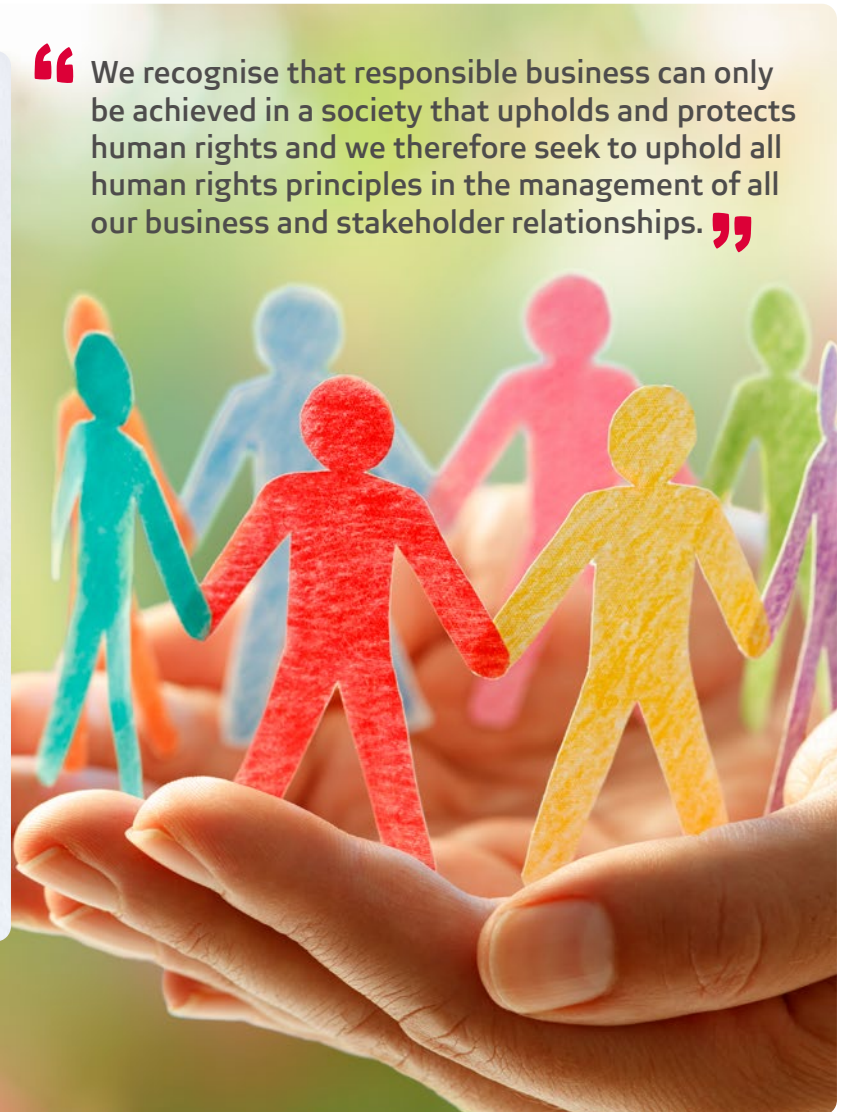
Internally, the contractual rights and obligations of Absa and its employees are upheld in the organisation's employment practices, with specific consideration for health and safety, freely chosen employment (work is voluntary and workers shall be free to leave work at any time or terminate employment after reasonable notice), use of child labour, working hours, fair wages and benefits, freedom of association, and diversity and inclusion. This ensures that the organisation operates within the prescripts of the local labour laws and does not infringe on human rights. We are committed to considering material human rights impacts in the development and provision of products and services, and we continue to uphold our business dealings with everyone regardless of race, sex, nationality, ethnicity, religion or any other status.

Human rights statement

This statement draws together the policies, principles and standards relevant to all parts of Absa with the aim of:

-  Guiding the business and employees on the extent of our responsibilities and commitments to respecting and upholding human rights.
-  Contributing to the Group's compliance with human rights legislation and standards.
-  Supporting the Group's values of driving high performance to achieve sustainable results, strengthen our employees, customer-centric, and being the heartbeat of Africa.

“ We recognise that responsible business can only be achieved in a society that upholds and protects human rights and we therefore seek to uphold all human rights principles in the management of all our business and stakeholder relationships. ”



2. Employees

a) Our People Strategy

At Absa, we take pride in the strength of our people, our biggest resource. Against this, we have taken deliberate steps aimed at further empowering our staff through continuous development of new competencies. We have achieved this through upskilling and sharpening the diverse skills that our employees boast of.

We have also created a common culture that leverages the Absa Kenya way of easier, faster and better. This culture has propelled us to being among the top 10 best places to work.

We promote equality at the workplace through diversity and inclusion policies targeted at gender and marginalised groups, which ensures an economically viable business.

Our People-ambition is to create a thriving, future-fit organisation that attracts, develops and retains the best talents through a differentiated workplace experience that brings their possibilities to life and offers competitive compensation. Our goal is to embed an entrepreneurial culture of brave, passionate and ready colleagues as we strive to become the employer of choice and a fun; a vibrant and great place to work.

b. Learning and development

A key objective of ensuring that we meet our goals at Absa is the continuous development of our people. This is through developing new competencies through both upskilling and reskilling.

Through upskilling and reskilling we aim at empowering our people and in turn nurture a high-performance culture.

We have several platforms that are available for training for Absa employees. These include Mind the Gap, an internal leadership programme that is aimed at reinforcing our commitment to keeping ahead in an ever-changing business landscape. Other available training platforms which are critical for the development of our employees include Absa Digital Campus, Absa Leadership Academy and Udemy.

We have also committed to equip every employee with at least one future skill to prepare them for the future of work.

Key future skills covered include:

-  Digital literacy (Advanced computer skills)
-  Analytical and critical thinking (Innovative skills)
-  Self-management (The art of execution, remote working)
-  Emotional intelligence (Self-awareness, self-motivation)
-  Transformative leadership (Leaders with the ability to navigate disruptions)

“Our People-ambition is to create a thriving, future-fit organisation that attracts, develops and retains the best talents through a differentiated workplace experience that brings their possibilities to life and offers competitive compensation.”

To drive excellence in customer experience and to facilitate execution of the overall business strategy predicated on growth, we focused our attention on improvement in sales and productivity.

We also offer a paid internship programme that provides young men and women with on-the-job training over a three-month period.

Last year, we had our graduate trainee programme where we onboarded different people to different departments that are currently going through training and equipping them with the necessary skills to take over the mantle in the coming years.

c. Promoting gender parity

Absa Bank Kenya PLC has set a gender parity target under its sustainability commitment 10, to achieve 50% gender parity across all levels of the organisation by 2025. A review of the current company demographics indicated that the business is well on its way to achieving this milestone, with this target already reached among colleagues.

Last year, 51 per cent of our employees were women and 49 per cent were men. The goal, which is one of our sustainability commitments, is to achieve parity in gender representation at all management levels. In 2023, at junior management level, we had 51 per cent women, 47 per cent at middle management and 40 per cent at the board level.

d. Promoting pay parity

We have over the years worked to ensure that every employee is compensated based on their input. These efforts have paid off. We take pride in having recently achieved pay parity, even across genders. Every Absa employee, regardless of gender, receives equal compensation for the same job done. Pay parity has ensured that our employees feel valued and motivated to work towards the Bank's success, which is why Absa remains the employer of choice in the region.

We believe that pay disparities based on gender, race or other discriminatory factors can create barriers to entry for underrepresented groups. This can lead to a lack of diversity



in the workforce, which can then hinder the Bank’s ability to understand and serve its diverse customer base. Pay parity encourages a more diverse and inclusive workforce, leading to a better understanding of customers’ needs and, ultimately, better service. Pay parity is crucial for the success of our Bank, not just in terms of profitability but also in terms of employee satisfaction, diversity and inclusion.

e. Top employer

Absa Bank Kenya PLC was named as Top Employer 2023 in Kenya and Africa for the second consecutive year by the Top Employers Institute for excellence in people practices and its impact in enriching the work environment. The programme has certified and recognised over 2,300 Top Employers in 122 countries/regions across five continents.

Being certified as a Top Employer showcases an organisation’s dedication to a better world of work and exhibits this through

excellent HR policies and people practices. The Top Employers Institute programme certifies organisations based on the participation and results of their HR Best Practices Survey. This survey covers six HR domains consisting of 20 topics including People Strategy, Work Environment, Talent Acquisition, Learning, Diversity, Equity & Inclusion, Wellbeing and more.

Being named as a Global Top Employer for a second year in a row is recognition of Absa’s inclusive and engaging culture as well as its innovative working environment. We are continually striving to maintain a workplace where employees feel empowered and well-supported. We are delighted that these efforts are being recognised.

We strive to care for the development and wellbeing of our people. We believe that by doing so, we collectively enrich the world of work.

Absa emerging as the top employer has also been on account of our employee wellness programmes, which are aimed at ensuring the mental and physical wellbeing of our employees. We believe that if we take care of employees through the different wellness and employee welfare programmes, then they are able to extend that to our customers. It is against this background that, as part of our endeavour to attract and retain talent, we have created a workplace that is vibrant, fun and a great place to work, encouraging our colleagues to learn, explore and innovate.

This is bolstered through bespoke programmes designed to nurture talent, developing much-needed skills required by the organisation, ensuring that they remain marketable and equipped to take up strategic roles across the business. This is imperative in a rapidly evolving world of work which has been characterised by major shifts in the way that financial institutions operate.

Other than attracting and retaining top talent, we also have programmes through which we scout for new talent getting into the job market. We have a paid internship programme that gives young men and women an opportunity to train with us for three months. Last year, we had our graduate trainee programme where we onboarded different people to different departments. These graduate interns are currently going through training and being equipped with the necessary skills to take over the mantle in the coming years.

“ Being named as a Global Top Employer for the second year in a row is recognition of Absa’s inclusive and engaging culture as well as its innovative working environment.” ”

2,300+

Absa Bank Kenya PLC was named as Top Employer 2023 in Kenya and Africa for the second consecutive year by the Top Employers Institute for excellence in people practices and its impact in enriching the work environment. The programme has certified and recognised over 2,300 Top Employers in 122 countries/regions across five continents.

3. Regulators

Absa Kenya’s commitment to sustainability is exemplified by its alignment with the Central Bank of Kenya’s Guidance on Climate-related risks. The Bank has recognised that climate change poses both risks and opportunities for the financial sector. By adhering to the guidance, Absa Kenya has integrated climate-related considerations into its risk management framework, ensuring the identification, assessment, and mitigation of climate-related risks. This alignment has enabled the Bank to proactively address the challenges posed by climate change and contribute to a more sustainable future.

Impacts on stakeholders:



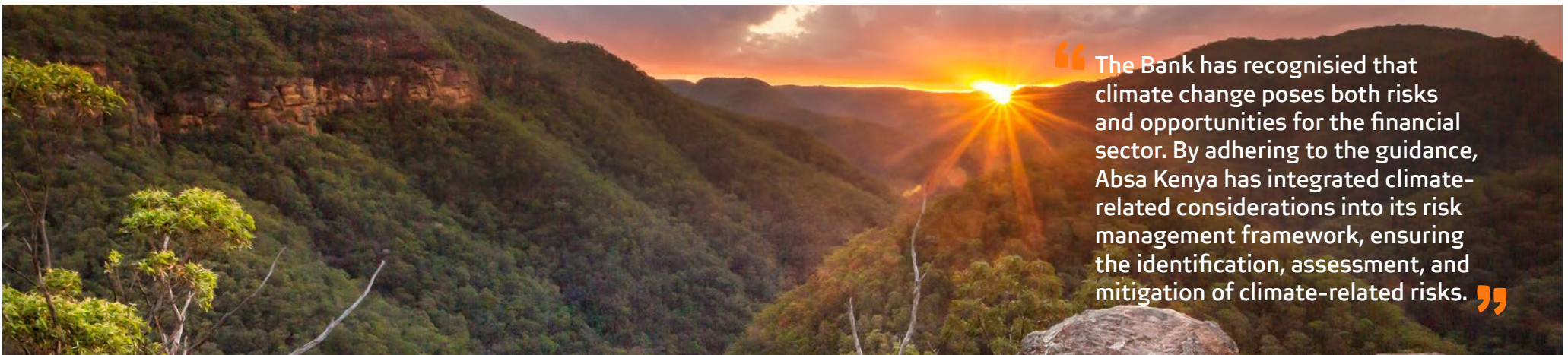
1 Customers and Clients: Absa Kenya’s alignment with the Central Bank of Kenya’s guidelines has had a positive impact on its customers and clients. The Bank has developed sustainable financing solutions that promote environmentally friendly practices and support the transition to a low-carbon economy. This has not only attracted environmentally conscious customers but has also allowed existing clients to access funding for their sustainable initiatives. By providing sustainable financial products and services, Absa Kenya has positioned itself as a trusted partner in the journey towards sustainability.



2 Employees: The Bank’s commitment to sustainability has also resonated with its employees. By aligning with the Central Bank of Kenya’s guidance, Absa Kenya has demonstrated its dedication to responsible business practices, fostering a sense of pride and purpose among its workforce. Employees are more likely to be motivated and engaged when working for an organisation that prioritises sustainability. Absa Kenya’s alignment has also created opportunities for employees to contribute to sustainability initiatives, further enhancing their job satisfaction and sense of fulfilment.



3 Investors: As a publicly-listed entity, Absa Kenya’s alignment with the Central Bank of Kenya’s guidance on climate-related risks has had a significant impact on its investors. Increasingly, investors are considering environmental, social, and governance (ESG) factors in their investment decisions. By integrating sustainability practices into our operations, Absa Kenya has not only attracted investors who prioritise ESG considerations but has also enhanced its reputation as a responsible and forward-thinking financial institution. This alignment has the potential to drive long-term value for the Bank and its shareholders.



“ The Bank has recognised that climate change poses both risks and opportunities for the financial sector. By adhering to the guidance, Absa Kenya has integrated climate-related considerations into its risk management framework, ensuring the identification, assessment, and mitigation of climate-related risks. ”

Corporate Citizenship Strategy

At Absa Kenya, our commitment to corporate citizenship goes beyond just words. We have a well-defined strategy in place that focuses on creating shared value for all stakeholders. What sets us apart is our unwavering dedication to putting the societies and communities we serve at the very heart of our operations.

Financial Inclusion through Entrepreneurship

Ambition

Empower Africa's development and growth, enabling intergenerational inclusion through entrepreneurship to tackle socioeconomic ills.

Primary focus

Community-led

Sector-led

Digital transformation-led

Target beneficiaries

Women | Youth | Enterprises

Pillars

Education and enablement

Facilitation of ecosystem

Enabling resources

Incubation and acceleration

Advocacy, applied measurement and policy influence

Citizenship Strategic themes

Financial Inclusion and Consumer Education

Entrepreneurship and Employability Interventions

Colleague Volunteering

Social Impact Response

Policy Influence, Applied Measurements, and Thought Leadership

2023 Citizenship Achievements



Total Citizenship investment
KES 150Mn



Over **20,000** Youth reached through R2W



Over **15,000** WSMEs trained on financial literacy



+700k* Trees planted



Over **200** Colleagues volunteered in various citizenship initiatives with over *1,200 hours



KES 3.7 million Towards humanitarian relief and colleague volunteering



Over **1Mn** individuals supported through access to finance



Over **50,000** households reached through personal lending



+4,000 SMMEs supported through access to finance

Case Study

Computers for Schools

In line with our sustainability agenda and commitment to equipping learning institutions with the installation of over 1,500 fully networked computers, we have installed 65 computer labs in various schools in the country.

As part of the 2023 initiatives, our Customer Network Director, Peter Mutua, led a team of colleagues in a handover ceremony at St Joseph Seminary in Mwingi. On the other hand, Mumbi Kahindo, our Human Capital Head, led another team to Vidhu Ramji Secondary School in Murang'a County, while Kenneth Kanyarati, our Compliance & Legal Director, led a team to St. Antony Primary School and Uhuru Secondary School in Nakuru County.

The computers provided to various schools are equipped with relevant software to improve digital literacy in the country, enhancing information accessibility and digital literacy skills.

Through this initiative, we provide school-going children with ready access to digital learning tools while narrowing the digital divide, promoting digital literacy in remote areas of the country and supporting children and the youth to compete against their peers across the globe.

We are committed to being a catalyst



“ We are committed to being a catalyst for positive change in our communities, which is our contribution towards a more inclusive and prosperous future. ”

for positive change in our communities, which is our contribution towards a more inclusive and prosperous future.

Another school that has benefitted is Greenland Girls School in Kajiado

County. The Absa team visited the school where it donated foodstuff and equipped a computer laboratory as part of our sustainability and citizenship initiatives.

Greenland School admits teenage mothers of school-going age from Kajiado County and surrounding areas and provides them with the opportunity to learn while raising their children. In addition to providing an enabling environment, the school also provides them with learning materials, boarding facilities, and other necessities for themselves and their children on-site.



Supporting avocado farmers

In 2023, Absa Bank Kenya was named the best partner bank in avocado value chain financing for the second year in a row at the Avocado Society dinner.

Speaking at the event, Ernest Muthomi, CEO of the Avocado Society of Kenya, praised the Bank's efforts in providing financial solutions to farmers, aggregators, processors, and exporters along the value chain, which he noted has contributed to Kenya's avocado exports ranking sixth globally.

On his part, Absa's Country Agriculture Specialist, Daniel Munyambu, reiterated the Bank's commitment to supporting the agricultural sector and the avocado value chain by promoting access to actionable information, access to markets, access to coaching and mentorship, and access to sustainable finance. This aligns with the Bank's purpose of empowering Africa's tomorrow together, one story at a time.

Case Study

Post-harvest loss management interventions

Post-harvest losses are a major challenge for farmers in Kenya. Estimated to be between 20 percent and 30 per cent, post-harvest losses affect not just the income of farmers but also impact on food security by driving the cost of food in the country up.

We have partnered with different players in the agricultural sector to try and minimise the losses that farmers incur in handling their produce after harvesting.

In the horticulture value chain, Absa Bank Kenya has partnered with Fresh Produce Consortium, Kenya and Moving Frontiers in post-harvest loss management interventions. Together, we sought to address the challenges of post-harvest losses in the fresh produce sector of Kenya.

These challenges, including inadequate knowledge in postharvest handling, poor farming practices, unpredictable weather patterns, and limited resources for infrastructure, result in significant food loss, waste, and financial setbacks.

Recognising the impact of these challenges on overall production, training sessions were organised aimed at enhancing the capacity of stakeholders and guiding them on securing funding to bolster their production efforts. The training sessions were conducted at various locations across the country, namely Nakuru, Mwea, Embu, Meru, Nanyuki, Murang'a, Thika and Nairobi.

Absa in collaboration with the Cereal Growers Association (CGA) and Moving Frontiers, facilitated a

training session whose overall objective was to promote the use of post-harvest loss reducing practices and technologies among cereals traders, and hence increase farm profits.

We also organised a training for dairy farmers that focused on handling post-harvest loss and financial literacy to enable farmers to improve farm profitability and productivity. It also covered dairy feeding and rations and cow housing and comfort, to address existing constraints at the farm level.

These trainings were jointly delivered by Perfometer and Moving Frontiers. The training sessions targeted farmers who are members of dairy processors such as Fresha Limited, Kirima Dairy, Aspendos Dairy, and Demka Dairy. The training was conducted in September and October 2023 in two model farms i.e Meved Dairy Farm in Mwea and Risa Farm in Limuru. In total, 54% of participants trained were women. This initiative is part of Absa's involvement in enhancing sustainability practices in various agricultural value chains as a partner of the Eco-Business Fund.



54%

In total, 54% of participants trained were women. This initiative is part of Absa's involvement in enhancing sustainability practices in various agricultural value chains as a partner of the Eco-Business Fund.





Economic Impact

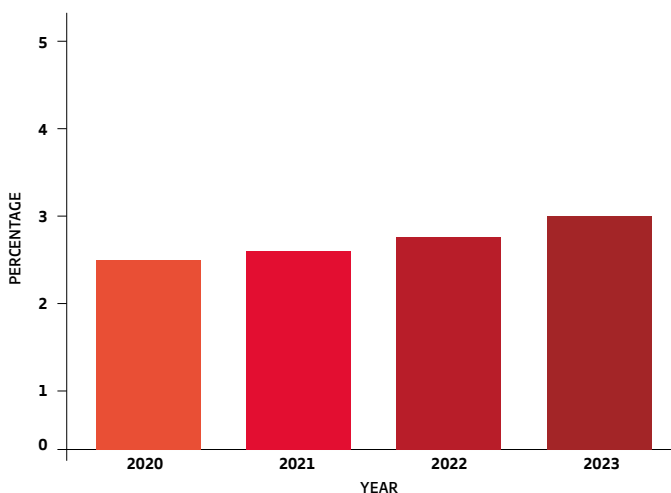
Economic Contribution
Tax Management

80
81

Economic Contribution

At Absa Kenya, we track our economic contribution using the United Nations Conference on Trade and Development (UNCTAD) economic indicator to calculate our impact on Kenya’s GDP for the financial year. Our goal is to enhance value for our stakeholders and make a consistent and meaningful contribution to Kenya’s economic growth. Moving forward, we are committed to improving both our direct and indirect contributions to further support the development of the country’s economy.

Our contribution to Kenya’s GDP



“ Our goal is to enhance value for our stakeholders and make a consistent and meaningful contribution to Kenya’s economic growth. ”

Value created for stakeholders

<p>Employee wages and benefits</p> <p>Total payroll, employee taxes to government, levies, unemployment fund, pensions, insurance, fleet and private health, other employee support, e.g., housing, interest-free loans, public transport assistance, educational grants, excluding employee training costs.</p> <p>2022: KES. 10.9bn 2021: KES. 9.2bn</p>	<p>2023 KES. 11.7bn</p>
<p>Payments to providers of capital</p> <p>Dividends to all shareholders, plus interest payments made to providers of loans (interest on all forms of debt and borrowings, not only long-term debt).</p> <p>2022: KES. 7.3bn 2021: KES. 6bn</p>	<p>2023 KES. 8.4bn</p>
<p>Payments to government</p> <p>All of the organisation’s corporate taxes plus related penalties paid at the international, national and local levels.</p> <p>2022: KES. 6.1bn 2021: KES. 4.7bn</p>	<p>2023 KES. 16.2bn</p>
<p>Community investments</p> <p>Voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the organisation e.g. contributions to charities, NGOs, government and research institutes. Citizenship budget spend, scholarships, community CSR partnerships.</p> <p>2022: KES. 150m 2021: KES. 200m</p>	<p>2023 KES. 150m</p>
<p>Total capital financing</p> <p>Total loans disbursed to businesses, individuals, government parastatals, agencies, NGOs, groups, including digital platforms.</p> <p>2022: KES. 283.6bn 2021: KES. 234.2bn</p>	<p>2023 KES. 335.7bn</p>
<p>Green investment</p> <p>Budget spend on net-zero, e.g. low-carbon power generation, EV, energy efficiency such as retrofits, smart meter readers, pollution controls, recycling, e.g. computers, plastic waste, water management.</p> <p>2022: KES. 60m 2021: KES. 300m</p>	<p>2023 KES. 26.1bn</p>
<p>Local procurement</p> <p>Purchase of goods and services from domestic suppliers.</p> <p>2022: KES. 3.7bn</p>	<p>2023 KES. 4.5bn</p>

Tax Management

Most institutional investors in Kenya, particularly those associated with Absa Bank, are increasingly wary of the growing regulatory risks they face. Of particular concern is the impact that changes in the tax laws and regulations may have on their earnings. These changes could potentially affect the profitability of institutional businesses and require them to adapt their strategies accordingly.

Additionally, institutional investors are closely monitoring the macroeconomic environment, with a specific focus on the depreciation of the Kenyan Shilling. The devaluation of the currency poses a challenge for businesses, as it leads to inflationary pressures that can impact both their operations and the wallets of consumers. This concern highlights the need for businesses to carefully navigate the changing economic landscape, making strategic decisions to mitigate the potential risks associated with currency depreciation and inflation. Absa Bank Kenya recognises the importance of addressing these concerns and is committed to supporting institutional investors in navigating these challenges and maximising their potential for success.

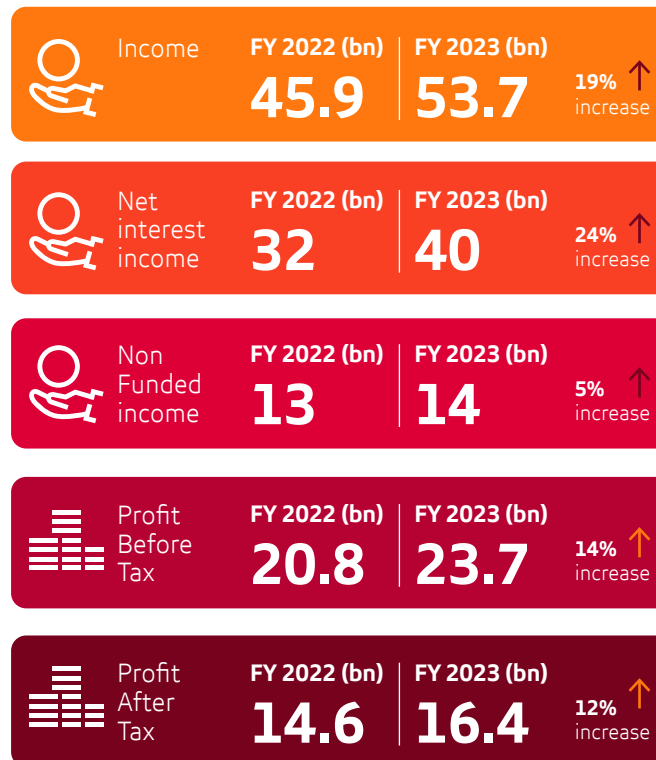
The Finance Act, 2023 introduced significant tax changes that have impacted Absa Kenya, its colleagues, and customers either directly or indirectly. The Bank has implemented several tax changes that directly affect its operations. These changes include:

- i. Reduction in Excise Duty on money transfer services:** The Finance Act, 2023 reduced the Excise Duty on money transfer services from 20% to 15%. This reduction aims to lower the cost of transacting and doing business.
- ii. Introduction of additional employment taxes:** The Act introduced new employment taxes, including the Affordable Housing Levy and new tax rates for high-income earners. The Affordable Housing Levy is set at 1.5% of gross salary, with the employer matching the contribution. Additionally, high-income earners with income above KES 500,000 and below KES 800,000 are subject to a tax rate of 32.5%, while those with income above KES 800,000 are subject to a tax rate of 35%.

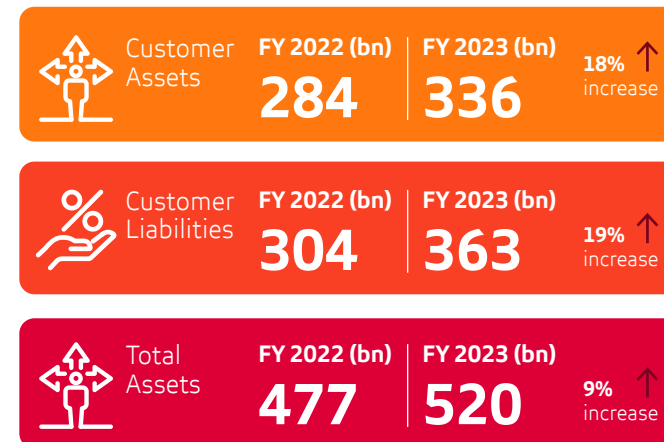
- iii. Increased frequency of remittance of Agency Taxes:** The Act increased the frequency of remittance of Agency Taxes collected by the Bank on behalf of the government. The Bank is now required to remit these taxes every five working days, as opposed to once a month.
- iv. Increased Value Added Tax (VAT) rate on petroleum products:** The Act raised the Value Added Tax (VAT) rate on petroleum products from 8% to 16%. This increase resulted in a significant rise in the cost of goods and services.

These tax changes have various impacts on the Bank, its colleagues, and customers. The reduction in Excise Duty on money transfer services reduced transaction costs and made it more affordable for customers to transact. However, the increased VAT rate on petroleum products led to higher costs for goods and services. The introduction of additional employment taxes, such as the Affordable Housing Levy and new tax rates for high-income earners, affected both employees and employers.

P&L Indicators



Balance Sheets



“ The reduction in Excise Duty on money transfer services is expected to reduce transaction costs and make it more affordable for customers to transact. However, the increased VAT rate on petroleum products may lead to higher costs for goods and services. ”

2024 Sustainability Outlook



Among these commitments, our primary focus is to achieve a net zero status by 2050 at the portfolio level, acknowledging the paramount importance of integrating climate change risk into our operations.

In recent years, sustainability has taken centre stage as a crucial focus area for organisations worldwide, and Kenya’s corporate landscape is no exception. Today, sustainability has become deeply ingrained in the policies of various organisations, and the government itself has embraced sustainable practices, with different ministries, departments, and agencies actively adopting eco-friendly approaches and initiatives aimed at

expanding the country’s forest cover.

At Absa Kenya, we have long been advocates for sustainable operations, not only for our business but also for our partners. In alignment with this commitment, we have already invested KES 60 billion in various ventures and financing activities aimed at reducing and mitigating the impact of climate change and

promoting socioeconomic development. Looking ahead, we have ambitious plans to double this investment to at least KES 120 billion.

Our dedication to sustainability is further exemplified by the ongoing implementation of our Sustainability strategy, which we launched in 2020. This comprehensive strategy revolves around 13 key areas where we have made unwavering commitments that we are determined to fulfil. Among these commitments, our primary focus is to achieve a net zero status by 2050 at the portfolio level, acknowledging the paramount importance of integrating climate change risk into our operations. The recent occurrences of flooding and severe drought in Kenya serve as stark reminders of the profound impact climate change has on the country’s social and economic fabric.

Aligned with our mission to promote economic empowerment and inclusion, Absa Kenya is determined to achieve a Supplier Diversity target of 30% by 2025. We recognise the immense value that diverse suppliers bring to our organisation, and we are committed to creating opportunities for underrepresented businesses to thrive and contribute to Kenya’s economic growth.

Furthermore, we are proud to reiterate our pledge to plant 10 million trees in Kenya by 2032. As an environmentally conscious organisation, Absa Kenya acknowledges the urgent need to combat climate change and protect our precious natural resources. Through this initiative, we aim to restore and preserve Kenya’s biodiversity, mitigate carbon emissions, and create a greener and more sustainable future for generations to come.

Given the urgency of the climate change crisis, it is imperative for all stakeholders, including corporations and regulators, to take swift action. At Absa Kenya, we are actively bolstering our climate and sustainable financing activities, with the aim of positioning ourselves as a trailblazer in the realm of sustainable finance. Together, let us forge ahead and address the challenges of climate change, ensuring a brighter and greener future for Kenya and beyond.

GRI Checklist

Statement of use	Absa Kenya has reported in accordance with the GRI Standards for the period 2023 January and December.
GRI 1 used	GRI 1: Foundation 2021

Disclosures Title	Section Title	Disclosure Reference	Omission
General Disclosures			
GRI 2: General Disclosures 2021			
2-1 Organisational details	Absa Kenya at a Glance	Page 10	
2-2 Entities included in the organisation’s sustainability reporting	Scope and Purpose	Page 4	
2-3 Reporting period, frequency and contact point	Reporting period	Page 4	
2-4 Restatements of information	Disclosures	Page 4	
2-5 External assurance	Disclosures	Page 4	
Activities and workers			
2-6 Activities, value chain and other business relationships	Client-facing structure	Page 53	
2-7 Employees	Absa Kenya at a Glance	Page 10	
2-8 Workers who are not employees			Information Unavailable
Governance			
2-9 Governance structure and composition	Our Corporate Governance	Page 58	
2-10 Nomination and selection of the highest governance body	Our Corporate Governance	Page 58	
2-11 Chair of the highest governance body	Our Corporate Governance	Page 58	
2-12 Role of the highest governance body in overseeing the management of impacts	Our Corporate Governance	Page 59	
2-13 Delegation of responsibility for managing impacts	Our Corporate Governance	Pages 57-61	
2-14 Role of the highest governance body in sustainability reporting	Our Corporate Governance	Pages 57-61	
2-15 Conflicts of interest	Our Corporate Governance	Page 57	
2-16 Communication of critical concerns	Our Corporate Governance	Pages 57-61	
2-17 Collective knowledge of the highest governance body	Our Corporate Governance	Pages 57-61	
2-18 Evaluation of the performance of the highest governance body		Integrated Report Pages 89-91	Information Unavailable
2-19 Remuneration policies	Our Corporate Governance	Pages 58-61 Integrated Report Pages 96, 106	
2-20 Process to determine remuneration		Integrated Report Pages 105 -109	Information Unavailable
2-21 Annual total compensation ratio		Integrated Report Page 239	Information Unavailable

GRI Checklist - continued

Disclosures Title	Section Title	Disclosure Reference	Omission
Strategy, policies and practices			
2-22 Statement on sustainable development strategy	Our 13 Corporate Sustainability Strategy	Page 13	
2-23 Policy commitments	Our Sustainability Risk Policy	Pages 29-31	
2-24 Embedding policy commitments	Our Sustainability Risk Policy	Pages 29-31	
2-25 Processes to remediate negative impacts	Material Topics	Page 33	
2-26 Mechanisms for seeking advice and raising concerns	Risk Management	Pages 30-31	
2-27 Compliance with laws and regulations	Risk Management Compliance	Pages 30-31 Page 51	
2-28 Membership associations	Our 13 Sustainability Commitments	Page 24	
Stakeholder engagement			
2-29 Approach to stakeholder engagement	Stakeholder Analysis Matrix	Pages 25-27	
2-30 Collective bargaining agreements	Material Topics	Pages 38-39	
Economic			
GRI 201: Economic Performance			
Disclosure 201-1 Direct economic value generated and distributed	Economic Impact	Page 80	
Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Our Sustainability Risk Policy	Pages 30-31	
Disclosure 201-3 Defined benefit plan obligations and other retirement plans			Information Unavailable
Disclosure 201-4 Financial assistance received from government			Information Unavailable
GRI 202: Market Presence			
Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Social and Citizenship Strategy	Pages 72-74	
Disclosure 202-2 Proportion of senior management hired from the local community			Information Unavailable
GRI 203: Indirect Economic Impacts			
Disclosure 203-1 Infrastructure investments and services supported	Environment and Biodiversity	Pages 66-68	
Disclosure 203-2 Significant indirect economic impacts	Economic Impact	Pages 22-24 Page 80	
GRI 204: Procurement Practices			
Disclosure 204-1 Proportion of spending on local suppliers	Material Topics	Page 44	
GRI 205: Anti-corruption			
Disclosure 205-1 Operations assessed for risks related to corruption	Economic Impact	Page 81	
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	Social and Citizenship Strategy	Pages 72-73	
Disclosure 205-3 Confirmed incidents of corruption and actions taken			Not Reported
GRI 206: Anti-competitive Behaviour			
Disclosure 206-1 Legal actions for anti-competitive behaviour, antitrust, and monopoly practices			Not Reported

GRI Checklist - continued

Disclosures Title	Section Title	Disclosure Reference	Omission
GRI 207: Tax			
Disclosure 207-1 Approach to Tax	Economic Impact	Page 81	
Disclosure 207-2 Tax Governance, Control and Risk Management	Economic Impact	Page 81	
Disclosure 207-3 Stakeholder Engagement and Management of Concerns related to tax	Economic Impact	Page 81	
Environmental			
GRI 301: Materials			
Disclosure 301-1 Materials used by weight or volume			Not Reported
Disclosure 301-2 Recycled input materials used			Not Reported
Disclosure 301-3 Reclaimed products and their packaging materials			Not Reported
GRI 302: Energy			
Disclosure 302-1 Energy consumption within the organisation	Performance against our 13 Sustainability Commitments	Page 23	
Disclosure 302-2 Energy consumption outside of the organisation			Not Reported
Disclosure 302-3 Energy intensity			Not Reported
Disclosure 302-4 Reduction of energy consumption			Not Reported
Disclosure 302-5 Reductions in energy requirements of products and services			Not Reported
GRI 303: Water and Effluents			
Disclosure 303-1 Interactions with water as a shared resource	Environment and Biodiversity	Page 68	
Disclosure 303-2 Management of water discharge-related impacts			Information Unavailable
Disclosure 303-3 Water withdrawal			Information Unavailable
Disclosure 303-4 Water discharge			Information Unavailable
Disclosure 303-5 Water consumption	Environment and Biodiversity	Page 68	
GRI 304: Biodiversity			
Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Not Reported
Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity	Environment and Biodiversity	Pages 64-66	
Disclosure 304-3 Habitats protected or restored			Information Unavailable
Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Information Unavailable
GRI 305: Emissions			
Disclosure 305-1 Direct (Scope 1) GHG emissions	Performance against our 13 Sustainability Commitments	Page 23	
	Environment and Biodiversity	Page 65	



GRI Checklist - continued

Disclosures Title	Section Title	Disclosure Reference	Omission
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Performance against our 13 Sustainability Commitments Environment and Biodiversity	Page 23 Page 65	
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Performance against our 13 Sustainability Commitments Environment and Biodiversity	Page 23 Page 65	
Disclosure 305-4 GHG emissions intensity			Information Unavailable
Disclosure 305-5 Reduction of GHG emissions	Materiality Topics	Page 34	
Disclosure 305-6 Emissions of ozone-depleting substances (ODS)			Not Applicable
Disclosure 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions			Not Applicable
GRI 306: Effluents and Waste			
Disclosure 306-1 Water discharge by quality and destination			Not Reported
Disclosure 306-2 Waste by type and disposal method	Performance against our 13 Sustainability Commitments Environment & Biodiversity	Page 23 Page 68	
Disclosure 306-3 Significant spills			Not Applicable
Disclosure 306-4 Transport of hazardous waste			Not Applicable
Disclosure 306-5 Water bodies affected by water discharges and/or runoff			Not Applicable
GRI 307: Environmental Compliance			
Disclosure 307-1 Non-compliance with environmental laws and regulations			Information Unavailable
GRI 308: Supplier Environmental Assessment			
Disclosure 308-1 New suppliers that were screened using environmental criteria	Material Topics	Page 44	
Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken			Information Unavailable
Social			
GRI 401: Employment			
Disclosure 401-1 New employee hires and employee turnover	Material Topics Social and Citizenship Strategy	Page 38 Pages 70-72	
Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees			Not Reported
Disclosure 401-3 Parental leave			Information Unavailable
GRI 402: Labour/Management Relations			
Disclosure 402-1 Minimum notice periods regarding operational changes			Not Reported

GRI Checklist - continued

Disclosures Title	Section Title	Disclosure Reference	Omission
GRI 403: Occupational Health and Safety			
Disclosure 403-1 Occupational health and safety management system	Material Topics Social and Citizenship Strategy	Pages 37-39 Page 71	
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation			Not Reported
Disclosure 403-3 Occupational health services			Information Unavailable
Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety			Information Unavailable
Disclosure 403-5 Worker training on occupational health and safety			Information Unavailable
Disclosure 403-6 Promotion of worker health			Information Unavailable
Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Information Unavailable
Disclosure 403-8 Workers covered by an occupational health and safety management system			Information Unavailable
Disclosure 403-9 Work-related injuries			Information Unavailable
Disclosure 403-10 Work-related ill health			Information Unavailable
GRI 404: Training and Education			
Disclosure 404-1 Average hours of training per year per employee			Not Reported
Disclosure 404-2 Programme for upskilling employee skills and transition assistance programmes	Performance against our 13 Sustainability Commitments Social and Citizenship Strategy	Page 22 Page 72	
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews			Not Reported
GRI 405: Diversity and Equal Opportunity			
Disclosure 405-1 Diversity of governance bodies and employees	Material Topics	Pages 36-39	
Disclosure 405-2 Ratio of basic salary and remuneration of women to men	Social and Citizenship Strategy	Page 72	
GRI 406: Non-discrimination			
Disclosure 406-1 Incidents of discrimination and corrective actions taken	Stakeholder Analysis Matrix Material Topics Social and Citizenship Strategy	Page 25 Page 38 Page 71	
GRI 407: Freedom of Association and Collective Bargaining			
Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Material Topics	Page 38	
GRI 408: Child Labour			
Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labour	Our Sustainability Risk Policy Social and Citizenship Strategy	Pages 29-31 Page 71	

GRI Checklist - continued

Disclosures Title	Section Title	Disclosure Reference	Omission
GRI 409: Forced or Compulsory Labour			
Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Sustainability Risk Policy Social and Citizenship Strategy	Page 43 Page 71	
GRI 410: Security Practices			
Disclosure 410-1 Security personnel trained in human rights policies or procedures			Information Unavailable
GRI 411: Rights of Indigenous Peoples			
Disclosure 411-1 Incidents of violations involving rights of indigenous peoples			Not Applicable
GRI 412: Human Rights Assessment			
Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	Social and Citizenship Strategy	Page 71	
Disclosure 412-2 Employee training on human rights policies or procedures			Information Unavailable
Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			Information Unavailable
GRI 413: Local Communities			
Disclosure 413-1 Operations with local community engagement, impact assessments, and development programmes	Material Topics	Pages 47-50	
Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Social and Citizenship Strategy	Pages 71-76	
GRI 414: Supplier Social Assessment			
Disclosure 414-1 New suppliers that were screened using social criteria	Material Topics	Pages 44-46	
Disclosure 414-2 Negative social impacts in the supply chain and actions taken	Material Topics		Not Reported
GRI 415: Public Policy			
Disclosure 415-1 Political contributions	Risk Management	Pages 30-31	
GRI 416: Customer Health and Safety			
Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	Material Topics	Pages 54-55	
Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			Not Reported
GRI 417: Marketing and Labelling			
Disclosure 417-1 Requirements for product and service information and labelling			Not Reported
Disclosure 417-2 Incidents of non-compliance concerning product and service information and labelling			Information Unavailable
Disclosure 417-3 Incidents of non-compliance concerning marketing communications			Information Unavailable
GRI 418: Customer Privacy			
Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			Information Unavailable
GRI 419: Socioeconomic Compliance			
Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area			Information Unavailable

UN Global Compact Principles

UN Global Compact Principles	Section/Page
<p>Human Rights</p> <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>Social and Citizenship Page 71</p>
<p>Labour</p> <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Material Topics Page 38</p> <p>Social and Citizenship Strategy Page 71</p> <p>Material Topics Pages 36-39</p>
<p>Environment</p> <p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Environment and Biodiversity Pages 63-68</p>
<p>Anti-Corruption</p> <p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Economic Impact Pages 80-81</p>

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