



FirstRand

HUMAN RIGHTS FRAMEWORK

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## 1 FOREWORD

FirstRand Limited (FirstRand or the group) respects internationally recognised human rights and recognises that it can contribute to positive human rights outcomes for society.

This human rights framework contains the group's overarching commitment to respect human rights in its business operations and supply chain. This means that the group undertakes to avoid infringing on human rights.

## 2 PURPOSE

The purpose of this framework is to:

- demonstrate the group's commitment to respecting human rights in its business operations and supply chain;
- provide a basis for embedding the responsibility to respect human rights throughout the group's business operations;
- acknowledge that the group operates in several jurisdictions with diverse human rights issues. The framework will be used to provide guidance to internal stakeholders on leadership and management of human rights issues, and to understand and address the human rights concerns of group constituents.
- provide a consolidated view of existing policies and processes which address the management of various human rights obligations;
- provide an overview of the governance, areas of responsibility and management structures for the effective implementation of human rights obligations applicable to the group; and

This document is a governance framework that establishes group-wide human rights responsibilities and obligations that must be embedded in business operations. It also sets out the overarching risk management processes to be adopted to enable a risk-based approach to managing human rights. Operational requirements that are necessary to implement these standards are included in separate group position statements, policies, operating standards and procedures. These documents provide further guidance on controls and processes that should be implemented to manage human rights risks and are listed in Annexure A.

The custodians of this framework will work with and assist business to incorporate human rights standards throughout the group. This is also relevant where the responsibility for the policies and standards is not with the Group Ethics Office.

## 3 SCOPE

This framework applies to all of FirstRand's legal entities, subsidiaries, segments and operating businesses, collectively referred to as the group.

The framework applies to all of the group's business activities. All business relationships with suppliers, vendors and customers are expected to comply with this framework in accordance with the provisions of the FirstRand supplier code of conduct and related policies referred to in Annexure A.

The level of application of this framework within an entity or business operation will be determined using a risk-based approach. The level of application must be agreed upon in consultation with the Group Ethics Office and approved by the relevant governance structures.

#### **4 INTERNATIONAL HUMAN RIGHTS INSTRUMENTS**

The group is committed to respecting human rights in accordance with internationally accepted standards. In formulating the obligations adopted in this framework, regard has been given to the following binding and voluntary standards, laws, and codes, amongst others (refer to Annexure C for more detail):

- the International Bill of Human Rights (including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights);
- local laws, regulations, and prevailing codes of best practice on human rights;
- the United Nations Guiding Principles (UNGPs) on Business and Human Rights;
- the United Nations Global Compact;
- the United Nations Principles for Responsible Banking;
- the United Nations Principles for Responsible Investment;
- the African Charter on Human and Peoples Rights;
- the International Labour Organisation Declaration on Fundamental Principles and Rights at Work; and
- the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

#### **5 HUMAN RIGHTS COMMITMENT**

The group builds trust by respecting the human rights of people in broader society, customers, employees, suppliers, and other stakeholders across the jurisdictions where it operates. The group's reputation relies on a culture of integrity and accountability.

FirstRand's commitment to respecting human rights is integrated into existing business processes and practices including in ethics, governance, human capital, risk management, lending, transactional and social impact activities.

This commitment includes seeking to avoid causing, contributing to, or being directly or indirectly complicit in adverse human rights impacts. FirstRand's employees and suppliers are similarly expected to respect the human rights of others. Where adverse impacts are identified, the group will promptly address and resolve these matters.

FirstRand follows a risk-based approach that prioritises human rights risk management in its operations. Appropriate processes will be applied proportionately to the level of human rights risk exposure presented by or to operations. Remedial measures will be pursued, as appropriate and within the group's sphere of influence.<sup>1</sup>

Whilst the group respects all human rights, it has made the following commitments in relation to its stakeholders.

### **5.1 Employees**

FirstRand commits to:

- valuing diversity and promoting inclusion whilst not tolerating discrimination and/or harassment;
- providing fair remuneration;
- not supporting child, forced-labour or modern slavery;
- promoting employee wellness; and
- encouraging a culture of continuous learning and development.

### **5.2 Suppliers (including vendors and business partners)**

FirstRand commits to:

- communicate its human rights expectations to suppliers at the inception of the relationship, and on an ongoing basis for the duration of the business relationship;
- support or direct suppliers to mitigate the risk of adverse human rights impacts identified, or terminate the supplier relationship, as appropriate;
- conduct due diligence, including on how suppliers respect human rights and avoid modern slavery, to verify if the group's expectations of suppliers are met, and to mitigate any actual or potential adverse human rights impacts. Due diligence will be carried out using a risk-based approach and sources of information may include site visits, sanction screening, media coverage analysis, country risk and other elements in isolation or in combination; and
- take all reports of misconduct seriously.

### **5.3 Clients and customers (individuals, companies)**

FirstRand commits to:

- identify and manage sensitive or excluded activities in financing and investment decisions which may adversely affect human rights;
- holistically evaluate its financing and transactional activities per the group's due diligence, risk assessment and other relevant processes;
- engage with clients to arrive at practical solutions to manage potential sensitivities and risks;
- assess customer desirability through due diligence measures and take appropriate measures where findings reveal an adverse human rights impact; and
- take all reports of misconduct seriously.

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<sup>1</sup> Whilst the UN Global Compact 10 Principles do not define 'sphere of influence', this sphere refers to individuals to whom the company has a certain political, contractual, economic, and geographic proximity. FirstRand's sphere of influence encompasses its employees, customers, third-party service providers (suppliers, vendors, agents), business partners, investors and society.

## 5.4 Vulnerable groups

FirstRand commits to respect and support the rights of vulnerable groups. This is in recognition of the fact that these groups may, in certain circumstances, warrant heightened consideration due to being previously marginalised or otherwise rendered particularly vulnerable to adverse human rights impacts. Vulnerable groups may include, but are not limited to:

- children;
- minority groups;<sup>2</sup>
- indigenous people;
- persons with disabilities; and
- women.

## 6 REPORTING AND REMEDY

FirstRand recognises the right to remedy as an important tool to ensure respect for human rights. To achieve this, FirstRand provides grievance mechanisms, including the group's independent ethics line, where people can report human rights issues related to the group's conduct and activities anonymously, partly anonymously, or confidentially. Further information on the ethics line can be found in Annexure B.

Where the group has caused, contributed to, or was complicit in adverse human rights impacts, it will investigate reports of harm and, where appropriate, address the reported harm within a reasonable timeframe.

FirstRand further expects its suppliers to adopt measures to respect human rights in their supply chains, to adopt fair and confidential grievance mechanisms, and to remedy instances where they have caused or contributed to an adverse human rights impact.

## 7 MONITORING PROGRESS AND GOVERNANCE REPORTING

Embedment of the standards set out in this framework will be monitored through tracking qualitative and quantitative data. This will include data gathered from training and awareness programmes, risk assessments and ethics line incident reporting and remediation data.

Internal reporting on human rights will occur through the FirstRand sustainability and governance executive committee and the FirstRand social ethics and transformation committee (Setcom), which is a subcommittee of the board. Human rights risk prevention and mitigation measures will be published on the group's website in appropriate reports and other appropriate disclosure documents, such as the group's annual statement on modern slavery in terms of section 54 of the UK Modern Slavery Act.

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<sup>2</sup> Article 1 of the UN Declaration on the Rights of Minorities defines minorities based on national, ethnic, cultural, religious, and linguistic identity within their respective territories. However, which groups constitute a minority group is a question of fact and will be determined by considering objective (existence of shared identity) and subjective factors (individuals must identify themselves as part of a minority) advanced by international guidance.

## 8 ROLES AND RESPONSIBILITIES

The FirstRand board is responsible for overseeing and ensuring effective management of human rights impacts and risks. The board has delegated authority for oversight to Setcom and executive responsibility for human rights risk management to the FirstRand sustainability and governance executive committee.

The Group Ethics Office:

- is the custodian of this framework and is responsible for coordinating implementation of the human rights programme across the group;
- reports on human rights risk management to the relevant board subcommittees and management committees; and
- provides strategic direction on human rights focus areas and prioritised risk identification through collaboration with business.

The responsibilities of the group's segments and operating businesses are outlined below:

- Segment chief risk officers, ethics officers, heads of compliance or their delegates are responsible for the development of segment-level operating standards and programmes to support the implementation of this framework.
- Framework implementation will remain the responsibility of the first line of defence in each segment or operating business. As such, all business owners must embed risk-based human rights management in their business processes and systems and ensure that these are supported by appropriate training and awareness interventions. Business owners will also ensure that this framework is distributed to all employees who are affected by this framework.
- Segments/operating businesses will also identify and escalate areas of elevated human rights risk, as well as inadequate or ineffective controls to the Group Ethics Office. Remedial mechanisms to address identified risks must be supported by business.

## 9 FRAMEWORK REVIEW

The framework must, at a minimum, be reviewed annually to ensure it continues to reflect current sound human rights practices and is appropriate for managing the group's human rights risks.

This framework is reviewed and recommended to Setcom for approval by the FirstRand sustainability and governance executive committee.

## 10 ADHERENCE

Wilful and deliberate non-adherence with the human rights framework and its supporting policies, standards and operating procedures can expose the group to significant fines, criminal liability and adverse impacts. The reputational risk arising from non-compliance with human rights obligations will negatively affect the group's ability to attract and retain clients, source funding and participate in certain markets.

Non-adherence by group employees may therefore result in disciplinary action in terms of the group's disciplinary code and relevant procedures.

## ANNEXURE A – RELATED FRAMEWORKS, POLICIES AND PROCESSES

The following codes, policies, frameworks, standards, and processes support and are used to manage human rights and operationalise FirstRand's commitments, as articulated in this framework:

1. FirstRand's business philosophy as captured in the FirstRand Promises: <a href="https://www.firstrand.co.za/the-group/firstrand-philosophy/">https://www.firstrand.co.za/the-group/firstrand-philosophy/</a>
2. FirstRand's code of ethics: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/code-of-ethics.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/code-of-ethics.pdf</a>
3. FirstRand's environmental sustainability policy: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-environmental-sustainability-policy-2022.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-environmental-sustainability-policy-2022.pdf</a>
4. FirstRand health and safety framework and policy: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/FirstRand-group-occupational-health-and-safety-policy-statement.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/FirstRand-group-occupational-health-and-safety-policy-statement.pdf</a>
5. FirstRand ethics line policy statement: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/FirstRand-ethics-line-policy-statement.pdf">FirstRand-ethics-line-policy-statement.pdf</a>
6. The FirstRand human capital manual provides for various policies relating to working conditions, including: hours of work, overtime, occupational health and safety matters, employment equity, employee benefits, FirstRand staff assistance, leave of absence, learning and development, and employee well-being.
7. FirstRand supplier code of conduct: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/2022-supplier-code-of-conduct.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/2022-supplier-code-of-conduct.pdf</a>
8. FirstRand position statements relating to restrictions on the financing of certain sectors/activities. <a href="https://www.firstrand.co.za/media/society/risk/policy-statements-restrictions-on-financing.pdf">https://www.firstrand.co.za/media/society/risk/policy-statements-restrictions-on-financing.pdf</a>
9. Data privacy and protection: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/FirstRand-privacy-policy-statement.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/FirstRand-privacy-policy-statement.pdf</a> <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/group-data-protection-policy-for-suppliers-and-business-partners-2022.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/group-data-protection-policy-for-suppliers-and-business-partners-2022.pdf</a> <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/group-customer-privacy-notice-2023.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/group-customer-privacy-notice-2023.pdf</a>
10. FirstRand anti-bribery and corruption (ABC) framework: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-anti-bribery-and-corruption-policy.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-anti-bribery-and-corruption-policy.pdf</a> <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-anti-bribery-and-corruption-programme-annual-update.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-anti-bribery-and-corruption-programme-annual-update.pdf</a>
11. Environmental and social risk assessment process: <a href="https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-ESRA-report-2023.pdf">https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-ESRA-report-2023.pdf</a>



12. The group's employment equity policy statement:

<https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/FirstRand-employment-equity-policy-statement.pdf>

13. FirstRand's modern slavery statement is an annual statement issued by the group in accordance with S54 of the UK Modern Slavery Act.:

<https://www.firstrand.co.za/media/investors/policies-and-practice/pdf/firstrand-modern-slavery-act-statement.pdf>

## ANNEXURE B – FIRSTRAND ETHICS LINE CONTACT DETAILS

<b>FirstRand ethics line e-mail address</b> <a href="mailto:report@firstrandethicsoffice.com">report@firstrandethicsoffice.com</a>	
<b>FirstRand ethics line website</b> <a href="http://www.firstrandethicsoffice.com">www.firstrandethicsoffice.com</a>	
<b>FirstRand ethics line toll free numbers</b>	
<b>South Africa</b> 0800 00 33 12	<b>Botswana</b> 0800 600 644 (Botswana Telecoms users) 1144 (Orange users) 71119711 (Mascom users) +27 11 929 3332 (call back)
<b>United Kingdom</b> 0808 238 75 00 (including Aldermore)	<b>Ghana</b> 544 315 491 (local) +27 31 571 5077(RSA underpinning number) +27 11 929 3332 (call back)
<b>India</b> 000800 100 79 00	<b>Kenya</b> 0800 722 626 (Safaricom)
<b>Lesotho</b> 80022055 (Econet) +226 31 571 5077 (international call rates) +27 11 929 3332 (call back)	<b>Mauritius</b> 8020270001(Mauritius Telecoms and Orange users)
<b>Mozambique</b> +800 333 312 (Vodacom) +27 11 929 3332 (call back)	<b>Swaziland</b> 8007006 (SPTC) +27 11 929 3332 (call back)
<b>Zambia</b> +260 971 231 250 (Airtel users) 5080 (all networks) +27 11 929 3332 (call back)	<b>Namibia</b> 0800 003 312 (Namibia Telecoms landline) 91847 (MTC) +27 11 929 3334 (call back)
<b>Nigeria</b> 8099937319 (9Mobile) +27 708 060 1872 (Local call rates)	

## ANNEXURE C – INTERNATIONAL HUMAN RIGHTS INSTRUMENTS

Instrument	Available at
Universal Declaration of Human Rights	<a href="#">Universal Declaration of Human Rights   United Nations</a>
International Covenant on Civil and Political Rights	<a href="#">International Covenant on Civil and Political Rights   OHCHR</a>
International Covenant on Economic, Social and Cultural Rights	<a href="#">International Covenant on Economic, Social and Cultural Rights   OHCHR</a>
United Nations Guiding Principles (UNGPs) on Business and Human Rights	<a href="#">guidingprinciplesbusinesshr_en.pdf (ohchr.org)</a>
United Nations Global Compact	<a href="#">The Ten Principles   UN Global Compact</a>
United Nations Principles for Responsible Banking	<a href="#">About the Principles – United Nations Environment – Finance Initiative (unepfi.org)</a>
United Nations Principles for Responsible Investment	<a href="#">What are the Principles for Responsible Investment?   PRI Web Page   PRI (unpri.org)</a>
African Charter on Human and Peoples Rights	<a href="#">African Charter on Human and Peoples' Rights   African Union (au.int)</a>
International Labour Organisation Declaration on Fundamental Principles and Rights at Work	<a href="#">ILO Declaration on Fundamental Principles and Rights at Work (DECLARATION)</a>
OECD Guidelines for Multinational Enterprises on Responsible Business Conduct	<a href="#">OECD Guidelines for Multinational Enterprises on Responsible Business Conduct   en   OECD</a>