

TRANSFORMATION AND EMPLOYMENT EQUITY REPORT

2024

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Addressing Transformation And Employment Equity

FirstRand is proud to have achieved a level 1 broad-based black economic empowerment (B-BBEE) rating under the Financial Sector Charter (FSC) scorecard for the past seven financial years. Notwithstanding this achievement, the group acknowledges that true transformation is much broader than scorecards and that it still has more work to do. B-BBEE, as defined in legislation, means the broad-based economic empowerment of all African, Coloured and Indian (ACI) South Africans.

The group considers transformation to be a critical strategic imperative for its business and for the societies it serves. It has five strategic pillars.



Preferential procurement

An organisation’s procurement process can play a powerful role in addressing some of the country’s socio-economic challenges through its purchasing strategies and the transformation of supply chains.

The group continues to focus on transforming its supply chain, specifically focusing on increased spend with:

- 1 SMEs in order to create jobs;
- 2 black-owned suppliers to contribute to a more inclusive economy; and
- 3 black women-owned suppliers to enhance gender participation in the economy.

In 2024, overall group procurement spend increased 3% from the prior year, with:

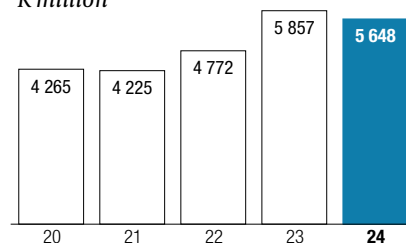
- SME spend decreasing 4%;
- black-owned supplier spend increasing 16%; and
- spend with black women-owned suppliers decreasing 2%.

The procurement team continued to execute on its mandate of sourcing fit-for-purpose goods and services at the most appropriate price without compromising its transformation objectives.

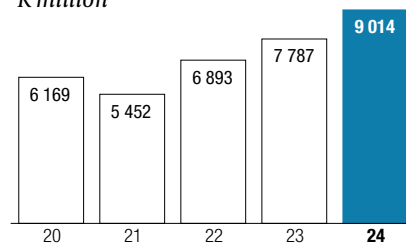
The decrease in SME spend relates to 48 suppliers, representing R932 million of spend, who have grown out of the SME category in the financial year. FirstRand invested in these suppliers’ development in prior years and continues to support them. The slight decrease in spend with women-owned suppliers relates to changes in ownership structure of these companies. The procurement team will focus on reversing these trends in the next financial year.

PREFERENTIAL PROCUREMENT SPEND

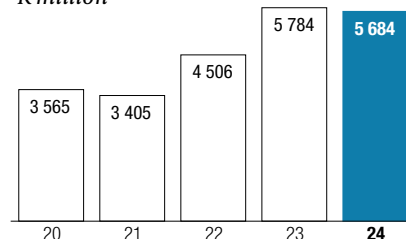
SME Suppliers
R million



Black-owned suppliers
R million

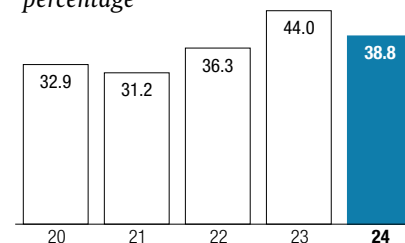


Black women-owned suppliers
R million

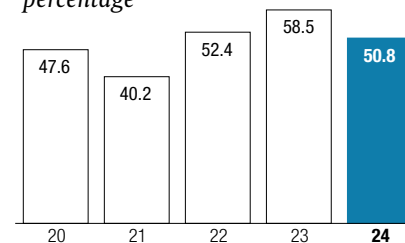


PERCENTAGE OF THE GROUP’S TOTAL PROCUREMENT SPEND

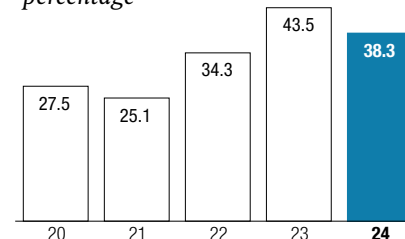
SME Suppliers
percentage



Black-owned suppliers
percentage



Black women-owned suppliers
percentage



In 2024, the Chartered Institute of Purchasing & Supply awarded the group’s procurement team the African continent award for Best Initiative to deliver Social Value through Procurement. The award recognised effective collaboration with the public sector, using the group’s procurement system to source, negotiate and facilitate the procurement process for various public sector entities. The focus was on healthcare initiatives, including refurbishments and equipment for government health facilities.

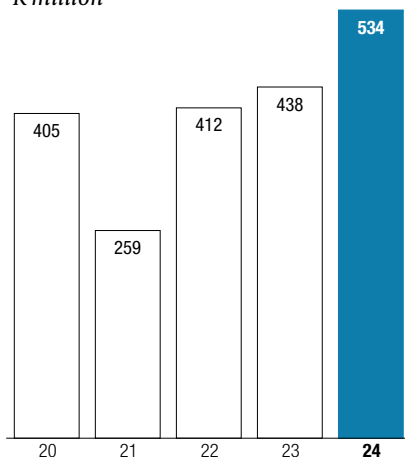
Supplier development programme

Supplier development programmes and initiatives are well positioned to develop black-owned SMEs in the group’s supply chain. Suppliers are upskilled and supported with the aim of increasing their service offerings and business sustainability.

The group’s supplier development programme and preferential procurement strategy are integrated.

Participating black-owned SMEs are selected based on their ability to support localisation and/or job creation with a focus on bank-critical commodities. These commodity groups include infrastructure, debt collection, valuation services, consulting services, and information and communications technology hardware providers.

Supplier development spend*
R million



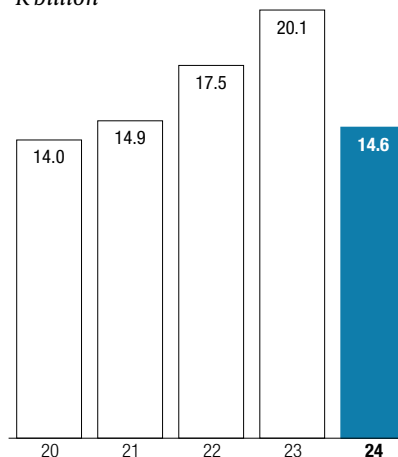
* Includes spend on supplier development programmes, mentorships, advisory support services, etc.

Empowerment financing – black business growth financing

BBGF is a revised category under the amended FSC and replaces the previous categories of black-owned SME lending and BEE transactions.

The criteria for BBGF is to finance black-owned companies that have direct black management and control. A key objective is assisting these businesses to become financially sustainable. Solutions include preferential lending terms and conditions, committing funds to black-owned fund managers, and equity and asset financing at preferential rates.

Lending to BBGF initiatives*
R billion



* In 2024 there was a change in the definition of qualifying transactions.

Employment equity, diversity and inclusion

South Africa remains the group’s primary market, with 40 042 permanent employees (40 133 including temporary employees). ACI employees and female employees make up 84% and 60% of the South African workforce, respectively.

South African workforce demographics at 30 June:

	2024	2023	2022	2021	2020
Total SA employees	40 133	41 498	39 783	39 516	40 829
– Permanent employees	40 042	41 351	39 287	38 854	40 668
– Temporary employees	91	147	496	662	161
ACI employees %	84	83	80	80	80
Female employees %	60	60	60	60	60

Total group workforce demographics at 30 June:

	2024	2023	2022	2021	2020
Total group employees	49 250	50 493	48 059	47 413	49 233
Female employees %	59	60	60	59	59

FirstRand is committed to building an inclusive, diverse and equitable environment where all employees feel they belong. Such an environment enables new thinking, deeper insights and broader perspectives for the benefit of all stakeholders – employees, customers, shareholders and society at large.

Equally, the group remains focused on addressing legally mandated employment equity (EE) requirements from the Department of

Employment and Labour. In 2024, the group reviewed its people policies, practices and procedures in preparation for the anticipated implementation of proposed sectoral targets following amendments to the Employment Equity Act. Until the promulgation of the amended Employment Equity Act, FirstRand continues to track its annual targets. The group believes its policies are non-discriminatory. They are continually reviewed for bias against diversity and inclusion.

Recognising the South African transformation context, the group’s objective is to ensure appropriate representation of women, black people and people with disabilities in the workplace. The group’s EE plan is a key underpin to its transformation strategy.

The group is committed to empowering women by enabling opportunity and success through an environment that promotes gender equality. The group offers development programmes that focus on various competencies, skills and capability shifts. For example, the FNB Atleha development programme is a six-month programme for women in management. The programme is intended to develop women in leadership through the following course objectives:

- explore limiting and enabling mindsets about women in leadership and women in business;
- develop effective communication and engagement styles;
- assist women in building a powerful network of sponsors, mentors and ambassadors;
- enable women to create a career business plan;
- create an understanding that men and women have a role to play in creating a diverse and inclusive organisation;
- equip women with the skills and tools they need to be successful leaders; and
- promote a sustainable platform and community for women to connect in a supportive way.

Since inception in 2021, 204 women have participated in the Atleha programme.

The group continues to advocate for inclusivity and to be visible as an employer of choice for lesbian, gay, bisexual, transgender, queer, intersex, asexual and other (LGBTQIA+) talent. In 2017, FirstRand launched its LGBTQIA+ affinity group Purple, followed by affinity groups in its divisions in 2020. In 2024, the Purple forum continued to host a series of meaningful conversations and events recognising the importance of visibility and unity.

Other diversity, equity and inclusion initiatives implemented by the group in 2024 include:

- **What is in my name:** A group-wide campaign aimed at driving awareness regarding language and the importance of personal narratives.
- **Being human:** A series of curated conversations developed to discuss all things human at work. These conversations focus on personal values and the connection to the FirstRand Promises.
- **Conscious inclusion training:** Aimed at addressing unconscious bias in the workplace to create a culture that embraces diversity and values the unique contributions of all employees, regardless of their background or identity.

With employees living with disabilities making up 2.3% of the total South African workforce, the group has exceeded the proposed 2029 sector target of 2% for employees living with disabilities. The group is deliberate in creating an environment that is conducive for people living with disabilities.

Employment equity, diversity and inclusion *continued*

The following analysis provides workforce diversity information for the group's South African operations and is disclosed on a financial year basis as reported for Department of Employment and Labour and FSC purposes. This overall positive outcome is the result of the intentional development of ACI successors and female leadership development programmes.

SA workforce

Year	Headcount	ACI male %	ACI female %	White and foreign national %
2024	40 042	32	52	16
2023	41 351	32	51	17
2022	39 287	31	51	18
2021	38 854	30	50	20
2020	40 668	30	50	20

Senior management

Year	Headcount	ACI male %	ACI female %	White and foreign national %
2024	2 547	27	23	50
2023	2 567	27	23	50
2022	2 407	27	21	52
2021	2 205	26	18	56
2020	2 075	26	18	56

Junior and middle management

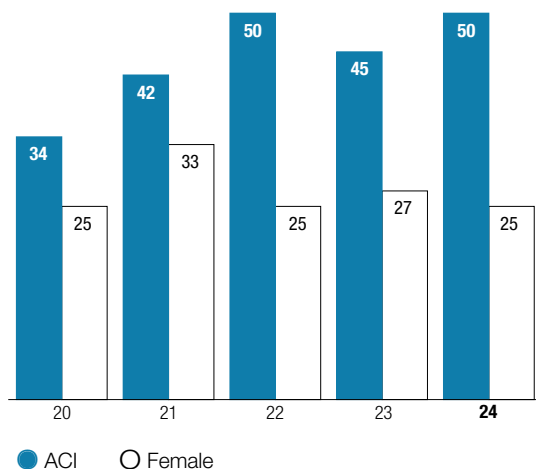
Year	Headcount	ACI male %	ACI female %	White and foreign national %
2024	29 409	33	50	17
2023	30 177	32	50	18
2022	27 998	32	48	20
2021	26 288	31	47	22
2020	27 056	31	46	23

Top management

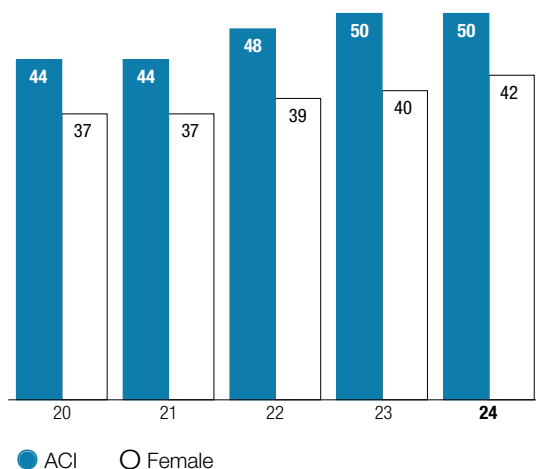
Year	Headcount	ACI male %	ACI female %	White and foreign national %
2024	12	33	17	50
2023	11	27	18	55
2022	12	25	25	50
2021	12	17	25	58
2020	12	17	17	67

Employment equity, diversity and inclusion *continued*

ACI and female representation at top management level
percentage



ACI and female representation at senior management level
percentage



The table below reflects the percentage of ACI and female new hires and promotions over the past year:

	2024	2023
Of total new hires and promotions in South Africa		
ACI	%	%
Senior management ACI – new hires	58	66
Senior management ACI – promotions	68	57
Middle management ACI – new hires	85	88
Middle management ACI – promotions	89	84
FEMALE		
Senior management female – new hires	58	47
Senior management female – promotions	48	47
Middle management female – new hires	49	49
Middle management female – promotions	55	57

The group aimed to achieve the following targets by 2024:

Female* representation targets by 30 June 2024	Actual
33% at top management	25%
39% at senior management	42%
50% at middle management	51%
67% at junior management	69%

* For EE targets, foreign female employees are excluded.

ACI representation targets by 30 June 2024	Actual
50% at top management	50%
49% at senior management	50%
72% at middle management	76%
88% at junior management	91%

FirstRand has achieved most of its 2024 EE targets, apart from female representation in top management.

Progress against targets is achieved through deliberate talent attraction interventions based on a data-driven approach that identifies talent in an unbiased manner. The group also holds its leaders accountable for nurturing talent to create diverse succession pools.



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