

PM SUMMIT

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PRESTIGE AWARDS



The ART in Leadership - Adopt. Relate. Transform.

Sustainability as strategy: Leading projects with purpose and social impact

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Contextualization

- 1 The World Bank has named **the road to net zero**, the **largest capital reallocation of our time**.
- 2 **Three-quarters of the infrastructure** that will exist globally in **2050 is yet to be built**
- 3 **Developing countries must close a \$4 trillion annual SDG financing chasm**
-CPI reveals that **Africa receives a quarter of the funding necessary** to implement NDCs for 2030
-The **top 10 countries account for 50% of total climate finance**
-The bottom 30 countries receive just 10%.
- 4 While Africa accounts for ~17% of the world's population, it **contributes less than 4% of global emissions**. Yet:
-**700 million lack** access to **electricity**
-**411 million lack** access to safe drinking **water**
-**70%** of the rural population **lacks** access to all-season **roads** and reliable, affordable transport.
- 5 **A just and orderly transition is an ubuntu imperative**, one which seeks to integrating ESG principles into the core of how a business operates, grows, and creates value.



1°C

Increase in temperature in Africa



2.0%

Reduction in industrial output for that year



0.67%

Reduction in Africa's annual GDP growth



3.1%

Increase in probable change in leadership



2.7%

Decrease in agricultural output for that year



Despite Africa's marginal contribution to the climate crisis, it stands to suffer disproportionate consequences

Integrating ESG principles into the core of how a business operates, grows, and creates value is an Ubuntu imperative.

Developing countries must close a \$4 trillion annual SDG financing chasm, with a debt servicing burden of \$1.4 trillion.



2050 Net Zero

- To keep global warming to no more than 1.5°C – as called for in the Paris Agreement – emissions need to be reduced by 45% by 2030 and reach **net zero** by **2050**.
- Net zero means **removing** from the atmosphere **as much** greenhouse gas emissions **as we emit**.
- This is how **companies can set credible net zero targets** and tackle climate change.



2030 SDGs

- The 2030 Agenda for Sustainable Development provides a **shared blueprint for peace and prosperity for people and the planet, now and into the future**.
- At its heart are the **17 Sustainable Development Goals (SDGs)**, which are an **urgent call for action by all countries** - developed and developing - in a global partnership.
- **18% of the SDGs are on track**, with nearly half progressing too slowly and close to a fifth even regressing. Moreover, development aid declined by 7% last year, with further cuts experienced in 2025.



2050 Net Zero Commitment with a Just Transition

- South Africa has committed to Net Zero by 2050.
- Submitted Nationally Determined Contribution – national climate action plan – communicating actions to reduce greenhouse gases and actions to build resilience to adapt to the impacts of climate change.
- 2024 saw the **enactment of the landmark Climate Bill**, followed by advancement in the **Sectoral Emissions Targets (SETs)** in 2025.

Sustainability as a business strategy supports the triple bottom line and aligns to the SA ESG commitments.

Absa's sustainability strategy captures our priorities and goals, providing a strong foundation to drive impactful action aligned to our purpose.

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

Drive measurable, material change in our communities, in a way that brings our purpose to life, differentiates us from peers, and strengthens our business.

Pillars

Enabler

Financial inclusion



Our priorities Make intergenerational wealth creation accessible to all.
Our goals

- Equitable access for underbanked communities – individuals and SMEs, with a focus on youth and women
- Full set of clients' financial needs met across transactional banking, credit, insurance, and wealth accumulation
- Cultivate a thriving entrepreneurial ecosystem that empowers individuals and entrepreneurs
- Become a thought leader and trusted partner in financial inclusion through entrepreneurship.

Governance



Our goals **Commit to the highest standards of governance and ethics.**

- Sector-specific pathways defined with a thorough analysis of trade-offs
- Proactive compliance with the highest standards of evidence and ethics across all businesses.

Diversity, equity, inclusion and belonging



Our priorities Enable our employees to bring their true selves to work and be a beacon of inclusion externally across the continent.

- Our goals**
- 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

Corporate Citizenship



Our priorities Address the socio-economic dynamics within our areas of operation and generate

- Our goals**
- Improve financial literacy and expand access to financial services
 - Foster a culture of employee volunteerism for community upliftment
 - Empower communities to promote self-sufficiency and build resilience.

Climate



Our priorities Contribute to Africa's transition in a way that is just and fair.

- Our goals**
- Net zero achieved by 2050
 - Absa established as Africa's leader in sustainable finance
 - Maintain leadership in renewable energy finance.

These pillars and enablers are aligned with the Group's most material sustainability themes, including climate change, financial inclusion, stakeholder trust, and sustainable economic growth.

Our focus groups, interviews and sentiment analysis has established that our stakeholders place high value on social elements.

Heatmap of Absa stakeholders ESG priorities

Priority levels : based on # of responses

High priority Moderate priority Low priority

A. Environmental elements

B. Social elements

C. Governance elements

				Internal		External	
GHG emissions	i Green /transition products	ii Diversity and inclusion	iii Job creation	iv Financial inclusion and accessibility	Client experience	Group-wide risk management	Board policies
Waste management	Climate risk management	Employee engagement	Employee upskilling	Community philanthropy	v ESD /Localisation	Leadership ethics	Reporting and disclosure
Water management	Maintain biodiversity	Fair pay	Employee health & safety	Youth education	Socially-oriented offerings	Board diversity	Organisational investments
		B-BBEE / Transformation		Data security and privacy	Fair pricing	ESG commitments	

- i** *Our E offerings need to be tied with our S offerings...people’s interest in renewables was garnered by loadshedding”*
- ii** *“DFI appetite is immense in wanting to partner with us to support women- owned businesses”, i.e. AfDB gender bond.*
- iii** *Our stakeholders view job creation as crucial for economic development, and look to banks to participate in financing*
- iv** *“Across Africa, we are asked how are we supporting SMEs”*
- v** *“Clients need sustainable supply chains to support their operations”*

Note: Internal stakeholders include board members, the executive committee, cross-regional employees; External stakeholders include governments and regulators, activist groups, retail and corporate customers, suppliers, and investors

Source: For internal stakeholders, Absa suppliers and corporate clients - Stakeholder interactions (Focus groups and interviews); For external stakeholders (excl. suppliers and corp. clients): Alva sentiment analysis

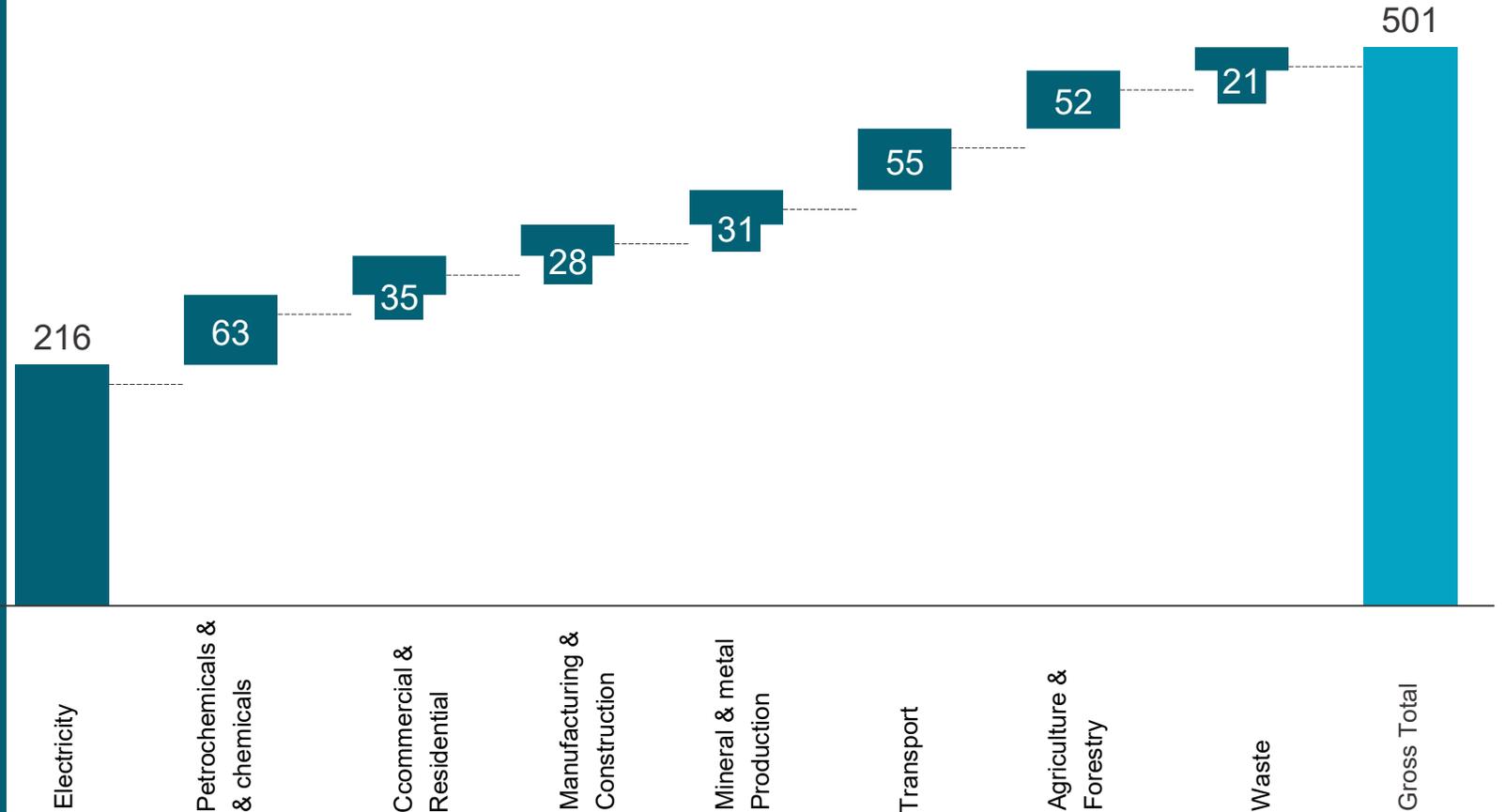
Global floor area expansion



- 1** Three-quarters of the infrastructure that will exist globally in 2050 is yet to be built
- 2** The global building floor area is expected to double by 2060 (~241bn m²) is size of New York City monthly for 40 years
- 3** The NBI estimates that South Africa's building and construction sector requires R57bn (green buildings) and R170bn (retrofit)

Infrastructure is essential for economic growth, poverty reduction, job creation, and sustainability.

Inadequate infrastructure hampers growth and quality of life in developing nations.



The just transition is central to SA's response to climate change - putting the lives and livelihoods of people at the heart of its climate response.

The PCC identifies four necessary sectoral transitions to address climate change and achieve a just transition.



Agriculture

30%

food price increase by 2050

- Agri contributes a third of global GHG emissions
- Small scale agri affects a fifth of SA households
- ~ 70% of all agri income is earned by < 7% of farmers
- 3.2 bn people in agri areas with high water scarcity (+1.2 bn in severely constrained areas)



Water

3%

of global water is freshwater

- 411 million Africans still lack access to safe drinking water
- Snow caps are melting-the largest annual ice mass loss in nearly 50 years of measurements in 2023..
- Rising temperatures can create pathogenic conditions in fresh water



Energy supply

40-45%

of Africans lack energy access

- Energy poverty of 600 million people in Africa
- Transitioning a coal value chain in SA of 150-200 000 jobs
- To decarbonise SA's energy supply, renewable energy needs to be scaled rapidly



Transport automotive

2X

public road transport by 2050

- 70% of the rural population in Africa lack access to all-season roads and reliable, affordable transport service
- An increasing share of vehicle sales will need to be NEV
- Public charging infrastructure will need to increase from c. 300 existing stations to 40 000 by 2035.)

SA requires R334 bn annually to reach net-zero by 2050, nearly three times the current climate investment level.

SA is preparing for one of the largest infrastructure buildouts in its history: expanding its electric transmission by nearly half by 2030.

Renewable Energy Independent Power Producer Procurement Programme...

Independent Transmission Programme...

Purpose

Procures renewable energy generation from private Independent Power Producers (IPPs).

Enables private sector participation in the development, financing, and operation of transmission infrastructure.

Ownership

IPPs own and operate generation assets.

Transmission assets are not privately owned; private sector builds and operates under agreements with the state.

Procurement model

Competitive bidding through bid windows managed by the IPP Office.

Similar competitive procurement model, but adapted for transmission projects.

Strategic role

Supports energy transition by adding clean generation capacity.

Unlocks grid capacity to integrate renewables and support economic growth.

A real test of reform: If capital, regulation, and market design can converge to make this buildout bankable.

Amidst rising youth unemployment and ongoing brain drain, SA urgently needs to prepare its workforce for the jobs of the (ESG) future.

The state of project management in South Africa is not at the requisite level to address the pressing needs of the country.

The state of project management in SA:

- Only **2.5% of companies complete** their projects **on time** and **within scope**.
- **31% of development programmes** are cancelled before completion.
- On average, projects experience **27% cost overruns**, with some exceeding original budgets by more than 180%.

Jobs of the future in South Africa, Dr NiK Eberl.

01	Renewable Energy & Green Tech	06	Tourism & Cultural Economy
02	AI & Digital Services	07	HealthTech & Biotechnology
03	AgriTech & Food Security	08	Automotive, Logistics & Supply Chain Innovation
04	Advanced Manufacturing & Robotics	09	Creative & Sports Industries
05	Global Business Services & BPO	10	Mining 2.0 & Advanced Materials

“The electric light bulb did not come from the continuous improvement of candles.” Oren Harari