



# FirstRand

## FIRSTRAND RESPONSIBLE PROCUREMENT POLICY STATEMENT

### INTRODUCTION

FirstRand Limited (FirstRand or the group) is a portfolio of integrated financial services businesses operating in South Africa, certain markets in sub-Saharan Africa and the UK. Many of these businesses are leaders in their respective segments and markets, and offer a broad range of transactional, lending, investment and insurance products and services.

As a large financial services business, FirstRand recognises that its procurement function can play a powerful role in addressing socioeconomic challenges through its purchasing strategies and the transformation of supply chains. FirstRand is committed to sustainable procurement practices that promote positive social, environmental and economic outcomes while minimising adverse effects. This includes procurement programmes that promote diversity, equity and inclusion, and responsible environmental, labour and human rights practices.

### PURPOSE

This policy statement summarises the group's approach to responsible procurement and the management of associated risks and opportunities. This policy statement is supported by detailed underlying policies as listed in the annexure.

### SCOPE

This policy statement applies to employees of and suppliers to all entities/businesses under FirstRand's control and supports the Ethics checks for employees and suppliers as outlined in the FirstRand code of ethics.

### GUIDING PRINCIPLES FOR FIRSTRAND'S RESPONSIBLE PROCUREMENT

FirstRand promotes responsible procurement by identifying and managing procurement risks and opportunities in its supply chain.

The following key responsible procurement principles have been identified, as set out in the FirstRand group supplier code of conduct:

- Diversity, equity and inclusion.
- Responsible environmental practices.

- Human rights and responsible labour practices.
- Anti-bribery and corruption.

### **Diversity, equity and inclusion**

The group encourages the inclusion and support of diverse suppliers in its supply chain. Diverse suppliers are defined as:

- small and medium-sized enterprises as vehicles of job creation;
- enterprises owned by historically disadvantaged and/or minority group individuals to contribute to a more inclusive economy; and
- enterprises owned by women to enhance gender participation in the economy.

All businesses are also required to comply with relevant procurement legislation in their local jurisdictions, e.g. the South African operating businesses should comply with the Broad-Based Black Economic Empowerment Act and the related Financial Sector Code.

### **Responsible environmental practices**

FirstRand commits to comply with applicable national and international environmental regulatory requirements, as well as internationally acceptable practices and standards (as appropriate) in the jurisdictions in which it operates. Furthermore, FirstRand also expects its suppliers to comply with relevant environmental legislation applicable to:

- the management of air and water quality;
- efficient use of natural resources; and
- the management of waste, recycling of materials and the responsible management of hazardous substances.

The following environmental policies apply to the group's operating businesses:

- FirstRand climate change policy.
- FirstRand environmental sustainability policy statement.

Suppliers may be required to supply evidence of an effective environmental or sustainability policy, certification, statement or programme to ensure they have adequate measures in place to mitigate and manage their environmental and sustainability risks.

### **Human rights and responsible labour practices**

FirstRand commits to comply with applicable national and international human rights and labour rights regulatory requirements as well as internationally acceptable practices and standards (as appropriate) in the jurisdictions in which it operates. FirstRand expects its suppliers to comply with applicable human and labour rights legislation applicable to:

- child labour: as per the set of definitions regarding child labour established by the International Labour Organization (ILO) Minimum Age Convention, 1973 (No. 138);
- forced labour: as per the definition of forced labour in accordance with the ILO Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105);
- freedom of association and collective bargaining;
- non-discrimination of employees;
- anti-harassment and anti-abusive behaviour;
- health and safety in the workplace; and
- wages, working time and benefits to employees.

### **Anti-bribery and corruption**

As described in FirstRand's anti-bribery and corruption policy, the group is committed to the fight against bribery and corruption in its operating businesses, supply chain, communities and broader society. As such, the group expects suppliers to actively prevent, detect and adequately manage any acts of bribery and corruption in their businesses. The FirstRand supplier code of conduct specifically prohibits certain supplier conduct.

In addition to complying with the specific prohibitions in the policy, suppliers must exercise common sense and professional judgement in assessing whether any arrangement could be perceived to be corrupt or otherwise inappropriate.

### **MONITORING AND REPORTING**

Management will continually monitor the effectiveness and implementation of this policy statement and will periodically report on the status of responsible procurement principles to the group's procurement executive committee.

The responsibility to ensure that all group employees and suppliers are aware of and compliant with the requirements of this policy statement and supporting legislation rests with line management, suppliers' key account managers and executive management across the group's operating businesses.

### **ENGAGEMENT AND FEEDBACK**

Contact FirstRand Investor Relations on [investor.relations@firstrand.co.za](mailto:investor.relations@firstrand.co.za).

### **ANNEXURE**

Relevant policies referenced in this document, including the code of ethics, supplier code of conduct, climate change policy, and anti-bribery and corruption policy, can be accessed on the ESG hub on the group's website at <https://www.firstrand.co.za/investors/esg-ressource-hub/policies-and-practices/>.