

2025
Igniting
growth and
oppor**t**unity



Capitec Bank Holdings Limited
(Capitec or the group or the company)

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Our reporting suite



Our **integrated annual report** is available on our website at:
www.capitecbank.co.za/financial-results/2025/



Our **summary of the consolidated financial statements** is available on our website at:
www.capitecbank.co.za/financial-results/2025/



Our **remuneration report** is available on our website at:
www.capitecbank.co.za/financial-results/2025/



Our **risk management report** is available on our website at:
www.capitecbank.co.za/financial-results/2025/



Our **Pillar 3 disclosure report** is available on our website at:
www.capitecbank.co.za/investor-relations

1 Prologue



Setting the scene with a message from our sustainability office.

Message from the sustainability office

Introduction

The existence of climate change is becoming clearer. The impact of global warming is visible all around us: temperature fluctuations, rising sea levels, extreme weather events and loss of biodiversity. This is not only evident in the increase in droughts and floods but also in the increase in wildfires and the extinction of species. It is important to support the Paris Agreement's collective worldwide effort to limit the increase in average global temperature to well below 2°C above pre-industrial levels, but preferably below 1.5°C.

In response to this, Capitec continues to keep innovation and technology at the forefront of the business, adding value for its clients, investors and shareholders while limiting the negative impact on the environment and society.



"Sustainability is not just about adopting the latest energy-efficient technologies or turning to renewable sources of power. Sustainability is the responsibility of every individual every day. It is about changing our behaviour and mindset to reduce power and water consumption, thereby helping to control emissions and pollution levels."

– Joe Kaeser

This sustainability report

This sustainability report represents Capitec Bank Holdings Limited, listed on the Johannesburg Stock Exchange Limited (JSE), and its 100%-owned and controlled subsidiaries Capitec Life, Capitec Bank Limited (Personal and Business banking) and Capitec Rental Finance. It excludes Avafin Holding Limited (AvaFin) which Capitec acquired a controlling interest in on 1 May 2024. Sustainability covers all aspects of environmental, social and governance (ESG).

Capitec's sustainability journey to date

Capitec's sustainability journey is summarised below.

2022	2023	2024
<ul style="list-style-type: none"> Published Capitec's first stand-alone climate-related financial disclosure report (https://www.capitecbank.co.za/globalassets/pages/esg/annual-published-reports/2022/climate-related-financial-disclosure-2022.pdf) Improved ESG ratings on selected ESG rating agencies through improved public disclosures Established Capitec's sustainability committee to drive strategy and governance Implemented executive ESG key performance indicators (KPIs) 	<ul style="list-style-type: none"> Published the second stand-alone climate-related financial disclosure report (https://www.capitecbank.co.za/globalassets/pages/esg/annual-published-reports/2023/climate-related-financial-disclosure-2023.pdf) Became a National Business Initiative (NBI) member Launched Capitec's ESG page (https://www.capitecbank.co.za/esg/) on the corporate website 	<ul style="list-style-type: none"> Published an environmental report (https://www.capitecbank.co.za/globalassets/pages/esg/annual-published-reports/2024/environmental-report-2024.pdf) covering climate and nature Performed the South African Reserve Bank (SARB) Prudential Authority (PA) climate risk stress test (CRST) Performed a double materiality assessment (DMA)

Message from the sustainability office continued

How to read this report

This report used elements from the following disclosure guidelines and frameworks:

- Basel Committee on Banking Supervision (BCBS) consultation paper on the disclosure of climate-related financial risks (environmental)
- IFRS® Sustainability Disclosure Standards S1 and S2 (environmental and social)
- JSE Sustainability Disclosure Guidance and Climate Change Disclosure Guidance (environmental and social)
- Task Force on Climate-related Financial Disclosures (environmental)
- Taskforce on Nature-related Financial Disclosures (TNFD) (environmental)
- SARB PA's Guidance Note G3/2024 (environmental)
- United Nations (UN) Global Compact Sustainable Development Goals (SDGs) (environmental and social).

The report covers 3 thematic areas core to sustainability, environmental, social and governance. References to 'environment' include both climate and nature (biodiversity and ecosystem) considerations unless otherwise specified.

01 Environmental impact

How Capitec impacts the climate and nature, including energy efficiency, GHG emissions, water consumption and waste management.

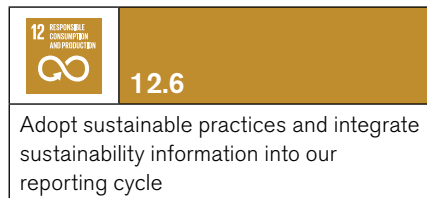
02 Social impact

How Capitec treats its employees, clients and the community, including labour practices, occupational health and safety (OHS) and corporate social investment (CSI).

03 Governance

How Capitec's business is managed through prudent corporate governance, and how business is ultimately conducted in accordance with the code of conduct.

Throughout this report, Capitec will indicate where and how our strategies, initiatives, risks and/or opportunities align with specific UN Global Compact SDGs. Capitec's commitment to adopt sustainable practices and sustainability reporting aligns with SDG 12.6.



Sustainability report approval and assurance

This report's narrative was reviewed and approved by our social, ethics and sustainability committee (SESCO).

No third-party assurance was provided on any quantitative metrics or targets.

Complementary to the sustainability report, additional information is available on Capitec's ESG page and the investor relations page.

Disclaimer

1. **General disclaimer:** This report is provided 'as is' without any representations or warranties, express or implied. Capitec makes no representations or warranties in relation to this report or the information and materials provided in this report.
2. **Limitation of liability:** In no event will Capitec be liable for any loss or damage including without limitation, indirect or consequential loss or damage, or any loss or damage whatsoever arising from loss of data or profits arising out of, or in connection with, the use of this report.
3. **Environmental information disclaimer:** The environmental information provided in this report is based on best current knowledge and understanding. However, Capitec cannot guarantee the completeness or accuracy of this information and accepts no responsibility for any errors, omissions or inaccuracies.
4. **Future changes disclaimer:** Environmental conditions and regulations are subject to change. Capitec does not accept any responsibility for any changes that may have occurred after the date of this report.

02 Governance



Capitec's corporate governance framework enables effective board and executive management oversight and a comprehensive risk management framework.

Corporate governance

Regulatory landscape

The climate and sustainability risk management landscape is developing rapidly, with many regulatory developments in flight as summarised below:

- **Climate Change Act, Act 22 of 2024**

Signed into law on 23 July 2024, the Act seeks to enable the development of an effective climate change response and a long-term, just transition to a lower-carbon and climate-resilient economy and society for South Africa in the context of sustainable development.

- **Draft Sectoral Emissions Targets (SETs) Report**

Published on 26 April 2024 for comment, the draft SETs Report details the proposed allocation of SETs to be adopted by sector departments to support South Africa in meeting its domestic and international commitment to combat climate change and support the implementation of South Africa's Nationally Determined Contribution (NDC) under the Paris Agreement. It is important to note that no targets have been proposed for the financial services industry.

- **Nationally Determined Contribution**

In line with the Paris Agreement, South Africa submitted its updated NDC in 2021, committing itself to a 31% reduction and a fixed target for GHG emissions levels of 398MtCO₂e to 510MtCO₂e by 2025, and 350MtCO₂e to 420MtCO₂e by 2030, respectively.

- **King IV™ Guidance Paper – Responsibilities of Governing Bodies in Responding to Climate Change**

Published in July 2021, the King IV™ Guidance Paper provides boards with valuable guidance on climate-related reporting and broader ESG reporting in the context of the King IV Report on Corporate Governance for South Africa, 2016™ (King IV™).

- **JSE Sustainability Disclosure Guidance and Climate Change Disclosure Guidance**

Published in June 2022, these guidance documents were issued only as guidance tools to be used by issuers on a voluntary basis. They do not constitute any disclosure or reporting obligations. Capitec continues to use these as reference points for reporting.

- **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures**

Following an extensive public consultation process, the IFRS S1 (sustainability) and IFRS S2 (climate) standards were officially issued on 26 June 2023. These standards aim to establish more consistent, complete, comparable and verifiable financial reporting on sustainability- and climate-related matters. All public and private companies can voluntarily apply IFRS S1 and IFRS S2 which are not currently mandatory in South Africa.

- **BCBS consultative documents**

The SARB PA subscribes to the Basel standards and the BCBS documents. Even in their current draft form, these provide valuable insight into future regulatory standards and requirements.

- **Climate-related risk drivers and their transmission channels**

With the final report published in April 2021, the report explores how climate-related financial risks can arise and impact both banks and the banking system. It also illustrates how physical and transition climate risk drivers affect banks' financial risks via micro and macroeconomic transmission channels and explores various factors that may determine the likelihood or size of the impact of climate-related risk drivers.

- **Disclosure of climate-related financial risks**

The consultation paper was published on 29 November 2023 for comment and explores the use of the Pillar III disclosure framework to promote a common disclosure (qualitative and quantitative) baseline for climate-related financial risks.

- **Principles for the effective management and supervision of climate-related financial risks**

The final document published on 15 June 2022 promotes a principles-based approach to improving risk management and supervisory practices related to climate-related financial risks. There are 18 high-level principles: principles 1 through 12 provide banks with guidance on effective management of climate-related financial risks, while principles 13 through 18 provide guidance for prudential supervisors.

- **The role of climate scenario analysis in strengthening the management and supervision of climate-related financial risks**

The discussion document, published for comment on 16 April 2024, seeks to determine how climate scenario analysis can be practically used to help strengthen the management and supervision of climate-related financial risks.

Corporate governance continued

- **SARB PA guidance notes on climate-related disclosures and risk management practices**

- **G2/2024:** Guidance on climate-related governance and risk practices for banks
The final guidance note, published on 10 May 2024, provides guidance to banks, branches of foreign institutions and controlling companies on integrating climate-related risks into their governance and risk management frameworks, including guidance on banks' internal capital adequacy assessment process.
- **G3/2024:** Guidance on climate-related disclosures for banks
The final guidance note, published on 10 May 2024, provides guidance to banks, branches of foreign institutions and controlling companies regarding climate-related disclosures, taking into consideration the International Sustainability Standards Board (ISSB) climate-related disclosures standard under the 4 thematic areas of governance, strategy, risk management and metrics and targets.

Environmental incidents and fines

During the past financial year, Capitec experienced no environmental incidents that caused harm or potential harm to the environment i.e. air, water, land, wildlife or local habitat.

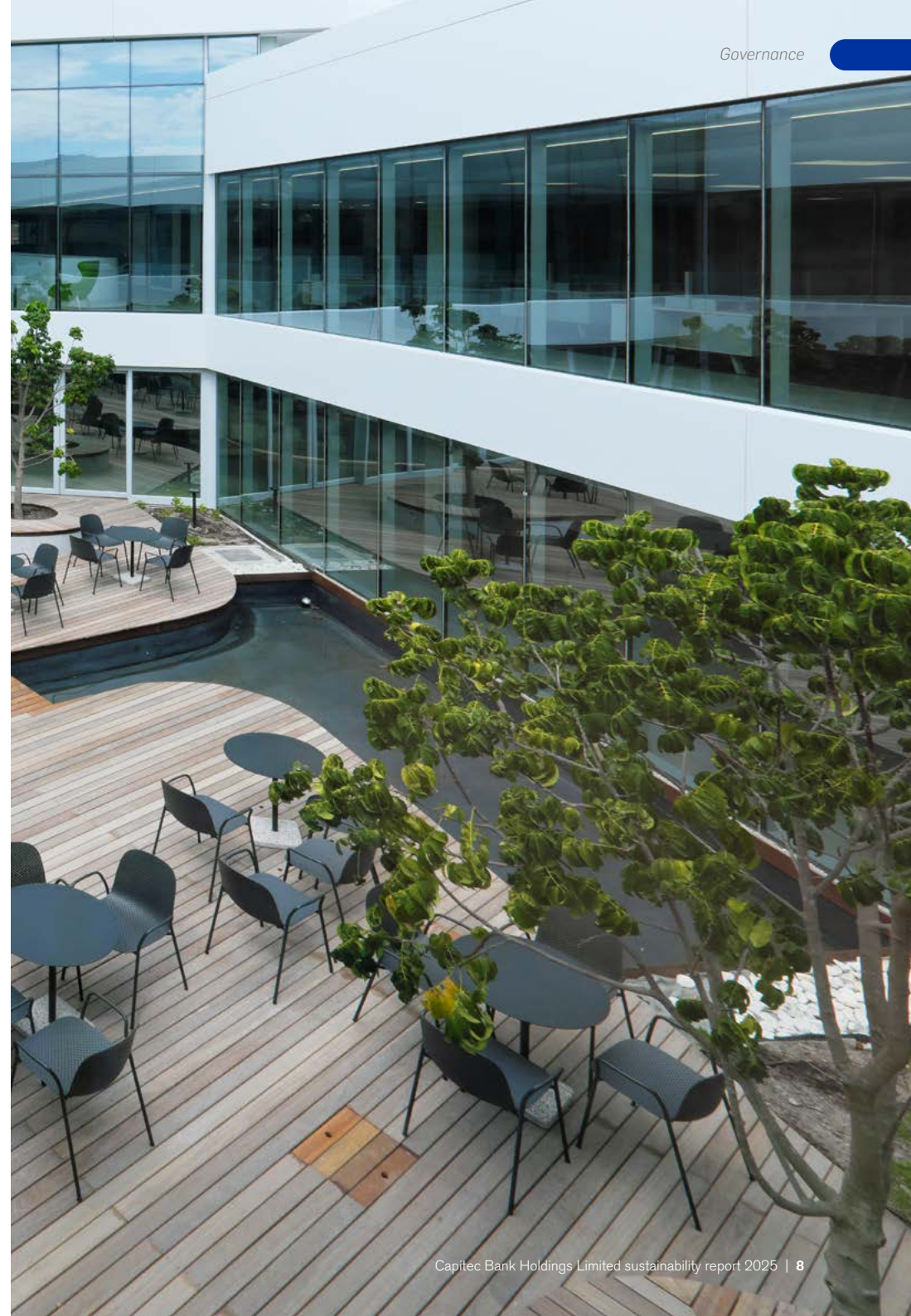
Capitec also remained compliant with relevant legislation and has received no environmental-related complaints, fines or sanctions.

Carbon tax

South Africa's Carbon Tax Act, Act 15 of 2019, came into effect on 1 June 2019. Its aim is to reduce GHG emissions in a sustainable, cost-effective and affordable manner, giving effect to the polluter pays principle.

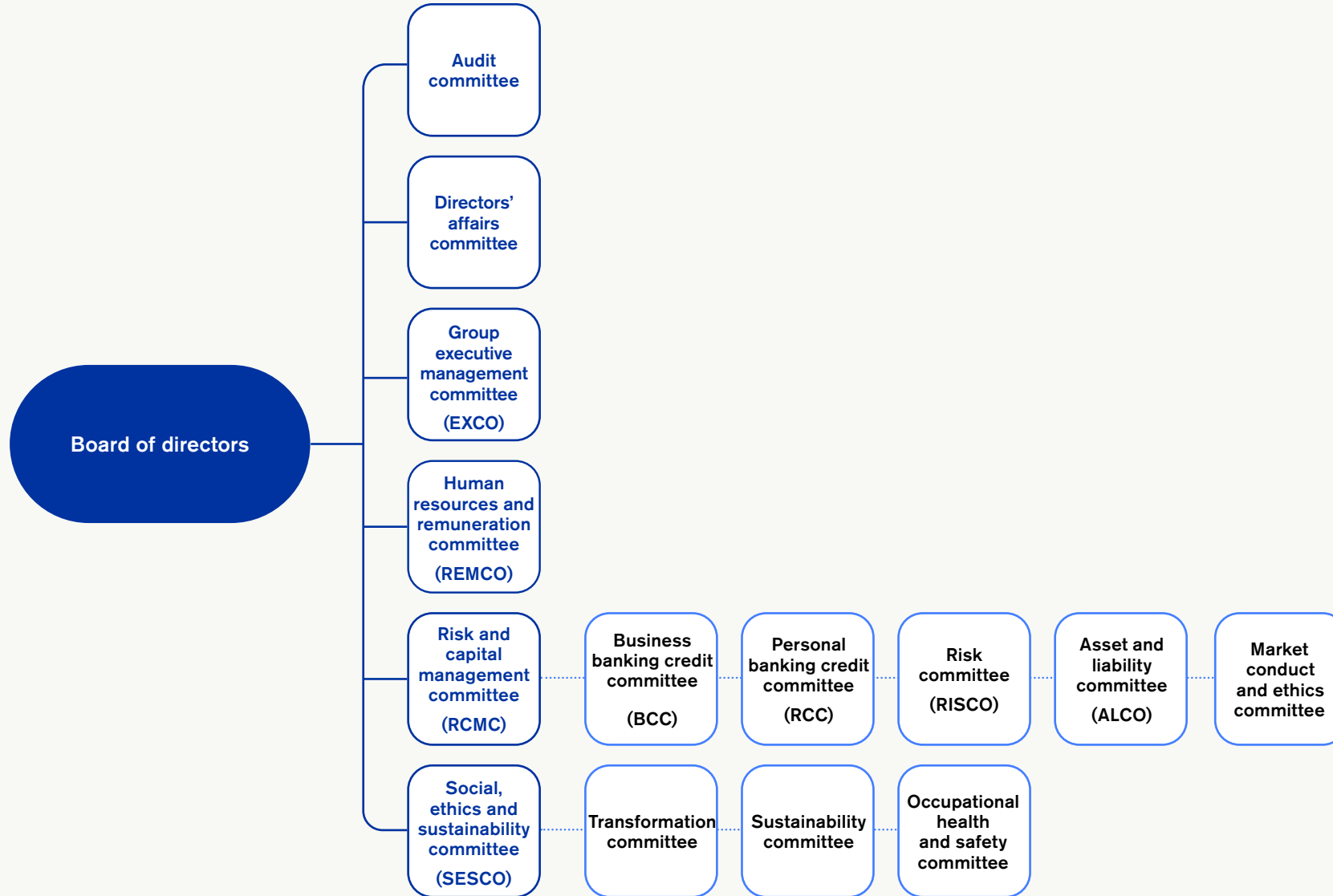
Carbon tax is levied on the carbon dioxide equivalent (CO₂e) of Scope 1 GHG emissions from installed thermal capacity for combustion activities. The tax is levied per tonne of CO₂e and is expected to increase annually from 1 January 2026. The tax is levied in respect of a tax year i.e. every calendar year, from 1 January to 31 December. Carbon tax returns must be submitted, along with any payment, in July of the year following the relevant tax period.

Capitec has conducted a review of its carbon tax obligations for the past calendar year and has determined that it does not meet the criteria for liability.



Corporate governance continued

Sustainable leadership



Corporate governance continued

Board of directors

The ultimate responsibility to ensure Capitec conducts its business in a responsible and sustainable manner lies with the board. The board should consider the impact all business decisions might have on the environment and society, and where an unavoidable negative impact is likely, proactively determine practicable mitigation and/or remediation strategies should such a negative impact be realised.

The board delegates its oversight responsibility over sustainability-related matters to a number of board-appointed committees with extensive charters, in particular the group EXCO, RCMC and SESCO.

Board committee	Charter highlights/ environmental considerations	Frequency of meetings	Board representation
Group EXCO	<ul style="list-style-type: none"> Conducts operational decision-making Implements board-approved risk management strategy 	Weekly and monthly	2 x executive directors (chief executive officer (CEO), chief financial officer (CFO))
RCMC	<ul style="list-style-type: none"> Monitors the implementation of the overall risk management strategy Approves the risk appetite and ensures that risks are managed within appetite Evaluates the adequacy and efficiency of risk and capital management Monitors risk management systems and processes Monitors key risks (including environmental and social risks) 	Quarterly	4 x independent non-executive directors (4 from 1 March 2024) 2 x non-executive directors 1 x executive director (CFO)
SESCO	<ul style="list-style-type: none"> Monitors activities relating to socio-economic development (SED), good corporate citizenship and the environment Monitors ethics in the group Sets strategic objectives for sustainability Monitors ESG management (which includes environmental risks and opportunities and societal impacts) in the context of the said ESG principles Monitors efficiency and performance of OHS programmes 	Triannually	3 x independent non-executive directors

Committee members are presented with a sustainability-related management report at each meeting. These routinely include associated risks and opportunities, strategy implementation progress and short- and medium-term action items.

Management

The CEO takes ultimate executive responsibility for all sustainability matters and is supported by several management committees, such as the credit committees (Personal and Business banking), RISCO and the sustainability committee.

Management committee	Charter highlights/ environmental considerations	Frequency of meetings	Highest position represented
BCC	Oversight of credit strategies and objectives, and credit risk management, including credit policy and reviewing the quality and performance of the credit portfolio	Monthly	2 x executive directors (CEO, CFO)
RCC			
RISCO	Considers risks, including environmental and social risks, which could have an impact on the business	Bimonthly	2 x executive directors (CEO, CFO)
Sustainability committee	Assists the SESCO in developing its strategy, standards, processes and approach to ESG matters that could affect Capitec's business activities, assets, performance and reputation and monitors the implementation and execution of environmental and social risk management practices	Triannually	Head: operational risk (reports into the executive: risk management)

Corporate governance continued

The REMCO revised Capitec's remuneration policy to integrate executive short-term incentive (STI) KPIs, ensuring the continued inclusion of non-financial metrics pertaining to sustainability.

Targets for executives are set annually and their performance is assessed at the end of the year by the REMCO and reported in the next integrated annual report.

Meeting these performance targets is a requirement to earn a full bonus.

Capitec does not reward sustainability performance with non-monetary incentives at present. Executives are also currently the only employee group eligible for sustainability-related incentives.

Sustainability committee

The sustainability committee is the primary management committee responsible for the identification, evaluation, monitoring and management of environmental and social risks and opportunities, and the implementation of appropriate mitigation and adaptation strategies. This committee is chaired by the head: operational risk, who presents a report to the SESCO. The charter is reviewed and approved annually, and meetings are convened triannually.

The sustainability committee comprises the following members of management:

- Group communications and public relations manager (AvaFin)
- Group company secretary
- Head: compliance
- Head: corporate social investment and financial education
- Head: credit advocacy and reporting (Personal banking)
- Head: credit portfolio management and governance (Business banking)
- Head: operational risk (chairman)
- Head: risk management (Insurance and Personal banking)
- Head: talent acquisition and assessments
- Special project engineer
- Sustainability manager (secretary)
- Treasurer.

1 or more of the members of the sustainability committee attends the SESCO to facilitate effective functioning of the committee.

In addition to the triannual sustainability committee meetings, workshops are convened throughout the year to monitor strategy implementation. An update is also included in the document pack of the monthly group EXCO and the bimonthly RISCO meetings. Updates routinely include a review of associated risks and opportunities, strategy implementation and action item progress.

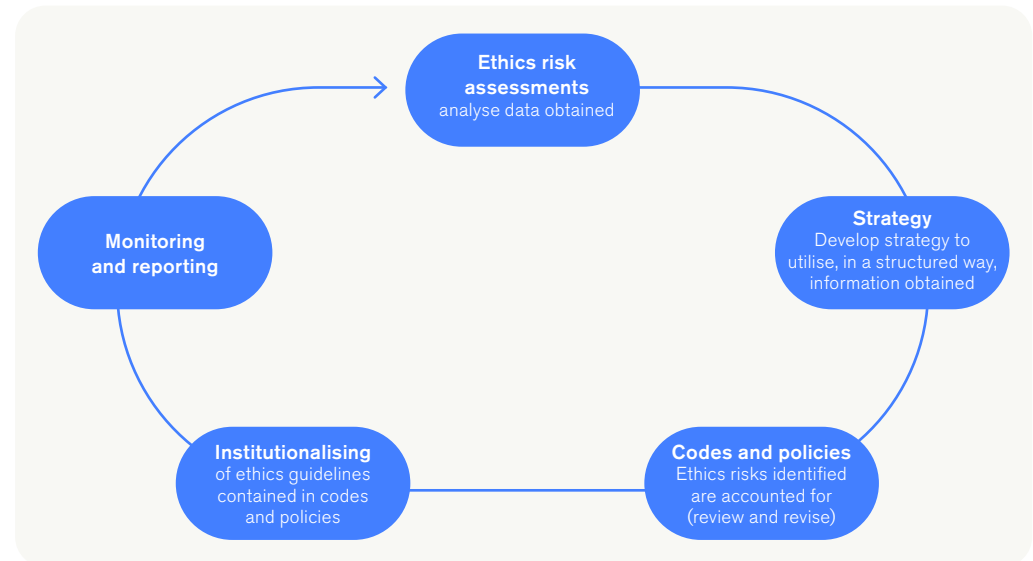
Ethical behaviour

Capitec's ethics office provides oversight of ethical conduct including corruption, bribery, discrimination, conflicts of interest, unethical conduct and insider trading.

This supports Capitec in ensuring that the business is operated honestly, responsibly and with integrity.

Ethics management framework and policies

Our ethics and integrity programme is guided by our ethics management framework and supporting policies. The ethics office oversees the implementation of the ethics and integrity programme. The ethics management function consists of a 5-step process.



Corporate governance continued

Ethics risk assessments

Capitec performs biennial risk assessments to determine its inherent and residual ethical risks focusing on conduct risk, culture risk and risk management practices. This is important to understand Capitec's specific ethical risk profile.

Strategy

The ethics risk assessment is used as the basis for crafting an appropriate ethics management strategy. The ethics management plan (EMP) follows the ethics management strategy and sets out the 'how' to the ethics management process. The EMP outlines measurable objectives, describes specific interventions to achieve objectives, assigns roles, responsibilities and timeframes and allocates resources required to implement the strategy.

Codes and policies

Capitec's code of conduct supports the ethics strategy and covers all ethical risks identified. All codes and policies are approved by the SESCO.

Institutionalising

The ethics office coordinates and provides the necessary support to design and implement proactive and reactive ethics management interventions and systems. This includes regular communication and awareness campaigns, training and development, ethics advice, whistle-blowing and ethics investigations.

Monitoring and reporting

The results of ethics management activities are regularly reported to senior management and the relevant governance structures that oversee Capitec's ethics management process. Ethical risks are also monitored through key risk indicators (KRIs).

Ethics governance

The board has adopted a zero-tolerance approach to unethical conduct and is therefore committed to ensuring that the ethics framework and related policies are fully implemented. The board remains ultimately accountable and responsible to its employees, shareholders and the broader society with regard to all risk management as well as the embedding of ethical values in Capitec's daily operations.

Ethics is governed by the market conduct and ethics committee, and a board subcommittee, the SESCO. Meetings are convened quarterly.

Initiatives

In support of instilling an ethical culture, the group implemented several initiatives in 2024 including:

- reviewing and updating the code of conduct and other ethics-related policies
- the launch of an annual interest disclosure process to track and monitor all employees' outside business interests and gifts declarations to identify conflicts of interest
- enhancing the disclosure process for the recording of gifts and invitations
- conducting an enterprise-wide ethics risk assessment through an independent third party to provide an objective view of Capitec's ethical risk profile
- awareness campaigns on ethical conduct.

Whistle-blowing

We acknowledge the importance of enabling our employees to report incidents of unethical behaviour and breaches of the code of conduct. The ethics office is responsible for overseeing the Tip-offs Anonymous line, which is operated by an independent third party. All reports are dealt with in a confidential manner and reports remain anonymous. Capitec has zero tolerance for any form of retaliation against reporters and training is provided to all current and new employees on the various reporting channels.

Capitec saw an increase of 27% in whistle-blowing reports through the Tip-offs Anonymous line received from the 2024 financial year to the 2025 financial year and similarly noted an increase of 50% from the 2024 financial year to the 2025 financial year in disciplinary action taken against employees stemming from these reports. Although off a low base, this increase was expected given the various awareness campaigns and focus from management to drive ethical behaviour.

Capitec's code of conduct is available on its corporate website.

Corporate governance continued

Corruption and bribery

Corruption	Bribery
The misuse of entrusted power or the improper performance of a relevant function or activity to gain an undue advantage or private gain through offers, payments, promises, gifts or other forms with the intention to improperly influence the recipient.	Any offer, promise, payment, transfer, request or agreement to receive anything of value – whether directly or indirectly – to or from any individual, corporate entity or public official, for the purpose of securing an undue advantage and inducing improper performance of duties, is considered an act of bribery.

Capitec is committed to conducting business in an honest, fair, ethical and transparent manner in accordance with all applicable laws. We acknowledge that bribery and corruption practices pose risks to the integrity and reputation of the business.

Bribery and corruption at Capitec are prevented through a robust anti-bribery and corruption risk management framework, policy and risk appetite statement.

Capitec has a zero-tolerance appetite for any wilful or intentional breach of anti-bribery and corruption laws and regulations.

Capitec's risk management and compliance programme aims to ensure that the management of financial crime risk, which includes bribery and corruption risk, is appropriately integrated into the organisation's overall corporate governance structures, strategy, planning, reporting, policies, values and cultures.

The reporting of misconduct is one of the most effective ways to prevent and detect bribery and corruption. Whistle-blowing is a fundamental reporting tool for the prevention and detection of bribery and corruption practices. It provides employees and third parties with the opportunity to report potential bribery and corruption risks in a confidential manner. Employees and external third parties may report any concerns or incidents of bribery and corruption through mechanisms such as Tip-offs Anonymous on 0800 00 48 36 or capitecbank@tip-offs.com, or to the ethics office.

Capitec's anti-bribery and corruption policy statement is available on its corporate website.

Policy influence

Capitec policy guidance

In accordance with Capitec's anti-bribery and corruption policy statement, available on the ESG page on our corporate website:

- Capitec employees are prohibited from giving or receiving gifts or invitations or any other advantage from any public official or political party
- Capitec has adopted policies that prohibit political donations to political parties, public officials and government departments with the intention to further political agendas.

In support of the above, our CSI framework also determines that no donations are made to political organisations.

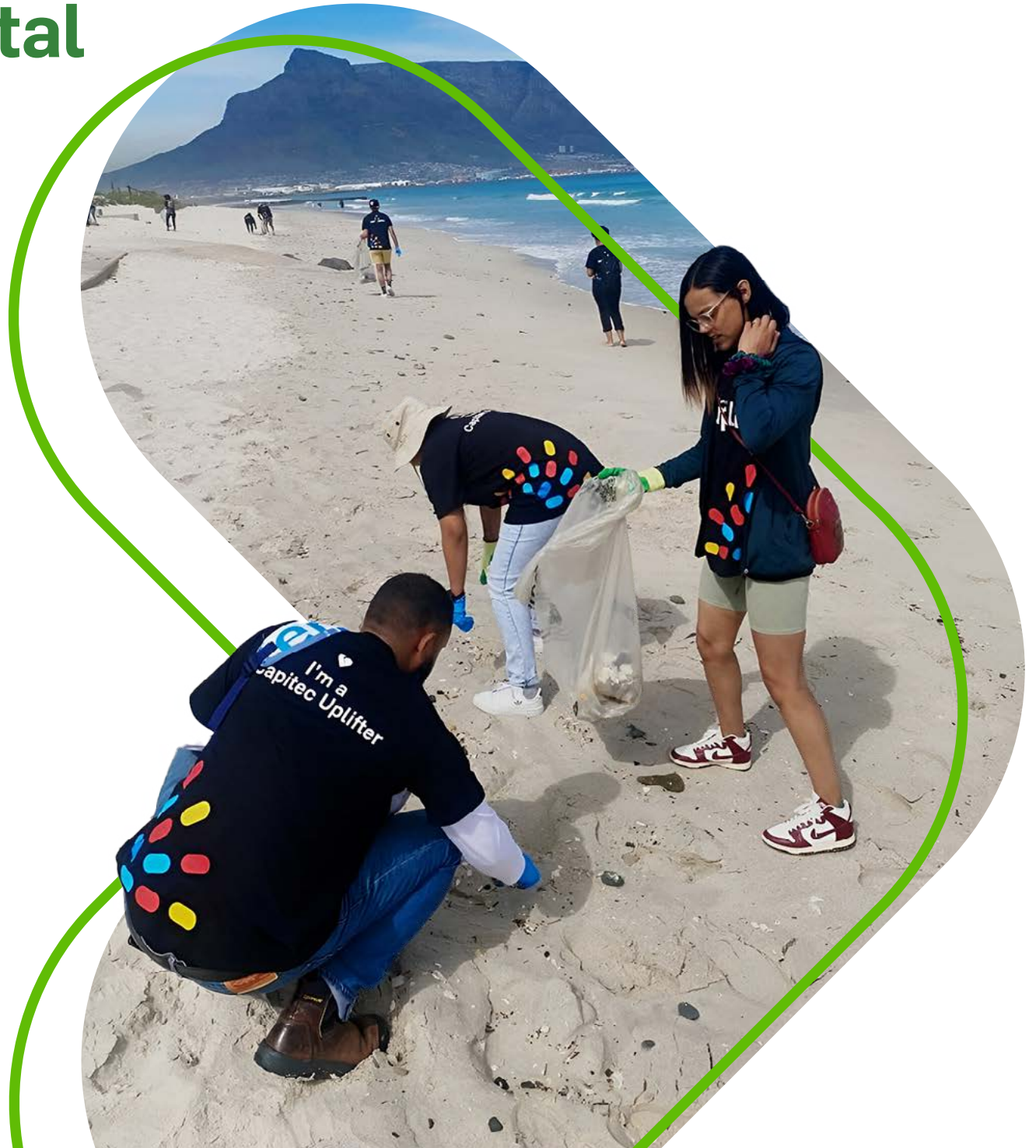
Contributions during the past financial year

In the past financial year, Capitec has not made any contribution, monetary or otherwise, towards lobbying, any local, regional or national political campaigns, organisations or candidates, trade associations or tax-exempt groups with a climate agenda, or spending related to ballot measures or referendums.

The following legitimate contributions were made to industry associations:

- R250 000 membership fee to the NBI, a voluntary coalition of South African and multinational companies working towards sustainable growth and development in South Africa. This payment is treated as a donation and is tax-deductible in accordance with South African tax legislation
- R1 549 373 to Banking Association South Africa (BASA), a platform for South African banks to collaborate and align on bank-related matters on an industry level. This is a compulsory annual membership fee payable.

3 Environmental impact



Capitec is committed to minimising its impact on the environment through energy efficiency and responsible water consumption and waste management.

Strategy

Capitec's strategic approach

Capitec's business strategy is always based on 4 business fundamentals: simplicity, affordability, accessibility and personal experience. These fundamentals also apply to how we monitor and manage sustainability risks and opportunities.

Our 4 fundamentals



Capitec's sustainability strategy is embedded within the core business strategy, and not as a stand-alone strategy. The table below, an excerpt of Capitec's strategic objectives, demonstrates how sustainability is incorporated into the overall business strategy and aligned with the strategic objectives.

Strategic objectives



Strategic objectives	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	13 CLIMATE ACTION
AvaFin								
Launch instalment loans and a credit line in all markets						○		
Business banking								
Establish Capitec as the preferred financial partner for small and medium-sized enterprises (SMEs)						○		
Grow the merchant base to grant them access to the cashless economy						○		
Remote onboarding of foreign exchange clients						○		○
Availability of business foreign exchange on the app								○
Open savings and investment accounts in-app								○
Offer overdraft and unsecured term loans in-app								○
Insurance								
Quicker claims payouts with straight-through-processing and automated systems and processes	○							

Strategy continued



Strategic objectives

Personal banking

Broaden and enrich the conversational banking service so that it becomes the preferred channel for service support, both in-app and on WhatsApp									○
Optimise and extend branch and cash distribution and accessibility								○	
Improve access to credit for multiple-income earners	○								
Introduce lower-limit credit cards	○								
Establish family banking to cater to the unique financial needs of families and expand our range of savings products	○								
Simplify and appropriately reduce our banking fees	○								
Reinforce our leadership in the communities we serve by supporting meaningful CSI projects and through our employee volunteerism	○	○		○	○			○	
Continue to equip our leaders through our leadership academies					○	○		○	
Upskill and reskill our people in key technology skill sets through functional academies					○	○		○	
Enable our #BeHealthy wellness promise			○			○			

Strategic initiatives

Enable clients to get airtime advances to stay connected	○		○						
Enable clients who use cash to stay connected	○		○						
Enable advances for airtime and data top-ups	○		○						
Enable advances for prepaid electricity	○		○						

Refer to the 2025 integrated annual report for more details on Capitec's strategic objectives.

Strategy continued

Double materiality assessment

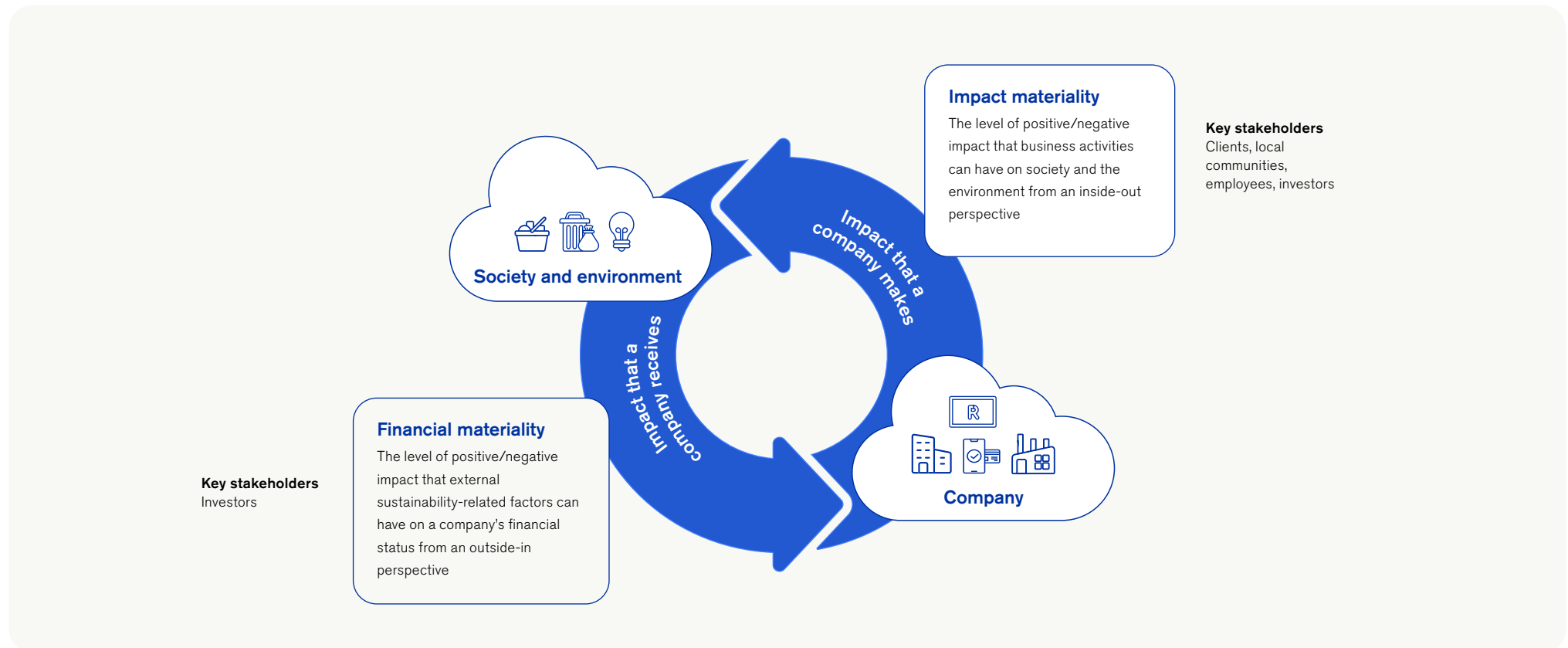
Capitec's DMA is guided by the Global Reporting Initiative and ISSB frameworks, and best practices.

The DMA is an important tool for Capitec to evaluate the most significant sustainability themes that are most material to long-term value creation.

The DMA helped Capitec understand the impact of our business operations on society and the environment. In future, Capitec will review the DMA at regular intervals to ensure it remains relevant and aligned with the strategic objectives.

The DMA considers 2 dimensions:

- **Impact materiality:** Assesses the present and future impact of Capitec's operations on society, the environment and/or the economy
- **Financial materiality:** Assesses the present and future impact of ESG topics on Capitec's financial performance.



Strategy continued

Double materiality assessment outcome

Potential material sustainability themes are grouped under the 3 ESG dimensions in the table below.

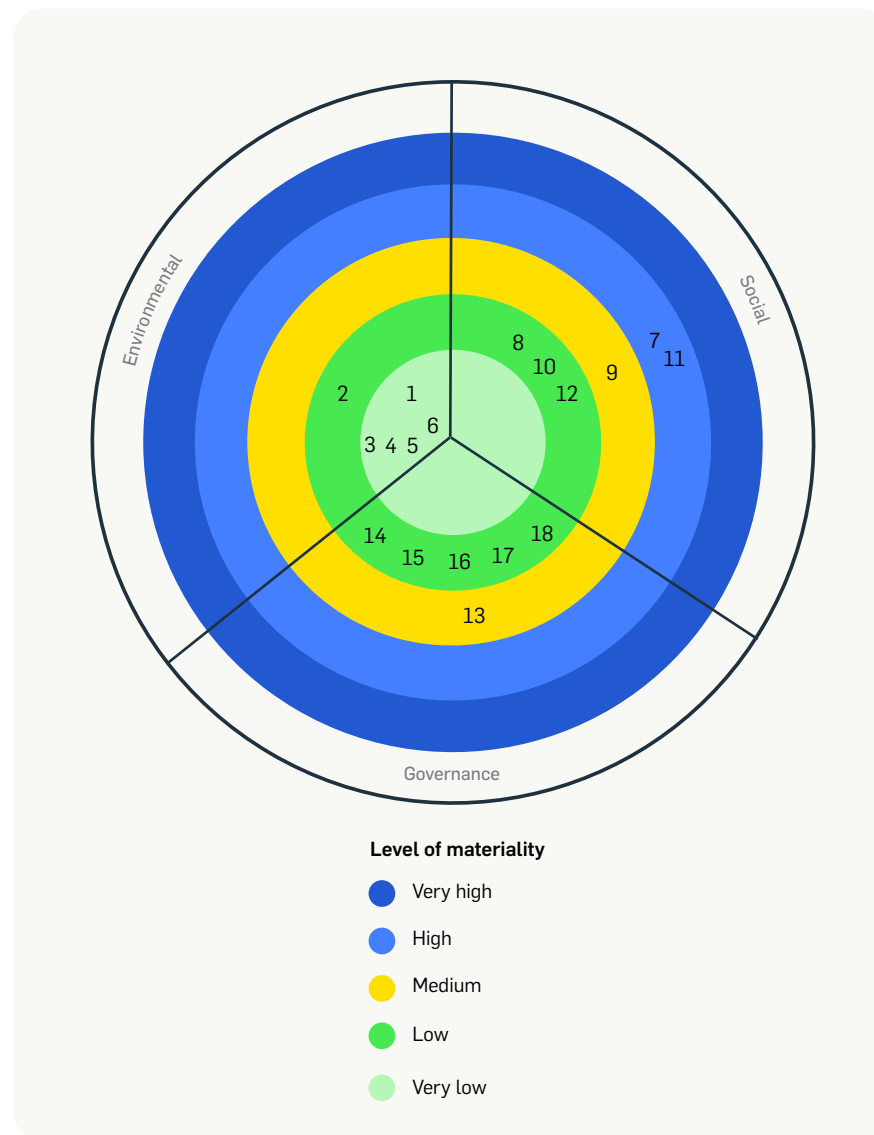
Environmental	Social	Governance
1 Biodiversity and ecosystems	7 Client relations and market conduct	13 Ethical business conduct
2 Climate change – climate transition and physical risks and opportunities	8 Data privacy and cybersecurity	14 Executive pay
3 Financed emissions	9 Employee engagement, attraction and retention	15 Leadership diversity
4 GHG emissions	10 Employment practices	16 Leadership structure and accountability
5 Waste management	11 Financial inclusion	17 Regulatory and legal compliance
6 Water consumption	12 Human rights	18 Transparency and disclosure

The graph on the right-hand side demonstrates the level of materiality for each sustainability theme listed following the DMA.







As outcomes of the DMA, Capitec's sustainability strategy will focus on:

- Social, client relations and market conduct
- Social, financial inclusion.

The table that follows expands on these 2 sustainability themes.



Strategy continued

ESG dimension and subcategory	Description and rationale for materiality	Type of impact	Description	Metrics			Link to principal risk type	UN SDGs
				Performance 2025	Performance 2024	Target/benchmark		
Social, client relations and market conduct	It is important to provide both individuals and SMEs with simple, accessible and affordable products and services that cater to their specific needs. Clients must be treated fairly and kept informed throughout the entire life cycle of a product or service.	<ul style="list-style-type: none"> Unintended impact on risk, potential positive impact on active client numbers and revenue 	<ul style="list-style-type: none"> Number of active clients Treating Customers Fairly (TCF) relative indicator⁽¹⁾ 	<p>23.9 million</p> <p>1.18</p>	<p>22.2 million</p> <p>1.08</p>	<p>24.0 million</p> <p>1</p>	<ul style="list-style-type: none"> Business risk Operational risk Reputational risk 	 
Social, financial inclusion	The importance of ensuring easy and affordable access to products and services, specifically in unbanked and underserved markets and/or population groups and empowering clients through simple and accessible products and financial education.	<ul style="list-style-type: none"> Intended positive client and societal impact caused by accessible products and services and financial education initiatives, potential positive impact on active client numbers and revenue 	<ul style="list-style-type: none"> Capitec's new point-of-sale (POS) machine take-up Number of active clients Number of digital clients 	<p>79 916</p> <p>23.9 million</p> <p>14.0 million</p>	<p>–</p> <p>22.2 million</p> <p>12.5 million</p>	<p>–</p> <p>24.0 million</p> <p>–</p>	<ul style="list-style-type: none"> Business risk Credit risk Reputational risk 	   

⁽¹⁾ Refer to page 60.

Strategy continued

Operational efficiencies

Capitec head office, Stellenbosch

Completed in 2020, Capitec's head office was purposefully designed and constructed to be environmentally friendly:

- Window glazing to reduce the amount of ultraviolet light streaming in, reducing the need for artificial cooling
- An open-plan design with large overhead skylights to reduce the need for artificial lighting
- Motorised blinds, powered by solar energy, opening and closing automatically to manage the amount of heat entering the building
- A cooling system which produces and stores ice during the night to optimise cooling for the next day
- Indigenous, water-wise plants.

We covered the environmentally friendly specifications of the head office building in our **climate-related financial disclosure for 2023** (<https://www.capitecbank.co.za/globalassets/pages/esg/annual-published-reports/2023/climate-related-financial-disclosure-2023.pdf>).

Recycling electronic equipment

Capitec partnered with reputable third-party service providers to destroy and recycle redundant electronic equipment securely and responsibly. For the financial year ended 28 February 2025, 21 344kg of electronic equipment was recycled in this manner.

Branch efficiency

Since its launch in June 2020, Capitec's paperless initiative removed most paper-based documents from branches. As a testament to its success, the positive impact of the 64.4 million agreements generated during the past financial year is unpacked below.

	Agreements generated		Number of A4 sheets ⁽¹⁾
eSignature (paperless)	55 933 812	86.8%	120 807 847
Paper-based signature	8 440 402	13.2%	12 685 187

⁽¹⁾ Double-sided printing.

During the year, we started to roll out smaller network cabinets throughout our branch network. The new cabinets only draw 350W electricity compared to the 1.2kW of the cabinets which were replaced.

In the new year, all branch peripherals will be transferred from personal computers to Raspberry Pis which use only a tenth of the electricity of a personal computer. This should further reduce our Scope 2 emissions.

Save paper

- Paper length is 297mm
- Aligning the saved paper, short sides against each other, it comes to **35 880km**
- Putting that into perspective, our earth's circumference is 40 070km
- We saved 241 616 reams of paper with an average estimated price of R67.44 per ream (exclusive of value-added tax)
- We therefore saved **R16 294 583.04**
- A tree is estimated to produce 8 333 sheets of paper, so we saved **14 498 trees** (<https://8billiontrees.com/trees/how-many-trees-cut-down-each-year>)
- Saved **734 575 tonnes** of CO₂e.



Strategy continued

Onboarding and optimisation

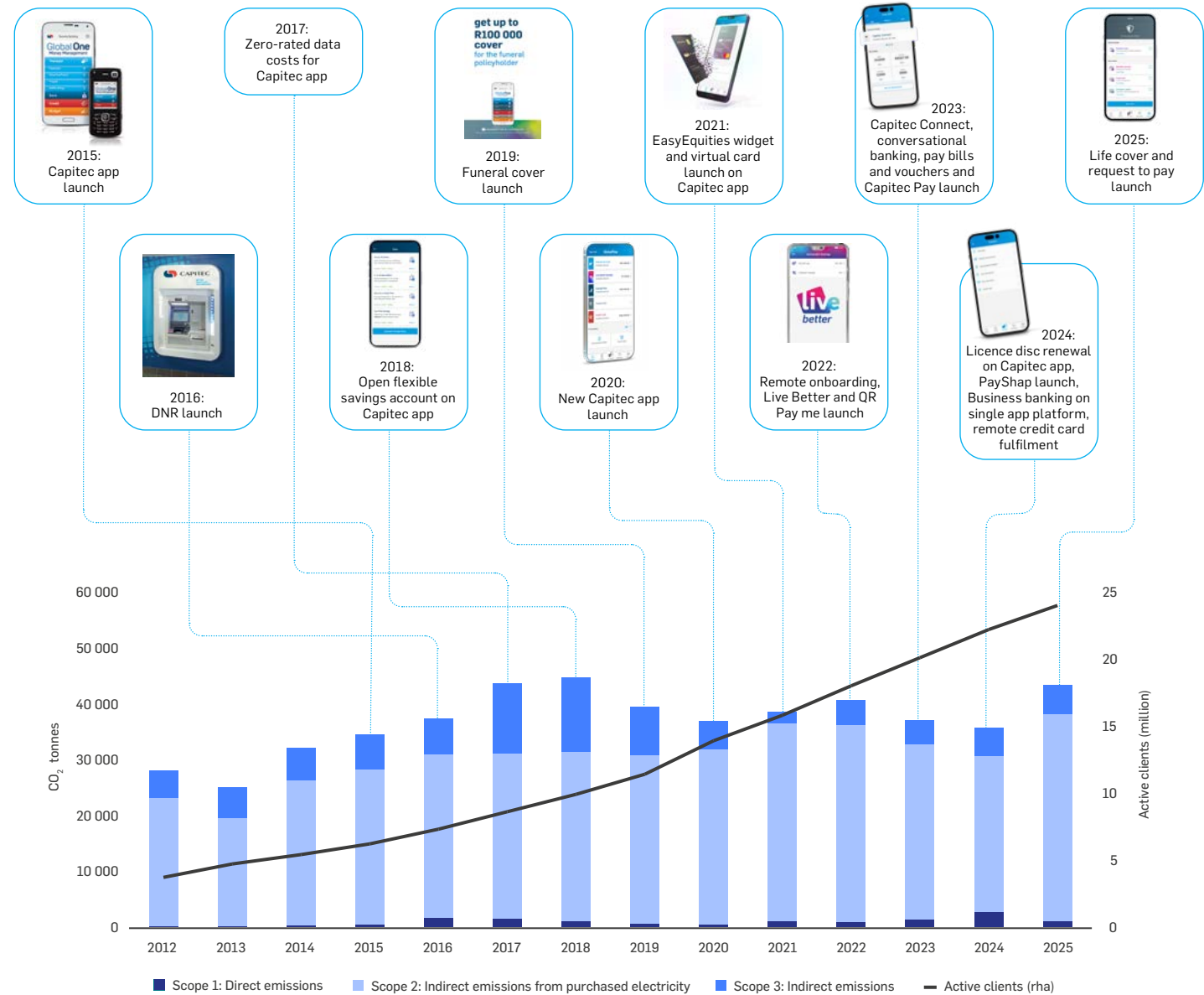
Capitec launched remote onboarding on 15 March 2021, enabling prospective clients to open an account with Capitec without having to visit a branch. Since then, 766 404 clients were onboarded remotely, of which 193 934 were in the past financial year.

Digital strategy

Capitec's digital business strategy has already yielded positive climate outcomes for several years.

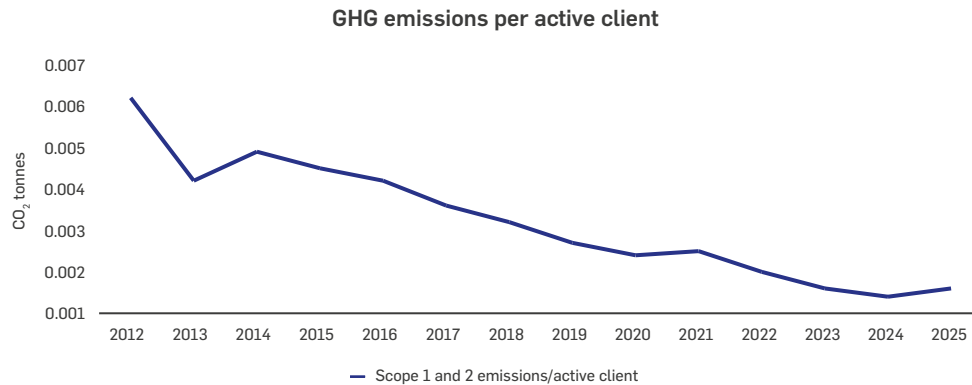
The graphic shows the journey since 2012 and highlights key strategic deliverables that enabled the business to keep GHG emissions relatively flat notwithstanding exponential growth in client numbers.

Capitec GHG emissions versus client growth

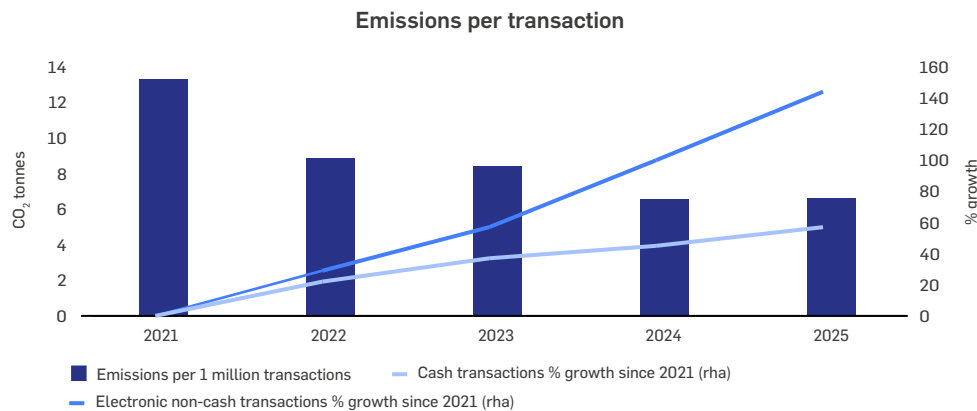


Strategy continued

Capitec's GHG emissions per active client further demonstrate how the business strategy improved the average carbon emissions per active client.



Electronic (non-cash) transactions have also increased at a much faster rate than cash transactions. The environmental improvement is evident through the reduction in total CO₂ emissions per 1 million transactions as depicted in the graph below.



Conversational banking

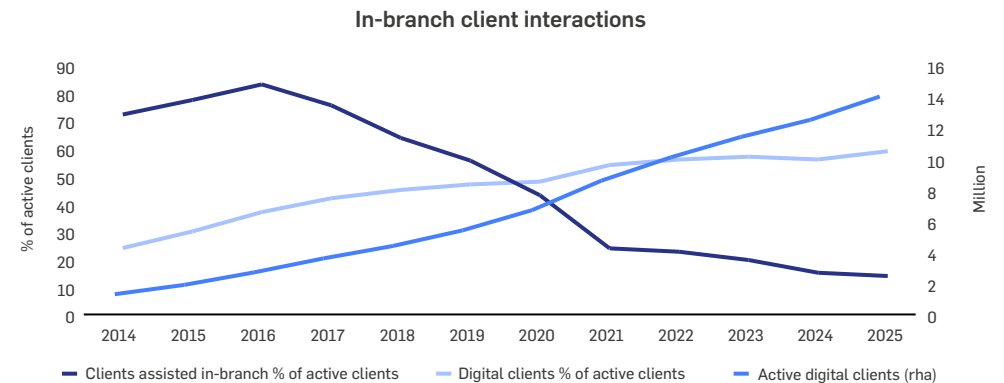
Capitec implemented conversational banking in October 2022 which improved client service access and efficiency through WhatsApp. Through this initiative, clients are serviced by an advanced chatbot for basic requests without interaction with a call centre agent. This allows call centre agents to better assist clients with more complex queries. A call centre agent can only assist 1 client at a time on a telephone call while conversational banking enables an agent to assist up to 5 clients simultaneously. It also improved response times with an average chatbot response time of 1.2 seconds.

Since the launch of conversational banking, over 31 million client conversations have been facilitated through this channel.

Conversational banking provides clients with self-service capabilities that are accessible remotely and do not require a visit to a branch or a phone call.

In-branch client interactions

Over the years, Capitec has implemented various strategies that reduced the need for clients to visit a branch and see a service consultant. The graph below shows the ratio of in-branch client interactions (with service consultants) expressed as a percentage of the total number of active clients. Since 2014, the ratio improved from more than 70% to just over 10% in 2025. Over the same period, the total number of active digital clients increased from 1.3 million in 2014 to 14 million in 2025. This reduced the need for clients to commute to a branch. Testimony to the success of Capitec's digital strategy is the increase in digital clients as a percentage of total active clients that grew from 24% to 59%.

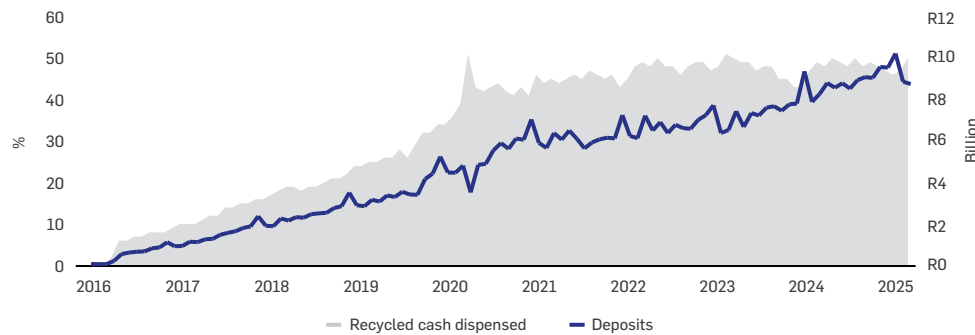


Strategy continued

Cash efficiency

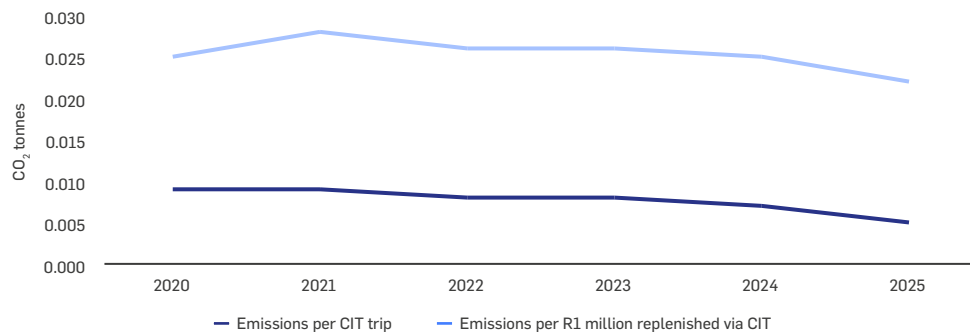
Capitec commenced the roll-out of dual note recycler (DNR) devices in January 2016. A DNR is an automated teller machine (ATM) that can receive cash deposits and dispense the same cash during withdrawal transactions. This reduces the dependency on cash-in-transit (CIT) services to transport bulk cash and reduces the accompanying risks and GHG emissions. For the financial year ended 28 February 2025, 48% of cash dispensed through Capitec ATMs and DNRs was sourced from DNR deposits. Since January 2016, more than R513.7 billion in cash was recycled that was previously replenished via third-party CIT services.

Recycled cash dispensed as a % of total cash dispensed throughout the Capitec ATM estate (per month)



Capitec's CIT operational efficiency strategy also improved CIT-related Scope 3 emissions as can be seen in the graph below.

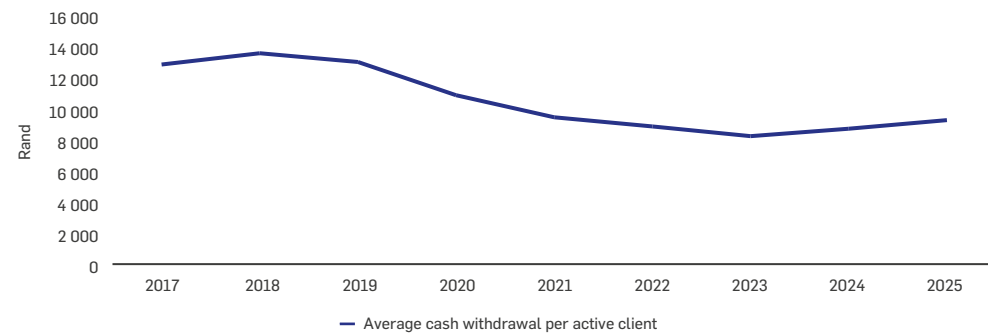
CIT operational efficiency



Cash withdrawals

Average cash withdrawals per active client from Capitec ATMs are showing a decreasing trend as clients are increasingly using digital channels. However, the increase in average cash withdrawals from 2024 is due to improved ATM availability and increased use of Send Cash services. These improvements materially improved access to cash services for clients notwithstanding a 34% increase in cash withdrawals from 2023 to 2025.

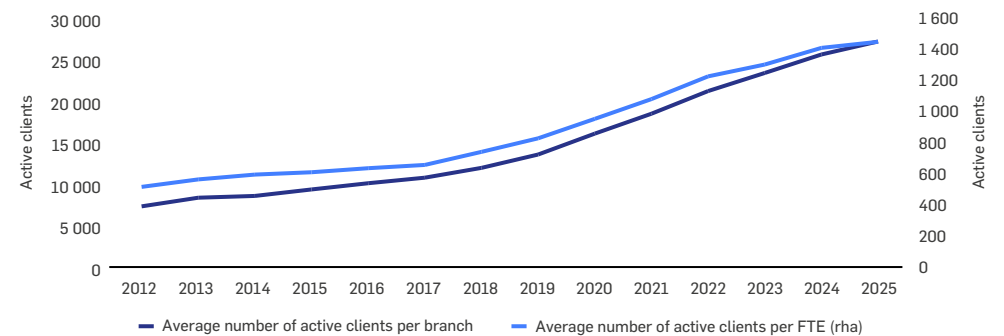
Average cash withdrawal per active client per year



Resource efficiency

Even though the number of active clients has increased from 3.7 million in 2012 to 23.9 million in 2025, the size of Capitec's branch network and workforce has not grown at the same rate. The business is therefore able to service clients more efficiently as per the graph below that shows the average number of active clients per branch and FTE.

Resource efficiency



Strategy continued

Third-party suppliers and service providers

Capitec's **supplier code of conduct** (<https://www.capitecbank.co.za/procurement/code-of-conduct>) among others outlines our expectations of our suppliers and third parties regarding environmental sustainability. Requirements include the reduction in environmental footprints, conducting business in an environmentally responsible way and offering environmentally responsible products and services where applicable.

Capitec transferred most of its on-premises servers and data processing capabilities to cloud-based infrastructure and co-located data centres. This reduced our environmental impact by leveraging the scale and efficiency of specialist vendors. These vendors are consistently improving operational efficiencies to reduce their energy consumption and environmental footprints.

Amazon Web Services (AWS), Capitec's primary cloud service provider, is well on its way to meeting its objective of using 100% renewable energy by 2025 and reaching net zero carbon across all operations by 2040.


AWS is also committed to becoming water positive by 2030 i.e. returning more water to communities and the environment than it uses in its operations and to reducing waste.

Research has found that moving from traditional on-premises infrastructure to AWS can typically reduce organisations' carbon emissions by nearly 80%, and up to 96% once AWS is 100% powered by renewable energy.

Source: <https://aws.amazon.com/compliance/data-center/environmental-layer/>

CSI and employee volunteerism

All Capitec employees are allowed 3 days paid leave per annum for volunteerism, most of which are used for social initiatives in South African communities. Capitec's CSI strategies focus on education, while volunteering initiatives create opportunities that include environmental projects. Examples of environmental initiatives are the beach clean-ups performed during the year in partnership with Clean C. The partnership not only has a positive environmental impact on the coastline, but also on society as recyclable items are repurposed to create educational toys for various non-governmental organisations.

	<p>14.1 Reduce marine pollution from land-based activities</p>	<p>14.8 Increase scientific knowledge and research for ocean health</p>
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Strategy continued

Environmental opportunities and their impact on business strategy and financial planning

Capitec has identified several environmental opportunities it can exploit over the short, medium and long term. The table below sets out each opportunity type as well as the time horizon over which they are likely to realise.

Opportunity type	Environmental opportunities	UN SDGs	Short term (0 to 3 years) ⁽¹⁾	Medium term (3 to 7 years) ⁽¹⁾	Long term (7+ years) ⁽¹⁾
Resource efficiency	The use of more efficient modes of transport (carpooling is encouraged)		Yes	Yes	Yes
	Recycling of paper, tins, glass, plastic and the responsible disposal of electronic equipment		Yes	Yes	Yes
	Environmentally friendly office space ('green' head office; we are considering similar options for contact centres in the short to medium term)	 	Yes	Yes	Yes
	Efficient water usage and consumption: • Low-flow and/or motion-sensor sanitary fittings • Rainwater harvesting • Boreholes • Grey water systems		Yes	Yes	Yes
	The use of lower-emission sources of energy (LED and motion-sensor lighting)		Yes	Yes	Yes
Energy systems	Participate in the carbon market (reduce own carbon footprint before considering the use of carbon credits)		No	No	Under consideration

Opportunity type	Environmental opportunities	UN SDGs	Short term (0 to 3 years) ⁽¹⁾	Medium term (3 to 7 years) ⁽¹⁾	Long term (7+ years) ⁽¹⁾
Products and services	Develop low-emission products and services (continue to expand on digital banking solutions)	 	Yes	Yes	Yes
	Develop new products or services through innovation (establish clear innovation priorities to realise carbon reductions)	 	No	No	Under consideration
	Diversify business activities (continue to expand value-add services to clients to diversify risks)		No	Yes	Yes
	Reputational benefits of 'green' product offering resulting in increased demand for products and services	 	No	No	Under consideration
Markets	Development of new revenue streams from new and emerging environmental markets and products		No	No	Under consideration
	Improved scores by ESG rating agencies		Yes	Yes	Yes

⁽¹⁾ The time horizon is measured from the current reporting period i.e. year zero is 2025.

Strategy continued

Opportunity type	Environmental opportunities	UN SDGs	Short term (0 to 3 years) ⁽¹⁾	Medium term (3 to 7 years) ⁽¹⁾	Long term (7+ years) ⁽¹⁾
Resilience	Continued adoption of energy-efficiency measures in operations		Yes	Yes	Yes
	Resource substitutes/diversification (expand on existing recycling initiatives)		Yes	Yes	Yes
	Develop sustainable and innovative products and services to remain relevant in the market and in so doing, ensure organisational resilience	 	Yes	Yes	Yes

⁽¹⁾ The time horizon is measured from the current reporting period i.e. year zero is 2025.



Risk management

Time horizons

When considering environmental risks and opportunities, Capitec uses the following time horizons:

Time horizon	Start year	End year	Explanation for the choice of time frame
Short term	0	< 3 years	The largest part of our credit book consists of short-term credit
Medium term	3	< 7 years	The maximum personal loan term is 84 months. This time horizon also roughly aligns with the period to 2030, in line with South Africa's planned carbon reduction trajectory
Long term	7	7+ years	The period to 2050, in line with the Paris Agreement time frames

Environmental risks

Environmental risks can manifest as physical or transition risks:

Physical risk:

- Climate-related physical risk
 - Acute: extreme singular weather events
 - Chronic: changing weather patterns and rising mean temperatures leading, over time, to extended droughts and rising sea levels
- Nature-related physical risk
 - Acute: environmental shocks such as oil spills or forest fires
 - Chronic: gradual changes such as pollution and climate change.

Transition risk:

- Climate-related transition risk emanates from the global transition towards lower-carbon and more sustainable practices
- These risks can be driven by several factors, including:
 - government and regulatory policy changes
 - technology improvements that enable lower-carbon products and services with a lower impact on natural capital resources
 - shifts in client preferences and investor expectations towards more sustainable business practices thereby driving reputational, funding and business risks.

Environmental risks and their impact on business strategy and financial planning

Environmental risks can impact an organisation's business strategy and financial planning through micro and macroeconomic transmission channels:

- **Microeconomic transmission channels:** Climate risk can drive increased costs and financial losses for households and businesses
- **Macroeconomic transmission channels:** Channels include macroeconomic drivers e.g. interest rates, capital flows, inflation and international trade.

Capitec aims to expand the ability to identify and monitor environmental risks and sectors most vulnerable to the shift towards a lower-carbon economy to better understand their potential impacts, proactively and timeously adapt our credit-granting policies to minimise any associated credit risks and to inform future business strategy and financial planning.

Risk management continued

The table below summarises environmental risks (physical and transition), mapped against the group's 7 risk categories, with their potential impact on business strategies and financial planning.

Risk category	How physical risk can materialise within Capitec	How transition risk can materialise within Capitec	Impact on business strategy and financial planning (measures to potentially mitigate physical and transition risks)
<p>Business risk Not meeting strategic objectives or the consequences of executing inappropriate strategies, increased competition and changing consumer preferences</p>	<ul style="list-style-type: none"> Impact of incorrect assumptions, inadequate planning or poor business strategy execution 	<ul style="list-style-type: none"> Impact of inability to quickly adapt and execute business strategies to address changing regulatory requirements and/or client expectations Changes in government policy, that could negatively impact profitability and threaten the business's long-term sustainability Potential for missed business opportunities 	<ul style="list-style-type: none"> Ongoing scenario testing and sensitivity analysis to timeously adapt business strategy and/or financial planning to different, reasonably possible adverse events or scenarios
<p>Capital and liquidity risk Capital risk refers to the potential financial loss due to inadequate capital to cover own liabilities or unexpected losses, while liquidity risk refers to the risk that Capitec may not be able to meet its financial obligations due to an inability to convert assets into cash or obtain sufficient funding in the open market</p>	<ul style="list-style-type: none"> A run on deposit balances, unexpected increases in unfunded commitments and a decrease in access to stable funding providers, transmitted through general macroeconomic or industry-specific impact 	<ul style="list-style-type: none"> Impact of clients needing more liquidity to fund capital expenditures and other investments in response to environmental-related regulatory changes or losses suffered 	<ul style="list-style-type: none"> Identify sources of capital and/or liquidity risk and develop appropriate KRIs to act as early warning mechanisms Leverage industry risk assessments to monitor concentrations in funding sources
<p>Credit risk Potential financial loss due to the inability or failure of a borrower or counterparty to meet its credit obligation(s) to Capitec</p>	<ul style="list-style-type: none"> Disruption in client operations and/or supply chains impacting their ability to repay and service debt Physical property or infrastructure damage resulting in decreased asset collateral values leading to a higher loss given default (LGD) 	<ul style="list-style-type: none"> Potential negative impacts to client revenue, income, cash flow, assets or collateral values due to higher transition costs and shifting client demands as well as the potential for stranded assets (fossil fuel-based assets that have to be prematurely written down). This could lead to a higher probability of default (PD) and LGD for impacted assets 	<ul style="list-style-type: none"> Assess physical and transition risks per geolocation and sector respectively and proactively and timeously adjust credit-granting models where needed Extensive use of common scenario stress tests (CSSTs) to identify and timeously address credit book exposure vulnerabilities
<p>Insurance risk Potential financial loss due to experience being different from assumptions used in pricing or reserving including assumptions related to severity, frequency, trend, volatility or level of occurrence rates</p>	<ul style="list-style-type: none"> Maintain sufficient reserves for severe singular extreme weather events leading to mass casualties Increased cost of asset insurance Severe weather events causing job losses and retrenchments 	<ul style="list-style-type: none"> Certain sectors and/or companies are more likely to be impacted by the transition to a lower-carbon economy which could increase the likelihood of retrenchments and loss of income 	<ul style="list-style-type: none"> Assess physical and transition risks per sector and proactively and timeously adjust business strategy as required Using CSSTs to identify and timeously address areas with a higher likelihood of negatively impacting material assumptions made
<p>Market risk Potential financial loss due to fluctuations in market variables such as interest rates or exchange rates, which could adversely impact the value of assets or liabilities</p>	<ul style="list-style-type: none"> Negative repricing of financial assets' values, transmitted through general macroeconomic or industry-specific impact – considered a low risk for Capitec 	<ul style="list-style-type: none"> Differentiated market pricing based on environmental characteristics of the underlying security or issuer – considered a low risk for Capitec although interest rate risk could be material 	<ul style="list-style-type: none"> Monitor interest rate and net open positions on short currency positions actively

Risk management continued

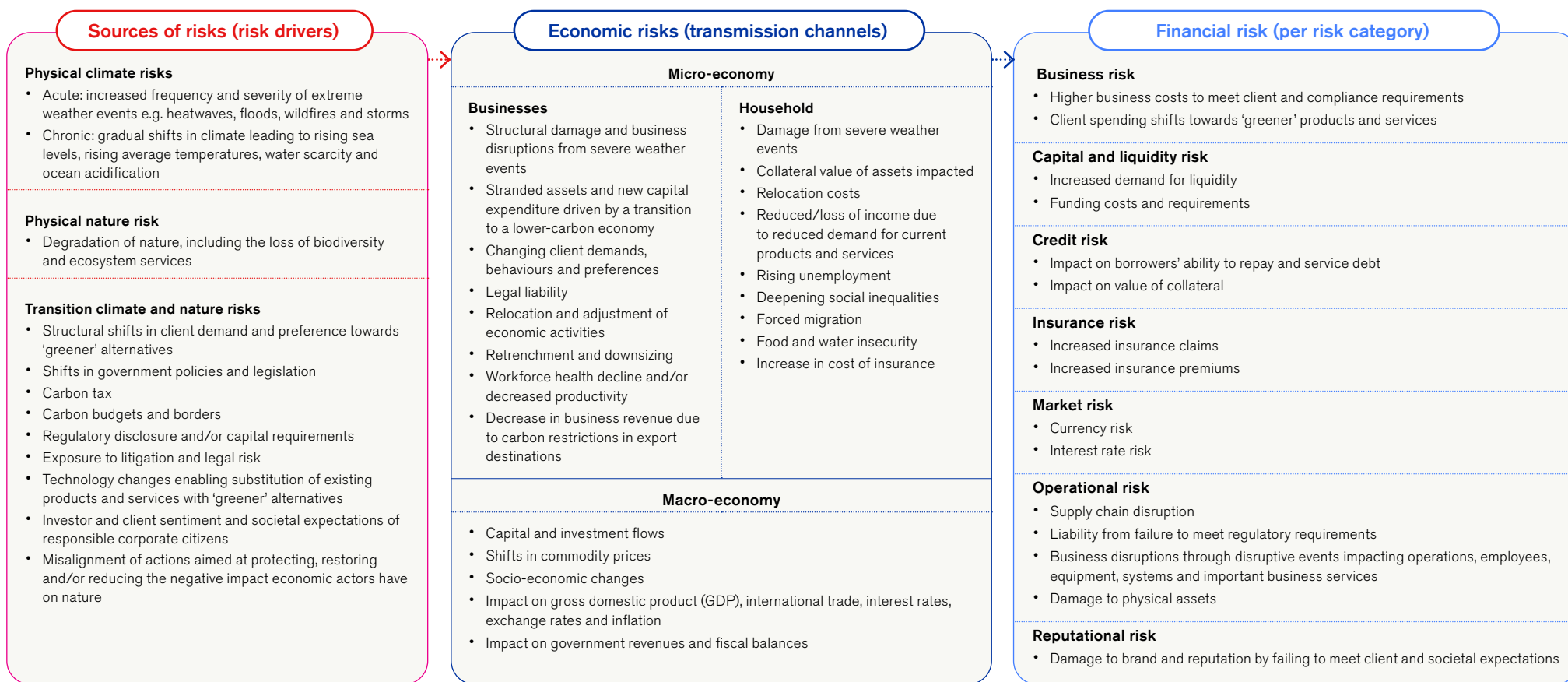
Risk category	How physical risk can materialise within Capitec	How transition risk can materialise within Capitec	Impact on business strategy and financial planning (measures to potentially mitigate physical and transition risks)
<p>Operational risk Potential financial loss resulting from inadequate or failed internal processes, people and systems, or external events</p>	<ul style="list-style-type: none"> Disruption of own operations through damage to physical assets, supply chain interruptions and/or OHS events, impacting the ability to deliver important business services e.g. flooding, extreme weather events Increased cost of asset insurance, and insurance exclusions and limitations 	<ul style="list-style-type: none"> Higher costs and possible operational disruptions due to the transition of own operations to lower-carbon infrastructure Third-party risks from the increased cost of carbon pricing, carbon borders and strict emissions standards as well as risks related to reputation and non-compliance 	<ul style="list-style-type: none"> Enable internal stakeholders to identify and address environmental risks Ensure sufficient insurance is in place for physical assets, especially those more vulnerable to physical risks
<p>Compliance and legal risk (operational risk) Legal or regulatory sanctions, material financial loss arising from the failure to comply with the requirements of applicable laws and regulations (current or emerging), related self-regulatory organisation standards and codes of conduct applicable to the business's activities, potentially leading to legal action taken against Capitec</p>	<ul style="list-style-type: none"> Workplace disruptions' impact on the ability to comply with internal policies and procedures 	<ul style="list-style-type: none"> Current and emerging requirements for classification and disclosure being very extensive Potential fines or sanctions for non-compliance Costs associated with environmental-related litigation 	<ul style="list-style-type: none"> Established risk management frameworks and functions (compliance and legal) to oversee environmental-related regulatory monitoring, interpretation, implementation and appropriate response Active participation in relevant industry forums Build extensive institutional knowledge and expertise
<p>Reputational risk The risk of stakeholders perceiving the business in a negative way either due to collective action or inaction, misconduct by a business representative in the public domain or through association with a third party</p>	<ul style="list-style-type: none"> Impact of perceived inadequate management in response to environmental risks 	<ul style="list-style-type: none"> Impact of negative perceptions regarding the financing of high-emitting industries or perceived inability to achieve climate commitments 	<ul style="list-style-type: none"> Maintain transparency over environmental risks and opportunities Actively participate in ESG rating questionnaires Publish an annual sustainability report

Risk management continued

Risk drivers and transmission channels

Risk driver	Transmission channel
Influences the nature of a risk – positive or negative, internal or external.	Connects a sustainability risk driver to a financial risk to show how sustainability risks impact various contemporary risk types.

Climate-related risks, both physical and transition, can impact Capitec through both micro (impacts on businesses and households) and macroeconomic (impacts on the economy overall) transmission channels. These risks are transmitted to the 7 risk categories and to financial loss.



Inspired by: Network for Greening the Financial System (NGFS), 2022, NGFS Scenarios for central banks and supervisors, and NGFS, 2023, Nature-related Financial Risks: a conceptual framework to guide action by central banks and supervisors.

Risk management continued

Climate-related physical risks in operational and financing activities

Capitec performed a physical climate risk assessment of its operational and financing activities during the 2024 calendar year. We used 2 open-source tools i.e. the Climate Impact Explorer and the World Wide Fund for Nature's Risk Filter suite. The assessment was repeated for 2025 and showed no significant change. The main findings were:

- The coastal areas of KwaZulu-Natal and the Western Cape, as well as Gauteng, are most prone to floods
- Extreme heat and the risk of wildfires are concentrated in the north-eastern parts of South Africa.

It is worth noting that more than 30% of Capitec's branches, business centres and cash devices are in Gauteng.

Natural capital asset dependencies and impacts

Based on the Global Industry Classification Standard (GICS), Capitec's business activities are categorised as follows:

Sector	Industry group	Industry	Subindustry
Financials	Banks	Banks	Diversified banks ⁽¹⁾
	Insurance	Insurance	Life and health insurance ⁽²⁾

⁽¹⁾ Large, geographically diverse banks with a national footprint whose revenues are derived primarily from conventional banking operations, have significant business activity in retail banking and small and medium corporate lending and provide a diverse range of financial services.

⁽²⁾ Companies providing primarily life, disability, indemnity or supplemental health insurance.

Using Capitec's GICS classification allows us to use the web-based exploring natural capital opportunities, risks and exposure (ENCORE) tool to determine the business's level of nature-related risk and its natural capital dependencies and impacts.

The financial services industry's nature-related dependency risk is considered low because its operations should be able to continue even in the event of full disruption of the ecosystem service. Its impact risk, however, is generically rated medium since offices and service centres often produce a substantial amount of solid waste, especially without sufficient recycling programmes, which Capitec fortunately has in place.

Capitec's natural capital dependencies and impacts are as follows:

Dependencies on ecosystem services	Contribution to impact drivers
<p>The business is potentially dependent on only 1 of the 21 ecosystem services, mass stabilisation and erosion control, rated at a materiality level of low, and consisting of the following 3 natural capital assets:</p> <ul style="list-style-type: none"> • Habitats (mostly towards the east of South Africa) • Land geomorphology • Soils and sediments (mostly in the central regions of South Africa) 	<p>The business has no impact drivers considered very high or high. However, it has 1 impact driver rated at a materiality level of medium: solid waste. By its very nature, solid waste could potentially negatively impact 7 of the 27 natural capital assets, acting as a driver of environmental change:</p> <ul style="list-style-type: none"> • Species • Habitats • Atmosphere • Soils and sediments • Water • Land geomorphology • Minerals

Risk management framework

Capitec's risk management practices are underscored by the enterprise risk management (ERM) policy that provides an overview of Capitec's enterprise approach to risk management by outlining the principles, guidelines, processes and models adopted by the business to ensure that risk is managed according to an integrated approach.

Risk culture

Capitec recognises that risk culture is a key enabler for effective risk management in the business.

Risk culture is measured through a quantitative maturity assessment incorporated into internal audits and is reported on the management operating system (MOS). This measurement assesses the attitudes and behaviours that translate into respect for risk, transparency and reporting of risks, recognition of risks and responsiveness to risk. The assessments are used as a tool for driving further risk culture maturity.

Risk culture maturity is also measured through the annual risk and control self-assessment (RCSA) process participation rate and the number of potential risks captured on our ERM system.

Risk management and control of the group is used as one of the non-financial executive KPIs considered when determining their annual STIs, which are payable in cash annually in April following the financial year during which performance was measured.

Risk management continued

Risk-related goals are also set during the triannual performance period process of risk department employees (line managers and their direct reports). The performance assessment has an impact on the annual salary increase and STIs, payable in cash annually in April following the financial year during which performance was measured. Specific goals and metrics will depend on individuals' personal risk management portfolios.

In addition to the above, an extensive operational risk maturity assessment questionnaire is completed every 18 months and independently reviewed by internal audit before submission to the SARB PA. This assessment among others evaluates the implementation and execution of risk management frameworks and policies as well as the maturity of various risk management practices and processes.

Risk governance

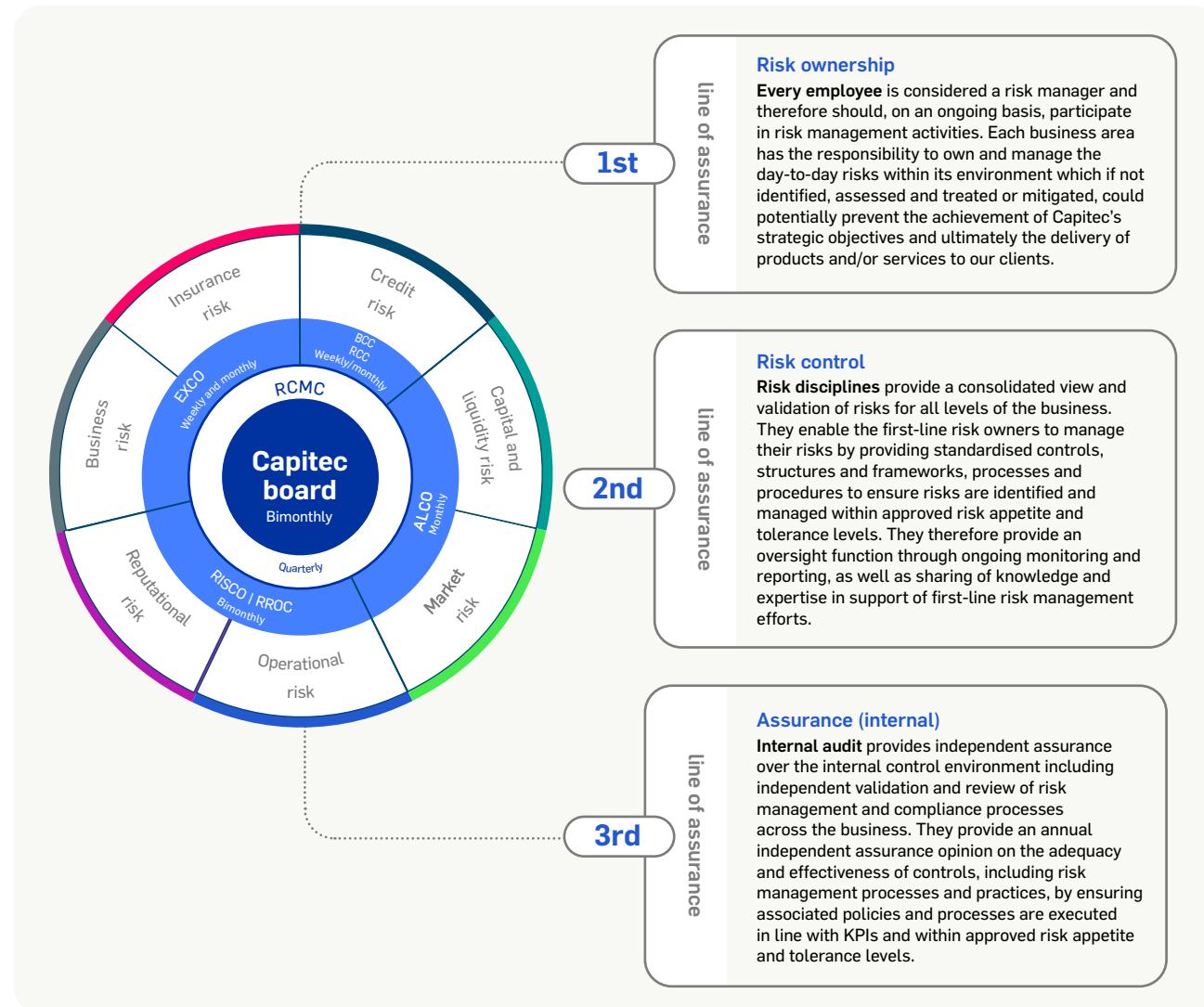
Capitec has an extensive, multilayered risk governance structure. Capitec's board remains ultimately responsible for risk management across the group and for ensuring that risks are adequately identified, evaluated, treated, monitored and reported.

Our risk management department comprises several risk disciplines, with the heads of each department reporting to the executive: risk management, who in turn reports to the CEO. Risk management therefore has a separate reporting line, independent of operations, to provide objective monitoring of risks.

Further, the executive: risk management is the highest-ranking dedicated risk official who serves as a member of the group EXCO and the RCMC.

Lines of assurance

Capitec subscribes to a 3 lines of assurance model. This ensures clearly delineated responsibilities between the 3 lines of defence as per the schematic below.



Risk management continued

Environmental risk identification and evaluation

Our ERM system enables all non-branch employees to report and list risks on the enterprise risk register (ERR). This allows the risk department to provide prudent second-line risk oversight using an iterative 5-step process to risk management: identification, evaluation, treatment, monitoring and reporting.

01

Identification

Capitec has adopted a dual risk identification and evaluation methodology that considers risks from a business (bottom-up) and strategic (top-down) level.

The bottom-up approach follows 2 key processes:

- Ongoing risk identification where risks can be captured through the Capitec enterprise risk hub on the company intranet for the ERR 24/7/365 and via the information technology (IT) risk partners for the IT risk register as and when they arise
- Annual business-wide RCSAs through which management and employees identify and assess risks as well as controls within their respective environments.

02

Evaluation

Risk evaluation is the process through which the nature of a risk and its characteristics are considered to establish the level of risk exposure. It involves a detailed consideration of a 2-criteria approach: likelihood and impact. The consideration includes risk source, consequences, events, scenarios and controls, and their effectiveness. Capitec evaluates risks from an inherent and residual perspective, with the board-approved risk matrix allowing for consistency in the analysis and evaluation of risk.

03

Treatment

Risk treatment is the selection and implementation of an appropriate response to address the risk identified. It involves balancing the potential benefits derived in relation to the achievement of strategic objectives against costs, effort or disadvantages of implementation. Risk treatment options include:

- **Risk avoidance:** Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk exposure or choosing an alternative approach to achieve the desired objective
- **Risk transfer:** Shift or share risk exposure with third parties through agreements or insurance
- **Risk acceptance:** Acknowledging the risk and taking an informed decision to retain the risk exposure while ensuring that appropriate monitoring is in place
- **Risk mitigation:** Reducing the likelihood and/or impact of risk through the improvement of management controls, processes and procedures.

04

Monitoring

Risk monitoring is an ongoing process of managing risks and includes periodic reviews of risk treatment plans and tracking the effectiveness of risk controls. Monitoring and reviewing risks takes place during all stages of the risk management process and includes planning, gathering and analysing information, recording results or updates and providing feedback. If ongoing automatic monitoring of a particular risk is necessary, the preferred method is to develop a KRI and/or a KPI on the MOS.

05

Reporting

The outcome of the risk management process (assessments) is documented and updated on the ERR.

Risk management continued

Integration of environmental risks into overall risk management

As environmental risks are not owned by any one function and can manifest across all 7 risk categories, they are integrated into each risk category's risk identification, evaluation, treatment, monitoring and reporting processes.

To prevent this perceived decentralised approach from becoming a barrier in the identification and treatment of new or emerging risks, the operational risk department acts as the central point for collaboration and communication of environmental risks.

SARB PA CRST – 2024

The SARB PA Financial Stability Department requested a CRST during 2024 on banks' retail and business credit book exposures as of 31 December 2023. The principal aim of the CRST was to assess the banking industry's resilience to climate risk, in particular physical and transition climate risks, and to understand the maturity of existing CRST frameworks. The CRST covered 3 plausible scenarios, closely aligned with those of the NGFS. The results were approved by the ALCO and RCMC before submission to the SARB PA.

CRST scope

The CRST considered credit risk only and applied a static balance sheet approach throughout the projection period, meaning the size, risk profile and residual maturity of the balance sheet remained unchanged. Any changes to accounting standards, tax regimes and regulatory reforms were disregarded, as were any possible management actions which could have mitigated identified or perceived risks.

Scenarios

3 scenarios, designed to align with the NGFS scenarios, were used to assess both physical and transition risks with a forecast horizon up to 2050. The scenarios were, however, expanded to consider specific geography, sectoral disaggregation and the climate uncertainty in the South African economy. The 3 scenarios selected were:

- **Current policies:** Assumes existing climate policies remain in place, however, are not fully enforced, with no new climate policies implemented across the forecast horizon. This is insufficient to halt significant global warming, leading to severe physical risks as critical temperature thresholds are exceeded. There are no new transition impacts. Some provinces are expected to experience severe flooding, while others are expected to experience severe droughts, mostly impacting the agricultural sector
- **Delayed transition:** Only sees an acceleration in the decline of annual emissions after 2030 due to delayed policy implementation across countries and sectors. This leads to more severe transition risks that are compounded by the slow and disorderly implementation of climate policies

- **Net zero 2050:** Assumes that additional climate policies are introduced early and become gradually more stringent to limit global warming to 1.5°C. This results in more subdued physical risks that are mitigated by the benefits of more orderly and timely transition efforts.

Irrespective of the scenario, emissions in South Africa are expected to decrease largely driven by the decarbonisation of the electricity sector.

Scenario data sets, for sectoral and geographical outputs and macroeconomic outputs, used were provided by the SARB PA and are a result of combined modelling frameworks developed by the National Institute of Economic and Social Research and the International Food Policy Research Institute.

Variables

The following variables were used to stress the credit books' PD (the likelihood a borrower will fail to pay back a loan) and LGD (the amount of money a financial institution loses when a borrower defaults on a loan):

- GDP per sector
- Employment growth per sector
- Global oil price in United States dollar, which is a proxy for inflationary pressure.

CRST outcomes

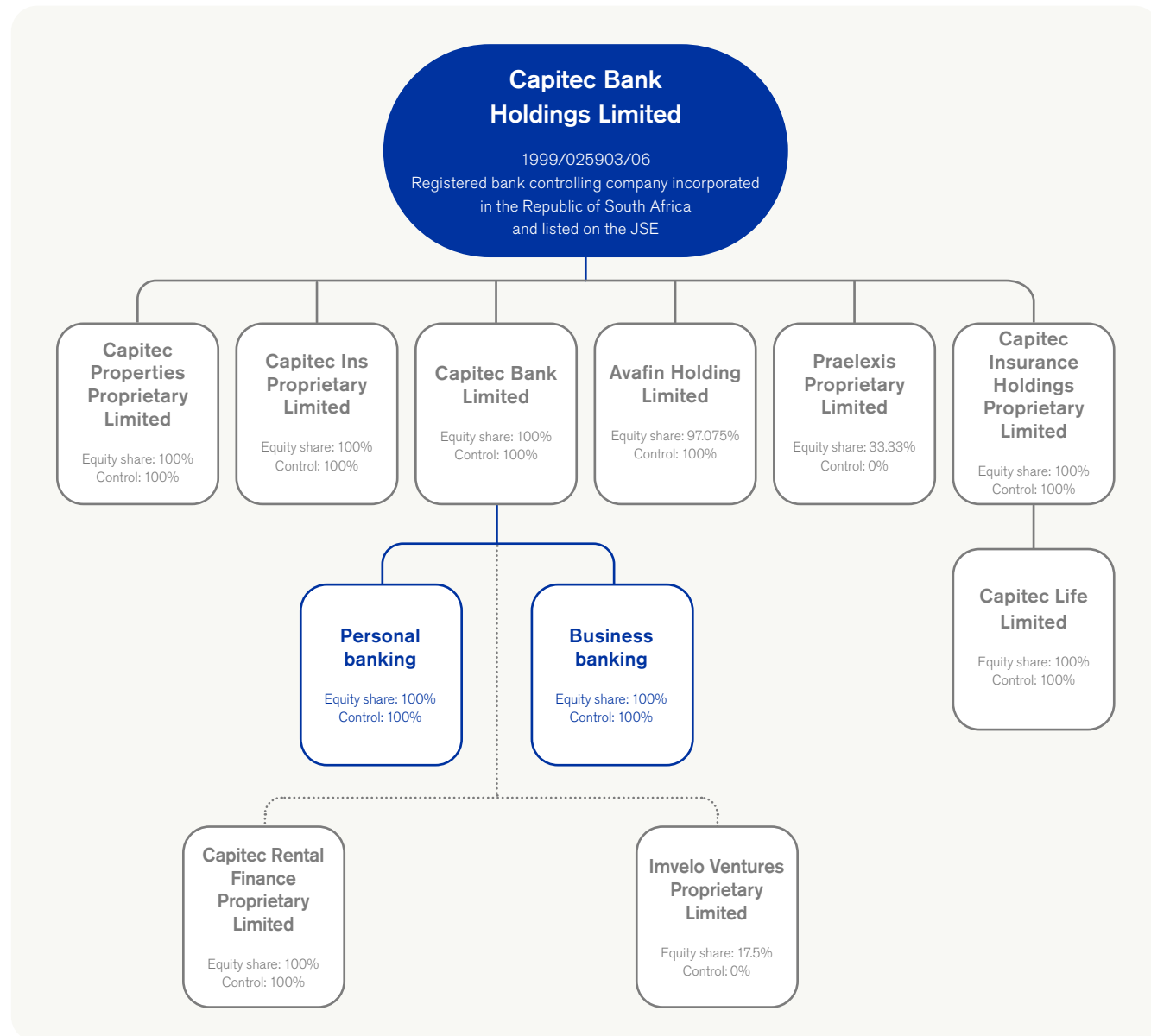
When considering the economic forecasts in the CRST documentation and data provided by the SARB PA, the year-on-year changes did not appear particularly severe. For example, the GDP forecast for South Africa did not turn negative at any point in the forecast horizon for any of the 3 scenarios. Climate stress is therefore not expected to push South Africa into a recession. This is indeed likely because climate risk scenarios represent a chronic or 'slow burn' stress rather than a once-off shock. The pressure of slower-than-expected GDP growth persists and accumulates over time. With the typical length of an economic cycle estimated at 5 years, once the duration of economic underperformance continues beyond that, cumulative or chronic stress builds up over time and puts strain on PDs and LGDs.

The CRST is an important stress-testing capability that is expected to increase in prominence and relevance. The macroeconomic data provided by the SARB PA contained more than 200 variables across industry sectors and provinces and provided insight on how the scenarios would play out without management intervention. However, Capitec's assets and credit book will mature over a much shorter time horizon than that of the CRST. The average remaining term on Capitec's largest exposure in retail credit is 3 years whereas the CRST produced model outputs until 2050. Even though the CRST outputs are theoretical, they highlighted the importance of understanding and monitoring the underlying climate risk drivers through macroeconomic and microeconomic transmission channels into credit risk.

Metrics and targets

In accordance with the World Business Council for Sustainable Development and the World Resources Institute's GHG Protocol, Capitec follows the operational control approach and accounts for 100% of the GHG emissions from operations over which it has operational control. We exclude GHG emissions from operations in which we own an interest but have no control.

This environmental disclosure represents Capitec Bank Holdings Limited, listed on the JSE, and its 100%-owned and controlled subsidiaries Capitec Life, Capitec Bank Limited (Personal and Business banking) and Capitec Rental Finance. It currently excludes Avafin Holding Limited which Capitec acquired a controlling interest in on 1 May 2024.



Metrics and targets continued

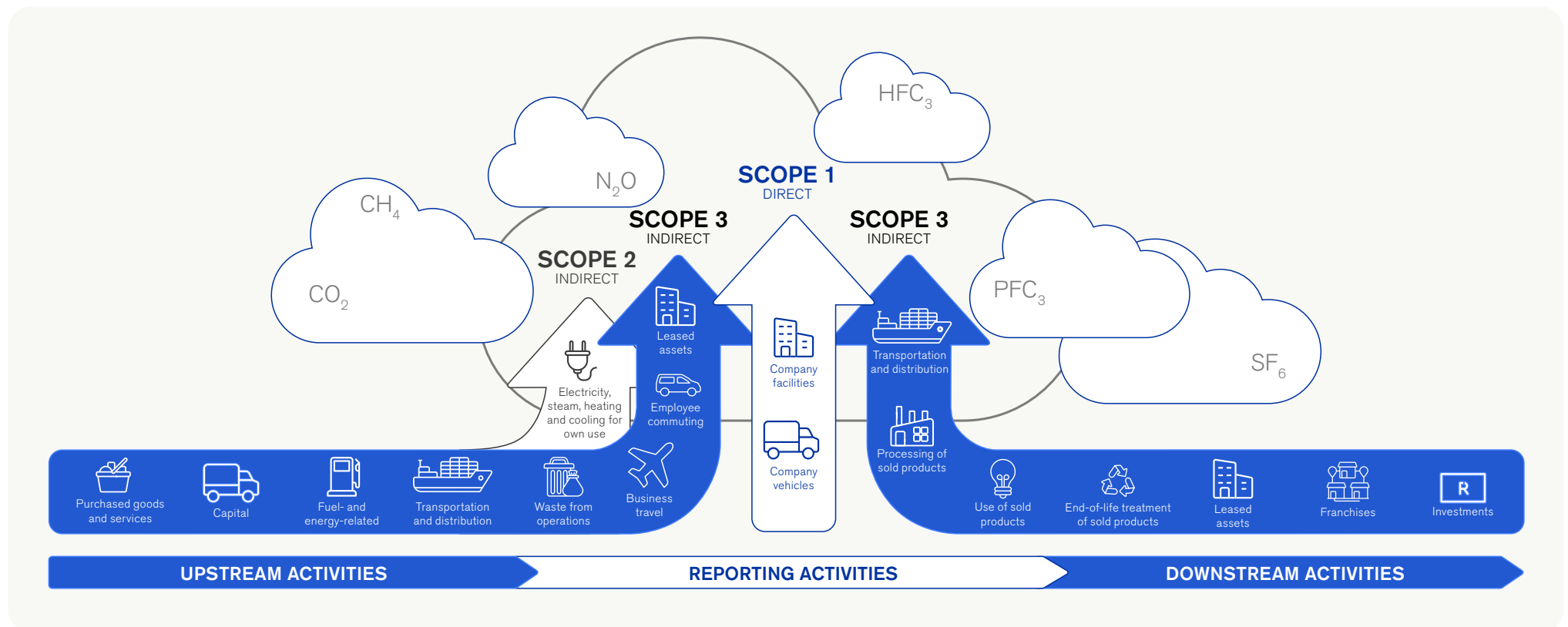
Metrics used to assess environmental risks and opportunities

GHG emissions metrics

As a global best practice guideline, Capitec aligns its GHG emissions metrics with those defined in the GHG Protocol – Corporate Accounting and Reporting Standard (revised edition).

Accordingly, we report on direct and indirect emissions according to Scopes 1, 2 and 3 as defined in the GHG Protocol; emissions are reported in tonnes of CO₂e:

- **Scope 1:** Direct emissions from sources owned or controlled by Capitec, for example, vehicles used for deliveries or backup electricity generators
- **Scope 2:** Indirect emissions from the generation of purchased electricity consumed by Capitec
- **Scope 3:** Indirect emissions that occur in Capitec's value chain, including both upstream and downstream emissions.



Source: World Economic Forum, 2022. What is the difference between Scope 1, 2 and 3 emissions, and what are companies doing to cut all 3?

Metrics and targets continued

Capitec's emissions are converted using emission conversion factors published by the United Kingdom's Department for Environment, Food and Rural Affairs 2024, version 1.1 (for Scope 1 and 3 emissions) and published in Eskom's integrated report for the year ended 31 March 2024 (for Scope 2 emissions). Assumptions in emissions calculations include:

Assumptions – General

- Third-party data used in the calculation of the GHG emissions inventory is deemed to be accurate, complete and valid
- Where it is not clearly indicated in the source data, or not possible to distinguish between litres of diesel or petrol fuel purchased, the more conservative emissions factor (petrol) is used
- Some limited and immaterial instances required the use of averages or estimates based on historical values due to actual data not being available or verifiable.

Assumptions – Scope 1

- Fuel used in owned or controlled equipment: All fuel used is considered to be diesel-based, except for fuel used in retail branch electricity generators, which are petrol-based
- Fuel used in owned or controlled vehicles: Total kilometres travelled are calculated using the average fuel price for the specific month (considering the difference in price per litre in coastal and inland regions) and the assumption that vehicles drive 10km per litre. All fuel used is considered to be petrol-based.

Scope 3 inclusions and exclusions

In choosing which Scope 3 emissions to report on, Capitec applies the principles of relevance, completeness, consistency, transparency and accuracy. The rationale behind any exclusions is explained in the following table.

Scope 3 emissions	Reported	Notes
Upstream		
Category 1 Purchased goods and services	Yes	Capitec reports on non-production-related procurement of goods and services used to enable our operations e.g. paper usage.
Category 2 Capital goods	No	We are considering looking into industry and national averages to gauge the viability of quantifying emissions from any property, equipment and other fixed assets procured during any given reporting period. Once determined, we will assess the materiality of Scope 3 emissions from capital goods procured and transported when compared to our other sources of emissions and determine the best method of quantification based on the availability and quality of data should it be deemed material.
Category 3 Fuel- and energy-related activities	No	All fuel and energy purchased by Capitec are consumed in our operations and therefore reported under our Scope 1 and 2 emissions.
Category 4 Upstream transportation and distribution	No	These emissions are difficult to calculate and should not have a material impact on our total Scope 3 emissions.
Category 5 Waste generated in operations	No	Emissions from waste generated in operations are currently still under review.
Category 6 Business travel	Yes	Emissions from the use of commercial airlines and rental vehicles are reported on based on information obtained from travel agency invoices. Emissions from travel with employee-owned vehicles are calculated using distances travelled obtained from our accounting system.
Category 7 Employee commuting	No	The calculation of emissions from employee commuting is still in progress.
Category 8 Upstream leased assets	No	Capitec does not operate any leased assets in our upstream business activities.

Metrics and targets continued

Scope 3 emissions	Reported	Notes
Downstream		
Category 9 Downstream transportation and distribution	Yes	Transport of cash by CIT, based on primary activity data (kilometres travelled) received from service providers. Information provided is not always clear on whether petrol or diesel-run vehicles are used – based on historical data (2020 to 2022), a ratio of 52% petrol and 48% diesel is used, which assists in applying the appropriate emissions factor. The total kilometres are then converted into CO ₂ e, with the result expressed in tonnes of CO ₂ e.
Category 10 Processing of sold products	No	Capitec's primary business is the provision of financial services (Personal and Business banking, excluding corporate and project financing, and credit and long-term insurance). No further processing, transformation or inclusion in another product is required before using our services provided (Category 10). As the end use of funds is unknown and has many potential applications, each having very different GHG emissions profiles, we are unable to reasonably estimate our downstream Scope 3 emissions from the use of financing activities (Category 11). Services sold also have no end-of-life treatment, however, our new POS machines might – we aim to assess the materiality of said emissions when compared to our other sources of emissions and will determine the best method of quantification based on the availability and quality of data should it be deemed material (Category 12).
Category 11 Use of sold products	No	
Category 12 End-of-life treatment of sold products	No	
Category 13 Downstream leased assets	No	As part of our journey towards setting science-based targets, we will assess the materiality of Scope 3 emissions from downstream leased assets when compared to our other sources of emissions and determine the best method of quantification based on the availability and quality of data should it be deemed material.
Category 14 Franchises	No	Capitec does not operate as a franchisor. It is a financial services provider (Personal and Business banking, excluding corporate and project financing, and long-term insurance). This category is therefore not applicable.
Category 15 Investments	No	As part of our journey towards setting science-based targets, we will assess the materiality of Scope 3 emissions from investments when compared to our other sources of emissions and determine the best method of quantification based on the availability and quality of data should it be deemed material.

We also report GHG emissions intensity ratios using the total number of FTEs as at financial year-end as well as the total square metres of floor space occupied by all in-scope business premises.

Water consumption

Water withdrawal and consumption are reported in kilolitres (kℓ) (note that 1kℓ equals 1 cubic metre (m³)) by source (borehole, rainwater harvested and grey water), for business premises where information is deemed relevant, complete, consistent, transparent and accurate.

Waste management

Waste disposal is measured in tonnes by method of disposal (landfilled or incinerated) with details provided on all waste recycled or reused, per type (paper, beverage cans and electronic equipment), for business premises where information is deemed relevant, complete, consistent, transparent and accurate.

Did you know?

It is difficult to understand climate impact using abstract concepts. For example, just how much is 1 tonne of CO₂? To put it in perspective, the following animals on average weigh around 1 tonne:

- Giraffe
- Black rhinoceros
- Hippopotamus

Metrics and targets continued**GHG emissions inventory**

Capitec aligns our reporting on our GHG emissions with the GHG Protocol's Corporate Accounting and Reporting Standard, which is widely recognised and referenced by many standards and frameworks for measuring GHG emissions. GHG emissions are reported in tonnes of CO₂e.

Emissions scope	2025	2024	2023	Base year 2020
Scope 1: Direct emissions	1 039	2 571	1 350	411
Fuel used in owned or controlled equipment ⁽¹⁾	109	1 546	475	70
Fuel used in owned or controlled vehicles	18	29	16	18
Air-conditioning and refrigeration gas refills	912	996	859	323
Scope 2 location-based⁽²⁾	36 968	28 065	31 284	32 292
Total Scope 1 and 2	38 007	30 636	32 634	32 703
Scope 3: Indirect emissions	5 328	4 975	4 418	5 654
Upstream				
Category 1 – Purchased goods and services (paper usage) ⁽³⁾	658	406	429	500
Category 6 – Business travel				
– Rental vehicles	34	28	26	18
– Commercial airlines and accommodation ⁽⁴⁾	1 877	1 123	994	1 676
– Employee-owned vehicles	542	917	1 034	1 660
Downstream				
Category 9 – Downstream transportation and distribution (CIT)	2 217	2 501	1 935	1 800
Total Scope 1, 2 and 3	43 335	35 611	37 052	38 357
Electricity consumed (MWh)	35 546	28 065	28 967	31 050
Scope 1 (%)	2.4	7.2	3.6	1.1
Scope 2 (%)	85.3	78.8	84.4	84.2
Scope 1 and 2 (%)	87.7	86.0	88.0	85.3
Scope 3 (%)	12.3	14.0	12.0	14.7
Carbon intensity ⁽⁵⁾ per FTE	2.29	1.94	2.11	2.21
Carbon intensity ⁽⁵⁾ per m ² floor space	0.10	0.09	0.11	0.13

⁽¹⁾ The use of generators due to extended periods of load shedding during 2023 and 2024 substantially increased the fuel used in owned or controlled equipment.

⁽²⁾ Location-based reflects the emissions consumed at operations sites or business facilities (using mostly average emission intensity or emission factor of the local grid where power is sourced from). It therefore does not factor in any 'green' measures adopted such as renewable energy credits. Instead, everyone on the same power grid is equal – everybody shares the same emissions of the grid based on the amount of electricity they consume. The only way therefore to reduce this number, is to reduce the amount of electricity consumed.

South Africa experienced extended periods of load shedding during 2023 and 2024 which created a lower base for Scope 2 emissions.

⁽³⁾ The emissions factor increased from 910.48kg CO₂e per tonne of paper during 2024 to 1 339kg CO₂e per tonne of paper during 2025 and, previously, paper recycled was deducted from paper usage before the emissions factor was applied.

⁽⁴⁾ During 2025, Capitec's emissions from commercial airlines and accommodation increased as a result of more in-person meetings and training programmes.

⁽⁵⁾ Scope 1 and 2.

Capitec does not make use of any instruments or agreements (renewable energy certificates, direct agreements, supplier-specific emission rates) involved in getting market-based emissions.

Renewable electricity consumed

Capitec primarily relies on Eskom for electricity for its operations. Our photovoltaic solar array, commissioned at the Stellenbosch head office on 25 August 2022, generated 770MWh in the past 12 months, which saved an estimated 800.8 tonnes of CO₂ and more than R1 million in operational expenses.

Metrics and targets continued

Water consumption

Both our Bellville and Stellenbosch campuses have access to rainwater harvesting (used to supplement grey water or for irrigation) and borehole water (used when municipal water is disrupted). Our head office in Stellenbosch also has water submetering in place aiding in the measurement, monitoring and management of water consumption at various control points.

The table below summarises the water consumption from renewable sources at the head office in Stellenbosch.

Due to limited data availability, Capitec is currently unable to accurately disclose water consumption for the rest of the business operations.

Water consumption (kℓ)	2025	2024	2023
Total municipal (potable) water consumption	8 528	unknown	unknown
Total borehole water consumption	0	0	598
Total grey water consumption (washrooms)	230	4 520	3 746
Total rainwater consumption (irrigation)	647	5 989	5 400

Water consumption (million m ³)	2025	2024	2023
Total municipal (potable) water consumption	0.008528	unknown	unknown
Total borehole water consumption	0.000000	0.000000	0.000598
Total grey water consumption (washrooms)	0.000230	0.004520	0.003746
Total rainwater consumption (irrigation)	0.000647	0.005989	0.005400

There was a question on year-on-year grey water consumption. The feedback from the facilities team was that the location of the meter currently does not provide an accurate account of grey water usage. The facilities team is investigating options to add additional meters to provide accurate readings.

The borehole yield is very low and highly dependent on the water table. To prevent damage to the equipment, the borehole pumps were shut down. With no borehole backup available, rainwater reserves were prioritised for emergency use in the event of municipal water outages. This explains the significantly lower rainwater consumption recorded in 2025.

The above highlights the value of continuous monitoring where these shifts can be detected on an ongoing basis.

Waste management

For 2025, we are able to report on total waste recycled and landfilled for 5 of our 7 campuses. We currently do not measure the portion attributed to our branches. We currently do not incinerate any waste, nor do we plan to in the future.

Waste management	2025	2024	2023
Total waste recycled/reused (tonnes)			
Recycled paper	18.0	26.7	12.4
Recycled beverage cans	2.0	3.4	0.7
Recycled electronic equipment	21.3	17.7	26.9
Reused waste ⁽¹⁾	0.1	unknown	2.0
Total waste disposed (tonnes)			
Waste landfilled ⁽²⁾	73.3	91.3	37.7
Waste incinerated with energy recovery	0	0	0
Waste incinerated without energy recovery	0	0	0
Waste otherwise disposed	0	0	0
Waste with unknown disposal method	0	0	0

⁽¹⁾ Organic waste destined for a landfill but diverted to be processed in the creation of fuel, oil or gases like methane or butane. Only a small portion of the resulting substance is sent to a landfill.

⁽²⁾ The increase in waste landfilled from 2023 to 2024 is mostly because more employees were working remotely during the 2023 financial year than in 2024.

Operations goals

Due to the nature and composition of the business, Capitec's carbon footprint is considered low and did not increase in line with revenue and client growth due to our digital banking strategy.

Capitec's initial operations target was to reduce, and not increase, Scope 1 and 2 emissions per FTE and floor space (m²) occupied from our base year, 2012. Capitec understands using only intensity-based targets needs further maturity and refinement. We will commence a more refined target-setting approach e.g. a science-based target as soon as reasonably possible.

During the past year, Capitec has not recruited, retrained, retrenched or compensated any employee due to its decarbonisation strategy.

Capitec supports the approach of reducing its GHG emissions before considering the use of carbon offsetting. During the past financial year, no carbon emissions offset was applied via either the purchase of carbon credits or sequestration of in-house carbon offset projects.

Metrics and targets continued

Financing policy

Capitec's business strategy has deliberately never financed large corporate investment projects. The Business banking division focuses primarily on SMEs and entrepreneurs and does not have material exposure to carbon-intensive assets.

We continue to finance hybrid vehicles, although the demand for fully electric vehicles remains limited in South Africa.

Capitec's **financing exclusion list** (<https://www.capitecbank.co.za/globalassets/pages/esg/environment-policies/financing-exclusion-list.pdf>) shows that we do not provide corporate credit lines and lending, project and infrastructure finance or fixed income underwriting, in the following industries:

- Coal mining (the extraction of thermal coal)
- Coal power (the burning of coal at coal-fired power plants for generation of energy)
- Coal infrastructure (railway lines and trains, or ships and barges used to transport coal, pipelines or coal processing plants)
- Tar sands (sand and clay mixed with heavy crude oil)
- Shale oil and gas (natural gas/oil found within rock and accessed through hydraulic fracturing)
- Arctic oil and gas (oil and gas exploration, development and production in the Arctic region)
- Liquefied natural gas (extraction, transport, liquefaction and regasification of gas derived from fossil fuels)
- Deep and ultra-deep-water oil and gas (water depths greater than 300m and 1 500m, respectively)
- Oil and gas infrastructure (railway lines and trains, or ships and barges used to transport oil and gas, pipelines or refineries).



4 Social impact



Capitec is committed to fostering healthy and transparent relationships with all its stakeholders and to providing a workplace that is safe, diverse and respectful of all human rights.

Our people and culture

Workforce breakdown

Our aggregate workplace profile as of 30 September 2024 (as per the reporting requirements of the Department of Employment and Labour) can be seen below.

Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	–	–	1	6	–	–	1	–	1	–	9
Senior management	8	6	6	59	12	5	8	22	3	1	130
Middle management	249	202	109	530	186	107	75	220	25	10	1 713
Junior management	817	502	135	311	1 445	602	96	266	15	11	4 200
Semi-skilled and discretionary decision-making	2 302	534	73	94	5 790	1 008	120	106	2	3	10 032
Unskilled and defined	–	–	–	–	–	–	–	–	–	–	–
Total permanent	3 376	1 244	324	1 000	7 433	1 722	300	614	46	25	16 084
Temporary employees	–	–	–	–	–	–	–	–	–	–	–
Total	3 376	1 244	324	1 000	7 433	1 722	300	614	46	25	16 084

Employee support programmes

We believe in empowering our people to take charge of their well-being. By fostering an environment that prioritises and sustains holistic welfare, we build a resilient and cohesive workforce, ultimately driving sustained success for our business. This year we continued to offer the following support programmes to improve employee health and happiness:

- Parental leave provides greater flexibility and work-life balance support to all new parents. This applies to primary or non-primary caregivers i.e. biological, surrogates and adoptive parents. 2 additional months' unpaid leave is allowed for employees in line with Unemployment Insurance Fund claim benefits
- Breast-feeding facilities where infrastructure allows
- The hybrid working arrangement remained in place to support greater flexibility and a healthy work-life balance for employees. The minimum required in-office time is based on occupational level. Flexible working hours are allowed where practically possible.

Capitec's updated employee support programmes are detailed in the integrated annual report's people and culture section.

Freedom of association

We value our people's right to freedom of association by maintaining an amicable relationship with the union, SASBO. We acknowledge that 49% of our employees are SASBO members. We grant unlimited time off to those who have been selected as shop stewards to attend to their union-related duties. We also afford limited leave days for attendance at union meetings (8 days), training (5 days) and union negotiations (6 days).

Performance management

Our performance management process aims to drive the right behaviour, performance and personal growth and development. This strategy is centred around specific key principles:

- Strengthening the concept of goal setting by introducing shorter performance review periods. Employees and line managers based outside of our branches set goals together every 4 months while our branch employees set goals every 3 months. All goal plans contain 5 measurable goals of which at least 1 must be a Capitec leadership principle
- Focusing on the quality of the performance conversation between the employee and their line manager on the basis that it builds trust, encourages development and drives performance. We also encourage the use of development tools, such as 360-degree feedback surveys, that can help employees gain a better understanding of their strengths and development areas.

By empowering our people to take ownership of their performance and growth, we are building a culture of accountability and continuous improvement that is well suited to the demands of an agile business environment.

Our people and culture continued

Appointing from within

Our strategic focus on balancing external appointments with internal promotions demonstrates our commitment to cultivating a diverse and dynamic talent pipeline.

This year, we prioritised internal growth opportunities, aligning with our objective to achieve a 60% internal hire rate. We are proud to announce that we have exceeded our target and achieved a 63% internal hire rate. This commitment underscores our effective people strategy, ensuring robust development and retention of our talent.

The Internal Mobility Initiative (IMI) creates a clear pathway for our branch and business support centre people to find their next role and grow their careers within Capitec. The IMI was launched in March 2023 and has proven successful in providing employees in client-facing roles with the support and skills required to move into specialised head office roles.

This financial year, 48 of our people (62% from branches, 24% from business support and 14% from other areas) participated in the programme and were successfully placed in technology and data roles. We continue to drive transformation through this programme with 36% female and 92% black participants.

This programme is a strong driver of retention, workforce agility and our culture.

Building a pipeline for the future

At Capitec, we believe that empowering young talent is not only essential for addressing South Africa's youth unemployment crisis but also a catalyst for innovation, economic growth and long-term success. By investing in the growth of these young professionals, we position Capitec to benefit from their fresh perspectives and innovative ideas, ensuring sustained success and competitiveness in an evolving market. Throughout the year, our focus has been on building a dynamic pipeline of young talent that aligns with the evolving needs of our business through our early careers initiatives.

Our flagship Future Leaders Graduate Development Programme attracts, develops and retains the brightest minds from diverse backgrounds. This 24-month programme equips graduates with the skills and behaviours needed to thrive within Capitec's culture and achieve business objectives. Currently, the programme includes 31 delegates (100% black, 65% female), strengthening our leadership pipeline while reflecting our commitment to transformation and gender equity. In September 2024, 16 of our future leaders completed the 2023 programme, with placements from risk management, payments and credit management. Notably, 3 of these graduates were appointed to middle management roles.

Aligned with our commitment to future growth, our external bursary programme focuses on building a strong pipeline of scarce and critical skills by supporting the tertiary education of current and prospective students. In 2025, we awarded 13 bursaries (100% black, 54% female), prioritising areas such as risk management, credit management and data and technology. This brings the total number of students supported through the bursary programme to 33 (91% black, 50% female).

Building capability

Igniting opportunities for lifelong learning

Access to learning opportunities is essential for fostering individual growth and development. At Capitec, we leverage digital technology to democratise learning, ensuring that all our people have the opportunity to develop their skills and contribute meaningfully.

Our 2025 agenda focused on providing access to and cultivating a culture of lifelong learning. This has been achieved through the SAP learning management system which has proven to be an efficient tool to provide our people with access to learning material.

Below is an overview of the number of learning interventions that our employees attended both in person and virtually.

Learning focus	Female		Male		Total
	Black ⁽¹⁾	White	Black ⁽¹⁾	White	
Compliance ⁽²⁾	94 180	5 246	49 583	8 464	157 473
Functional and technical	265 795	6 556	117 656	6 805	396 812
Management and leadership	65 436	564	26 669	559	93 228
Onboarding	16 737	962	7 638	1 015	26 352
Competency-based	10 150	394	3 958	320	14 822
Other ⁽³⁾	50 757	2 025	23 581	2 797	79 160
Total	503 055	15 747	229 085	19 960	767 847

⁽¹⁾ Black = African, Indian and Coloured as per South Africa's Employment Equity Act, Act 55 of 1998.

⁽²⁾ Includes ethics training, whistle-blowing, gifts and invitations, anti-money laundering and the Financial Intelligence Centre Act, Act 38 of 2001.

⁽³⁾ Includes role-based learning and self-initiated learning for development purposes.

Our learnership programmes offer our people the opportunity to undertake learnerships, empowering them with skills and providing them with an opportunity to get a formal qualification. Our unemployed youth strategy transformed the lives of 628 black matriculants by providing banking learnership qualifications and workplace onboarding, giving them economic freedom (136 learners have received permanent placement to date). This strategic transformation enhances our young talent pool in retail branches and contact centre operations while addressing national youth unemployment.

Our people and culture continued

The table below reflects the number of new enrolments for learnerships in 2025.

Learnership programme	Female		Male		Total
	Black ⁽¹⁾	White	Black ⁽¹⁾	White	
Core Banking and Financial Services (NQF level 4)	149	—	58	1	208
Core Banking and Financial Services – BBCUL (NQF level 4)	426	—	169	1	596
FETC: Contact Centre Operations (NQF level 4)	14	—	9	—	23
Agile Banking Professional programme (NQF level 4)	191	2	63	3	259
Generic Management in Banking programme (NQF level 5)	11	—	13	—	24
National certificate: Information Technology – Systems Development (NQF level 5)	6	—	18	3	27
Total	797	2	330	8	1 137

⁽¹⁾ Black = African, Indian and Coloured as per South Africa's Employment Equity Act, Act 55 of 1998.

Creating effective leaders through our leadership academy

We ignite opportunities for growth by enabling our people across all levels to build leadership capabilities. To date, the focus has been on building the management and leadership capabilities of existing leaders, developing future bench strength at senior and executive level and transforming our culture through embedding our newly defined Lead BETTER principles.

The Capitec leadership academy aims to build foundational competence in people management and business management, equipping our people to Lead BETTER regardless of their level while accelerating their development. In the 2025 financial year, we continued our programmes aimed at improving the leadership capabilities of our people across all levels.

- Accelerator leadership development programmes aim to accelerate the readiness of high-potential candidates.
 - The **Executive Development Programme** aims to enhance personal mastery and the strategic capacity of our senior leaders to deal with the uncertainty and complexity associated with a global context. The programme also included the completion of strategic business projects, as well as a 2-week immersion to India and Singapore. The 2025 cohort consisted of 16 delegates (56% black, 31% female) and achieved a net promoter score of 77
 - **FutureShift** aimed at transitioning our middle managers into senior leadership roles and exposed the delegates to personal mastery, leading and developing diverse teams, translating business strategy and influencing and collaboration at an organisational level. This year had an intake of 25 middle managers (50% black, 30% female and achieved a net promoter score of 70).
- Leadership Mastery Programmes are aimed at equipping our existing leaders with the skills required to excel in their roles. The programme is focused on themes like sustainable business leadership (I own my business), ethical leadership, shaping our organisational culture, creating inclusive environments and development of team members:
 - The **Team Leader Mastery Programme** aimed at branch and operations employees was piloted this financial year to 100 employees and will be scaled during the new year.
- Generic management programmes enable our people to build foundational competence in people and business management:
 - **LeadUP** is an organisation-wide foundational programme covering business and people management and covers topics such as mental health, employee engagement and coaching. In 2025, 1 688 employees (64% delegates from our branch operations and 36% from business support) attended the 4-day workshop which achieved a net promoter score of +76
 - We introduced 2 bespoke leadership programmes ('LeadUP' Business Support Centre and 'LeadUP' Operations) for our call centre and branch environments, collectively improving the employee engagement levels of 11 400 employees. These initiatives were driven by employee engagement surveys and data insights, highlighting the need to support our employees with the skills to tackle daily challenges while embodying our CEO values. This has fostered team cohesion, psychological safety and collective accountability, improving engagement scores by 14% for our branches and call centres.

Our people and culture continued

Occupational health and safety

Capitec is committed to providing a work environment that is, as far as reasonably practicable, safe and without risk to the health and safety of employees (permanent, temporary and contracted), clients, contractors and any other visitor or member of the public who enters our business premises. Capitec complies with all relevant South African OHS laws, regulations and standards. The compliance department performs ongoing monitoring reviews.

In May 2024, a new OHS system (I-Manage) was implemented across all Personal and Business banking branches and business centres nationwide and will be extended to all Capitec head and regional offices during 2025.

The OHS system improves the monitoring of OHS. It also aids branches and business centres in preparing for and responding to Department of Employment and Labour inspections, ensuring that they have the necessary documentation and information readily available.

Health and safety incidents

	2025		2024	
	Number	% of total FTE	Number	% of total FTE
Fatalities (injury on duty (IOD) leading to death)	1	0.01	–	–
First aid cases (IOD leading to minor treatment)	28	0.17	49	0.31
Medical treatment cases, with no lost days	42	0.25	16	0.10
Lost time injuries (IOD with at least 1 day of sick leave)	21	0.13	9	0.06
Total	92	0.56	74	0.47

Capitec also maintains a health and safety hub on the company intranet where all employees have access to the OHS policy, emergency contact numbers, designated health and safety representatives, safety awareness guidelines and instructions to follow in handling any medical incidents at a Capitec business premises.

Capitec's OHS committee is made up of elected and appointed health and safety representatives and selected management to assist the group EXCO in fulfilling its responsibilities regarding health and safety matters.

The OHS committee, meeting at least on a quarterly basis, is primarily responsible for:

- the effective implementation of OHS policy requirements
- continuous improvement in quality and efficiency of OHS policies and programmes
- OHS-related compliance
- reviewing investigation findings and corrective actions taken of any IOD.

Personalised OHS-related goals (towards the overall success of the OHS programme) are set during each triannual performance period for the entire health and safety team (line manager and his direct reports) as well as the duly appointed section 16(2) individuals, which performance has a direct impact on their annual salary increase and STI, payable in cash annually in April following the financial year during which performance was measured.

At management level, our regional managers have been appropriately trained and are responsible for annual retail branch health and safety risk assessments. The head and regional offices' health and safety risk assessments are performed annually by the duly elected, appointed and trained health and safety representatives. Assessments are attested to by auditors to ensure objectivity and thoroughness.

OHS policy compliance is also continuously monitored through various mechanisms including *ad hoc* safety inspections, incident reporting and feedback from safety, health and environment representatives. All incidents, near misses and hazards are reported and investigated to prevent reoccurrence and improve safety measures.

Feedback on health and safety risk assessments and any IOD, including investigation findings and corrective actions taken, are reported to the SESCO at least 3 times a year, with health and safety being a standing agenda point at committee meetings.

Contributing to society

CSI framework and policy

The purpose of CSI at Capitec is to empower, develop and grow disadvantaged communities and realise our transformation objectives through the investment of funding, time and skills.

Capitec is committed to CSI which has a positive impact on communities and society. Our CSI approach centres around SED, which is integral to our transformation objectives and community involvement.

The objectives of CSI and SED are to:

- improve access to quality education
- uplift communities beyond our core business operations through measurable and impactful social investment
- encourage employee participation in social upliftment initiatives.

Capitec allocates CSI funding of 0.6% of net profit after tax in line with the Amended Financial Services Sector Code in terms of section 9(1) of the Broad-based Black Economic Empowerment Act, Act 53 of 2003.

Our primary CSI focus is to advance access to quality education through 3 streams:

- The Capitec Foundation Trust – Capitec funds and provides shared services support to the foundation, an independent public benefit organisation (PBO). It exists to establish a sustainable and scalable business model that increases mathematics uptake of grade 10 learners
- Investments in organisations and projects/programmes directed towards education and community development. Capitec partners with sustainable and credible PBOs to deliver transformative public benefit in communities throughout South Africa
- Employee volunteer programme – Capitec CSI coordinates and manages a central volunteer programme, which enables employee volunteering throughout South Africa.

Capitec CSI also provides funding towards humanitarian and disaster relief organisations on an *ad hoc* basis.

CSI governance

The annual CSI budget is approved by the board. The allocation of the budget is aligned with the CSI business plan as approved by the executive: marketing and communications and the CEO.

The management and administration of Capitec CSI is the responsibility of the CSI department.

Capitec CSI does not support the following:








- Political organisations, groups or a related organisation or official, any politician, any campaign of any candidate for elected office or in support of any elected official, either directly or indirectly through a third party
- Religious organisations
- Organisations that unfairly discriminate based on race, ethnicity, nationality, religion, gender, sexual orientation, age or disability
- Overseas and local tours
- Sporting activities, events or sports and recreation clubs
- Membership subscriptions
- Music or art events, festivals or productions
- Fundraising initiatives/dinners/gala events
- Conferences or workshops
- Research projects
- Trade unions
- Advertising in educational or other supplements
- Individuals or organisations where a Capitec employee is a direct or indirect beneficiary due to conflict of interest.

Contributing to society continued**Corporate social investment**

During the year, we launched Capitec Uplift as the new positioning platform of our social impact initiatives.

Education

Education remains our primary CSI focus, with a total investment of R59.7 million this year (89% of total CSI spend). This includes a leading investment in the Capitec Foundation to support access to quality mathematics education.

Category	Organisation	2025 spend	UN SDG
 Early childhood development	Afrika Tikun Foundation NPC	R2.8 million	
	Indaba Institute	R1 million	
	Employee volunteer programme	R0.8 million	
 Primary school	Other <R500 000 per organisation	R0.5 million	
	Employee volunteer programme	R1.6 million	
 High school	Ashton in Action	R0.5 million	
	Calling Education	R1 million	
	Capitec Foundation	R46.4 million	
	Leva Foundation	R0.6 million	
	Employee volunteer programme	R1.4 million	
 Combined school	Christel House	R0.8 million	
	Employee volunteer programme	R0.3 million	
 After-school programme	Employee volunteer programme	R0.7 million	
 Other	<R500 000 per organisation	R1.3 million	

Total
education spend
**R59.7
million**

Contributing to society continued

Education feature

Afrika Tikkun Bambanani (ATB)

ATB's mission is that no child should be left behind. The organisation aims to provide our nation's children with access to quality education through the standardisation of the Early Childhood Development (ECD) curriculum across South Africa. Their vision is to uplift the lives of children and to improve the quality of ECD teaching.

Our partnership with ATB and Think Equal (TEB) focuses on providing essential resources, teacher training and a social-emotional learning curriculum. It fosters holistic child development and improves educational outcomes. The Capitec Bank TEB ECD projects in Orange Farm, Gauteng and Kuruman, Northern Cape, focused on enhancing teacher






competency, learner development and the integration of technology. They collectively impacted 85 ECD centres, 434 teachers and over 4 000 children. Through structured activities and training, teachers have been equipped with innovative methods to enhance cognitive and emotional development in children. To bolster our investment, 75 Capitec volunteers participated in 3 Health Day initiatives at Afrika Tikkun's hubs in Gauteng and the Western Cape, focusing on health and wellness for children and youth. Volunteers led learning sessions using our Budget Champs card game to instil financial literacy from a young age, facilitated life skills sessions to impart essential skills to grade 11 learners and helped youth prepare for job applications through CV writing support and mock interviews.

"The real measure of our work lies in the impact on the lives of the children we serve. This year, we celebrated a 99.2% school readiness rate – a number that reflects more than statistics. It reflects the spark in a child's eye when they master something new, the confidence in their step as they step into a classroom ready to take on the world." – Theresa Michael, CEO of Afrika Tikkun Bambanani

Thembelihle Zwane, a teacher participating in the programme, said: "The programme boosted our teaching skills, and it made implementing the curriculum easier and fun for our children. Our work is simpler now because we were given term manuals which provided planned activities for each day of the week."

Other categories

Besides contributing to quality education, we supported other UN SDGs, including good health and well-being, gender equality, decent work and economic growth and reduced inequalities. We also partnered with organisations to offer relief in communities affected by natural disasters.

Category	Organisation	2025 spend	UN SDGs
 School community well-being	Community Keepers	R2 million	
 Gender-based violence	Tears Foundation	R1 million	
 Child and youth care	UNICEF	R2 million	   
	Employee volunteer programme	R0.5 million	
 Community development	Khaya Lam	R0.5 million	 
	Employee volunteer programme	R0.5 million	
 Disaster relief	Gift of the Givers	R1.1 million	 

Total spend
R7.6 million

Contributing to society continued

Capitec employee volunteer programme

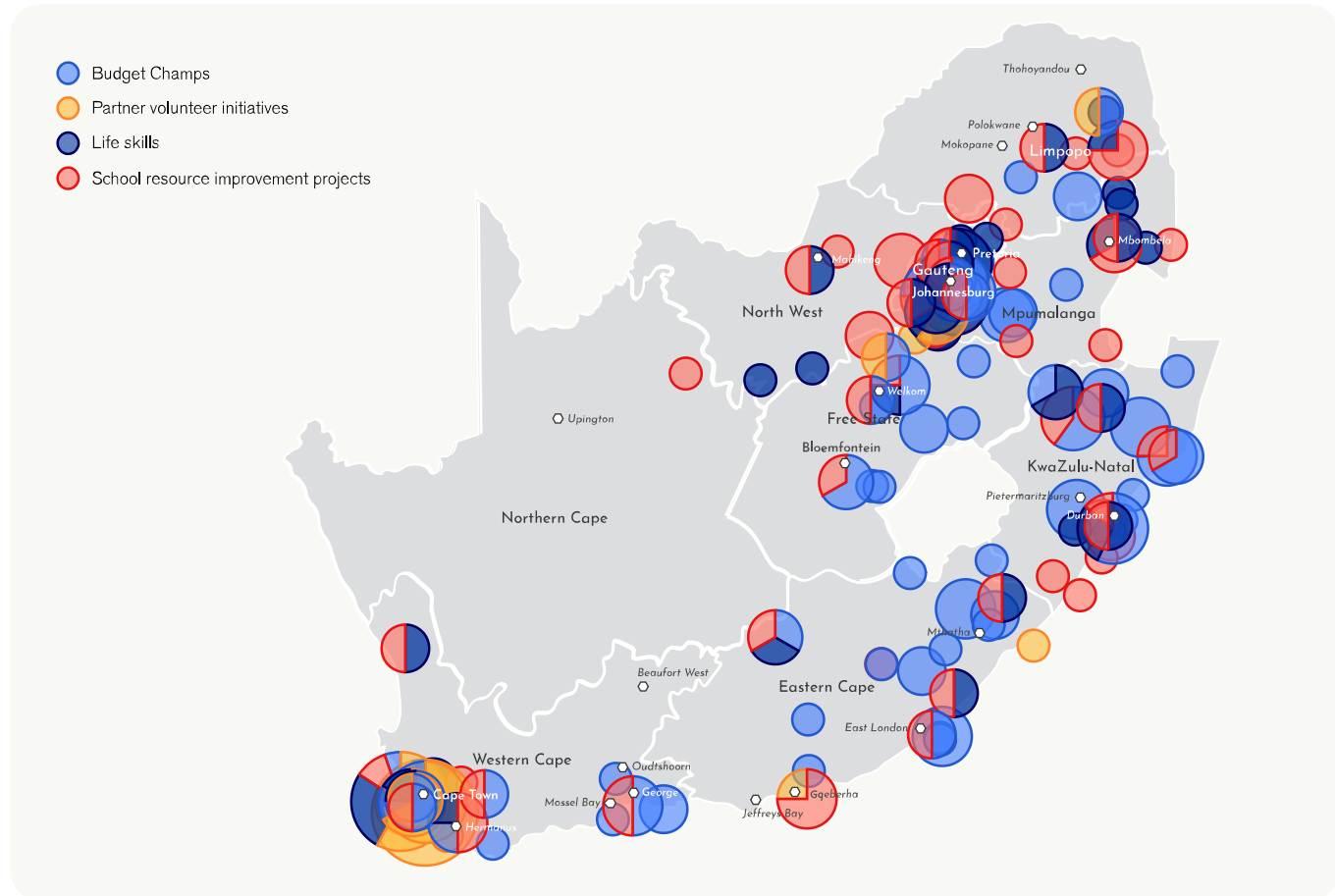
Employee community involvement is enabled through our employee volunteer programme, which grants each employee 3 volunteer leave days per year. In the past year, 4 110 Capitec employees participated in 345 volunteer initiatives. The equivalent cost to the company of volunteer leave submitted by employees was R3.5 million. Our cash investment in initiatives and projects through the employee volunteer programme amounted to R7.9 million.

The volunteer approach provides a range of engagement opportunities and allows us to reach communities across South Africa leveraging our extensive operations and branch network.

We offer several skills-based volunteering opportunities. These include the upskilling of branch managers to facilitate invaluable life skills sessions at public high schools benefitting grade 11 and 12 learners. We reached 12 995 learners at 62 schools through 444 branch managers and other volunteers in the first year of this initiative. The sessions focus on the development of growth mindsets, and branch managers, who often grew up in the same community, bring their personal stories of growth and overcoming obstacles. Lesson plans and facilitator guides were developed by Capitec’s learning and development team, leveraging the MyNext magazine, which is an initiative by Ruda Landman and Study Trust in partnership with Van Schaik Publishers and sponsored by Capitec.

Capitec divisions engaged in a new initiative to collaborate with non-profit organisations to co-create projects aimed at contributing to their sustainability or enhancing their impact. Partnerships were established with 9 organisations, focusing on areas such as after-school care, youth development, education, special needs education and food security.

The following image shows the distribution of our volunteer activities across South Africa in the past financial year.



Capitec’s branch network tapped into opportunities to improve resources at educational and care facilities. We completed 82 projects at ECD centres, schools, aftercare centres and children’s homes in 9 provinces.

Contributing to society continued

Leva Foundation

The Leva Foundation focuses on the development of 4 key pillars being education, skills, technology and sustainability to empower and prepare individuals for future employment. The foundation's Tangible project teaches children coding concepts through entertaining games. Their platform is designed to facilitate group problem-solving and promote digital competency. The project blends offline and online learning, and coding tokens enable learning in an unplugged environment.

Capitec volunteers in the technology, data and delivery teams joined forces with Tangible to facilitate Let's Play activities on Mandela Day at 16 schools in the Western Cape

as part of a subsequent roll-out plan. The target audience is grade 9 learners, being an opportune audience, given the requirement to select subjects at the end of the school year for grade 10. Activities involved 34 volunteers at 3 locations on Mandela Day and 90 trained volunteers participated in the subsequent sessions at schools reaching 3 842 learners.

"This is a fantastic initiative! I've never seen the children so engaged and excited about learning. This demonstrates the importance of investing in future capabilities at the school level. Expanding these educational efforts will not only benefit our children but also strengthen the community. Thank you for your commitment to making a real difference!" – Teacher feedback.

Divisional project features

Heartlands Baby Sanctuary

Heartlands Baby Sanctuary, established in May 2015, provides a safe haven for orphaned and vulnerable children from birth to 6 years. Through their programmes, children are temporarily placed under care until they are reunited with their families, placed in foster care, or adopted.

Capitec's Insurance division collaborated with Heartlands to support an initiative designed to diversify the organisation's income streams. Our investment enabled the launch of the 'Seeds of Hope' organic food garden and hydroponic farm. 21 Capitec employees played an integral role in contributing towards the hydroponic facility and other care initiatives.




Volunteers were trained in farming activities and childcare and participated throughout the year in both these activities. The hydroponic farm has transformed Heartlands' sustainability model, ensuring continued care for vulnerable children.



Contributing to society continued

Consumer financial education

Our financial education mission is to promote a culture of financial well-being for our employees, clients and communities. This mission drives us to create a widely used source of continuous learning and inspiration. We create learning experiences that are ongoing, multichannel and cover topics that are relevant, top of mind and that speak to the individual needs of consumers.

Name	What	Target audience	Reach
MoneyUp Chat 	Fully automated chat-based financial education on WhatsApp. Engages users with bite-sized, conversational content. Users interact with a chatbot named Moola through a menu-driven interface	Consumers aged 18 to 35	<ul style="list-style-type: none"> • 543 193 total registered users (2024: 144 331) • 398 862 new users registered (2024: 115 341) • 1 423 183 micro-learning experiences completed (2024: 371 517) • 275 765 unique users completed 1 or more learning modules (2024: 97 148) • 5 average learning experiences per user (2024: 4)
MoneyUp Academy 	Free online financial education learning platform offering interactive courses with personal financial information and strategies	Consumers aged 18 to 45	<ul style="list-style-type: none"> • 751 122 total registered users (2024: 585 051) • 166 071 new users registered (2024: 152 683) • 186 690 courses completed (2024: 89 945) • 73 040 unique users completed 1 or more courses (2024: 39 997)
Budget Champs 	Interactive card game to engage learners in schools within our communities. It teaches budgeting and saving concepts interactively to groups of up to 5 learners	Grade 7 school learners	<ul style="list-style-type: none"> • 280 schools (2024: 215) • 7 provinces (2024: 7) • 30 923 learners (2024: 24 184) • 1 000 Capitec volunteers (2024: 634)

MoneyUp Academy (previously Live Better Academy)

Our accessible and free online financial education platform offers courses that cover fundamental money concepts and topics in the categories of budgeting, saving, investing and debt. Users do not incur data costs on the platform.

We introduced an enhanced gamification experience featuring randomised, automated, instant rewards that incentivise users who achieve their weekly learning engagement targets. This contributed to a substantial increase in course completions and a second independent implementation evaluation of the academy confirmed the effectiveness of the platform.

Participants highlighted how the courses opened their eyes to new financial strategies and provided them with the confidence to improve their financial health.

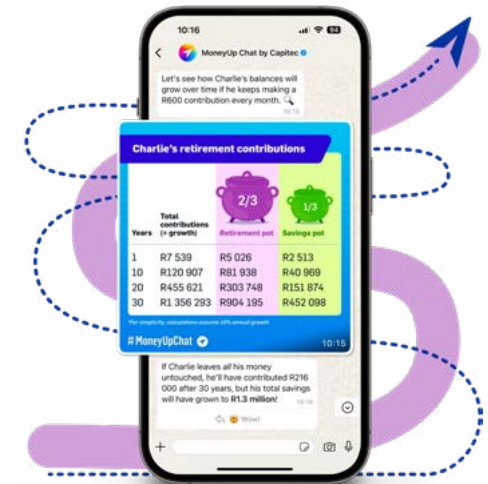
MoneyUp Chat on WhatsApp

Users complete micro-learning experiences, which take between 5 and 20 minutes each. An important feature of the solution is the ability to re-engage users through highly structured messages on WhatsApp, introducing new learning experiences or sharing topical money information.

The solution now presents 25 learning experiences, including 9 focused on money safety.

An independent evaluation to measure the effectiveness of the platform concluded that outcomes of the content were highly positive as individuals reported positive improvements in their financial attitude, confidence, knowledge and behaviours.

Self-reported feedback by participants includes behaviour shifts such as beginning to save and improving their credit score.



Contributing to society continued

Budget Champs

The Budget Champs programme aligns with the grade 7 Economic and Management Sciences (EMS) curriculum. Teachers and learners received games and guides to continue learning in the classroom and at home.

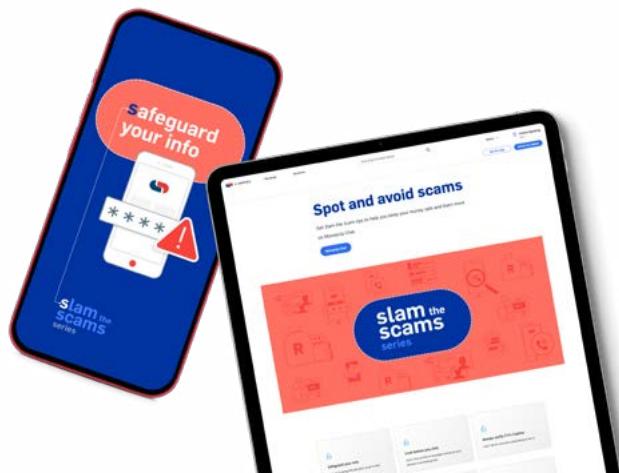
Capitec volunteers and an implementation partner that employs job-seeking teaching assistants support learners as facilitators. Capitec employees receive comprehensive training to facilitate the lessons.

An independent evaluation of the programme's implementation effectiveness, concluded in August 2024, stated the programme effectively addresses the gap between financial inclusion and effective financial usage in South Africa, offering practical financial literacy in support of the EMS curriculum. Challenges relating to implementation were noted and several implementation recommendations have been implemented subsequent to the evaluation.

Fraud awareness and money safety

As part of a collective strategy to respond to the increasing attacks and sophistication of fraud *modus operandi*, we increased our fraud awareness and money safety message cadence to weekly Thursdays from August 2024. Delivery channels included 3 national African language radio stations, Ukhozi FM (Zulu), Umhlobo Wenene FM (Xhosa) and Lesedi FM (Sotho), reaching up to 15.2 million listeners per month, in-app messages to over 12 million active app clients each week and boosted social media posts with a monthly reach of 6.8 million consumers.

Our weekly education features on radio started during Money Smart Week South Africa in the last week of August 2024 and ran until the beginning of December. A new campaign commenced at the beginning of February 2025. We also added another series of Slam the Scam mini-challenges on MoneyUp Chat to engage clients and the public in fraud education through an interactive approach. More than 800 000 Slam the Scam challenges have been completed since the launch of MoneyUp Chat.



MoneyUp for communities

We developed 2 new resources for community-based financial wellness presentations. The new MoneyUp guides cover important themes and topics related to financial wellness and control. Relationship managers in our branch network have been trained through a train-the-trainer programme to conduct financial wellness workshop presentations. The new programme will be implemented on an iterative basis in the next financial year.

Other initiatives

GRAD, GRADnext and MyNext magazines

We continued our sponsorship of the printing and distribution of 128 000 copies of the GRAD magazine to 17 universities. The magazine targets first-generation, first-year students and contains articles to help them navigate their first year at university. The articles cover topics such as money management, time management, nutrition, study methods and goal setting. GRAD is an initiative by Ruda Landman and Study Trust in partnership with Van Schaik Publishers.

Additionally, we sponsored the printing and distribution of 75 000 copies of GRADnext, a spin-off from GRAD. This magazine targets graduates and career starters and contains topics that help them transition to the next phase of their life.

The latest magazine in the series is MyNext. Aimed at matriculants, it focuses on essential life skills including study methods, stress management and money management. We have piloted life skills presentations leveraging MyNext through trained branch managers in our branch network.



Contributing to society continued

EMS video lessons

Thuma Mina Teaching, a non-profit company and PBO, exists to enrich teaching and learning through captivating video lessons and materials.

Following Capitec's sponsorship of the translation of the grade 7 to 9 EMS financial literacy, economics and entrepreneurship lessons into video lessons, we sponsored a pilot to train EMS teachers to utilise these resources. After a successful pilot in the Overberg, Eden and Central Karoo districts, Capitec will sponsor the training of EMS teachers in the remaining 6 Western Cape districts in the next financial year.

The video lessons are free to watch on YouTube. The EMS video lessons had 1.6 million total views and an average watch time of 3.5 minutes in the period from 1 January to 30 November 2024.

The Capitec Foundation

Established in 2014, the Capitec Foundation is affiliated with and funded by Capitec, but functions as an independent PBO.

Our purpose

The Capitec Foundation's purpose is to empower high school learners to access career opportunities, by improving the quality of pure mathematics education.

Key factors that enable sustainability

- **Holistic approach to learning:** A key advantage of our offering is the holistic solution we provide. By addressing the underlying barriers to learning, we help learners become stronger scholars and more capable in their academic pursuits
- **Efficient implementation system:** We have established a highly efficient implementation system across all schools, blending online and in-person delivery to seamlessly integrate technology. Technology is integrated into schools by installing fully equipped technology hubs. The technology hubs are fully renovated rooms which are converted into safe, clinical spaces for independent learning. Each technology hub can accommodate up to 60 learners and is fitted with high-speed Wi-Fi and devices like Chromebooks and headsets. In the 2025 financial year, the Capitec Foundation introduced a qualified mathematics teacher to every technology hub. Having a full-time foundation teacher in each technology hub elevated the programme's impact, making the Capitec Foundation a game-changer in public schools by offering both technological integration and continuous support, review and feedback

- **Aligned performance and incentive scheme:** The performance of each school is aligned with a robust incentive scheme that fosters engagement and collaboration across all stakeholders, driving performance improvements
- **Highly specialised mathematics team:** The Capitec Foundation boasts a highly specialised mathematics team with extensive experience in creating and executing large-scale community development projects focused on learning. Our in-house-developed programmes are based on evidence from research and our implementation experience, ensuring they meet the developmental needs of our stakeholders.

Navigating South Africa's mathematics education backlog

The Trends in International Mathematics and Science Study is a global assessment conducted every 4 years to measure students' knowledge in mathematics and science across various countries. In the 2023 study, which included 67 participating countries, South Africa once again ranked poorly. Grade 5 learners were placed last, while grade 9 learners ranked fifth from the bottom.

Understanding the intricacies of South Africa's education system is essential for addressing the distinctive hurdles within mathematics education. Proficiency in mathematics relies on mastering a sequence of fundamental skills that advance incrementally. However, South Africa's policy of promoting learners regardless of their competency has led to learning gaps and multigrade classrooms, contributing to very poor performance in mathematics. Teachers are required to follow grade-level teaching plans, regardless of students' competency levels. As a result, learners fall behind, as teachers lack the resources and time to address foundational gaps, causing the learning gaps to widen.

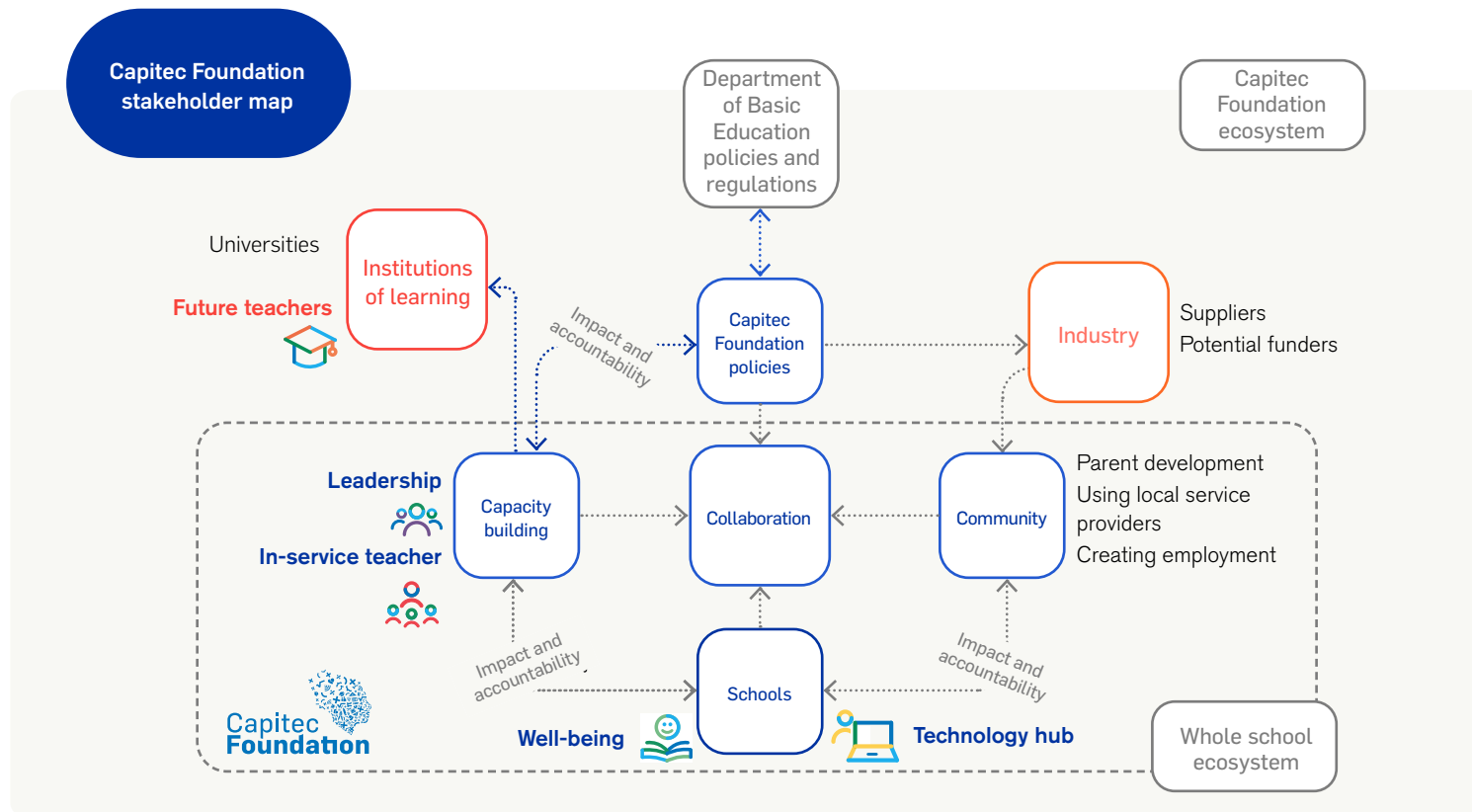
The Capitec Foundation implements a whole school approach to enhance the quality of mathematics education in South African schools.

Contributing to society continued

A holistic intervention

The Capitec Foundation's whole school approach is a comprehensive multifaceted intervention aimed at improving mathematic results in South Africa. The Capitec Foundation operates in a viable system of moving parts. To successfully implement programmes at Capitec Foundation schools, the ecosystem the Capitec Foundation operates in is collaborative and supportive and aligned with education practice and policy.

The figure below indicates the larger education system and the whole school system implemented at Capitec Foundation schools.



The approach primarily aims to enhance mathematics education, while also supporting the development of teachers and leaders and addressing contextual challenges that may impact learning at partner schools. A whole school approach addresses holistic ecosystem development in schools and surrounding communities.

Contributing to society continued

Delivering sustainable quality education

The table below shows how selected programmes support UN SDG 4: Quality Education.

Sub-goal	Programmes offered/interventions	Stakeholders
<p>Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes</p>	<ul style="list-style-type: none"> Hubs that prioritise the integration of technology. Learners can equip themselves with the skills necessary to navigate the Fourth Industrial Revolution by accessing and engaging in our hubs. Simultaneously, teachers can upskill themselves in this area during hub engagement, impacting more learners 	<ul style="list-style-type: none"> Learners In-service teachers
<p>Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>		
<p>Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people and children in vulnerable situations</p>	<ul style="list-style-type: none"> Strategic partnerships with schools in historically marginalised communities aiming to empower those in need 	<ul style="list-style-type: none"> Learners Schools Communities
<p>Target 4.6: By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy</p>	<ul style="list-style-type: none"> Closing far-reaching learning gaps helping learners achieve basic numeracy skills in preparation for more advanced mathematical skills Saturday tutorials in the Future Teachers programme offer sessions dedicated to closing learning gaps to grade 9 learners 	<ul style="list-style-type: none"> Learners
<p>Target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development</p>	<ul style="list-style-type: none"> The Capitec Foundation prioritises well-being to enhance teaching and learning, with programmes that engage all stakeholders across the entire school ecosystem. These initiatives foster a culture of positive thinking, growth mindset, collaboration and mutual respect 	<ul style="list-style-type: none"> Leadership In-service teachers Pre-service teachers Learners
<p>Target 4.a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all</p>	<ul style="list-style-type: none"> Technology hubs at partner schools, equipping them with Wi-Fi and devices to enable access to online learning platforms The Capitec Foundation sponsors stakeholders who have direct contact with learners to attend a Peace Discipline course. This course equips parents, teachers and caregivers with non-violent discipline techniques, further promoting safe and inclusive educational environments 	<ul style="list-style-type: none"> In-service teachers Pre-service teachers Learners Life coaches Mentors
<p>Target 4.c: By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing states</p>	<ul style="list-style-type: none"> Investment in the development of pre-service teachers by offering practical teaching experience and mentorship from seasoned teachers in our Future Teachers programme The Capitec Foundation upskills teachers in partner schools by training them to effectively integrate technology into their teaching. This includes using digital tools and online platforms to enhance student engagement and learning outcomes, ensuring teachers are equipped to create dynamic, technology-driven learning experiences. In-service teachers are sponsored to attend the WITS Transition Mathematics course to effect quality mathematics teaching Teacher Appreciation Day to recognise and celebrate the dedication of teachers. By acknowledging their efforts, the Capitec Foundation helps improve teacher morale and motivation, which contributes to better teacher retention, professional growth and overall quality of education 	<ul style="list-style-type: none"> In-service teachers Pre-service teachers

Contributing to society continued

The Capitec Foundation's unique implementation of learning through information and communication technology (ICT) at schools

Over the past 2 years, the Capitec Foundation has developed a highly efficient implementation model to drive learner transformation in mathematics across 3 provinces and 25 schools. This model integrates ICT into mathematics teaching and learning to enhance student outcomes.

Key deliverables that drive integration at schools:

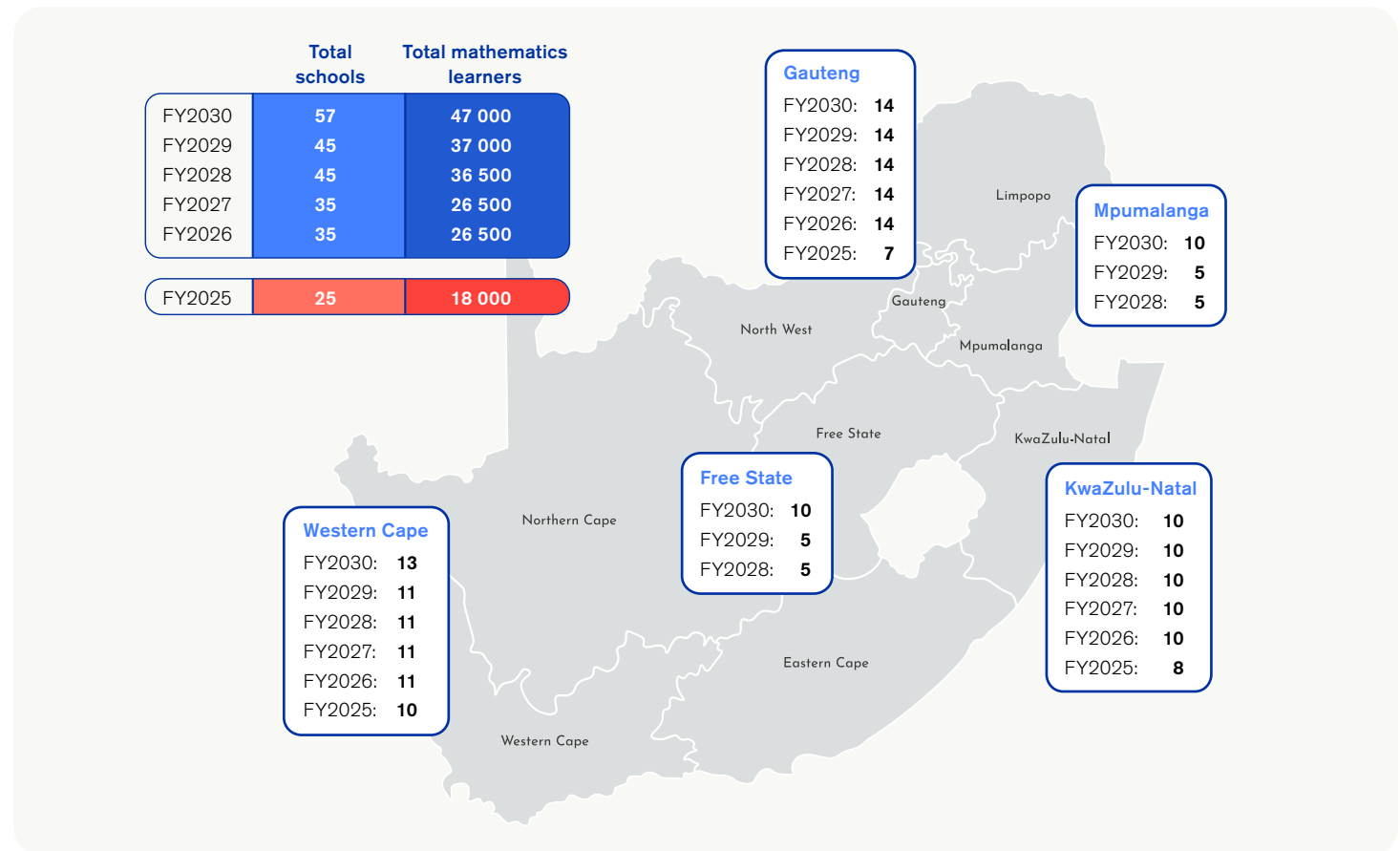
- **Dedicated hub facilitator:** A hub facilitator is stationed at each school to oversee and integrate all Capitec Foundation activities throughout the year
- **Teacher upskilling:** Providing training to teachers on using digital platforms and leveraging their benefits in the classroom
- **Learner motivation:** Encouraging learners to meet prescribed online targets through incentive schemes, while emphasising the importance of mathematics for achieving career goals
- **Collaboration with education authorities:** Working closely with the Department of Basic Education and school leadership to ensure alignment and support
- **School staff appreciation:** Recognising and motivating school staff to support the successful implementation of whole school programmes.

Our impact in the 2024 academic year

In the 2025 financial year, the Capitec Foundation invested R46.5 million in mathematics education in South Africa.

Current and future footprint

In the 2025 financial year, the Capitec Foundation laid the groundwork to expand from 25 to 35 schools. The map below illustrates the footprint of our future growth plans.



Contributing to society continued

Whole school programme focus

Learning spaces	Number of programmes 2025	Target 2025	Impact 2025
Leadership development	1	<ul style="list-style-type: none"> 54 principals 66 senior management team members 	<ul style="list-style-type: none"> 162 000 school community members
In-service teacher professional development	4	<ul style="list-style-type: none"> 1 000 teachers 	<ul style="list-style-type: none"> 350 000 learners
Learner development (blended learning and face-to-face)	3	<ul style="list-style-type: none"> 19 779 learners 	<ul style="list-style-type: none"> 19 779 learners
Pre-service teacher development ⁽¹⁾	5	<ul style="list-style-type: none"> 54 pre-service teachers 	<ul style="list-style-type: none"> 530 learners
Community (only tutorial schools)	1	<ul style="list-style-type: none"> 530 parents 	<ul style="list-style-type: none"> 530 learners
Well-being	5	<ul style="list-style-type: none"> 1 000 teachers 19 779 learners Whole school community 	<ul style="list-style-type: none"> 29 779 stakeholders
Total	19		

⁽¹⁾ Free tuition worth R12 million (3 240 hours of tuition at R500 per hour to 530 learners).

Technology hub investment in schools

- More than 18 000 learners attending technology hubs
- 940 Chromebooks at 25 schools
- 24 hub facilitators
- 6 hours of technology hub per day (07:00 – 16:00)
- 1 128 000 hours on hub activities per school
- 28 200 000 hours on hub activities at 25 schools.

Impact on student performance

Baseline and endline

%	Baseline	Endline	Increase
Grade 8	40	48	8
Grade 9	43	51	8

Pass rate and performance⁽¹⁾

% of learners in level 3 – 7 (40% – 100%)

%	Term 1	Term 4	Increase
Grade 8	33	49	16
Grade 9	38	49	11

⁽¹⁾ Pass mark: 40%.

Transformation of the financial sector in South Africa

Transformation is a critical driver of economic growth. To this end, we adhere to the transformation requirements and targets as set out in the amended Financial Sector Code, which actively promote a transformed and globally competitive financial sector. This contributes to the establishment of an equitable society by providing accessible financial services to black people and by directing investments into targeted sectors of the economy.

More details are available in the integrated annual report.

Client satisfaction

Treating customers fairly

The TCF principles remain an area of focus across the business. TCF is a market conduct framework guided by the Financial Sector Conduct Authority (FSCA). The TCF framework supports fair outcomes for clients throughout the entire life cycle of a product or service.

TCF 1 – Leadership and culture

Customers should be confident that they are dealing with a business where fair treatment of customers is central to the business's culture.

Capitec's leadership:

- acknowledges that TCF is of great importance
- considers TCF in strategic planning and decision-making
- ensures the implementation of appropriate systems and processes to assist the business in achieving the TCF outcomes
- satisfies itself that any third party the business contracts with is committed to treating clients fairly through a written undertaking and a clause included in the agreement.

TCF principles are implemented throughout all operations within the business through:

- TCF training of new employees
- regular TCF awareness campaigns
- an annual TCF knowledge assessment to be completed by all employees.

TCF 2 – Products and services

Products and services marketed and sold in the retail market should be designed to meet the needs of identified customer groups and should be targeted accordingly to the customer's needs.

Sales employees are trained to understand the business's product and service offerings. Sales procedures are governed by Capitec procedures in line with the Financial Advisory and Intermediary Services (FAIS) Act, Act 37 of 2002.

Processes are in place through which products and clients' expectations thereof are measured. Capitec's client experience development department conducts regular client experience surveys.

TCF 3 – Clear and appropriate information

Customers should be given clear information and be kept appropriately informed before, during and after the time of contracting.

Product information provided to clients is accurate and appropriate and does not contain any hidden conditions.

The business's sales and marketing material is written in client-friendly language.

All personal information and/or documentation are recorded and kept confidential.

TCF 4 – Suitable advice

Where customers receive advice, the advice should be suitable and if applicable, consider their current financial product.

Only the FAIS department may render advice. All other employees must complete a FAIS non-advice declaration.

TCF 5 – Product performance expectations

Customers should be provided with products that perform as the business has led them to expect, and the associated services should be both at an acceptable standard and what customers have been led to believe.

Products are monitored to perform according to expectations through various platforms.

The business also welcomes regular feedback from employees and clients on the performance of products and services.

TCF 6 – Post-sale barriers

Customers should not face unreasonable post-sale barriers to change a product, switch provider, submit a claim or make a complaint.

Clients are informed of claim, dispute and complaints policies and procedures.

The complaints management framework and TCF policy are followed to ensure the effective and fair resolution of complaints.

Capitec has a complaint management system that ensures all complaints are recorded and managed within service level agreements.

Client satisfaction continued

Market conduct

Our market conduct programme is guided by our market conduct risk framework which is supported by several policies and overseen by the compliance department.

During the past year, we launched an extensive market conduct training programme and conducted our first internal market conduct risk assessment to identify key areas for improvement.

We continue to demonstrate how Capitec ensures that our clients are treated fairly during all stages of the product life cycle and provide feedback through market conduct engagement meetings with the FSCA.

Client satisfaction

Various stakeholders monitor a range of KPIs across the TCF outcomes. KPIs include net social media sentiment (provided by an external service provider), client experience (client satisfaction) and operational service levels.

Capitec combined the aforementioned KPIs into a single measurement – the TCF relative indicator.

Every complaint on the complaint management system is categorised against the appropriate TCF principle. This enables the identification of areas of shortcomings and the implementation of timeous remedial actions. Capitec also uses the TCF principles so categorised in calculating a monthly market conduct KPI and the TCF relative indicator. Monthly results are carefully analysed, and corrective action is taken where necessary. The metric is included in the meeting packs of the group EXCO and escalated to the risk and regulatory oversight committee and RISCO where relevant. It is also reported to the market conduct and ethics committee and where appropriate, escalated to the SESCO. For the past year, the TCF relative indicator averaged 1.18 (2024: 1.08), against a benchmark of 1.



Financial inclusion

Capitec is committed to financial inclusion and the financial well-being of our clients. This is encapsulated in the fundamentals of all our banking and financial products and services: accessibility, affordability, simplicity and personal experience. Through our fundamentals, Capitec makes its products and services accessible and affordable, irrespective of gender, race, age, financial status, health condition or impairment, geographical location or any other potential barrier. We do this through our expansive national branch and cash device footprint, our call centre and digital transaction channels.

Using these channels, previously underserved (those with no access to financial services) or unbanked (those who do not use financial services, despite having access) groups can get access to financial services.

Our commitment to financial inclusion is supported by a robust business strategy focused on:

- innovation and the expansion of the range of financial products and services we offer
- tailoring delivery methods to create easy access to financial products and services based on existing and potential client needs and preferences
- promoting financial education to improve the financial literacy of society
- promoting a culture of financial well-being for our employees, clients and communities
- establishing policies and procedures to prevent overindebtedness of especially low-income groups
- implementing complaint mechanisms that are easily accessible to clients
- training our employees to prevent aggressive sales techniques and disrespectful treatment of particularly vulnerable groups.

Capitec's new POS machines

Capitec launched the Capitec Pro and Print POS machines in September 2024. These machines are specifically aimed at SME clients and provide POS services at affordable rates as an alternative to cash transactions.

Simplicity

The POS machines are easy to use and the fee structure is simple and understandable.

Affordability

SMEs can save up to 60% in POS fees, with card payments now being more affordable than cash deposits.

We are also the only bank that publishes our rates on our corporate website, and we charge a standard fee for all clients.

Personal experience

Clients have the option to pay with a card or cash.

Accessibility

Sole proprietors can buy Capitec's POS machines at any of our branches and be onboarded in minutes. We also have an online onboarding capability that allows merchants to onboard any time of the day and take delivery of their POS machines within 3 business days.

Using the Capitec Pro and Print POS machines will also assist users to build a credit score which can be used to access business loans.



Financial inclusion continued

Emerging markets

Capitec has a dedicated division for emerging markets focused on servicing our more than 1 million entrepreneurs and informal traders.

Through this offering, Capitec aims to bring our banking and financial products and services fundamentals to SMEs:

- **Accessibility:** Serving sole proprietor businesses across all our retail branches in South Africa
- **Affordability:** Facilitating easy payment acceptance through PayShap or POS machines linked to clients' GlobalOne accounts, disrupting the market with low commission on debit and credit cards and free next-day settlements to enable SMEs quick access to their funds for stock replacement
- **Simplicity:** Allowing clients to onboard and activate their POS machines directly in-branch
- **Personal experience:** Allowing even informal traders the option for their clients to pay in cash or by card.

By enabling various payment channels, there has been a shift away from cash. This has opened the door to affordable credit through our multiple-income earnings credit product, eliminating the traditional dependency on salary slips.

An emerging market pilot was launched in Tembisa in March 2024. In August 2024 we expanded our offering to selected Khayelitsha and Soweto branches. The expansion was rolled out across 19 retail branches, enhancing awareness and the adoption of Capitec products by small businesses with support from a community media outreach.

Other examples of financial inclusion

Other examples of how we operationalise our commitment to financial inclusion and the financial well-being of our clients include:

- Purpose lending for home improvements, education (school), motor vehicles, medical expenses and alternative energy solutions
- The Capitec Connect mobile service with a costing structure that is simple, transparent and affordable
- A credit card offering expanded to clients without credit scores i.e. mainly young people (aged 24 and under) and those with lower incomes
- Capitec Saswitch ATM cash withdrawals cost the same as Capitec ATM cash withdrawals
- Our Live Better rewards programme that offers cash back and discounts when clients spend at our partners
- Incentives to save through Live Better Round-up and Interest Sweep features
- Remote onboarding, removing the need to come into a branch to open an account or take up a new product, making it more accessible and convenient, especially for groups with transport challenges or living in rural areas
- Clients earn interest on a positive balance on their main transactional accounts
- Unsecured credit for individuals who do not have collateral
- Low-cost savings options for individuals who cannot deposit large sums at a time but can still earn interest from the very first rand they deposit.

5 Epilogue



*Concluding with a summary
of our next steps.*

Moving forward

Environmental and social risks and opportunities are expected to increase over the near future. Capitec will continue to embed sustainability into the business operations and expand on related risk management practices and reporting.

Below is a summary of Capitec's plan for progressing our sustainability journey for FY2026 and beyond.

Governance	Strategy	Risk management	Metrics and targets	Disclosure
<ul style="list-style-type: none"> • Improve participation in industry forums • Implement regulatory requirements 	<ul style="list-style-type: none"> • Further embed ESG factors in investment activities in alignment with UN Principles for Responsible Investment • Improve embedding of ESG factors in the credit risk management framework as well as due diligence processes (suppliers, service providers and business partners) • Consider the opportunity for a sustainability product offering • Partner with the NBI on selected programmes • Sustainability awareness campaigns • Ongoing participation in external ESG ratings 	<ul style="list-style-type: none"> • Continuous monitoring of regulatory developments and stakeholder expectations • Further embed the sustainability risk management framework • Improve sustainability risk assessment capability • Consider performing a TNFD LEAP (locate, evaluate, assess and prepare) assessment 	<ul style="list-style-type: none"> • Improve data of GHG emissions, water consumption and waste management • Expand Scope 3 GHG emissions reporting • Consider the Partnership for Carbon Accounting Financials to assess and disclose GHG emissions on loans and investments • Investigate the quantification of Capitec's social impact (positive and negative) • Set absolute GHG emissions reduction targets including drafting a transition plan (once GHG emissions data is more complete) • Commence the development and implementation of appropriate sustainability-related KRIs for MOS reporting 	<ul style="list-style-type: none"> • Independent or external validation or assurance of sustainability metrics

Annexure A

Global collaboration



The BCBS is the primary global standard setter for the prudential regulation of banks. This report and our environmental risk management practices are guided by the following consultative papers issued over recent years:

- Climate-related risk drivers and their transmission channels
- Disclosure of climate-related financial risks
- Principles for the effective management and supervision of climate-related financial risks
- The role of climate scenario analysis in strengthening the management and supervision of climate-related financial risks.



- Capitec aligns our business strategies with the UN Global Compact's SDGs
- Although Capitec is not a signatory to the UN Environmental Programme Finance Initiative, we aim to perform self-assessments to align with its principles over time. These include:
 - Net-Zero Banking Alliance
 - Principles for Responsible Banking
 - Principles for Responsible Investment.

Indices



FTSE4Good

Financial Times Stock Exchange (FTSE) Russell (the trading name of FTSE International Limited and Frank Russell Company) confirmed that Capitec Bank Holdings Limited has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to remain a constituent of the FTSE4Good Index Series.

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Local engagement



BASA provides a platform for South African banks to collaborate and align on an industry level around environmental risks through forums such as the Operational Risk Subcommittee and the Sustainable Finance Committee.



The NBI is a voluntary coalition of South African and multinational companies working towards sustainable growth and development in South Africa and fostering collaboration with the private sector, government, academia and civil society. Its focus areas are social transformation, economic inclusion and environmental sustainability.

Capitec became a member of the NBI in February 2023, and pays an annual membership fee of R250 000.



South African Reserve Bank

The Financial Sector Regulations Act, Act 9 of 2017, provides for the establishment of a PA within the administration of the SARB. The PA is responsible for regulation of all financial institutions.





During the past year, the SARB PA issued 4 guidance notes which content we have considered in the compilation of this report. These guidance notes, applicable to banks and insurers, cover climate-related risk and opportunity disclosures and best practice risk management practices, including capital and liquidity assessments.

Capitec does not partake in any environmental-related lobbying or trade association other than the NBI mentioned above and can confirm that the NBI's climate-related engagements are in support of the Paris Agreement.

Annexure A continued

Independent ESG ratings of Capitec

We participate in and monitor our performance across several leading ESG rating agencies to understand our strengths and areas of improvement.

Rating agency	Rating methodology	Capitec's performance			
		2024	2023	2022	
 LSEG DATA & ANALYTICS	London Stock Exchange group ESG score	A+ to D-	B-	C+	C-
 MSCI	Morgan Stanley Capital International ESG rating	AAA to CCC	AA	A	BBB
 S&P Global	S&P Global Corporate Sustainability Assessment ESG score	Out of 100, higher is better	56	45	38
 SUSTAINALYTICS	Sustainalytics ESG risk score	Out of 100, lower is better	20.32	22.78	31.11

Annexure B

Abbreviations

°C	Degrees Celsius
ALCO	Asset and liability committee
ATB	Afrika Tikkun Bambanani
ATM	Automated teller machine
AvaFin	Avafin Holding Limited
AWS	Amazon Web Service
BASA	Banking Association South Africa
BBCUL	Bank Better Champion Unemployed Learnership
BCBS	Basel Committee on Banking Supervision
BCC	Business banking credit committee
Capitec	Capitec Bank Holdings Limited, and its subsidiaries
CEO	Chief executive officer
CEO values	The values that govern the behaviour of our employees are client obsessed, energise and inspire, and ownership
CFO	Chief financial officer
CIT	Cash-in-transit
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
CRST	Climate risk stress test
CSI	Corporate social Investment
CSST	Common scenario stress test
DMA	Double materiality assessment
DNR	Dual note recycler
ECD	Early Childhood Development
EMP	Ethics management plan
EMS	Economic and Management Sciences

ERM	Enterprise risk management
ERR	Enterprise risk register
ESG	Environmental, social and governance
EXCO	Executive management committee
FAIS	Financial Advisory and Intermediary Services
FETC	Further Education and Training Certificate
FSCA	Financial Sector Conduct Authority
FTE	Full-time employee
FTSE	Financial Times Stock Exchange
GDP	Gross domestic product
GHG	Greenhouse gas
GICS	Global Industry Classification Standard
ICT	Information and communication technology
IFRS	IFRS® Accounting Standards
IFRS S1	IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
IFRS S2	IFRS S2 <i>Climate-related Disclosures</i>
IMI	Internal Mobility Initiative
IOD	Injury on duty
ISSB	International Sustainability Standards Board
IT	Information technology
JSE	Johannesburg Stock Exchange Limited
kg	Kilogram
King IV™	King IV Report on Corporate Governance for South Africa, 2016™
kℓ	Kilolitre
km	Kilometre

Annexure B continued

KPI	Key performance indicator
KRI	Key risk indicator
kW	Kilowatt
LED	Light-emitting diode
LGD	Loss given default
m	Metre
m ²	Square metre
m ³	Cubic metre
mm	Millimetre
MOS	Management operating system
MtCO ₂ e	Metric tons of carbon dioxide equivalent
MW	Megawatt
MWh	Megawatt hour
NBI	National Business Initiative
NDC	Nationally Determined Contribution
NGFS	Network for Greening the Financial System
NPC	Non-profit company
NQF	National Qualification Framework
OHS	Occupational health and safety
PA	Prudential Authority
PBO	Public benefit organisation
PD	Probability of default
POS	Point-of-sale

QR	Quick Response
RCC	Personal banking credit committee
RCMC	Risk and capital management committee
RCSA	Risk and control self-assessment
REMCO	Human resources and remuneration committee
rha	Right-hand axis
RISCO	Risk committee
RROC	Risk and regulatory oversight committee
SARB	South African Reserve Bank
SASBO	SASBO – The Finance Union
SDG	Sustainable Development Goal
SED	Socio-economic development
SESCO	Social, ethics and sustainability committee
SET	Sectoral Emissions Target
SME	Small and medium-sized enterprises
STI	Short-term incentive
TCF	Treating Customers Fairly
TEB	Think Equal
TNFD	Taskforce on Nature-related Financial Disclosures
UN	United Nations
UNICEF	United Nations Children's Fund
W	Watt

Annexure C

How to reduce your carbon footprint



Say no to plastic

- Always say no to plastic straws. Carry a bamboo or stainless-steel straw with you if you do not want to drink directly out of a glass
- Keep material grocery bags in your car so that you do not have to use plastic bags when doing grocery shopping
- Keep a reusable coffee mug or water bottle handy to prevent having to use disposable cups or bottles when ordering a takeaway coffee or bottle of water
- Replace the plastic sponges used for dishwashing with environmentally friendly scourers made of sisal. It is also more hygienic
- Avoid plastic wrap. Rather use containers with lids
- Store stainless-steel cutlery in your drawer at work so that you are not tempted to use disposable plastic cutlery when eating your lunch
- Replace your plastic toothbrush with one made from bamboo. It works just as well!



Use less electricity

- If you can afford it, invest in a solar system at your home
- Switch off appliances and lights not in use
- Replace normal lightbulbs with energy-saving LED lightbulbs
- Use your microwave or air fryer instead of your oven. It is much more energy-efficient
- Unless you are baking, it is seldom necessary to pre-heat your oven. Place your food in the oven immediately and let it warm gradually
- Wash clothes with cold water. 80% of a washing machine's energy use is to heat water
- Hang washing outside or on a drying rack. Avoid the use of a tumble dryer
- Limit the use of air-conditioners. Keep your home cool by opening windows or closing curtains or blinds
- Set your geyser's temperature a bit lower and use a geyser blanket.



Use less water

- Make sure to fix any leaking taps and toilets as soon as possible
- Place a large, filled water bottle in your toilet's cistern so that it takes less water every time you flush
- Shower rather than bath, and keep it short!
- Place a bucket in the shower to catch any excess water which you can then use to water plants or flush the toilet
- Install a rainwater tank.



Eat greener

- Make meat-free Mondays a habit!
- Choose seasonal fruit and vegetables, preferably cultivated locally – it reduces the transport and cold storage footprint
- Try to waste as little food as possible. Use the same ingredients in different recipes
- Exchange paper serviettes with ones made of material which you can wash.



Travel smarter

- If the shop is nearby, ride your bicycle or take a nice walk. You will not only save on fuel but also get some exercise!
- Join a lift club
- Use public transport
- When you go out to run errands, plan your route to be as efficient as possible and get as much as possible done at one time.

