Climate report

for the year ended 28 February **2026**

CAPITEC

Capitec Bank Holdings Limited
(Capitec or the Group or the Company)

ENTER

Contents

Our reporting suite

Available on our website

25 years of making a meaningful difference

- **Integrated annual report**
- **Summary of the consolidated financial statements**
- **Remuneration review**
- **Risk management report**
- **Report to society**
- **Pillar 3 disclosure report**

Meaningful innovation builds trust

Our approach is grounded in simplicity, affordability, accessibility and personal experience. By consistently delivering solutions that matter, we strengthen the trust our clients place in us and create opportunities that support their financial progress.

Message from the Sustainability Office

Notwithstanding changes in the global sentiment towards climate change, the transition towards low-carbon and environmentally friendly products and services remains. Capitec continues to build and mature its climate risk strategy to ensure the business remains resilient towards climate-related risks and meets stakeholder expectations.

This report outlines Capitec's strategic response to climate risk, highlighting operational efficiencies, emissions reduction initiatives and our approach to sustainable growth.

Reporting period and comparability

This report covers the financial year from 1 March 2025 to 28 February 2026, unless otherwise stated.

Where relevant, comparative information is presented for prior periods to provide context on performance and progress. Any significant changes in measurement methodologies, scope or presentation are disclosed where applicable to ensure transparency and comparability.

Scope and boundary

This climate disclosure encompasses Capitec Bank Holdings Limited and its wholly-owned and controlled subsidiaries:

- Capitec Bank Limited (Personal and Business Banking)
- Capitec Life Limited
- Capitec Rental Finance Proprietary Limited.

Avafin Holding Limited (AvaFin) has initiated the development and implementation of processes and systems required to quantify its greenhouse gas (GHG) emissions and will be included in Capitec's GHG emissions inventory in future. Further information is provided in the 'Metrics and targets' section of this report.

Capitec's sustainability journey

Capitec's sustainability journey is summarised below.

2022	2023	2024	2025
• Published Capitec's first stand-alone **climate-related financial disclosure report** • Improved environmental, social and governance (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)	• Published the second stand-alone **climate-related financial disclosure report** • Became a National Business Initiative (NBI) member • Launched Capitec's **ESG page** on the corporate website	• Published an **environmental report** covering climate and nature • Performed the South African Reserve Bank (SARB) Prudential Authority (PA) climate risk stress test (CRST) • Performed a double materiality assessment	• Published Capitec's first stand-alone **sustainability report** • Facilitated Board and senior management training on climate risk • Became a Partnership for Carbon Accounting Financials (PCAF) signatory • Performed an external review of the GHG emissions accounting methodology and a materiality assessment of supply chain emissions • Conducted an employee commuting survey to expand Scope 3 emissions reporting • First limited assurance of GHG emissions inventory

Basis of preparation

This report uses the following reporting frameworks and standards:

- Basel Committee on Banking Supervision (BCBS) framework for the voluntary disclosure of climate-related financial risks
- IFRS® Sustainability Disclosure Standard S2
- Johannesburg Stock Exchange Limited (JSE) Climate Change Disclosure Guidance
- Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures
- SARB PA's Guidance Note G3/2025.

This approach enables the Group to align with evolving regulatory expectations while maintaining flexibility in how information is presented.

This report is structured in accordance with the 4 core pillars of IFRS S2:

1 Governance	**Governance:** Describing the governance structures, oversight mechanisms and internal controls through which climate-related risks and opportunities are monitored, managed and overseen
2 Strategy	**Strategy:** Outlining Capitec's approach to managing climate-related risks and opportunities, including the resilience of its strategy to climate change and the implications for its business model and long-term value creation
3 Risk management	**Risk management:** Explaining the processes used to identify, assess, prioritise and monitor climate-related risks and opportunities, and how these processes are integrated into Capitec's broader enterprise risk management (ERM) framework
4 Metrics and targets	**Metrics and targets:** Disclosing the metrics and targets used to assess and manage climate-related risks and opportunities, including GHG emissions across Scope 1, Scope 2 and Scope 3 categories

Governance, approval and assurance

The narrative content of this report was reviewed and approved through Capitec's governance structures, including the:

- Sustainability Committee
- Group Executive Management Committee (EXCO)
- Social, Ethics and Sustainability Committee (SESCO).

For the first time, Capitec's GHG emissions inventory underwent an independent third-party evaluation to obtain limited assurance on the accuracy thereof. The limited assurance statement can be found within this report.

Forward-looking statements

- This report is provided for information purposes only and is presented 'as is' without any express or implied representations or warranties. Capitec does not accept liability for any loss or damage, including indirect or consequential loss, arising from reliance on the information contained in this report.
- The climate information provided in this report is based on best current knowledge and reasonable assumptions as at the reporting date. While care has been taken to ensure completeness and accuracy, the information is subject to inherent uncertainty, evolving methodologies and data limitations. Capitec therefore cannot guarantee the completeness or accuracy of this information and accepts no responsibility for any errors, omissions or inaccuracies.
- Climate 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.

1 Governance

Regulatory landscape

The landscape for climate and sustainability risk management is undergoing rapid transformation, driven by an increasing focus on environmental accountability and resilience.

Regulatory frameworks are evolving swiftly, with numerous developments currently underway, as summarised below.

These changes reflect a broader global shift toward enhanced transparency, mandatory climate-related disclosures and integration of sustainability into financial and operational decision-making. Capitec continues to monitor these developments to ensure alignment with emerging standards and to strengthen our climate risk governance.

- **Climate Change Act, Act 22 of 2024**
  Signed into law on 23 July 2024, and effective from 17 March 2025, the Act aims 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, within the context of sustainable development.
  Draft regulations in terms of the Act were published on 11 July 2025 and aim to provide for the administration and operation of the Presidential Climate Commission to ensure the achievement of its purpose, functions and responsibilities.
- **Draft Sectoral Emissions Targets (SETs) Report**
  Published for public comment on 26 April 2024, and covering the 2025 to 2030 period, the report outlines proposed SETs to be adopted by sector departments to support South Africa's climate commitments under its Nationally Determined Contribution (NDC). While stakeholder consultations were concluded in early 2025, final targets have not yet been gazetted. Notably, no targets have been proposed for the financial services sector.
- **Nationally Determined Contribution**
  In line with the Paris Agreement, South Africa's updated NDC (2025) commits to a further reduction in GHG emissions, targeting levels of 320MtCO_2e to 380MtCO_2e by 2035, in line with its commitment to achieve net zero emissions by 2050.
- **King V Report on Corporate Governance for South Africa, 2025™**
  The report provides a concise 13-principle structured corporate governance disclosure framework for improved mandatory reporting. It is effective for financial years beginning on or after 1 January 2026.
- **JSE Climate Change Disclosure Guidance (2022)**
  Issued as voluntary guidance tools for listed entities, these documents support improved ESG and climate-related disclosures. Capitec continues to use these as reference points for reporting.
- **IFRS S2 *Climate-related Disclosures (2023)***
  Issued on 26 June 2023, these standards aim to establish consistent, comparable and verifiable sustainability and climate-related financial disclosures. While not mandatory in South Africa, Capitec considers them in its reporting practices.
- **BCBS consultative documents**
  Capitec monitors BCBS publications, which provide valuable insight into the evolving regulatory landscape for climate-related financial risks:
  - **Climate-related risk drivers and their transmission channels**
    Published in April 2021, this report explores how physical and transition climate risks can impact banks and the broader financial system. It outlines how these risks are transmitted through micro and macroeconomic channels, influencing financial stability and risk exposure.
  - **Framework for the voluntary disclosure of climate-related financial risks**
    The final framework for the voluntary disclosure of climate-related financial risks was published on 13 June 2025. This forms the basis of the SARB PA's Guidance Note 3/2025 (refer below).
  - **Principles for the effective management and supervision of climate-related financial risks**
    Finalised on 15 June 2022, this document outlines 18 high-level principles. Principles 1 through 12 guide banks on managing climate-related financial risks, while principles 13 through 18 provide direction for prudential supervisors.
  - **The role of climate scenario analysis in strengthening the management and supervision of climate-related financial risks**
    Published for comment on 16 April 2024, this discussion paper explores how climate scenario analysis can be used to strengthen the management and supervision of climate-related financial risks.
- **SARB PA Guidance Notes on climate-related disclosures and risk management practices**
  To date, the SARB PA has issued 2 final guidance notes to support the financial sector's climate-related governance and disclosure practices:
  - **G2/2024: Guidance on climate-related governance and risk practices**
    Published on 8 May 2024, this guidance outlines expectations for integrating climate-related risks into banks' and insurers' governance structures, risk management frameworks and Internal Capital Adequacy Assessment Processes (ICAAPs).
  - **G3/2025: Guidance on climate-related disclosures**
    Published on 7 October 2025, this note provides directions on climate-related disclosures, aligned with the International Sustainability Standards Board's 4 thematic areas: governance, strategy, risk management and metrics and targets.

Environmental incidents and fines

Based on available information and internal reporting processes, Capitec is not aware of any material environmental incidents resulting in harm or potential harm to the environment during the reporting period, including impacts on air, water, land, wildlife or local habitats. This outcome reflects our ongoing commitment to responsible environmental stewardship and proactive risk management.

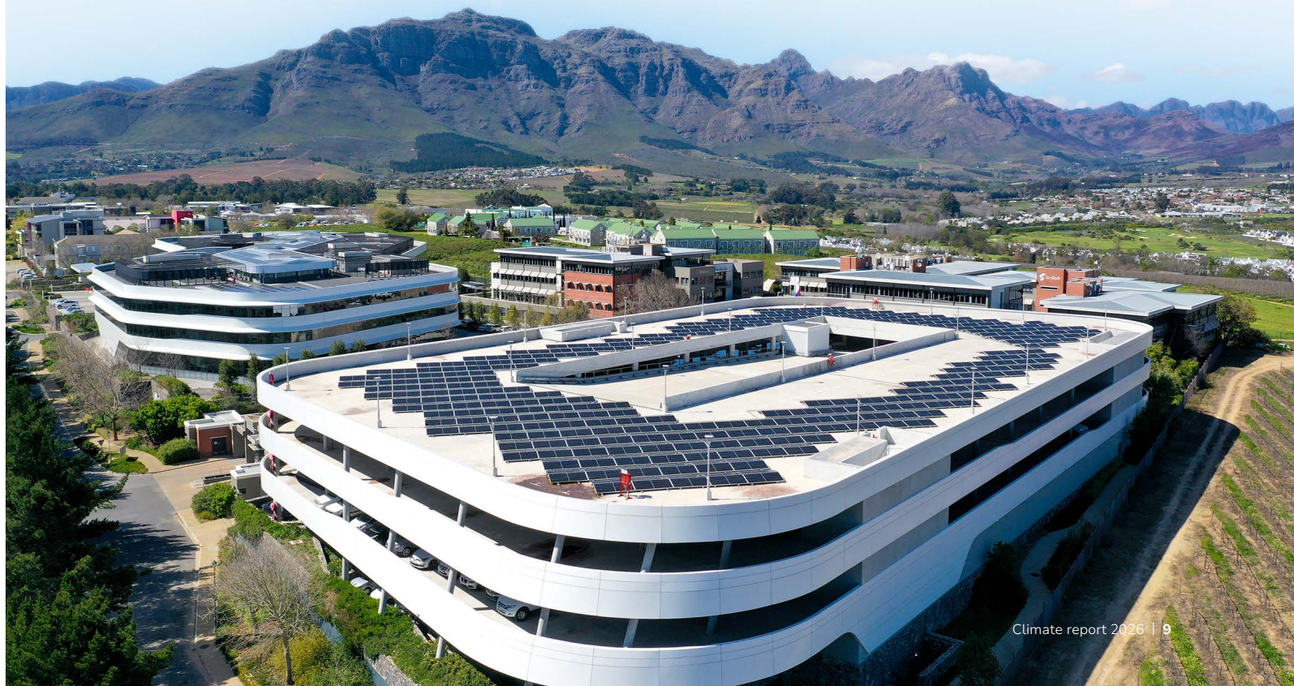
Capitec is also not aware of any material non-compliance with applicable environmental legislation. No environmental-related complaints, fines or sanctions were received during the financial year, underscoring the effectiveness of our internal controls and compliance frameworks.

Carbon tax

South Africa's Carbon Tax Act, Act 15 of 2019, came into effect on 1 June 2019, with the objective of reducing GHG emissions in a sustainable, cost-effective and equitable manner, in line with the polluter-pays principle.

Under the Act, carbon tax is levied on the carbon dioxide equivalent (CO_2e) of Scope 1 GHG emissions arising from combustion activities linked to installed thermal capacity. The tax is calculated per tonne of CO_2e. Tax returns must be submitted, along with any payment due, in July of the year following the relevant calendar year (i.e. 1 January to 31 December).

Capitec has conducted a comprehensive review of its operations for the past calendar year and has determined that it does not meet the criteria for carbon tax liability under the current legislation. This outcome reflects the nature of Capitec's operations and its low direct emissions profile, consistent with its broader climate strategy.

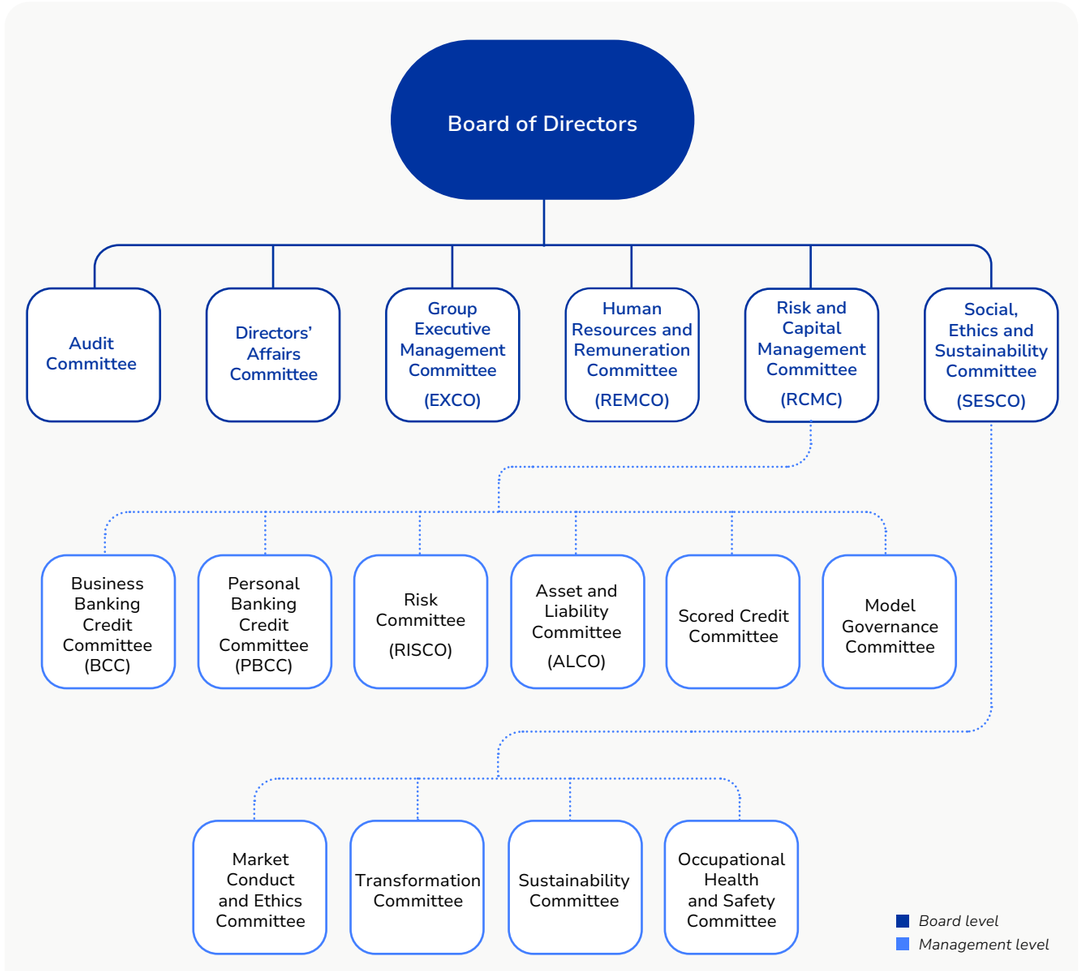


Sustainable leadership

Board of Directors

The Board holds ultimate responsibility for ensuring that Capitec conducts its business in a responsible and sustainable manner. In fulfilling this mandate, the Board is expected to consider the environmental and societal impacts of all strategic and operational decisions. Where negative impacts are unavoidable, the Board must proactively identify and implement practicable mitigation and/or remediation strategies to address potential risks and uphold Capitec's commitment to sustainability.

To support effective governance, the Board delegates oversight of sustainability-related matters to several Board-appointed committees, each operating under its respective charter. The main Board committees for climate risk are the Risk and Capital Management Committee (RCMC) and the SESCO. These committees play an important role in embedding sustainability into decision-making processes, monitoring performance and ensuring alignment with regulatory and stakeholder expectations.



Board committee	Charter highlights/environmental considerations	Frequency of meetings	Board representation
RCMC	• Monitors the implementation of Capitec's overarching risk management strategy • Approves the risk appetite and ensures that all risks, including climate-related and social risks, are managed within defined thresholds • Evaluates the adequacy and efficiency of risk and capital management frameworks • Oversees the effectiveness of risk management systems and processes • Monitors key risk exposures, including climate-related and social risks	Quarterly	4 x Independent Non-Executive Directors 2 x Non-Executive Directors 1 x Executive Director (Chief Financial Officer (CFO))
SESCO	• Monitors activities related to socio-economic development, environmental stewardship and good corporate citizenship • Oversees ethical conduct across the Group • Sets strategic sustainability objectives • Monitors the management of ESG matters, including the identification and response to climate-related risks and opportunities, in accordance with established ESG principles • Evaluates the efficiency and performance of occupational health and safety (OHS) programmes	Triannually	3 x Independent Non-Executive Directors
Group EXCO	• Executes operational decision-making in alignment with Capitec's sustainability objectives and strategic priorities • Implements the Board-approved risk management strategy	Weekly and monthly	2 x Executive Directors (Chief Executive Officer (CEO), CFO)

At these meetings, committee members are presented with a sustainability-related management report as required. These reports routinely include:

- identification of climate-related risks and opportunities
- progress updates on strategy implementation
- short- and medium-term action items aligned with Capitec's environmental objectives.

This structured reporting approach ensures that sustainability remains a standing agenda item, enabling informed oversight and timely decision-making across governance structures.

Sustainability/ESG training

During the reporting period, Capitec engaged an external consultant to deliver sustainability/ESG training to the Board and senior management. The session focused on enhancing awareness and understanding of climate-related risks and opportunities, aligned with Capitec's commitment to integrating sustainability into its strategic and operational frameworks.

The primary objective of the training was to provide a high-level overview of sustainability and ESG principles, equipping leadership with the foundational knowledge necessary to support the organisation's sustainability journey. This initiative forms part of Capitec's broader efforts to embed sustainability considerations into decision-making processes and to strengthen governance structures around climate-related issues.

Key outcomes of the session included:

- the evolving sustainability landscape and its relevance to Capitec
- clarification of core sustainability and ESG concepts
- assessment of Capitec's current sustainability positioning within the broader landscape
- identification of critical factors influencing future strategic direction
- reinforcement of the roles and responsibilities of the Board and senior management in advancing sustainability objectives.

Management

Capitec's CEO holds ultimate executive responsibility for all sustainability-related matters across the Group. This accountability ensures that ESG considerations are embedded at the highest level of strategic and operational decision-making.

The CEO is supported by several specialised management committees, including the:

- credit committees for Personal and Business Banking
- RISCO
- Sustainability Committee.

These committees play a critical role in driving the implementation of sustainability strategies, monitoring performance and ensuring that climate and sustainability-related risks and opportunities are effectively managed throughout the business.

Management committee	Charter highlights/environmental considerations	Frequency of meetings	Highest position represented
BCC **PBCC**	Oversight of credit strategies and objectives, including: • monitoring the implementation of credit strategies • managing credit risk • reviewing the quality and performance of the credit portfolio	Monthly	2 x Executive Directors (CEO, CFO)
RISCO	Considers risks, including climate-related and social risks, which could impact the business	Bimonthly	2 x Executive Directors (CEO, CFO)
Sustainability Committee	• Supports the SESCO by guiding and overseeing the development and implementation of the Group's sustainability strategy, policies and practices to protect and enhance the Group's performance, reputation and societal impact • Monitors the Group's activities related to social and environmental impact • Reviews systems and controls for identifying, assessing, monitoring and managing environmental (climate and nature) and social risks and opportunities • Identifies and evaluates emerging trends relevant to sustainability	Triannually	Executive: Human Resources Executive: Risk Management

The REMCO approved the Group's remuneration policy to include Executive short-term incentive (STI) KPIs that reflect non-financial metrics, specifically those related to sustainability.

Executive targets are set annually, and performance is evaluated at year-end by the REMCO. Outcomes are disclosed in the subsequent integrated annual report, ensuring transparency and accountability. Achievement of these targets is a prerequisite for earning the full STI bonus.

At present, Capitec does not offer non-monetary incentives for sustainability performance, and Executives are the only employee group eligible for sustainability-linked incentives. This approach reflects the strategic importance of sustainability at leadership level.

Sustainability Committee

The Sustainability Committee serves as the primary management committee responsible for ensuring environmental and social risks are identified, assessed, monitored and managed. It oversees the development and implementation of appropriate mitigation and adaptation strategies to support Capitec's long-term sustainability objective.

This committee is chaired by the Executive: Risk Management and convenes triannually. Its charter is reviewed and approved annually to ensure continued relevance and alignment with evolving environmental and social priorities.

The Sustainability Committee comprises the following members of management:

- Executive: Human Resources
- Executive: Risk Management
- Executive Head: Credit (Business Banking)
- Executive Head: Credit (Personal Banking)
- Executive Head: Financial Strategy and Investments (Treasury)
- Head: Enterprise Risk Management.

Additional members of management attend meetings by invitation, providing insights and updates on specific sustainability themes as required.

To ensure effective coordination and alignment with Board-level oversight, 1 or more members or invitees of the Sustainability Committee attend the SESCO meetings.

In addition to the triannual meetings of the Sustainability Committee, Capitec convenes workshops throughout the year to monitor the implementation of its sustainability and climate strategy. These workshops facilitate cross-functional engagement and ensure that progress against strategic objectives remains on track.

Sustainability updates are also included in the monthly Group EXCO and bimonthly RISCO meeting packs. These updates routinely cover:

- a review of climate-related and broader ESG risks and opportunities
- progress on strategy implementation
- the status of short- and medium-term action items.

This structured and recurring reporting approach ensures that sustainability remains a core focus across all levels of management, supporting informed decision-making and continuous improvement.

Capitec policy on anti-bribery and corruption

In line with our anti-bribery and corruption policy:

- Capitec employees are prohibited from offering or accepting gifts, invitations or any other advantage from public officials or political parties
- Capitec does not make political donations to parties, public officials or government departments intended to advance political agendas
- The corporate social investment (CSI) framework explicitly prohibits donations to political organisations.

Contributions during the past financial year

During the past financial year, Capitec did not make any monetary or in-kind contributions or donations to:

- local, regional or national political campaigns or candidates, ballot measures or referendums
- political organisations, industry associations or tax-exempt groups whose primary role is to influence political campaigns, public policy or legislative activities
- registered lobbyists and lobbying groups.

Legitimate contributions were made to the following industry associations to support collaboration and sustainable development:

- R275 625 membership fee to the NBI, a voluntary coalition of South African and multinational companies working toward sustainable growth and development in South Africa. This payment is tax-deductible as a donation under South African tax legislation
- R755 654 to the Banking Association South Africa (BASA), a compulsory annual membership fee that enables industry-wide alignment and cooperation among South African banks.

2 Strategy

Capitec's strategic approach

Capitec's business strategy is underpinned by 4 enduring fundamentals: simplicity, affordability, accessibility and personal experience. These principles not only guide our client-facing operations but also shape our approach to managing climate-related risks and opportunities.

Our 4 fundamentals

Simplicity is power

When banking is straightforward and easy to understand, people feel in control of their money.

Affordability matters

Our clients deserve the best value, with simple pricing and no hidden fees.

Accessibility is non-negotiable

Everyone should have access to tools and opportunities to improve their lives.

Personal experience is essential

We treat every client like a human, not a number.

Our climate strategy is not a stand-alone initiative – it is embedded within the core business model. This integration reflects the way we have consistently operated: with a focus on long-term sustainability, operational efficiency and responsible growth.

Leveraging our extensive digital infrastructure, we continue to implement business practices and initiatives that actively mitigate our environmental impact. As a result, we have successfully maintained GHG emissions at levels significantly below the growth rate of both active clients and the physical branch network.

This alignment between business growth and climate responsibility reflects our recognition of the financial risks and opportunities associated with climate change as we position the business for long-term resilience.

Operational efficiencies

Operational efficiencies encompass Capitec's current GHG emissions reduction strategies and initiatives, reflecting our commitment to improving environmental performance through targeted mitigation practices.

Capitec head office, Stellenbosch

Capitec's head office, completed in 2020, was purposefully designed and constructed to reflect the Group's commitment to environmental sustainability. The building incorporates a range of eco-efficient design features aimed at reducing energy consumption, enhancing natural resource efficiency and minimising environmental impact:

- Specialised window glazing reduces ultraviolet light penetration, thereby lowering the demand for artificial cooling
- An open-plan layout with large overhead skylights maximises natural light, reducing reliance on artificial lighting
- Motorised blinds, powered by solar energy, automatically regulate heat ingress, contributing to thermal efficiency
- An innovative cooling system produces and stores ice during off-peak nighttime hours to optimise daytime cooling
- Landscaping features indigenous, water-wise plant species, promoting biodiversity and reducing water usage.

These environmentally friendly specifications were highlighted in Capitec's **climate-related financial disclosure for 2023**.

Capitec Business Support Centre, Century City

Capitec relocated its Bellville Business Support Centre to Century City in November 2025. The new office offers several environmentally friendly features. The building operates with an installed solar system, which helps lower the reliance on municipal electricity. The solar plant is owned and operated by a third party, which leases the rooftop space from Capitec. Capitec, in turn, is contractually obligated to purchase all the generated solar power at a rate that is lower than the standard municipal tariff. The impact of this renewable energy source will be measured through the building management system (BMS) that is in progress, and represents a meaningful shift towards sustainability.

At present, the building does not have battery storage systems installed. However, once the BMS is fully operational and produces reliable consumption data, further strategies to improve energy efficiency will be considered.

The largest consumer of water in the building is the cooling system, especially during summer months. The BMS will also measure water usage and inform opportunities to optimise and reduce overall water consumption.

The gardens at Century City are the second-largest water user. Despite extensive planting of drought-resistant species, irrigation remains necessary. To minimise water waste, we are considering a transition from traditional irrigation sprayers to drip irrigation systems, which are more efficient.

Treated effluent water, supplied by the Potsdam water treatment facility, is also available to the building. However, the inconsistent quality of this water currently limits its use for irrigation. We are actively engaging with the municipality to understand their plans for improving and stabilising water quality, as both the gardens and the cooling plant could greatly benefit from dependable treated effluent water.

Additionally, the building features a reverse osmosis water treatment plant, designed to purify treated effluent water for use in the cooling system and for potable purposes. Recommissioning this facility will only be considered once water quality and supply conditions are consistently met, as operating the reverse osmosis plant is not viable with the current standards.

Finally, the most recent upgrades to the heating, ventilation and air-conditioning systems have focused on maximising energy efficiency. The system now uses carbon dioxide (CO_2) sensors to regulate fresh air supply, replacing the outdated fixed dilution method. This allows for more responsive and efficient ventilation, particularly when the building is not at full capacity.

Electronic waste recycling

In partnership with reputable third-party service providers, Capitec ensures the secure and environmentally responsible destruction and recycling of redundant electronic equipment. For the financial year ended 28 February 2026, a total of **25 632.68kg** of electronic waste was recycled through this initiative, supporting responsible resource recovery and waste minimisation.

Upcycling of marketing materials

To reduce landfill waste and support local enterprise, Capitec partnered with a community-based organisation to upcycle used marketing materials, such as banners and lightbox fabrics. These materials are transformed into stylish, functional items – including bags, backpacks and pencil cases – creating sustainable income opportunities while extending the life cycle of materials.

Branch efficiency

Since the launch of Capitec's paperless initiative in June 2020, most paper-based documentation has been eliminated from branch operations. This initiative has significantly reduced paper consumption and improved operational efficiency. Its impact is evident in the 65.6 million agreements generated during the past financial year, demonstrating the scale and success of this transition.

	Agreements generated		Number of A4 sheets[1]
eSignature (paperless)	57 105 645	87.1%	257 166 285
Paper-based signature	8 463 471	12.9%	25 684 014

[1] *Double-sided printing.*

Based on the following assumptions regarding A4 paper:

- Paper length is 297mm
- Aligning the saved paper, short sides against each other, it comes to **76 378km**
- Putting that into perspective, our earth's circumference is 40 070km
- We saved 514 333 reams of paper with an average estimated price of R67.44 per ream (exclusive of value-added tax)
- Capitec therefore saved **R34 686 617.52** during the 2026 financial year
- A tree is estimated to produce 8 333 sheets of paper, so we saved **30 861 trees (https://8billiontrees.com/trees/how-many-trees-cut-down-each-year)**
- We saved **1 725.95** tonnes of CO_2e.

As part of Capitec's ongoing efforts to reduce energy consumption and lower Scope 2 emissions, the Group has implemented several technology upgrades across its branch network:

- Smaller, energy-efficient network cabinets have been rolled out, replacing older units. The new cabinets consume only 350W, compared to the 1.2kW drawn by the previous models, representing a significant reduction in electricity usage per unit
- Capitec is also transitioning all branch peripherals from traditional personal computers to Raspberry Pi devices, which consume approximately one-tenth of the electricity of a standard personal computer. This initiative is expected to further reduce the Group's operational carbon footprint.

These upgrades reflect Capitec's commitment to energy-efficient innovation and the continuous improvement of its environmental performance.

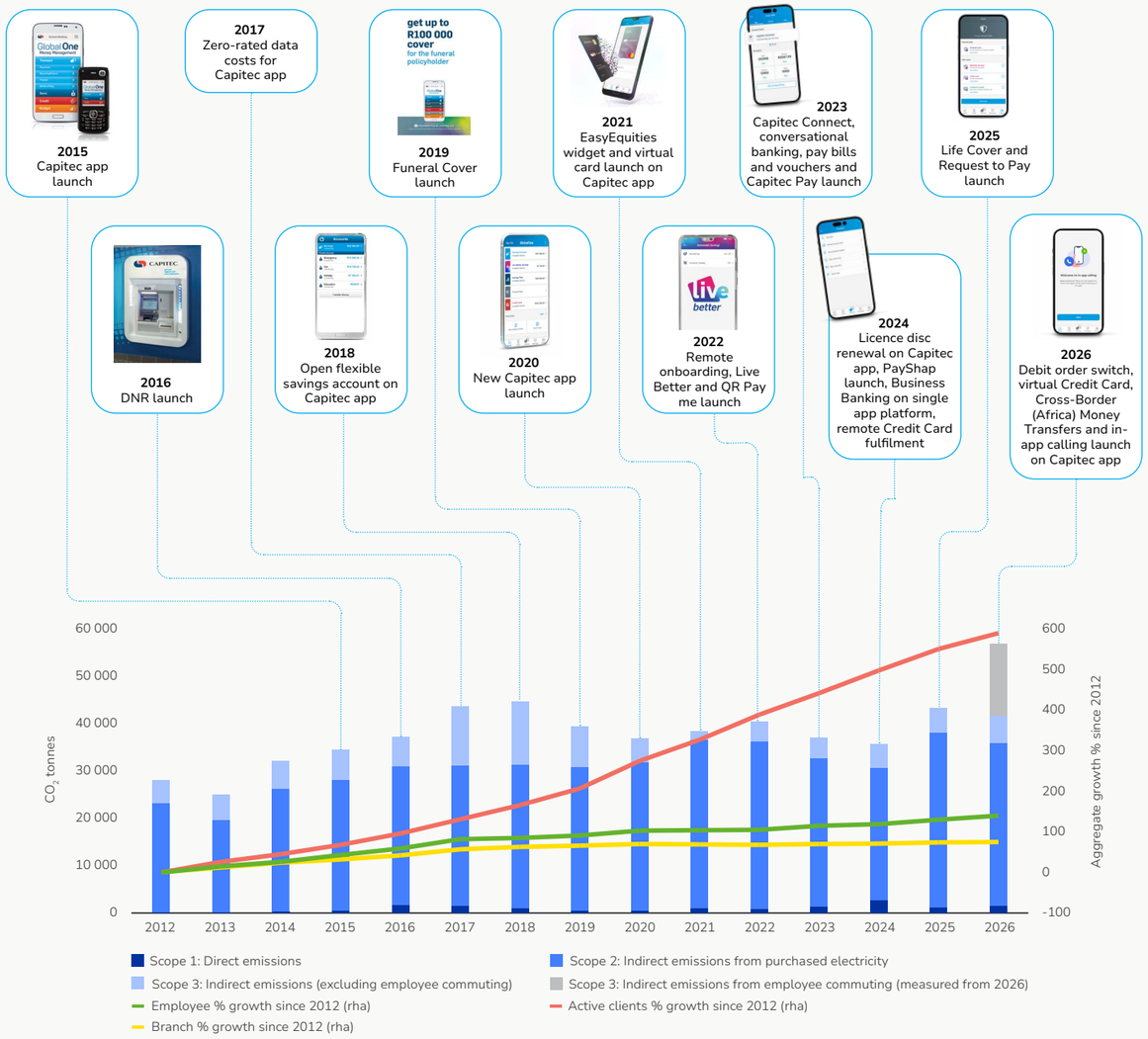
Digital strategy

Capitec's digital journey, initiated in 2012, has been instrumental in maintaining relatively flat GHG emissions despite exponential growth in client numbers. Strategic deliverables – such as cloud migration, paperless operations and energy-efficient infrastructure – have enabled the business to scale responsibly.

A visual representation of this journey highlights the key milestones and climate benefits achieved through digital innovation.

Operational efficiencies continued

Capitec GHG emissions versus business growth

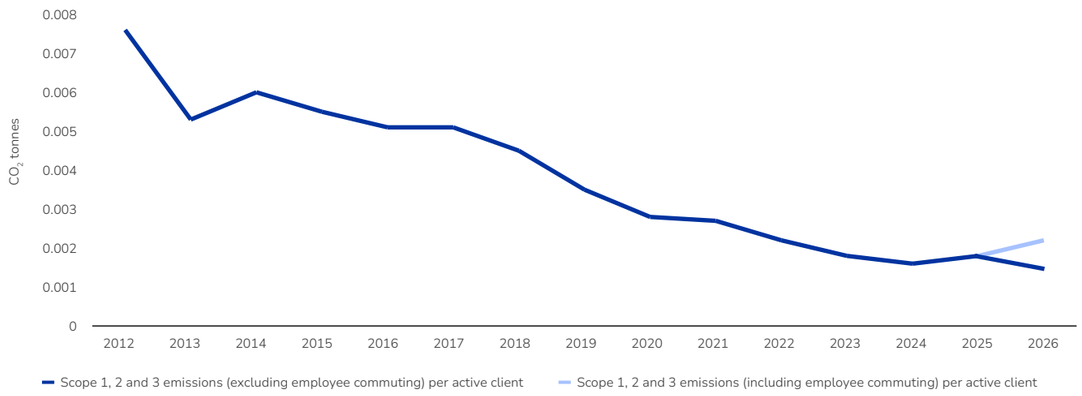


Capitec's emissions intensity per active client has shown a downward trend since 2012, indicating the effectiveness of the Group's digital transformation, operational efficiency improvements and sustainability initiatives in decoupling emissions growth from client growth.

The marginal increase observed in 2025 was primarily attributable to higher Scope 2 emissions, driven by prolonged periods of electricity load shedding in South Africa during 2023 and 2024. The increase in 2026 reflects the expansion of the emissions inventory that now includes an additional Scope 3 emissions category, employee commuting, for the first time.

Capitec continues to develop its approach to managing the environmental impact of its growth strategy, even as the active client base continues to expand.

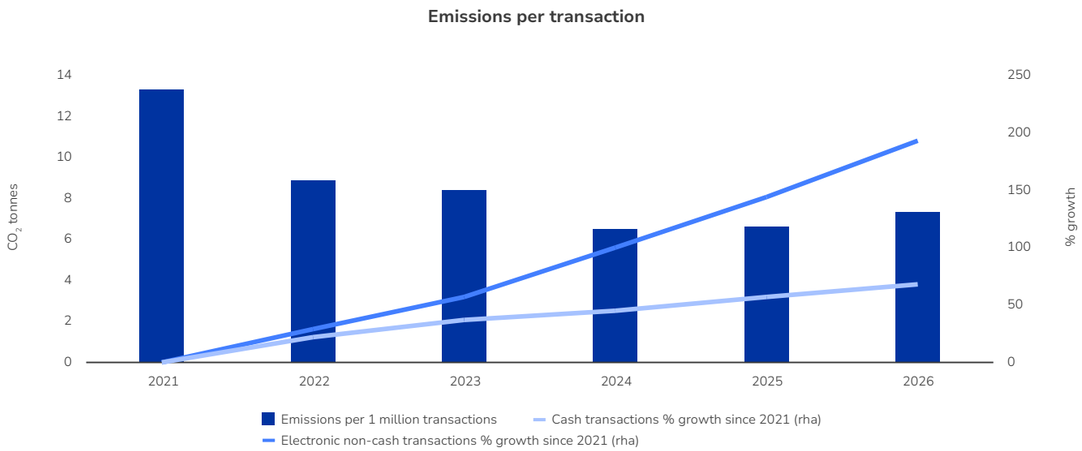
GHG emissions per active client



Capitec has observed a continued shift in client behaviour, with electronic (non-cash) transactions increasing at a significantly faster rate than cash transactions. This transition supports the Group's digital strategy and contributes to improved environmental outcomes.

The climate benefit of this shift is reflected in the reduction of total CO_2 emissions per 1 million transactions since 2021, as illustrated in the following graph, noting the slight increase in 2026 due to the addition of a new Scope 3 emissions category. This trend highlights the positive impact of digital financial services in lowering transaction-related emissions.

Operational efficiencies continued



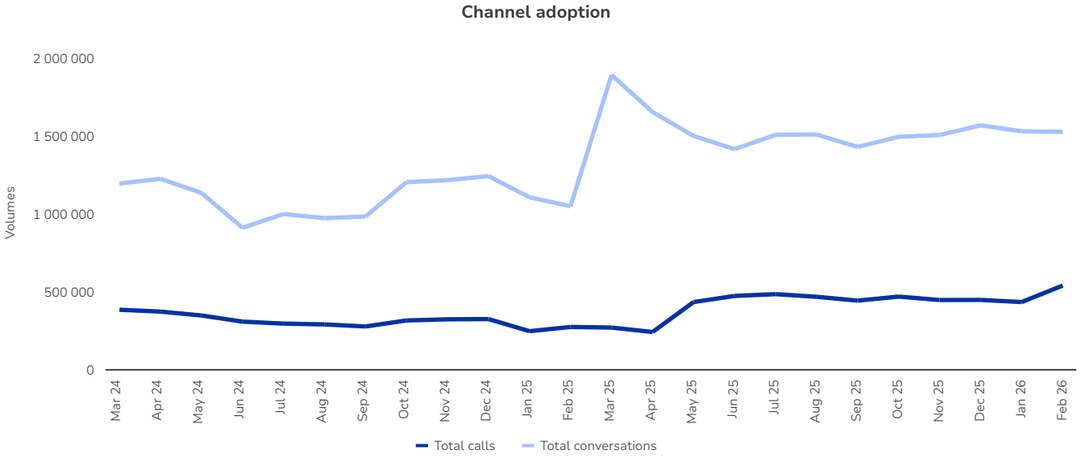
As part of Capitec's digital product offering, the range of Value-Added Services available through the Capitec app has expanded significantly over recent years. What began in 2021 with airtime and electricity purchases and send cash transactions has grown to include Bill payments, voucher purchases, Vehicle Licence Disc Renewals, Cross-Border Money Transfers, as well as Airtime and Electricity Advances. Analysis of transaction values over the past 5 years demonstrates a consistent increase in client adoption and utilisation, increasing from R43.1 billion in 2022 to R185.1 billion in 2026, representing growth of 330%. This trend underscores the relevance of digital financial services in meeting clients' everyday financial needs and reflects a continued shift towards digital channels.

Conversational banking

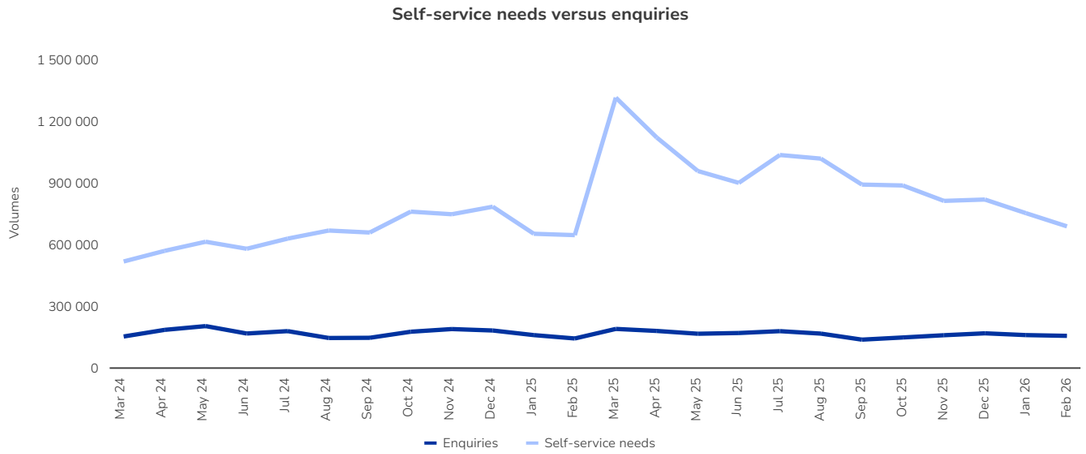
Introduced in October 2022, Capitec's conversational banking platform enabled clients to access a range of banking services via WhatsApp, supported by an advanced chatbot for handling routine queries. This digital innovation has delivered measurable efficiency and service improvements, including:

- enabling Call Centre Agents to assist up to 5 clients simultaneously, compared to a single client per traditional phone call
- achieving an average chatbot response time of 1.2 seconds, significantly enhancing service speed and accessibility for clients.

Adoption of the conversational banking channel continues to grow at levels substantially higher than those of the traditional call centre, as illustrated in the graph below, which compares monthly call volumes and conversational interactions over the past 2 years.



Trend analysis further indicates a shift towards increased use of conversational banking for self-service transactions, rather than enquiries alone. These transactions range from balance enquiries and statements to proof of account requests and debit order disputes. The sharp increase in March 2025 relates to requests for income tax certificates for interest received on investments.

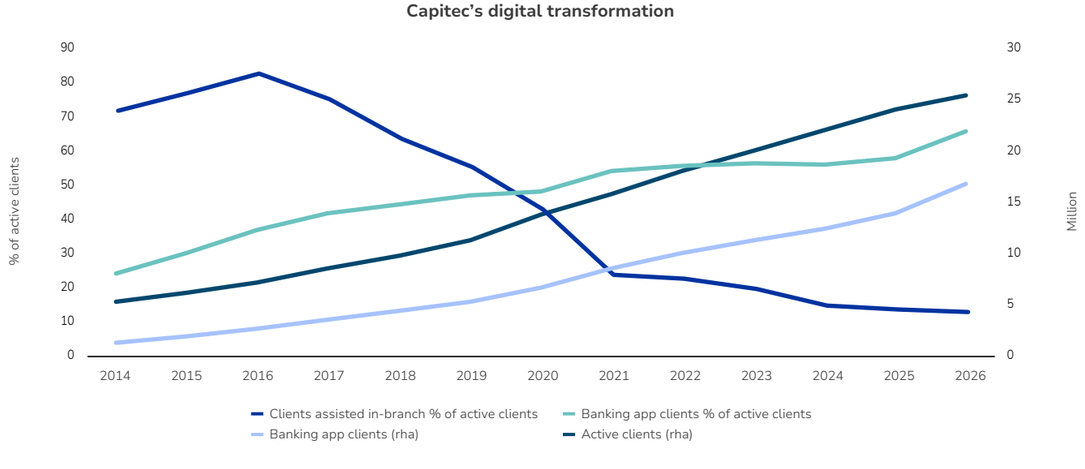


By reducing reliance on branch visits and voice calls, conversational banking supports remote self-service and digital inclusion. This contributes to lower emissions associated with client travel and reduced demand for physical infrastructure, aligning with Capitec's broader environmental sustainability objectives.

Reduction in in-branch client interactions

Capitec has implemented various strategies to reduce the need for in-branch consultations. As illustrated in the graph below:

- the ratio of in-branch client interactions (with Service Consultants) as a percentage of total active clients has declined from 72% in 2014 to 13% in 2026, with the number of annual branch visits per active client reduced from 8.13 to 6.83 over the same period
- the number of banking app clients increased from 1.3 million in 2014 to 16.9 million in 2026, reflecting the success of Capitec's digital transformation
- the proportion of banking app clients as a percentage of total active clients grew from 24% in 2014 to 66% in 2026, reducing the need for physical branch visits and associated carbon emissions.



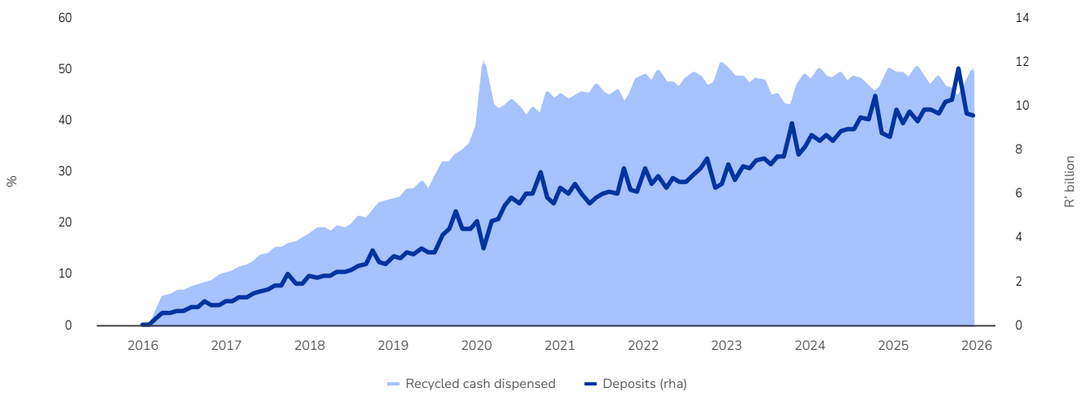
Operational efficiencies continued

Cash efficiency

Capitec initiated the deployment of dual note recycler (DNR) devices in January 2016 as part of its strategy to enhance operational efficiency and reduce environmental impact. DNRs are automated teller machines (ATMs) capable of accepting cash deposits and dispensing the same cash for withdrawal transactions. This closed-loop cash handling system significantly reduces reliance on third-party cash-in-transit (CIT) services, thereby lowering associated security risks and GHG emissions from transportation activities.

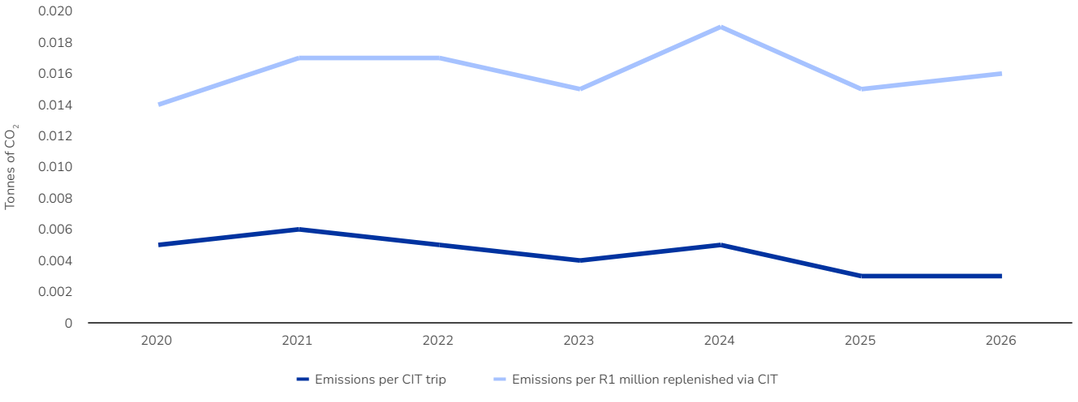
For the financial year ended 28 February 2026, 48% of all cash dispensed via Capitec ATMs and DNRs originated from DNR deposits, reflecting substantial progress in cash recycling efforts. Since the inception of the initiative, over R631.6 billion in cash has been recycled – cash that would otherwise have required replenishment through CIT services.

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



Capitec's continued optimisation of its CIT operations has contributed to measurable improvements in CIT-related Scope 3 emissions, as illustrated in the graph below.

CIT operational efficiency

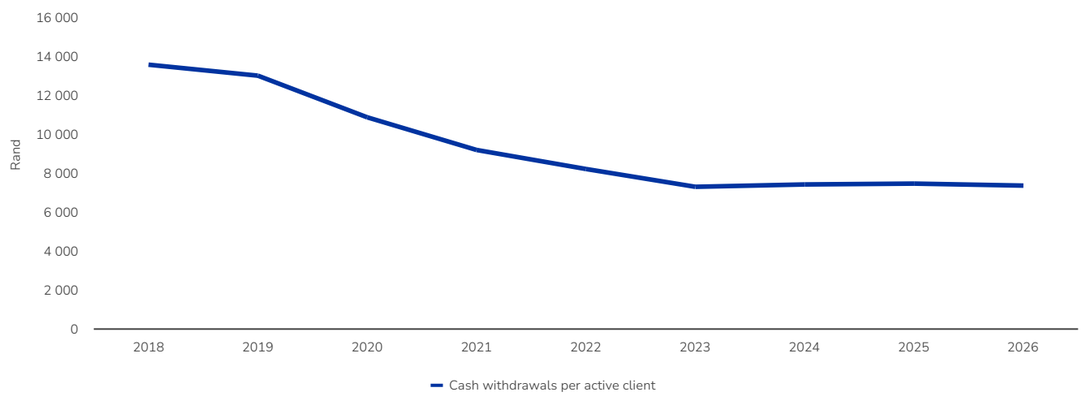


Cash withdrawals

Capitec continues to observe a sustained decline in cash withdrawals (excluding send cash withdrawals) per active client per year at its ATMs, decreasing from R9 195 in 2021 to R7 365 in 2026. This trend reflects a broader shift towards digital banking channels. The shift in client behaviour supports the Bank's sustainability objectives by reducing the environmental footprint associated with physical cash handling, storage and transportation.

In contrast, the convenience of enabling money transfers to unbanked individuals through the send cash service has driven an increase in send cash withdrawals at Capitec ATMs. Despite this higher demand for cash, operational efficiencies have improved CIT service delivery, limiting the associated environmental impact and decoupling increased service demand from proportional increases in emissions (refer to the previous CIT operational efficiency graph).

Cash withdrawals per active client per year

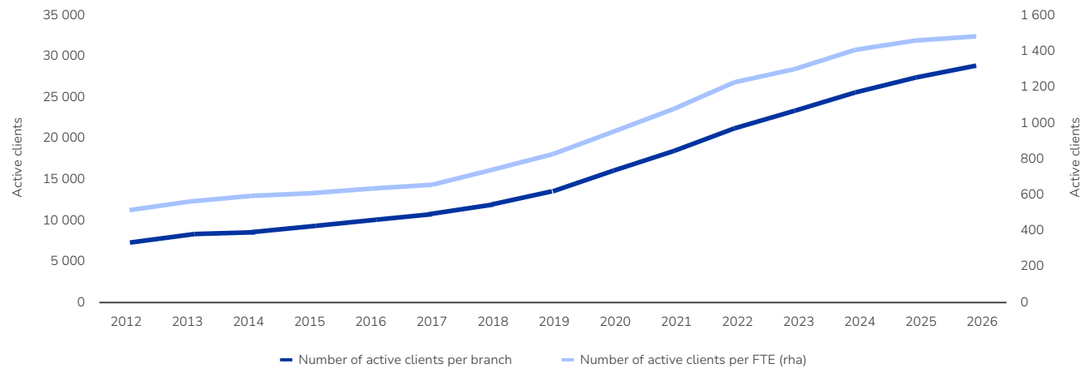


Resource efficiency

Capitec has demonstrated significant improvements in resource efficiency over time. While the number of active clients has grown substantially – from 3.7 million in 2012 to 25.6 million in 2026 – the size of the branch network and workforce has not expanded at the same rate. This reflects the Bank's ability to scale its operations sustainably, leveraging technology and process optimisation to serve more clients with relatively fewer physical and human resources.

As illustrated in the graph below, the average number of active clients per branch and per full-time employee (FTE) has increased steadily, underscoring Capitec's commitment to efficient, low-impact service delivery.

Resource efficiency



Third-party suppliers and service providers

Capitec's environmental sustainability efforts also apply to third-party suppliers and service providers. Our supplier code of conduct outlines clear expectations for suppliers and third-party partners, including:

- reducing environmental footprints
- conducting operations in an environmentally responsible manner
- providing environmentally responsible products and services where applicable.

These requirements are integral to ensuring that our environmental values are reflected throughout our procurement and partnership practices.

In line with the digital transformation strategy, Capitec has migrated the majority of its on-premises servers and data processing capabilities to cloud-based infrastructure and co-located data centres. This transition has significantly reduced our environmental impact by leveraging the efficiencies and scale of specialist service providers. These vendors are continuously enhancing their operational performance to minimise energy consumption and reduce environmental footprints, supporting our broader climate objectives.

Amazon Web Services (AWS), Capitec's primary cloud service provider, has achieved 100% renewable energy for its operations for the second consecutive year as part of its broader climate pledge to reach net zero carbon emissions by 2040.

AWS has also committed to becoming water positive by 2030 i.e. returning more water to communities and the environment than it uses in its operations, particularly in its data centres.

Migrating from traditional on-premises infrastructure to the cloud can significantly reduce carbon emissions:

- **Higher energy efficiency:** Cloud providers operate at much higher server utilisation rates than typical on-premises data centres. This means fewer servers are needed to handle the same workload
- **Advanced cooling and power management:** Cloud providers invest in state-of-the-art cooling systems and energy-efficient hardware, reducing electricity consumption per unit of computing
- **Renewable energy integration:** Cloud providers are increasingly powered by renewable energy
- **Shared infrastructure:** Cloud environments are multi-tenant, meaning resources are shared across many users, which leads to better resource optimisation and lower per-user emissions.

A 2020 study by Accenture found that migrating to the cloud can reduce carbon emissions by more than 84% compared to traditional on-premises infrastructure, and by up to 98% when applications are designed specifically for the cloud.

Source: ***https://aecconsultoras.com/wp-content/uploads/2020/10/Accenture-Strategy-Green-Behind-Cloud-POV.pdf***

AWS was also named a Leader in the 2025 IDC MarketScape: Worldwide Sustainable Cloud Datacenter Vendor Assessment, and in 2024, was scored in the top 15% of the data processing, hosting and related activities industry by EcoVadis, scoring above average across all categories, including environment, sustainable procurement, labour and human rights and ethics.

CSI and employee volunteerism

Capitec encourages employee participation in community development by offering 3 days of paid volunteer leave annually. The majority of this time is dedicated to social upliftment initiatives across South African communities, aligning with Capitec's CSI strategy, which prioritises education.

In addition to social programmes, Capitec's volunteering initiatives also support environmental sustainability. Notable examples include beach clean-up activities conducted in partnership with Clean C. These efforts not only contribute to the preservation of South Africa's coastline but also generate positive social outcomes. Recyclable materials collected during clean-ups are repurposed into educational toys, which are distributed to various non-governmental organisations, thereby reinforcing the link between environmental stewardship and community empowerment.

Environmental opportunities and their impact on business strategy and financial planning

Capitec has identified a range of environmental opportunities that align with its sustainability objectives and long-term value creation strategy. The table below outlines the nature of each opportunity and the expected time frame for realisation.

Opportunity type	Environmental opportunities	Short term (0 to 3 years)[1]	Medium term (3 to 7 years)[1]	Long term (7+ years)[1]
Resource efficiency	Promotion of more efficient transport modes, such as carpooling, to reduce emissions from employee commuting	Yes	Yes	Yes
	Implementation of a recycling programme for paper, beverage cans, glass, plastic and the responsible disposal of electronic waste	Yes	Yes	Yes
	Investment in environmentally friendly office spaces ('green' head office and Business Support Centre in the Western Cape)	Yes	Yes	Yes
	Implementation of water-saving technologies: • Low-flow and/or motion-sensor sanitary fittings • Rainwater harvesting • Boreholes • Grey water re-use	Yes	Yes	Yes
Energy systems	Adoption of low-emission energy solutions, including light-emitting diode bulbs and motion-sensor lighting	Yes	Yes	Yes
	Participation in the carbon market (reduce own carbon footprint before engaging in carbon credit mechanisms)	No	No	Under consideration
Products and services	Ongoing expansion of digital banking solutions to reduce reliance on carbon-intensive physical infrastructure	Yes	Yes	Yes
	Establishment of clear innovation priorities aimed at developing products and services that contribute to carbon reduction	No	No	Under consideration
	Expansion of Value-Added Services available to clients on the banking app to mitigate environmental and operational risks	Yes	Yes	Yes

[1] *The time horizon is measured from the current reporting period i.e. year zero is 2026.*

Environmental opportunities and their impact on business strategy and financial planning continued

Opportunity type	Environmental opportunities	Short term (0 to 3 years)[1]	Medium term (3 to 7 years)[1]	Long term (7+ years)[1]
Markets	Exploration of new revenue streams through participation in evolving environmental markets and product categories	No	Under consideration	Under consideration
	Commitment to continuous improvement in ESG metrics, contributing to enhanced ratings by ESG rating agencies	Yes	Yes	Yes
Resilience	Continued adoption of energy-efficient practices across operations to reduce environmental impact	Yes	Yes	Yes
	Focus on creating innovative, low-impact products and services to ensure long-term organisational resilience and relevance in a changing market landscape	Yes	Yes	Yes

[1] *The time horizon is measured from the current reporting period i.e. year zero is 2026.*

3 Risk management

Climate risks

Climate change is creating new and evolving financial risks that may affect Capitec's safety, soundness, strategic direction and overall resilience. Climate-related risks do not exist as stand-alone risk types; rather, they manifest through 2 primary channels: physical risks and transition risks, each with distinct implications for business strategy and financial planning.

Physical risks

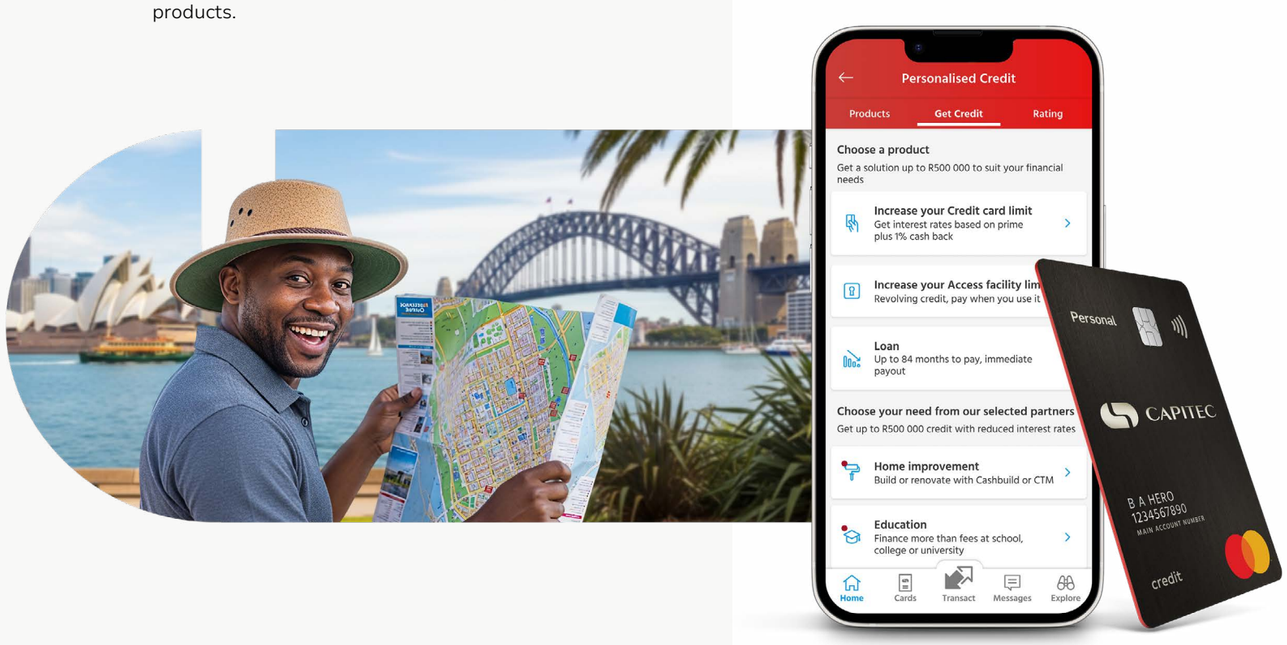
Physical risks arise from climate-related events and long-term environmental changes:

- **Acute risks:** Sudden, severe weather events such as floods, storms and heatwaves
- **Chronic risks:** Gradual changes in climate patterns, including rising average temperatures leading, over time, to prolonged droughts and rising sea levels.

Transition risks

Transition risks stem from the global shift towards a lower-carbon and more sustainable economy. These risks are influenced by:

- **Policy and regulatory changes:** New legislation and compliance requirements aiming at reducing emissions and promoting sustainability
- **Technological advancements:** Emergence of low-carbon technologies that may disrupt existing business models or require adaptation
- **Market and societal shifts:** Evolving client preferences, investor expectations and reputational considerations that favour sustainable practices and products.



Time horizons

Capitec assesses climate-related risks and opportunities across defined strategic time frames to support long-term resilience and planning.

The following time horizons are applied:

Time horizon	Start year	End year	Explanation for the choice of time frame
Short term	0	< 3 years	A material portion of the credit book will mature within 3 years
Medium term	3	< 7 years	The maximum personal loan term is 84 months
Long term	7	7+ years	The period up to and after 2050, in line with the Paris Agreement time frames

Risk drivers and transmission mechanisms

Risk driver	Transmission mechanism
A factor that influences the emergence or evolution of a risk. These can be internal (e.g. operational decisions) or external (e.g. regulatory changes) and may have either positive or negative implications.	The pathway through which a sustainability-related risk driver affects financial risk categories. These mechanisms help explain how climate risks translate into impacts across Capitec's contemporary risk types.

Climate-related risks, both physical and transition, are transmitted through both microeconomic (direct impacts on households and businesses) and macroeconomic mechanisms (broader economic effects). These transmission mechanisms link climate risk drivers to the majority of Capitec's conventional risk categories, ultimately influencing financial performance and strategic planning.

Sources of risks (risk drivers)

Physical climate risk drivers

- Acute risks: Increasing frequency and severity of extreme weather events such as heatwaves, floods, wildfires and storms
- Chronic risks: Long-term shifts in climate patterns, including rising sea levels, increasing average temperatures, water scarcity and ocean acidification

Transition climate risk drivers

- Structural changes in client demand and preferences favouring low-carbon and environmentally sustainable products and services
- Evolving government policies and legislation aimed at accelerating the transition to a low-carbon economy
- Introduction of carbon pricing mechanisms, including carbon taxes and carbon budgets
- Implementation of carbon border adjustment mechanisms affecting trade and supply chains
- Expanding regulatory requirements for climate-related disclosures and capital adequacy
- Increased exposure to litigation and legal risks associated with environmental accountability
- Technological advancements enabling substitution of traditional products and services with 'greener' alternatives
- Shifting investor and client sentiment, alongside societal expectations for responsible corporate behaviour and climate action

Economic risks (transmission mechanisms)

Microeconomic transmission mechanisms

Businesses

- Structural damage and operational disruptions caused by extreme weather events
- Stranded assets and increased capital expenditure required for transitioning to low-carbon operations
- Shifts in client behaviour and demand towards sustainable products and services
- Exposure to legal liability related to environmental performance
- Relocation and restructuring of economic activities in response to climate pressures
- Retrenchments and downsizing due to financial strain or regulatory shifts
- Declining workforce productivity linked to climate-related conditions
- Revenue losses due to carbon-related restrictions in export markets

Households

- Property damage from severe weather events
- Declining collateral value of assets exposed to climate risks
- Financial burden of relocation due to environmental threats
- Income reduction or job loss from declining demand for carbon-intensive products and services
- Rising unemployment and deepening social inequalities
- Forced migration driven by environmental degradation
- Increased food and water insecurity
- Higher insurance premiums and reduced coverage availability

Macroeconomic transmission mechanisms

- Volatility in capital and investment flows due to climate-related uncertainty
- Fluctuations in commodity prices driven by environmental factors and regulatory changes
- Socio-economic shifts affecting labour markets, consumption patterns and public health
- Impacts on key macroeconomic indicators including gross domestic product (GDP), international trade, interest rates, exchange rates and inflation
- Pressure on government revenues and fiscal balances due to increased climate-related expenditures and reduced economic output

Financial risks (per risk category)

Business risk

- Increased operational costs to meet evolving client and regulatory sustainability requirements
- Shifts in client spending towards environmentally sustainable products and services

Capital management, funding and liquidity risk

- Rising funding costs and tightening capital requirements
- Evolving funder and investor demands placing greater emphasis on climate resilience and disclosure, influencing access to capital and the cost of financing
- Elevated demand for liquidity due to climate-related disruptions

Credit risk

- Reduced borrower capacity to repay loans due to climate impacts on income and operations
- Declining collateral values from asset damage or devaluation of carbon-intensive assets

Insurance risk

- Higher frequency and severity of insurance claims linked to extreme weather events and retrenchments
- Increased insurance premiums and reduced coverage availability

Market risk

- Exposure to currency fluctuations driven by climate-related macroeconomic instability
- Interest rate volatility influenced by climate policy and economic shifts

Operational risk

- Supply chain disruptions due to climate-related events
- Business interruptions affecting employees, systems and critical services
- Physical damage to infrastructure and assets

Regulatory compliance and legal risk

- Regulatory sanctions or litigation

Reputational risk

- Brand and reputational damage from perceived inaction or failure to meet stakeholder expectations on climate and sustainability issues

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.

Climate risks and their impact on business strategy and financial planning

Climate risks can amplify or alter conventional financial risk categories through both micro and macroeconomic transmission mechanisms:

- **Microeconomic impacts:** Increased costs and financial losses for households and businesses due to climate-related disruptions
- **Macroeconomic impacts:** Broader economic effects such as changes in interest rates, inflation, capital flows and international trade dynamics.

They can also influence capital and liquidity risk, as well as reputational risk, as stakeholders increasingly expect credible climate action and transparent reporting.

Capitec is committed to enhancing its capacity to identify, assess and monitor climate risks, particularly in sectors most vulnerable to the transition to a low-carbon economy.

The table below maps identified climate risks – both physical and transition – against selected conventional risk categories, highlighting their potential impact on business strategy 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 (mitigation measures)
Business risk Not meeting strategic objectives or the consequences of executing inappropriate strategies, increased competition and changing consumer preferences	• Disruption to operations arising from inaccurate assumptions about climate hazards or insufficient planning for the frequency, severity or timing of climate events	• Inability to adapt to evolving client expectations towards environmentally sustainable products and services • Not capitalising on business opportunities presented through systemic climate-related market shifts	• Conduct scenario testing and sensitivity analysis to inform adaptive business strategies and financial planning • Map critical operations, supply chains and assets against various climate futures to understand specific vulnerabilities • Build resilience by diversifying suppliers, relocating at-risk infrastructure or investing in adaptive technology such as flood defences
Capital management, funding and liquidity risk Capital risk refers to the potential financial loss due to inadequate capital to cover own liabilities or unexpected losses. Liquidity risk refers to the risk of not being able to meet liquidity obligations	• Macroeconomic shocks leading to deposit withdrawals and liquidity outflows	• Increased client liquidity needs due to regulatory shifts or climate-related losses • Evolving investor expectations and requirements	• Regular investor engagements on sustainability matters • Enhance capital allocation through climate scenario analysis in the ICAAP • Develop key risk indicators (KRIs) for early warning • Monitor funding source concentrations • Consider liquidity buffers for potential sudden outflows due to climate disasters
Credit risk Potential financial loss due to the inability or failure of a borrower or counterparty to meet its credit obligation(s) to Capitec	• Operational disruptions or asset damage reducing collateral values and increasing loss given default (LGD)	• Revenue and asset value declines due to transition costs, reduced demand or stranded assets (fossil fuel-based assets that must be prematurely written down), increasing probability of default (PD) and LGD	• Assess climate risks by geography and sector to proactively and timeously adjust credit-granting models where needed • Apply common scenario stress tests (CSSTs) to identify and timeously address credit book exposure vulnerabilities
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	• Higher claims and insurance costs due to extreme weather events • Increased retrenchments	• Sector-specific impacts from transition pressures leading to income loss and increased claims	• Adjust strategy based on sectoral risk assessments • Apply CSSTs to validate assumptions and reserve adequacy • Proactively manage future potential claim liability
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	• Asset repricing due to macroeconomic climate impacts (considered a low risk for Capitec)	• Market differentiation based on environmental attributes of the underlying asset or issuer (considered a low risk for Capitec, but interest rate sensitivity remains material)	• Actively monitor interest rate exposures and currency positions
Operational risk Potential financial loss resulting from inadequate or failed internal processes, people and systems, or external events	• Damage to physical infrastructure, supply chain disruptions and OHS risks • Increased cost of asset insurance, and insurance exclusions and limitations	• Increased operational costs from transitioning to lower-carbon infrastructure • Third-party risks from carbon pricing, carbon borders and strict emissions standards	• Equip internal stakeholders to identify and address climate risks • Ensure adequate insurance coverage for vulnerable assets
Regulatory compliance and legal 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	• Workplace disruptions from physical risk events impacting compliance requirements	• Exposure to extensive and evolving climate-related disclosure requirements • Risk of fines or litigation	• Maintain robust compliance frameworks • Engage in industry forums • Build institutional expertise in climate regulation
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	• Perceptions of inadequate climate risk management	• Negative stakeholder views on financing high-emission sectors or unmet climate commitments	• Ensure transparency in climate disclosures • Participate in ESG assessments • Publish annual sustainability reports

Climate risks and their impact on business strategy and financial planning
continued

Climate-related physical risks in operational and financing activities

Climate-related physical risks may affect the organisation through a range of operational and financial pathways. To enhance our understanding of these risks, Capitec utilised several open-source climate-related physical risk assessment tools to evaluate current exposure.

The physical risk assessment was applied to owned and leased properties, as well as third-party warehouses where Capitec assets are stored. The geolocation (latitude and longitude) of each property was used as an input to assess exposure to climate-related physical hazards.

The following asset classes were included in the assessment:

Asset class	Estimated total value at risk
Capitec assets stored in third-party warehouses	R363.8 million
Business centres	R83.1 million, with 25% of total exposure located in both Gauteng and Western Cape
Cash devices	R2.0 billion, with 29% of total exposure located in Gauteng, followed by KwaZulu-Natal with 19%
Head offices – leased	R53.1 million, with 2 in Gauteng and 1 in Western Cape
Head offices – owned	R2.3 billion, with 1 in Gauteng and 3 in Western Cape
Information technology (IT) equipment in warehouses	R78.7 million, with 1 in Gauteng and 1 in Western Cape
Residential and commercial mortgage portfolio	• 2 909 residential properties, with a total credit exposure as of 31 January 2026 of R4.6 billion • 1 219 commercial properties, with a total credit exposure as of 31 January 2026 of R12.3 billion
Retail branches	R4.3 billion, with 27% of total exposure located in Gauteng, followed by KwaZulu-Natal with 16%

The physical risk assessment will be reviewed and updated periodically, with the frequency of review informed by materiality considerations, changes in the portfolio or operating footprint and evolving regulatory expectations. The outcomes of the assessment are used to:

- assess potential implications for the insurance portfolio
- identify potential risks of loss arising from the impact of physical climate risks on collateral values for secured lending
- evaluate potential future impacts on arrears and/or bad debt levels.

The results of the climate-related physical risk assessment, using the World Wide Fund for Nature (WWF) Biodiversity Risk Filter, are presented on a map of South Africa, with asset geolocations displayed using a colour gradient to indicate the relative level of physical climate risk at each location. Due to current data and tool limitations, the assessment is high-level in nature and is predominantly conducted at suburb level. Over time, further refinements to systems and processes will be implemented to enhance data quality and comparability, supporting the development of decision-useful information.

Retail branches' climate-related physical risk assessment

Based on estimated asset replacement values for retail branches, business centres and cash devices, Capitec's national asset distribution indicates a significantly higher physical climate risk exposure associated with retail branches.

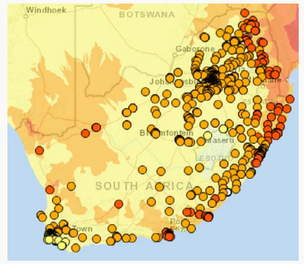
Using the WWF Biodiversity Risk Filter, a risk-based assessment of current climate-related physical risks was undertaken for retail branches. The assessment considered exposure to a range of acute and chronic climate hazards, as outlined over the next few pages.

Extreme heat

This indicator assesses exposure to extreme heat events that are expected, on average, to occur once every 5 years.

Extreme heat poses material risks to human health and productivity and has direct implications for the built environment and operational continuity. Climate change has led to increased frequency and intensity of extreme temperature events, a trend expected to intensify under future warming scenarios.

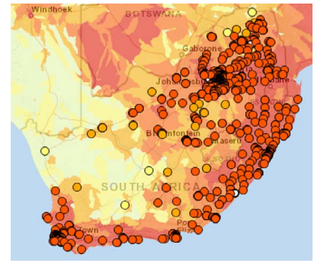
Areas classified as very high risk are projected to experience daily maximum temperatures of approximately 32°C within a 5-year return period.



Wildfire hazard

Wildfires present significant risks to human safety, infrastructure integrity and economic activity. During severe fire weather conditions, high winds and wind-borne debris can damage built assets. Climate change is expected to increase wildfire risk through higher temperatures, increased rainfall variability and extended fire seasons, with projections also indicating a potential increase in fire severity.

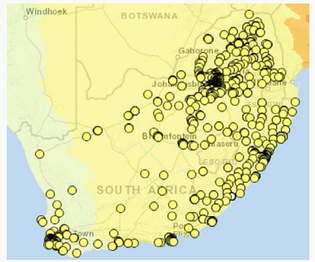
Areas of very high risk are characterised by a high maximum annual number of wildfire events per 1 000km^2.



Tropical cyclones

This indicator assesses exposure to extreme wind events that are expected, on average, to occur once every 50 years. Tropical cyclones can affect operations and value chains through structural damage to buildings, flooding, power disruptions and business disruptions, potentially resulting in temporary or permanent closures and revenue loss.

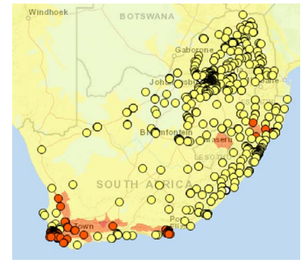
Areas of very high risk are projected to experience maximum wind speeds exceeding 190km/h over a 50-year return period.



Landslides

This indicator evaluates the potential for rainfall- and earthquake-triggered landslides. Landslides pose significant risks to human life, infrastructure and economic activity and have become more prevalent due to land-use change, land degradation and infrastructure expansion. These risks are further amplified by climate change-driven increases in extreme precipitation events.

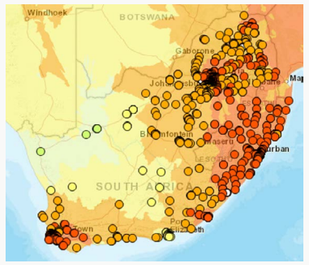
Areas of very high risk exhibit high landslide susceptibility based on rainfall patterns, slope, geology, soil characteristics, land cover and, where relevant, seismic activity.



Climate risks and their impact on business strategy and financial planning
continued

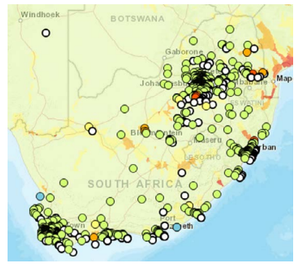
Estimated flood occurrence

This indicator reflects the historical recurrence of flood events over the 35-year time frame period of 1985 to 2021. It includes floods caused by overflowing rivers, lakes or oceans caused by heavy rainfall, rapid snowmelt, dam or levee failure, and storm surges associated with tropical cyclones or tsunamis in coastal areas. The assessment draws on data from governmental, media, instrumental and remote-sensing sources.



Flood hazard

Flood hazard exposure is assessed using a 100-year flood hazard map, developed through hydrological and hydrodynamic modelling informed by climatological data from the European and Global Flood Awareness Systems. The map indicates expected flood depths across all areas within the 100-year flood-prone extent.



Residential and commercial mortgage portfolio

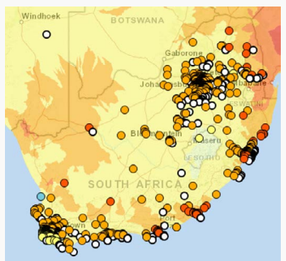
Using the WWF Biodiversity Risk Filter, a current climate-related physical risk assessment was performed for Business Banking's residential mortgage portfolio as of 31 January 2026.

Extreme heat

This indicator assesses exposure to extreme heat events that are expected, on average, to occur once every 5 years.

Extreme heat poses material risks to human health and productivity and has direct implications for the built environment and operational continuity. Climate change has led to increased frequency and intensity of extreme temperature events, a trend expected to intensify under future warming scenarios.

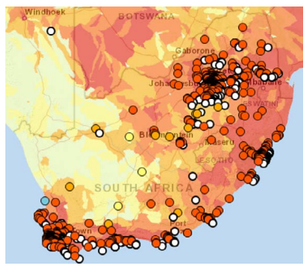
Areas classified as very high risk are projected to experience daily maximum temperatures of approximately 32°C within a 5-year return period.



Wildfire hazard

Wildfires present significant risks to human safety, infrastructure integrity and economic activity. During severe fire weather conditions, high winds and wind-borne debris can damage built assets. Climate change is expected to increase wildfire risk through higher temperatures, increased rainfall variability and extended fire seasons, with projections also indicating a potential increase in fire severity.

Areas of very high risk are characterised by a high maximum annual number of wildfire events per 1 000km^2.

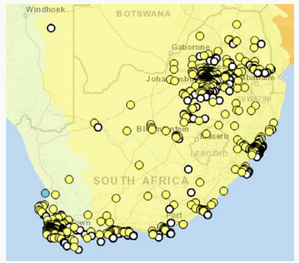


n/a Very low risk — Very high risk

Tropical cyclones

This indicator assesses exposure to extreme wind events that are expected, on average, to occur once every 50 years. Tropical cyclones can affect operations and value chains through structural damage to buildings, flooding, power disruptions and business disruptions, potentially resulting in temporary or permanent closures and revenue loss.

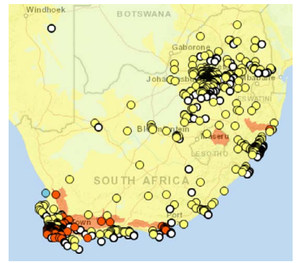
Areas of very high risk are projected to experience maximum wind speeds exceeding 190km/h over a 50-year return period.



Landslides

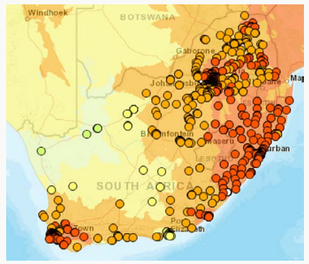
This indicator evaluates the potential for rainfall- and earthquake-triggered landslides. Landslides pose significant risks to human life, infrastructure and economic activity and have become more prevalent due to land-use change, land degradation and infrastructure expansion. These risks are further amplified by climate change-driven increases in extreme precipitation events.

Areas of very high risk exhibit high landslide susceptibility based on rainfall patterns, slope, geology, soil characteristics, land cover and, where relevant, seismic activity.



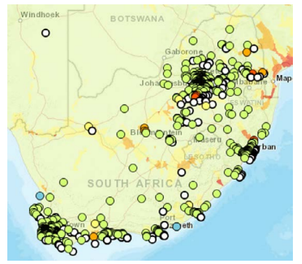
Estimated flood occurrence

This indicator reflects the historical recurrence of flood events over the 35-year time frame period of 1985 to 2021. It includes floods caused by overflowing rivers, lakes or oceans caused by heavy rainfall, rapid snowmelt, dam or levee failure, and storm surges associated with tropical cyclones or tsunamis in coastal areas. The assessment draws on data from governmental, media, instrumental and remote-sensing sources.



Flood hazard

Flood hazard exposure is assessed using a 100-year flood hazard map, developed through hydrological and hydrodynamic modelling informed by climatological data from the European and Global Flood Awareness Systems. The map indicates expected flood depths across all areas within the 100-year flood-prone extent.



Using the Climate Impact Explorer physical risk assessment tool, projected climate-related impacts for South Africa are assessed across a range of acute and chronic climate hazards. The analysis is conducted under selected NGFS scenarios aligned with the 2024/2025 SARB PA CRST. The scenarios considered are as follows:

- **Current policies scenario:** This scenario assumes that only currently implemented climate policies remain in place. As a result, transition risks are relatively low, however, physical risks are severe. Under this pathway, global GHG emissions continue to increase until approximately 2080, leading to global warming exceeding 2°C by the end of the century

n/a Very low risk — Very high risk

Climate risks and their impact on business strategy and financial planning
continued

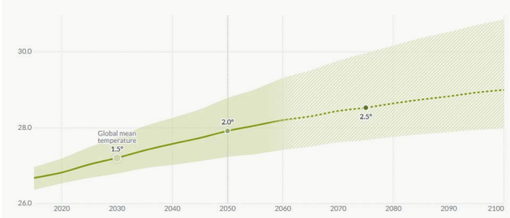
- **Delayed transition scenario:** Under this scenario, global emissions do not begin to decline until 2030. Thereafter, rapid and stringent policy interventions are required to limit warming to below 2°C. Climate policy implementation is delayed and uneven across countries and regions, resulting in both elevated transition risks and substantial physical risks relative to the net zero 2050 scenario
- **Net zero 2050 scenario:** The scenario assumed the implementation of ambitious and coordinated climate policies, supported by technological innovation, to limit global warming to 1.5°C. Global net zero CO_2 emissions are achieved around 2050. While physical climate risks are comparatively lower under this pathway, transition risks are higher due to the scale and speed of required structural economic adjustments.

Current policies

Daily maximum air temperature

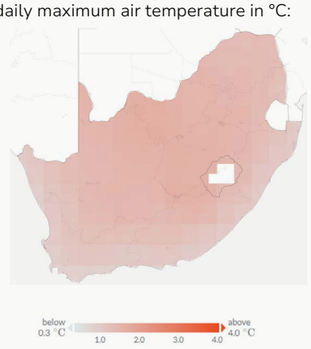
Daily maximum air temperature refers to the highest near-surface air temperature recorded within a 24-hour period, measured at a height of 2m above ground level.

This graph illustrates the projected evolution of daily maximum air temperature (expressed in degrees Celsius) in South Africa under different levels of global warming, based on the NGFS current policies scenario.



The accompanying map presents the absolute change in daily maximum air temperature in South Africa relative to the reference period 1995 to 2014 average temperature (expressed in degrees Celsius) at a 2°C increase in global temperature.

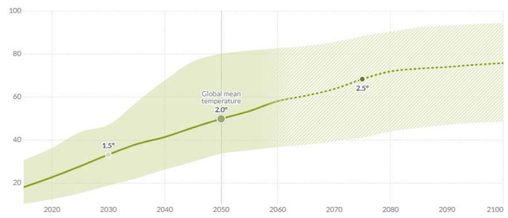
Change in daily maximum air temperature in °C:



Area under extreme drought

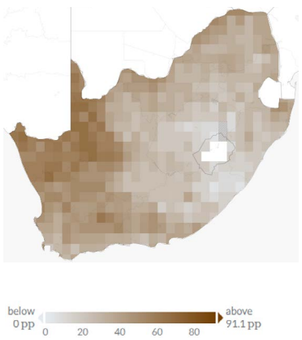
The Standardised Precipitation Evapotranspiration Index (SPEI) is a measure of meteorological drought that integrates both precipitation and potential evapotranspiration. SPEI values below -2 indicate extreme drought, while values near 0 reflect near-normal conditions.

This graph presents projected changes over time in the proportion of land area (expressed as a percentage on the left-hand axis) experiencing at least 1 month of extreme drought (SPEI <–2) per year in South Africa, based on the NGFS current policies scenario.



The corresponding map shows the absolute change in the land area under extreme drought compared to the 1995 to 2014 reference period (expressed in percentage points (pp)) at a 2°C increase in average global temperature.

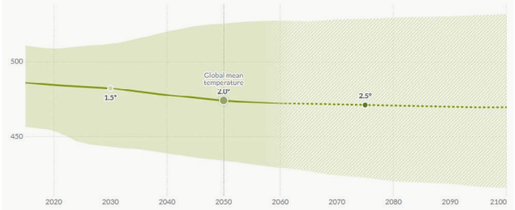
Change in area under extreme drought in pp:



Total annual precipitation

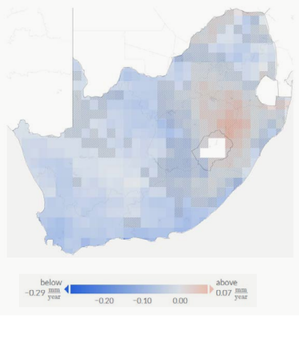
Total annual precipitation represents the sum of all precipitation received within a calendar year, expressed in millimetres (mm) per year.

This graph depicts projected changes in total annual precipitation across South Africa (expressed in mm per year) under varying global warming levels, using the NGFS current policies scenario.



The associated map illustrates the absolute change in total annual precipitation relative to the 1995 to 2014 baseline period (expressed in mm per year) at a 2°C increase in average global temperature.

Change in total annual precipitation (expressed in mm per year):

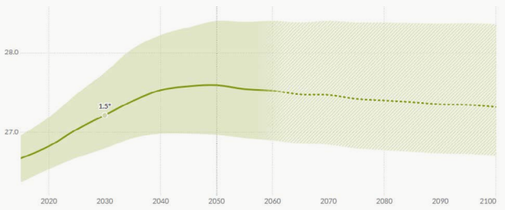


Delayed transition

Daily maximum air temperature

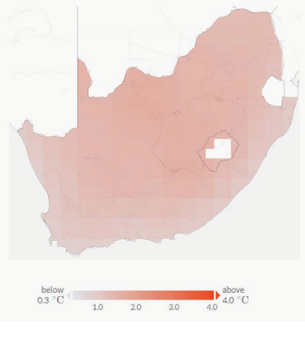
Daily maximum air temperature refers to the highest near-surface air temperature recorded within a 24-hour period, measured at a height of 2m above ground level.

This graph illustrates the projected evolution of daily maximum air temperature (expressed in degrees Celsius) in South Africa under different levels of global warming, based on the NGFS delayed transition scenario.



The accompanying map presents the absolute change in daily maximum air temperature in South Africa relative to the reference period 1995 to 2014 average temperature (expressed in degrees Celsius) at a 2°C increase in global temperature.

Change in daily maximum air temperature in °C:

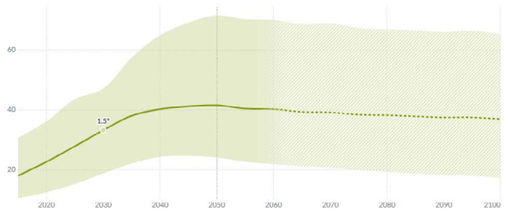


Climate risks and their impact on business strategy and financial planning
continued

Area under extreme drought

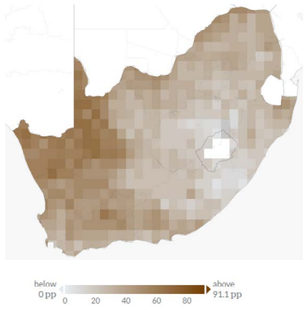
The SPEI is a measure of meteorological drought that integrates both precipitation and potential evapotranspiration. SPEI values below -2 indicate extreme drought, while values near 0 reflect near-normal conditions.

This graph presents projected changes over time in the proportion of land area (expressed as a percentage on the left-hand axis) experiencing at least 1 month of extreme drought (SPEI <–2) per year in South Africa, based on the NGFS delayed transition scenario.



The corresponding map shows the absolute change in the land area under extreme drought compared to the 1995 to 2014 reference period (expressed in pp) at a 2°C increase in average global temperature.

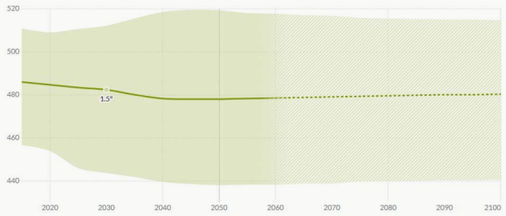
Change in area under extreme drought in pp:



Total annual precipitation

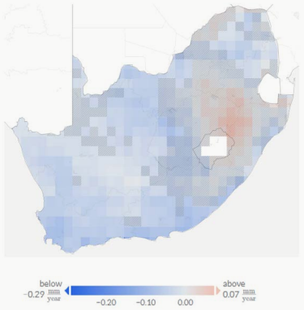
Total annual precipitation represents the sum of all precipitation received within a calendar year, expressed in mm per year.

This graph depicts projected changes in total annual precipitation across South Africa (expressed in mm per year) under varying global warming levels, using the NGFS delayed transition scenario.



The associated map illustrates the absolute change in total annual precipitation relative to the 1995 to 2014 baseline period (expressed in mm per year) at a 2°C increase in average global temperature.

Change in total annual precipitation (expressed in mm per year):

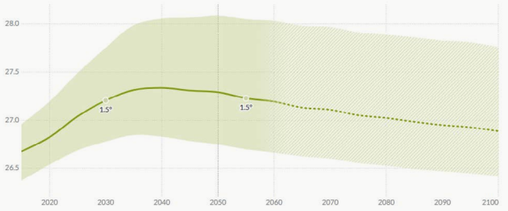


Net zero 2050

Daily maximum air temperature

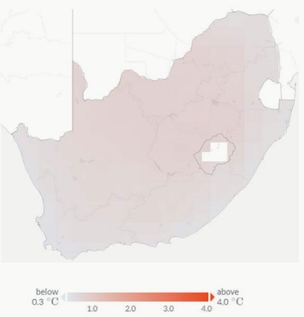
Daily maximum air temperature refers to the highest near-surface air temperature recorded within a 24-hour period, measured at a height of 2m above ground level.

This graph illustrates the projected evolution of daily maximum air temperature (expressed in degrees Celsius) in South Africa under different levels of global warming, based on the NGFS net zero 2050 scenario.



The accompanying map presents the absolute change in daily maximum air temperature in South Africa relative to the reference period 1995 to 2014 average temperature (expressed in degrees Celsius) at a 1.5°C increase in global temperature.

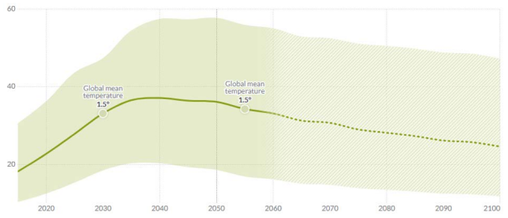
Change in daily maximum air temperature in °C:



Area under extreme drought

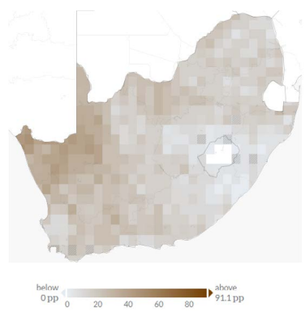
The SPEI is a measure of meteorological drought that integrates both precipitation and potential evapotranspiration. SPEI values below -2 indicate extreme drought, while values near 0 reflect near-normal conditions.

This graph presents projected changes over time in the proportion of land area (expressed as a percentage on the left-hand axis) experiencing at least 1 month of extreme drought (SPEI <–2) per year in South Africa, based on the NGFS net zero 2050 scenario.



The corresponding map shows the absolute change in the land area under extreme drought compared to the 1995 to 2014 reference period (expressed in pp) at a 1.5°C increase in average global temperature.

Change in area under extreme drought in pp:

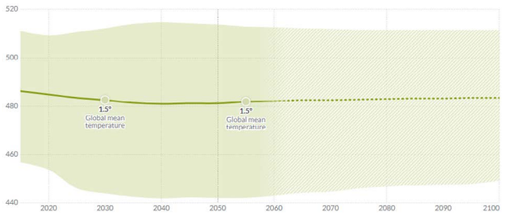


Climate risks and their impact on business strategy and financial planning
continued

Total annual precipitation

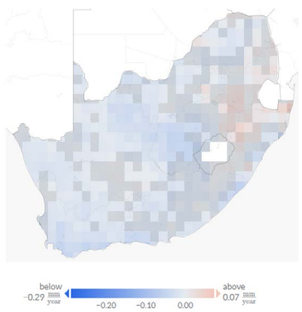
Total annual precipitation represents the sum of all precipitation received within a calendar year, expressed in mm per year.

This graph depicts projected changes in total annual precipitation across South Africa (expressed in mm per year) under varying global warming levels, using the NGFS net zero 2050 scenario.



The associated map illustrates the absolute change in total annual precipitation relative to the 1995 to 2014 baseline period (expressed in mm per year) at a 1.5°C increase in average global temperature.

Change in total annual precipitation (expressed in mm per year):



Climate-related transition risks in financing activities: Inherent credit risk profile per industry (transition risk heat map)

Capitec's most significant transition-related exposure arises within the retail credit portfolio, particularly through lending to clients employed in the metals and mining sector. In the table below, these sectors are classified according to their inherent transition risk, which reflects not only their vulnerability to the physical impacts of climate change, but also the degree to which they are likely to be affected by shifts in supply chains, technological developments, regulatory changes and evolving market expectations in the transition to a lower-carbon economy.

Sectors with the highest direct and indirect emissions are expected to face significant public and regulatory pressure to decarbonise; accordingly, their transition risk exposure is assessed as High. Decarbonisation efforts will require substantial capital investment to retrofit existing production assets to reduce reliance on fossil fuels. In addition, revenues are likely to be adversely affected as consumer preferences shift toward lower-carbon alternatives.

Economic sectoral activity	Direct emissions	Indirect emissions	Capital expenditure	Revenue
Agriculture, hunting, forestry and fishing	Moderate	Moderate	Moderate	Moderate
Business services	Low	Low moderate	Low	Low
Community, social and personal services	Low	Low moderate	Low	Low
Construction	High	Moderate	Moderate	Low moderate
Electricity, gas and water supply	High	Low	Moderate	High
Financial intermediation and insurance	Low moderate	Low moderate	Low moderate	Moderate
Manufacturing	Moderate	Moderate	Moderate	Low moderate
Mining and quarrying	Moderate	Moderate	Moderate	Low moderate
Private households	Low	Low moderate	Low	Low
Real estate	Low moderate	Moderate	Moderate	Low
Transport, storage and communication	Moderate	Moderate	Moderate	Moderate
Wholesale and retail trade, repair, hotels and restaurants	Low moderate	Moderate	Moderate	Moderate
Other	Low	Low moderate	Low	Low

Transition risks are monitored on an ongoing basis to support timely and proactive adjustments to our credit-granting criteria and the pricing of Credit Life (retrenchment) Insurance policies. This enables Capitec to manage potential future risk exposures effectively, maintain portfolio resilience and align with a just and orderly transition.

Capitec's credit exposure per industry

Personal Banking

Capitec's retail credit risk is influenced by forward-looking macroeconomic and sectoral variables. To manage this, our Credit teams undertake comprehensive research and develop assessments to evaluate future industry trajectories and employer-level resilience. Clients employed in businesses with adverse medium- to long-term prospects are subject to reduced or avoided exposure, informed by early-warning indicators.

This capability provides a practical mechanism to both mitigate transition risk and capture emerging opportunities. Our credit systems are designed to rapidly incorporate idiosyncratic risk signals, enabling timely recalibration of exposure at scale and supporting the overall resilience of the retail credit book under evolving climate-transition conditions.

Credit exposure as of 28 February 2026 to high-risk industries is limited to 3% of the credit book as per the balance distribution below.

Personal Banking credit book balance distribution

Industry	Balance
Agriculture, hunting, forestry and fishing	2%
Community, social and personal services	52%
Construction	2%
Electricity, gas and water supply	1%
Financial intermediation insurance, real estate and business services	13%
Manufacturing	6%
Mining and quarrying[1]	9%
Private households	1%
Transport, storage and communication	5%
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods; hotels and restaurants	9%
Total	**100%**

[1] Mining and quarrying represents credit extended to individuals employed in the mining industry, and not directly to finance mining or quarrying activities.

Business Banking

The Business Banking division operates with a focused mandate, providing financial services primarily to small and medium-sized enterprises (SMEs). The credit portfolio, therefore, reflects limited exposure to sectors typically associated with elevated climate-related transition or physical risk. In line with our prudent risk appetite, Capitec's Business Banking credit book contains minimal lending to industries inherently classified as high-risk from a climate perspective.

Credit exposure as of 28 February 2026 to high-risk industries is limited to 7% of the credit book as per the balance distribution below.

Business Banking credit book balance distribution

Industry	Balance
Agriculture, hunting, forestry and fishing	3%
Community, social and personal services	2%
Construction	6%
Electricity, gas and water supply	1%
Financial intermediation insurance, real estate and business services	32%
Manufacturing	9%
Mining and quarrying[1]	1%
Private households	5%
Transport, storage and communication	6%
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods; hotels and restaurants	25%
Other	10%
Total	**100%**

[1] Mining and quarrying represents credit extended to individuals employed in the mining industry (primarily in the form of Mortgage Loans) and heavy vehicle asset financing (transport), and not directly to finance mining or quarrying activities.

Climate risk management framework

Capitec's climate risk management framework (CRMF) establishes a structured approach to the governance, management, measurement, monitoring and control of climate-related risks. It is founded on defined roles and responsibilities and outlines the principles, processes and models used to ensure an integrated and consistent approach to risk across the organisation.

Risk governance and oversight

Board of Directors

The Board holds ultimate responsibility for ensuring adherence to the CRMF, including the identification, assessment, mitigation and monitoring of climate-related risks through sound risk management practices. Its risk oversight role is enabled through a clear mandate, ongoing capability building and periodic reporting on climate-related risks. This ensures climate considerations are embedded in business models, strategic planning, decision-making, capital allocation and risk appetite deliberations.

The Board also oversees the implementation of the climate risk management strategy, approves the associated risk appetite and ensures that climate-related risks are managed within established tolerance levels.

The Board delegates authority to relevant subcommittees and management committees such as the:

- SESCO and its management committee, the Sustainability Committee
- RCMC and its management committees, the RISCO, the BCC and the PBCC.

These bodies provide oversight, challenge and approval of climate-related policies, risk appetite elements, limits/thresholds, stress tests and scenarios and disclosures.

The Board maintains responsibility to monitor the exercise of delegated functions and activities. Delegation arrangements include a clear assignment of delegated responsibilities and mechanisms for monitoring the exercise of the delegated authority to enable the Board to evidence its ongoing oversight of climate risks.

Senior and Executive Management

Senior and Executive Management serve as the primary owners of climate-related risks and are responsible for overseeing framework implementation and for ensuring that any alleged breaches are investigated and remediated. Designated managers collaborate with risk functions to integrate climate risks into ERM activities and partner with operations and support functions to implement the climate strategy and manage and mitigate material climate risks.

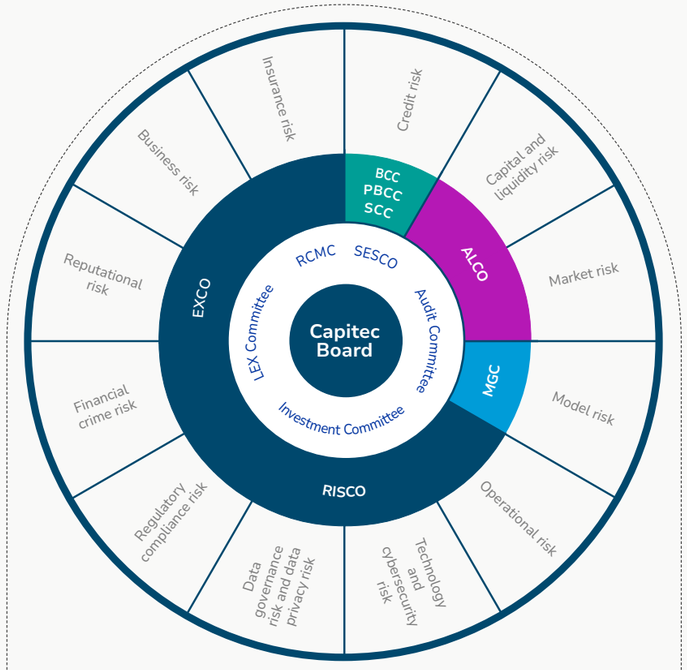
Executive Management is also responsible for setting business strategies that are aligned with the approved climate risk appetite and for developing, embedding and overseeing robust climate-related risk management practices across the organisation. This includes ensuring the effective identification, assessment, treatment, monitoring and reporting of climate-related risks, as well as the integration of climate considerations into capital management and planning.

The Executive: Risk Management – the highest-ranking dedicated risk official – reports directly to the CEO and serves on both the Group EXCO and the RCMC.

Risk Management, therefore, has a separate reporting line, independent of operations, to provide objective monitoring of risks.

Three lines of assurance

Capitec applies a 3-lines-of-assurance model that clearly differentiates roles and responsibilities for managing climate-related risks.



Note: Risk types are mapped to governance committees to reflect primary areas of oversight. This allocation does not preclude risks from being considered by other committees where relevant, based on the nature, impact or strategic importance of the matter.

This model ensures comprehensive coverage, transparency and accountability in managing climate-related risks across the business.

1st **2nd** **3rd**

Line of assurance

Risk ownership

Climate-related risks are managed within day-to-day business operations. Each business area is accountable for operating within the approved climate risk appetite and tolerance levels. Heads of departments, under the direction of the relevant Executive, must identify, monitor and report on relevant KRIs, obtain approvals for deviations from defined parameters, and ensure that systems, processes and data capabilities support accurate, timely and complete regulatory reporting of climate-related risk management practices and exposures.

Risk control

Risk control and oversight functions establish and maintain the required risk management frameworks, policies, governance structures, methodologies, systems, processes and internal controls. These functions provide independent oversight of the adequacy and effectiveness of climate-related risk management practices and monitor compliance with relevant legal and regulatory requirements.

Assurance (internal)

The internal audit function provides independent assurance on the effectiveness of climate-related risk management processes. Where climate-related risks are assessed as material, Internal Audit evaluates the potential impact on organisational resilience and considers the adequacy of mitigation measures where risk avoidance is not possible. Material climate-related risks and associated findings are reported to governance structures and appropriately disclosed in the organisation's annual reporting.

Climate-related risk management

Capitec's climate-related risk management processes comprise a number of steps, aligned with TCFD recommended best practice.

Step 1: Defining risk assessment parameters

Risk owners should determine the key parameters that will guide the climate-related risk assessment. Key parameters include:

- **Priority focus areas** should be selected based on geographies, procurement categories or value chain segments
- **Climate projections:** Appropriate climate projections/ scenarios need to be selected, reflecting different temperature pathways to represent plausible future operating environments
- **Relevant time frames:** Specific time horizons must be defined, aligned with Capitec's business decision cycles as well as the typical periods over which climate-related risks and opportunities are projected to emerge.

Step 2: Determining climate-related risk applicability

Risk owners should assess their business functions, daily operations, third-party dependencies, strategic objectives and business plans to determine susceptibility to climate-related risk types (noting crossovers with traditional risk categories such as credit, market, operational, capital and liquidity, legal and compliance).

Step 3: Identification of material climate-related risks

Using the applicability assessment, risk owners should register potential material climate-related risks on the Group risk register, split between physical and transition risks and covering both upstream and downstream activities, and conduct a high-level assessment of the time frame (short, medium or long term) and potential impact, leveraging relevant climate risk modelling capabilities where available.

Step 4: Integration of climate risk management

Climate factors often operate as risk drivers or amplifiers, altering the likelihood and/or impact of existing risks. In practice, this means evaluating current risks through a climate lens and recalibrating exposures.

Step 5: Assessment and prioritisation of key risks

Key risks within the priority focus areas should be further prioritised. Where climate-related risks can be mapped to existing ERM methodologies (e.g. likelihood-impact assessments, control effectiveness assessments, inherent versus residual risk ratings), these methodologies should be applied. This ensures that climate risks are assessed and ranked in a manner that is consistent and comparable with other enterprise risks.

Step 6: Monitoring risk exposures

Climate-related risk exposures will be monitored regularly as part of normal risk management activities. This may include periodic reviews of loan portfolios (sectoral or geographical) to understand how climate risks are changing.

Risk owners should provide the Board and other relevant committees with updates on climate risk exposures and emerging developments. To support this, KRIs related to climate risk should be developed and included in management dashboards and discussed in risk oversight forums in the same way as other risk metrics.

Step 7: Mitigation and control over identified risks

Based on risk assessments and ongoing monitoring of climate risks, Capitec will take appropriate actions to remain within its risk appetite.

Climate risk will also be factored into capital and liquidity planning over time, in particular, the annual ICAAP.

Step 8: Reporting

Regular internal reporting will support transparency and effective oversight of climate risk. Climate-related reporting should be incorporated into existing risk reporting structures.

Reports should include climate-related exposure metrics and results from scenario analysis.

Climate risk management in practice

Personal Banking credit portfolio

The Personal Banking credit portfolio, which consists mainly of unsecured retail lending, is most affected by transition risks linked to the industries in which clients are employed. To manage this, Capitec has a dedicated employer risk management function that continuously monitors trends across key employers and industries. Internal data (including performance, sales trends, arrears and retrenchment activity) and external sources (company disclosures and industry reports) are assessed, with insights consolidated into employer and industry investigations reports which include recommendations such as enhancing offers, applying mitigations or maintaining current terms. This analysis, therefore, not only highlights potential risks, but also identifies opportunities where clients in strengthening industries may qualify for improved credit terms.

Credit-granting policies can be adjusted quickly when emerging risks are identified. Potential concerns are often identified through branch-level reports on private sector employers, especially in cases where significant operational disruptions, temporary closures or retrenchments occur. These signals prompt further forward-looking analysis to understand the likelihood and severity of potential credit deterioration and guide appropriate credit decisions.

While mining and energy industries remain priority areas for monitoring, broader reviews are also conducted using Auditor-General reports, media coverage or local and national political developments that may affect specific regions. Additional early warnings are sometimes received from branch teams, for example, when an unusual number of loan applications are accompanied by retrenchment letters from the same employer or mine shaft. Publicly available disclosures, such as mining companies' annual updates on projected mine life also inform prudent limits on credit terms for affected employees.

A central employer portal provides an additional mechanism to apply targeted credit restrictions where needed. Adjustments can be made at a granular level – for specific products, income groups or geographical areas – and confirmed insights are communicated to branches for immediate implementation.

Capitec Life

Capitec Life supports a sustainable organisational culture by embedding ESG principles into strategic decision-making and risk management.

Climate risk is not treated as a stand-alone risk. Instead, it is recognised as a risk driver that influences existing risk categories. For this reason, climate-related considerations are integrated into Capitec Life's broader risk management framework and policies. These frameworks are governed at Board level and supported by strong oversight structures.

Because shifts in retrenchment trends are particularly important to anticipate, the Risk team collaborates with the Personal Banking Credit team. Collectively, they focus on understanding how climate change may affect conventional risk categories and how these impacts should be reflected within the overall risk management approach.

Insurance risk at Capitec Life includes mortality, morbidity, retrenchments, policy lapse and expense risks. While current research indicates that climate change is likely to have a negligible impact on mortality rates in South Africa, Capitec Life still incorporated a plausible climate scenario, featuring increased retrenchment and mortality claims under a delayed transition scenario, into its 2025 own risk and solvency assessment (ORSA) with a 3-year time horizon. As expected, the impact proved minimal. Although climate-related insurance risks are expected to increase towards 2050, similar scenarios will be evaluated in future ORSA cycles.

Capitec Life continues to strengthen its climate risk management capabilities through ongoing monitoring of industry research, reviewing regulatory developments and engaging with industry peers to gain insights. This ensures a continually improving understanding of climate risks and supports the ongoing enhancement of its climate risk processes.

4 Metrics and targets

SARB PA CRST – 2024/2025

In 2024/2025, Capitec participated in a CRST initiated by the SARB PA Financial Stability Department. The exercise focused on assessing the resilience of banks' retail and business credit exposures as of 31 December 2023 to both physical and transition climate risks.

The CRST aimed to evaluate the maturity of climate risk frameworks across the banking sector and was aligned with 3 plausible scenarios developed by the NGFS. Capitec's results were reviewed and approved by the ALCO and the RCMC prior to submission.

CRST scope

The CRST focused exclusively on credit risk and applied a static balance sheet approach, maintaining constant portfolio size, risk profile and maturity throughout the projection period. It excluded potential changes in accounting standards, tax regimes, regulatory reforms and management actions.

Scenarios

Three climate scenarios were used to assess both physical and transition risk impacts through 2050. The original NGFS scenarios were 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 introduced 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 face increased flooding or severe droughts, particularly affecting the agricultural sector
- **Delayed transition:** Only sees an acceleration in the decline of annual emissions after 2030 due to delayed policy implementation. This leads to heightened 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 lower physical risks that are further mitigated by the benefits of more orderly and timely transition efforts.

Across all scenarios, emissions in South Africa are projected to decline, primarily driven by the decarbonisation of the electricity sector. Sectoral, geographical and macroeconomic data sets were provided by the SARB PA, based on modelling frameworks from the National Institute of Economic and Social Research and the International Food Policy Research Institute.

Variables

The following macroeconomic variables were used to stress Capitec's credit books' PD (the likelihood a borrower will fail to pay back a loan) and LGD (the financial loss when a borrower defaults on a loan):

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

CRST outcomes

Capitec's participation in the SARB PA's 2024/2025 CRST provided valuable insights into the potential long-term impacts of climate-related risks on credit exposures. Based on the macroeconomic forecasts and scenario data provided, year-on-year changes appeared moderate, with no scenario projecting a recession in South Africa over the forecast horizon. Notably, GDP remained positive across all 3 climate scenarios.

This outcome reflects the chronic nature of climate risk, which tends to manifest as a gradual, cumulative stress rather than a sudden economic shock. While short-term impacts may appear limited, persistent underperformance over successive economic cycles – typically spanning 5 years – can lead to mounting pressure on credit risk indicators such as PD and LGD.

The CRST exercise highlighted the importance of long-term scenario planning and the need to monitor climate risk drivers through both macroeconomic and microeconomic transmission channels. Although Capitec's retail credit exposures have an average remaining term of 3 years, significantly shorter than the CRST's 2050 horizon, the stress test remains a critical tool for understanding systemic vulnerabilities and enhancing climate resilience.

With over 200 variables analysed across sectors and provinces, the CRST provided a comprehensive view of how climate scenarios could unfold in the absence of management intervention. As climate stress testing gains prominence, Capitec will continue to strengthen its capabilities to integrate climate risk insights into strategic planning and credit risk management.

Metrics and targets

Capitec adheres to the GHG Protocol standard established by the World Business Council for Sustainable Development and the World Resources Institute. In alignment with the Protocol's guidance, Capitec applies the operational control approach to GHG emissions accounting. Under this methodology, the Company reports 100% of the GHG emissions from operations over which it exercises operational control, irrespective of ownership share. Emissions from entities or operations in which Capitec holds an ownership interest but does not have operational control are excluded from its GHG emissions inventory.

This climate disclosure covers Capitec Bank Holdings Limited and its wholly-owned and controlled subsidiaries:

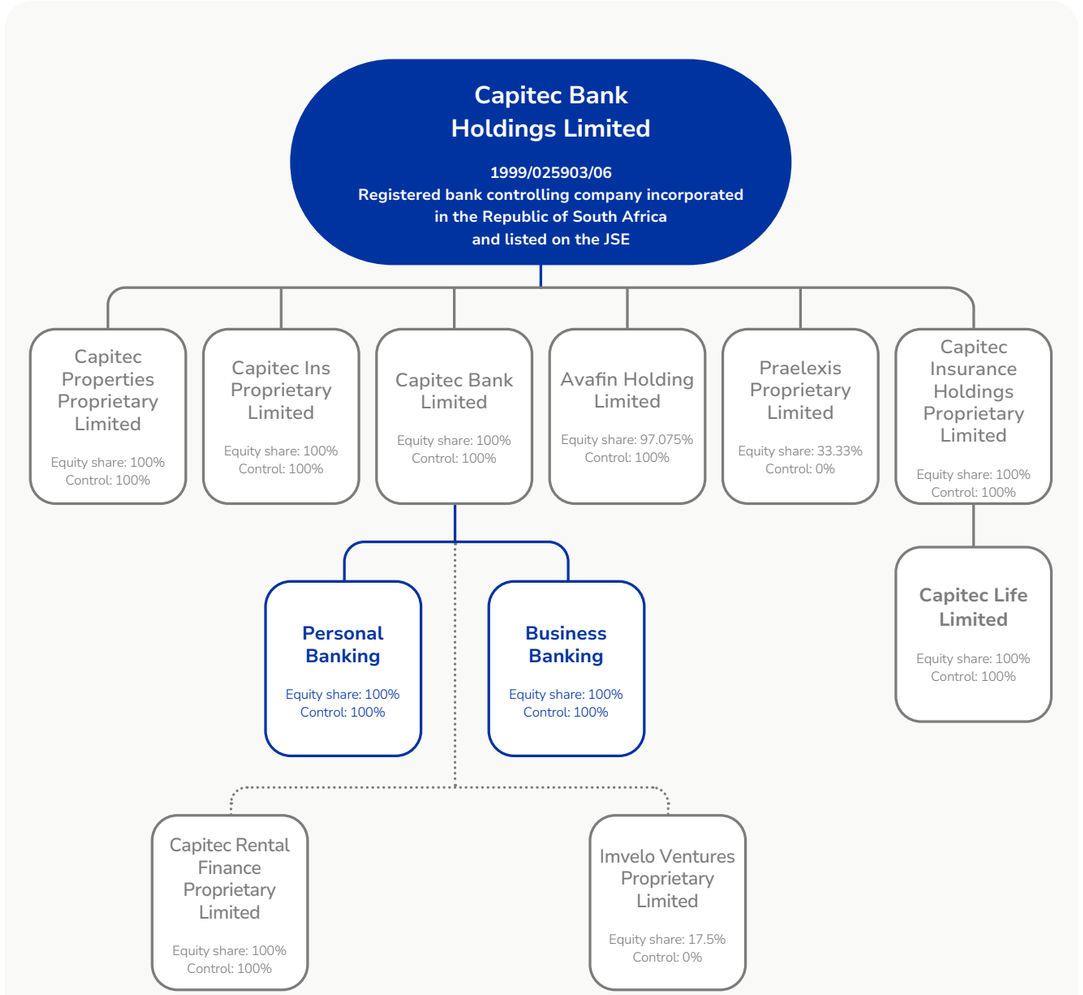
- Capitec Bank Limited (Personal and Business Banking)
- Capitec Life Limited
- Capitec Rental Finance Proprietary Limited.

AvaFin has initiated the development and implementation of processes and systems required to quantify its GHG emissions and to determine the most appropriate emissions factors for application across its global operations.

A readiness assessment is planned for completion within the next 12 months. Upon successful completion of this assessment, AvaFin's GHG emissions will be incorporated into Capitec's consolidated GHG emissions inventory and included within the scope of limited assurance for the next reporting cycle.

It is important to note that AvaFin's contribution to the Group's overall carbon footprint is anticipated to be immaterial when assessed against key operational and financial indicators. These include:

- **Human capital:** AvaFin employed 433 employees and contractors as of 28 February 2026, representing only 2.51% of Capitec's total workforce
- **Occupied floor space:** AvaFin occupies approximately 2 298m^2 across 6 global offices, equivalent to 0.67% of Capitec's total occupied floor space of 343 886m^2
- **Financial contribution:** AvaFin's revenue contribution to the Group represents 1% (2025: 2%) of total Group revenue.



Metrics used to assess climate risks and opportunities

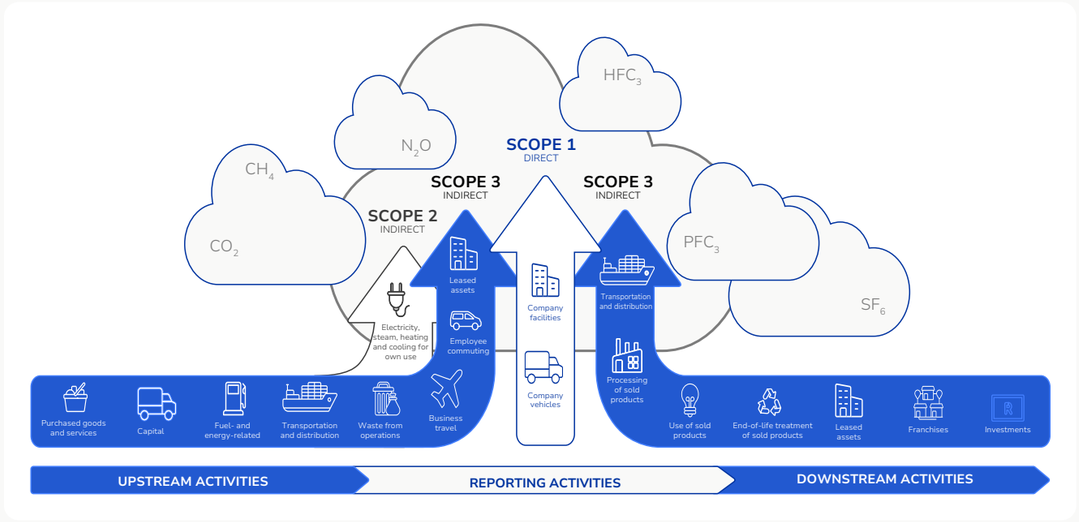
GHG emissions metrics

Capitec aligns its GHG emissions metrics with the internationally recognised GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition), which serves as a global best practice guideline for emissions accounting.

In accordance with this standard, Capitec reports on direct and indirect GHG emissions across the following categories:

- **Scope 1:** Direct GHG emissions from sources that are owned or controlled by Capitec, calculated using emissions factors published by the United Kingdom's (UK) Department for Environment, Food and Rural Affairs (DEFRA), 2025, version 1.0. These include emissions from:
  - stationary combustion from fuel used in owned or controlled equipment (backup electricity generators), disaggregated by fuel type (petrol for retail branch generators, diesel for all other generators)
  - mobile combustion from Company-owned vehicles used for deliveries, all being petrol-based
  - fugitive emissions from air-conditioning equipment.
- **Scope 2:** Indirect GHG emissions from the consumption of purchased non-renewable electricity, calculated using a vendor-supplied emissions factor, which for the 2026 financial year was the emissions factor pertaining to total energy sold (Factor 1) as disclosed in Eskom's Integrated Report for the year ended 31 March 2025.
- **Scope 3:** All other indirect GHG emissions that occur within Capitec's value chain, calculated using emissions factors published by the UK's DEFRA, 2025, version 1.0. These emissions include both upstream and downstream activities, such as emissions from:
  - Purchased goods and services (Category 1): paper usage
  - Business travel (Category 6): rental vehicles, commercial airlines and accommodation and employee-owned vehicles
  - Employee commuting (Category 7)
  - Downstream transportation and distribution (Category 9).

The emissions period is the same as Capitec's financial year and is reported in tonnes of CO_2e.



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?

The following assumptions underpin Capitec's emissions calculations:

Assumptions – General

- Third-party data used in compiling the GHG emissions inventory is assumed to be accurate, complete and valid. To support this assumption, monthly recalculations are performed to confirm the accuracy of the data and to verify that the most appropriate emissions factor has been applied
- Where the type of fuel (diesel or petrol) is not clearly specified or distinguishable in source data, the higher emissions factor between diesel and petrol is applied.

Assumptions – Scope 1

- Fuel used in owned or controlled equipment: All fuel is assumed to be diesel-based, except for fuel used in retail branch electricity generators, which is assumed to be petrol-based
- Fuel used in owned or controlled vehicles: Fuel used (confirmed to be petrol for all vehicles) is estimated using the average petrol price for the relevant month, accounting for regional price differences (coastal versus inland).

Assumptions – Scope 2

- Electricity consumption data is captured upon receipt of supplier invoices, which introduces a consistent 1-month reporting lag. While this timing reflects standard utility billing practices, it also ensures that all recorded consumption figures are based on verified, invoiced data. This approach supports accuracy, strengthens auditability and provides a reliable basis for year-on-year comparison and long-term energy performance tracking
- If the electricity consumption data for a particular month is missing or the invoice has not yet been received, an estimated value is calculated for the month using the average electricity consumption from at least a 3-month period for that specific site.

Assumptions – Scope 3

- Refer to the calculation methodology detailed in the section below relating to 'Scope 3 inclusions and exclusions'.

Scope 3 inclusions and exclusions

Capitec applies the principles of relevance, completeness, consistency, transparency and accuracy when determining the Scope 3 categories included in its GHG emissions inventory. During the reporting year, a materiality assessment was undertaken with the support of an external consultant to prioritise category disclosure and to strengthen transparency and alignment with the GHG Protocol. A detailed rationale for all category inclusions and exclusions is provided in the Scope 3 emissions table below.

Scope 3 emissions	Reported	Notes
Upstream		
Category 1 Purchased goods and services	Yes	Capitec includes emissions from non-production-related procurement, such as paper usage, where data availability is high, and procurement records provide a reliable basis for estimation. Emissions from paper usage are calculated using the estimated weight in tonnes of the total number of reams of paper purchased during the year, and the UK's DEFRA emissions factor for 'Paper and board: paper'. Currently, emissions from the following items are excluded due to limited or unavailable data: • Employee uniforms • Card machines • Bank cards.

Metrics used to assess climate risks and opportunities continued

Scope 3 emissions	Reported	Notes
Category 2 Capital goods	No	Emissions from capital goods are considered low for financial institutions and are excluded from Capitec's Scope 3 footprint.
Category 3 Fuel- and energy-related activities	No	Capitec does not account for upstream (well-to-tank) emissions. All fuel and energy consumption is reported under Scope 1 and 2.
Category 4 Upstream transportation and distribution	No	Emissions from third-party logistics providers are currently minimal and excluded from Scope 3 reporting.
Category 5 Waste generated in operations	No	Capitec's operations generate low levels of decomposing organic material. An extensive recycling programme is in place covering items such as electronic equipment, paper and beverage cans. Waste from subcontracted restaurants is minimal and managed externally.
Category 6 Business travel	Yes	Emissions are calculated using monthly data provided by car rental agencies or extracted from our travel agency and SAP Concur systems: • **Rental vehicles:** Car rental agency calculations are reperformed based on the number of kilometres travelled for the month and the specific vehicle's carbon emissions (grams of CO_2 per kilometre) per the vehicle manufacturer's official website • **Commercial airlines:** Travel agency calculations are reperformed based on the number of passenger kilometres travelled for the month and applying the appropriate UK DEFRA emissions factor, which is dependent upon the distance travelled and class of travel • **Employee-owned vehicles:** Emissions are calculated based on the number of kilometres claimed by and refunded to employees during a particular month, using the appropriate UK DEFRA emissions factor for an average car (by size) with an unknown fuel type (because the motor vehicle make, model and fuel type are not known for all kilometres claimed). Since the SAP Concur report used to calculate emissions from business travel in employee-owned vehicles is based on the month in which the expense claim was paid, there will always be a reporting lag between when the travel occurred (especially if claims were submitted late) and when the expense claim was paid.
Category 7 Employee commuting	Yes	During the reporting period, Capitec conducted its first voluntary employee commuting survey to enhance the measurement of Scope 3 emissions associated with workforce travel. To calculate emissions, appropriate factors were applied to each mode of transport and corresponding fuel types, using conversion factors published by the UK's DEFRA. The resulting GHG emissions were derived from the number of occupants in or on the vehicle and the estimated annual distance travelled. Distance travelled was calculated using weekly commuting data, adjusted for the assumption that employees take an average of 30 days of annual and sick leave per year. To ensure that the data set remained reliable and representative of the broader employee population, statistical outliers were identified and removed using the z-score methodology. Following this refinement, the average annual GHG emissions per employee were calculated on the validated responses. The GHG emissions estimates were then extrapolated across the full workforce using the total number of employees at the end of the financial year. As a result, the reported emissions should be interpreted as indicative rather than precise. Capitec plans to improve survey participation and data quality in future reporting cycles to strengthen the accuracy and reliability of the GHG emissions inventory.
Category 8 Upstream leased assets	No	Capitec does not operate leased assets upstream. This category, therefore, is not applicable.
Downstream		
Category 9 Downstream transportation and distribution	Yes	Emissions are calculated using primary activity data (kilometres travelled) from CIT service providers and applying the appropriate UK DEFRA emissions factor for an average van (by size) and the larger factor for this van between diesel and petrol, as the exact van make, model and fuel type are currently not known. Although efforts will continue to secure more accurate details on the specific vehicles used, the current approach relies on the most reliable information available rather than excluding these emissions from reporting. Courier services for items such as internet banking dongles or bank cards are used minimally and excluded.
Category 10 Processing of sold products	No	Capitec provides financial services rather than physical products. These services do not require further processing or transformation prior to use (Category 10). Emissions from product use typically apply to companies selling energy-consuming goods. Although Capitec sells card machines to merchants, their energy consumption is minimal and excluded (Category 11).
Category 11 Use of sold products	No	
Category 12 End-of-life treatment of sold products	No	Other than card machines, Capitec does not sell physical products requiring end-of-life treatment. Emissions from card machines' end-of-life treatment are currently excluded.
Category 13 Downstream leased assets	No	Capitec does not currently include emissions from leased technology or office, security, medical, card machines, audio/visual, IT, renewable energy, material-handling or engineering equipment in its Scope 3 footprint.
Category 14 Franchises	No	Capitec does not operate a franchise-based business model. This category, therefore, is not applicable.
Category 15 Investments	No	Capitec does not currently report on financed emissions from its investments or credit lending activities. The Bank is exploring quantification methodologies and data availability for future inclusion. Notably, 75% of Capitec's credit book relates to consumer/retail credit, for which emissions are not reasonably quantifiable.

Capitec also reports GHG emissions intensity, using 2 key metrics:

- Total number of FTEs as at financial year-end
- Total square metres of occupied floor space across all in-scope business premises.

These ratios provide insight into the relative efficiency of operations and support year-on-year performance comparisons.

Financed emissions

A key development in the current reporting cycle is Capitec's formal commitment to the PCAF. As a new signatory, Capitec has committed to establishing the systems, methodologies and supporting data structures necessary to calculate and disclose its financed emissions – emissions associated with its lending and investment portfolios – within the next 3 years. This work will be guided by considerations of data availability, portfolio materiality and methodological robustness. Understanding financed emissions is an essential step toward integrating climate considerations into financial decision-making and measuring the carbon intensity of our credit portfolio in line with the PCAF methodology.

Capitec will follow a structured, phased approach to develop its financed emissions capability:

- **Step 1:** Map all lending and investment exposures to the relevant PCAF asset classes

- **Step 2:** Confirm the data requirements for each asset class and conduct a gap analysis against data currently available
- **Step 3:** Develop and implement data-collection mechanisms that ensure standardisation, data integrity and long-term scalability
- **Step 4:** Document the methodology, underlying assumptions and assigned PCAF data quality scores
- **Step 5:** Calculate and disclose financed emissions in a phased manner, prioritising core portfolios.

Water consumption

Water withdrawal and consumption are reported in kilolitre (kl), noting that 1kl equals 1 cubic metre (m^3). Reporting is disaggregated by source – borehole, rainwater harvesting and grey water – and includes only business premises where data is deemed relevant, complete, consistent, transparent and accurate.

Waste management

Waste disposal is measured in tonnes, categorised by type (non-hazardous or hazardous) and method of disposal (landfilled, recycled/reused or incinerated). Capitec also reports on waste that is recycled or reused, disaggregated by type (paper, beverage cans and electronic equipment). Data is included only for business premises where data is deemed relevant, complete, consistent, transparent and accurate.

GHG emissions inventory

Capitec aligns its GHG emissions reporting with the GHG Protocol's Corporate Accounting and Reporting Standard, a globally recognised framework referenced by numerous climate-related standards. Emissions are reported in tonnes of CO_2e.

Emissions scope	2026	2025	2024	Base year 2020
Scope 1: Direct emissions	**1 411 LA**	1 039	2 571	411
Fuel used in owned or controlled equipment[1]	**126**	109	1 546	70
Fuel used in owned or controlled vehicles[2]	**5**	18	29	18
Air-conditioning and refrigeration gas refills	**1 280**	912	996	323
Scope 2: Location-based[3]	**34 461 LA**	36 968	28 065	32 292
Total Scope 1 and 2	**35 872**	38 007	30 636	32 703
Scope 3: Indirect emissions	**20 999 LA**	5 328	4 975	5 654
Upstream				
Category 1 – Purchased goods and services (paper usage)[4]	**720**	658	406	500
Category 6 – Business travel				
– Rental vehicles	**36**	34	28	18
– Commercial airlines and accommodation[5]	**1 723**	1 877	1 123	1 676
– Employee-owned vehicles	**564**	542	917	1 660
Category 7 – Employee commuting[6]	**15 289**	–	–	–
Downstream				
Category 9 – Downstream transportation and distribution[7]	**2 667**	2 217	2 501	1 800
Total Scope 1, 2 and 3	**56 871**	43 335	35 611	38 357

[1] *Extended periods of load shedding in South Africa during 2024 significantly increased Capitec's reliance on backup generators. This led to a substantial rise in fuel consumption from owned or controlled equipment, contributing to higher Scope 1 emissions in 2024.*

[2] *Fuel expenditure was converted to litres using monthly official fuel prices and then to CO_2e using DEFRA emission factors. For 2024 and 2025, litres were first converted to kilometres using an assumed fuel efficiency of 10l/km prior to CO_2e conversion, and ride-share costs were included. For 2026, ride-share costs were excluded and all intermediate conversion assumptions were removed.*

[3] *Capitec applies the location-based approach to calculate Scope 2 emissions. This method reflects the average emission intensity of the local electricity grid, without accounting for renewable energy purchases or certificates. All entities connected to the grid are assigned the same emissions factor based on electricity consumption. Therefore, the only way to reduce location-based emissions is by reducing total electricity usage.*

Notably, the extended load shedding periods during 2023 and 2024 resulted in a lower electricity consumption baseline, thereby reducing Scope 2 emissions.

[4] *The emissions factor for paper increased from 910.48kg CO_2e per tonne in 2024 to 1 339kg CO_2e per tonne in 2025. Previously, emissions from paper usage were calculated after deducting recycled paper volumes.*

[5] *Emissions from commercial airline travel and accommodation increased in 2025 due to a rise in in-person meetings and training programmes.*

[6] *A new category of Scope 3 emissions was added for the first time in 2026: employee commuting.*

[7] *CIT coverage was expanded in 2026, with 1 additional CIT service provider added.*

GHG emissions inventory continued

	2026		2025		2024		Base year 2020	
	MWh	%	MWh	%	MWh	%	MWh	%
Energy consumption	**32 973**	**100**	36 316	100	28 755	100	31 050	100
Non-renewable	**31 908**	**97**	35 546	98	28 065	98	31 050	100
Renewable (solar)	**1 065**	**3**	770	2	690	2	–	–
Scope 1 (%)		**2.5**		2.4		7.2		1.1
Scope 2 (%)		**60.6**		85.3		78.8		84.2
Scope 1 and 2 (%)		**63.1**		87.7		86.0		85.3
Scope 3 (%)		**36.9**		12.3		14.0		14.7
Carbon intensity[1] per FTE		**2.08**		2.29		1.94		2.21
Carbon intensity[1] per m^2 floor space[2]		**0.10**		0.10		0.09		0.13

[1] *Scope 1 and 2.*

[2] *Floor space comprises 1 710 operational sites, which include branches, business centres, cash device areas, offices and IT storage facilities.*

Capitec does not currently utilise market-based instruments such as renewable energy certificates, supplier-specific emission rates or direct power purchase agreements. As a result, no market-based Scope 2 emissions are reported.

Non-renewable electricity consumption

Capitec continues to source the majority of its electricity from Eskom, South Africa's national utility. Complementing this, 2 of the Bank's head office buildings are equipped with extensive photovoltaic (PV) solar installations, supporting the transition toward a more diversified and resilient energy mix.

The year-on-year change in reported non-renewable electricity consumption is primarily driven by 2 key factors:

- **Expanded reporting boundary:** Electricity consumption for the leased Capitec Rental Finance property in Umhlanga, KwaZulu-Natal, has been incorporated for the first time during the current reporting period, measuring a total of 34MWh for the year
- **Enhanced data quality process:** As part of the GHG emissions inventory pre-assessment ahead of the first limited assurance engagement, Capitec undertook a comprehensive review of data accuracy and completeness. This included detailed month-on-month reasonability assessments, which identified capturing errors requiring correction. Additionally, for a limited number of months where final consumption records were not available at the reporting cut-off date, carefully derived estimates were applied based on historical consumption trends.

It is also important to highlight that a significant portion of Capitec's operational footprint, comprising at least half of head office floor space as well as all retail branches and business centres, is situated within leased buildings. In total, this represents 259 763m^2 or 75.5% of Capitec's operational footprint. While Capitec continues to focus on operational efficiencies and engage proactively with landlords on energy sourcing considerations, the specific energy mix at these leased sites remains outside of Capitec's direct operational control.

Renewable electricity consumption

Capitec primarily sources electricity from Eskom, South Africa's national utility. However, the Company has taken steps to diversify its energy mix. A PV solar array, commissioned at the Stellenbosch head office on 25 August 2022, generated 1 065MWh over the past 12 months. This initiative resulted in:

- an estimated 1 150 tonnes of CO_2e avoided
- R1.9 million in operational cost savings.

Water consumption

During the reporting year, Capitec initiated the implementation of processes to record water consumption across its operational footprint. While these processes and associated controls are at an earlier stage of maturity than those supporting our GHG emissions reporting, their introduction represents an important step forward towards improved transparency.

As a result, the water consumption data disclosed for the current period remains incomplete and is presented primarily for baseline-building and transparency purposes. Given the current limitations in accuracy, completeness and consistency, the information should not yet be considered decision-useful for performance management or target setting.

Historically, water consumption reporting was limited to Capitec's head office in Stellenbosch. During the current reporting period, the scope of reporting has been expanded to include additional operational sites, marking meaningful progress towards a more comprehensive and representative view of water use across our operations. Water consumption data for retail branches is collected on a monthly basis and is subject to high-level reasonability checks, however, these controls provide only limited assurance, and data quality constraints remain. Improving the robustness of data-collection methodologies, strengthening controls and expanding coverage have therefore been identified as key focus areas for the coming year.

To support transparent reporting, Capitec is disclosing the available water consumption data despite its current limitations. Over time, further refinements to systems and processes will enhance data quality, completeness and comparability, supporting the development of decision-useful information and enabling more effective water stewardship across the business.

For the current reporting period, water consumption data has been consolidated for the following sites:

- Johannesburg campus
- Retail branches
- Sandton campus (reporting is limited to grey water; municipal invoices are pending due to a faulty water meter)
- Stellenbosch campus.

	2026		2025		2024	
Water consumption	**kℓ**	**%**	kℓ	%	kℓ	%
Total municipal (potable) water consumption	**195 299**	**98**	8 528	91	unknown	–
Total borehole water consumption	**–**	**–**	–	–	–	–
Total grey water consumption (washrooms)	**2 024**	**1**	230	2	4 520	43
Total rainwater consumption (irrigation)	**2 199**	**1**	647	7	5 989	57
Total	**199 522**	**100**	9 405	100	10 509	100

	2026		2025		2024	
Water consumption	**Million m³**	**%**	Million m³	%	Million m³	%
Total municipal (potable) water consumption	**0.195299**	**98**	0.008528	91	unknown	–
Total borehole water consumption	**–**	**–**	–	–	–	–
Total grey water consumption (washrooms)	**0.002024**	**1**	0.000230	2	0.004520	43
Total rainwater consumption (irrigation)	**0.002199**	**1**	0.000647	7	0.005989	57
Total	**0.199522**	**100**	0.009405	100	0.010509	100

During the reporting year, additional water meters were installed at the Stellenbosch campus to enhance the accuracy and granularity of water consumption reporting. These improvements enable more precise measurement of grey water use, including municipal (potable) water top-up to the grey water treatment plant, as well as rainwater consumption. This has highlighted the fact that the grey water plant is not operating optimally, which will be investigated further.

Waste management

During the 2026 reporting period, Capitec was able to disclose total waste volumes recycled and landfilled across 7 of its 9 campuses. In addition, the scope of disclosure was expanded to include further waste categories. Waste generated by retail branches and business centres is not currently measured and is therefore excluded from this disclosure.

Total waste recycled/reused (tonnes)	**2026**	2025	2024
Paper	**39.4**	18.0	26.7
Beverage cans	**3.9**	2.0	3.4
Electronic equipment	**25.6**	21.3	17.7
Glass	**2.4**	unknown	unknown
Mixed recycling (not sorted)	**2.9**	unknown	unknown
Plastic	**8.2**	unknown	unknown
Reused waste[1]	**7.7**	0.1	unknown
Tetrapak	**3.0**	unknown	unknown
Total	**93.1**	41.4	47.8

[1] *Organic waste originally destined for landfill was diverted for processing into fuel, oil or gases such as methane and butane. Only a small fraction of the resulting by-product was ultimately landfilled.*

	2026		2025		2024	
Total waste disposed	**tonnes**	**%**	tonnes	%	tonnes	%
Non-hazardous waste[1]	**91.3**	**49**	73.3	64	91.3	66
Hazardous waste[2]	**–**	**–**	–	–	–	–
Waste recycled/reused	**93.1**	**51**	41.4	36	47.8	34
Waste incinerated with energy recovery[3]	**–**	**–**	–	–	–	–
Waste incinerated without energy recovery[3]	**–**	**–**	–	–	–	–
Total	**184.4**	**100**	114.7	100	139.1	100

[1] *General waste generated, collected and landfilled.*

[2] *Hazardous waste refers to any solid or liquid material that poses a risk to human health or the environment due to its explosive, toxic, reactive, flammable, corrosive, oxidising or radioactive properties. These materials require specialised handling and disposal to prevent environmental contamination and protect public health.*

[3] *Capitec does not incinerate any waste, nor are there plans to adopt incineration as a disposal method in the future.*

Operational goals

Capitec remains focused on building a robust, high-quality carbon footprint baseline across all relevant scopes to strengthen the accuracy, completeness and reliability of our GHG emissions reporting.

During the reporting year, we achieved several key milestones that advance this objective:

- Conducted our first employee commuting survey, enabling the calculation and disclosure of an additional Scope 3 emissions category relating to employee commuting
- Successfully completed the first limited assurance engagement over the accuracy and completeness of our GHG emissions inventory, marking an important step toward enhanced data integrity
- Became a signatory to the PCAF, committing to a 3-year roadmap to calculate and disclose financed emissions associated with our financing and investment activities.

Capitec intends to set emissions reduction targets that are both meaningful and achievable. While we remain in a data-gathering and methodology-refinement phase, we intend to adopt science-based reduction targets once the underlying emissions data sets have been fully stabilised and validated.

In the interim, Capitec continues to maintain a relatively low operational carbon footprint through sustained operational efficiencies and the ongoing scaling of its digital-first strategy. We continue to prioritise direct emissions reductions over offsetting and confirm that no carbon credits were purchased, nor were any in-house sequestration projects implemented, during the reporting period.

No employees were recruited, retrained, retrenched or compensated as a result of Capitec's decarbonisation strategy during the reporting period.

Financing policy

Capitec's business strategy deliberately avoids financing large corporate investment projects. The Business Banking division focuses on SMEs and entrepreneurs, with no material exposure to carbon-intensive assets.

Capitec continues to finance hybrid vehicles, although demand for fully electric vehicles remains limited in South Africa.

Capitec's financing exclusion list prohibits corporate credit lines, lending, project or infrastructure finance, or fixed income underwriting in the following industries:

- Surface and subsurface coal mining (thermal coal extraction)
- Coal-fired power generation
- Coal-related infrastructure, including railway lines and trains, ships and barges used to transport coal, pipelines or coal processing plants
- Tar sands (sand and clay that are naturally mixed with crude oil)
- Shale oil and gas (natural gas or oil found within rock and accessed through hydraulic fracturing)
- Arctic oil and gas exploration, development or production
- Liquefied natural gas derived from fossil fuels (extraction, liquefaction, transport and regasification)
- Deep and ultra-deep-water oil and gas (water depths exceeding 300m and 1 500m, respectively)
- Oil and gas infrastructure, including railway lines and trains, ships and barges used to transport oil and gas, pipelines or refineries.

5 Biodiversity and ecosystems in a changing climate

The link between climate and nature

Climate change and nature loss are increasingly recognised as interconnected environmental risks. Climate change, driven primarily by rising GHG emissions, has the potential to affect economic activity, financial systems and social outcomes over the medium to long term. In parallel, biodiversity loss is emerging as a material environmental issue that can influence the resilience of natural and economic systems.

Biodiversity refers to the variety of living organisms and ecosystems, including genetic diversity within species and the ecosystems they form across land, freshwater and marine environments. These ecosystems underpin a range of services that support economic activity and human well-being, including food production, water regulation, soil quality and pollination.

Human activity has contributed to the degradation of natural ecosystems through land-use change, resource extraction, pollution and urban development. The conversion of natural habitats, particularly forests and grasslands, for agricultural and other economic purposes is a significant driver of biodiversity loss. Climate change further exacerbates these pressures by altering temperature and rainfall patterns and increasing the frequency and severity of certain weather-related events.

Many species and ecosystems are adapted to relatively stable climatic conditions. Rapid changes in temperature and seasonal patterns may reduce the ability of some species to adapt, potentially leading to changes in species distribution and ecosystem composition. In some cases, shifting climate conditions may create opportunities for certain non-native species to establish themselves outside their historical ranges, which can place additional pressure on local ecosystems.

Climate change also contributes to physical impacts such as rising sea levels, changes in snow and ice cover, and increased exposure to extreme weather events, including floods, droughts and wildfires. These impacts can affect natural environments and the communities and economic activities that depend on them.

The relationship between climate change and biodiversity operates in both directions. While climate change contributes to ecosystem stress, natural ecosystems also play an important role in regulating the climate by absorbing and storing carbon. The degradation of these systems may reduce their ability to act as carbon sinks, potentially reinforcing climate-related risks over time.

Dependencies and impacts

All businesses depend on nature to varying degrees, either through the use of natural resources such as water, land and raw materials, or indirectly through ecosystem services that support economic activity, including pollination, water regulation and natural flood mitigation. At the same time, business activities may have positive and negative impacts on nature through both direct operations or extended value chains.

The extent of a company's nature-related dependencies varies by industry, operating model and geographical location. For example, agricultural activities are highly dependent on water availability, pollinator species, healthy soils and the natural systems that regulate flooding and erosion. The degradation of these ecosystems may affect productivity and supply chain reliability. Similarly, construction and manufacturing industries depend on water, raw materials and natural buffers against climate-related hazards such as flooding. A decline in the ability of ecosystems to provide these services may increase the risk of operational disruption and financial loss.

Businesses may also contribute to nature-related impacts. Certain activities, such as resource extraction or the use of chemicals, can contribute to habitat degradation, reduced soil quality or water contamination if not appropriately managed. Conversely, the adoption of improved regenerative practices may support biodiversity restoration and contribute to improved soil health and carbon storage.

For Capitec, nature-related dependencies and impacts arise predominantly through its credit portfolio. These risks and opportunities manifest through activities of its clients – both their employers and the industries in which they operate – rather than through Capitec's direct operations.

Assessing Capitec's nature-related dependencies and impacts is the first step towards determining its exposure to nature-related risks. For Capitec's direct operations, the WWF Biodiversity Risk Filter identifies a range of dependencies on ecosystem services, as well as potential impacts on biodiversity associated with operational activities. Certain impact and dependency categories assessed by the tool are not applicable to the 'offices and professional services (e.g. consulting, software, real estate, financial institutions)' industry classification and were excluded from the results. It is important to note that the WWF Biodiversity Risk Filter applies the Global Industry Classification Standard, which differs from Capitec's Standard Industry Classification. As a result, the closest relevant industry classification was selected to enable a consistent and meaningful assessment.

Dependencies and impacts continued

Risk category	Indicator	Impact/ Dependency	Level of impact/ dependency
1. Provisioning services	1.1 Water availability	Dependency	Low
2. Regulating and supporting services – enabling	2.2 Water condition	Dependency	Low
	2.3 Air condition	Dependency	High
3. Regulating services – mitigating	3.1 Landslides	Dependency	Medium
	3.2 Wildfire hazard	Dependency	Medium
	3.5 Extreme heat	Dependency	High
	3.6 Tropical cyclones	Dependency	Medium
5. Pressures on biodiversity	5.1 Land, freshwater and sea use change	Impact	Very low
	5.2 Forest canopy loss	Impact	Very low
	5.4 Pollution	Impact	Low
6. Environmental factors	6.1 Protected/conserved areas	Impact	Very low
	6.2 Key biodiversity areas	Impact	Very low
	6.3 Other important delineated areas	Impact	Very low
	6.4 Ecosystem condition	Impact	Very low
7. Socio-economic factors	7.1 Indigenous peoples, local communities lands and territories	Impact	Very low
	7.3 Labour/human rights	Impact	Low
	7.4 Financial inequality	Impact	Low
8. Additional reputational factors	8.1 Media scrutiny	Dependency	Medium
	8.2 Political situation	Dependency	Very low
	8.4 Risk preparation	Dependency	Low

Recognising that the majority of Capitec's nature-related dependencies and impacts are likely to originate from its financing activities, the Business Banking sector with the highest credit exposure, 'General or speciality retailing', was also assessed using the WWF Biodiversity Risk Filter. As our nature journey continues to mature, the insights from this initial assessment will guide the prioritisation of sectors requiring deeper analysis and targeted risk management actions.

Risk category	Indicator	Impact/ Dependency	Level of impact/ dependency
1. Provisioning services	1.1 Water availability	Dependency	Low
2. Regulating and supporting services – enabling	2.2 Water condition	Dependency	Low
	2.3 Air condition	Dependency	Low
3. Regulating services – mitigating	3.1 Landslides	Dependency	Medium
	3.2 Wildfire hazard	Dependency	Medium
	3.5 Extreme heat	Dependency	Medium
	3.6 Tropical cyclones	Dependency	Medium
5. Pressures on biodiversity	5.1 Land, freshwater and sea use change	Impact	Very low
	5.2 Forest canopy loss	Impact	Very low
	5.3 Invasives	Impact	Low
	5.4 Pollution	Impact	High
6. Environmental factors	6.1 Protected/conserved areas	Impact	Very low
	6.2 Key biodiversity areas	Impact	Very low
	6.3 Other important delineated areas	Impact	Very low
	6.4 Ecosystem condition	Impact	Very low
7. Socio-economic factors	7.1 Indigenous peoples, local communities lands and territories	Impact	Very low
	7.3 Labour/human rights	Impact	Low
	7.4 Financial inequality	Impact	Low
8. Additional reputational factors	8.1 Media scrutiny	Dependency	Medium
	8.2 Political situation	Dependency	Very low
	8.4 Risk preparation	Dependency	Low

Nature-related physical risks in operational and financing activities

Nature-related physical risks may affect Capitec through a range of operational and financial pathways. To enhance our understanding of these risks, Capitec utilised the WWF Risk Filter suite to evaluate its current exposure.

The physical risk assessment will be reviewed and expanded as deemed necessary, however, it is expected to be conducted at least annually. The outcomes of the assessment are used to:

- assess potential implications for the insurance portfolio
- identify potential risks of loss arising from the impact of physical nature risks on collateral values for secured lending
- evaluate potential future impacts on arrears and/or bad debt levels.

The results of the physical risk assessment are presented on a map of South Africa, with asset geolocations displayed using a colour gradient to indicate the relative level of physical nature risk at each location.

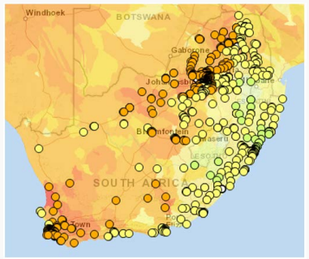
Retail branches' physical nature-related risk assessment

Based on estimated asset replacement values for retail branches, business centres and cash devices, Capitec's national asset distribution indicates a significantly higher exposure to nature-related physical risks within the retail branch network. Using the WWF Biodiversity Risk Filter, a current-state, risk-based nature-related physical risk assessment was conducted for retail branches. The assessment focused on key nature-related risk drivers relevant to operational continuity, community well-being and ecosystem integrity.

Water availability

Water availability reflects the physical abundance or scarcity of freshwater resources, including both surface water and groundwater. Adequate water availability is essential for maintaining business operations, ensuring supply chain resilience and enabling sustainable growth. Low water availability can lead to production disruptions, increased operating costs and constraints on future expansion.

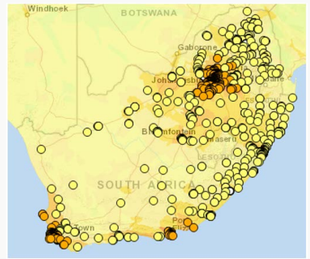
Areas classified as very high risk are expected to experience severely limited freshwater availability.



Water condition

Water condition measures whether water quality is sufficient to support human consumption and ecosystem functioning. Deteriorating water quality can pose significant operational and health risks, resulting in increased treatment costs, reduced productivity and impaired ecosystem services.

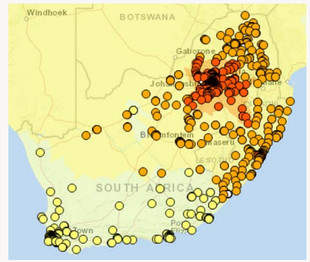
Areas classified as very high risk are projected to have extremely poor water quality, impacting both human health and ecological systems.



Air condition

Air condition evaluates the suitability of air quality for human and ecosystem health. This indicator is based on concentrations of PM2.5, a fine particulate matter associated with elevated mortality risks when exposure is sustained over long periods. PM2.5 represents global annual average surface concentrations (micrograms per cubic metre (mg/m^3)) of particulates measuring 2.5 micrometres or smaller.

Areas classified as very high risk experience PM2.5 concentrations exceeding $50mg/m^3$, indicating significant air quality challenges for communities and ecosystems.

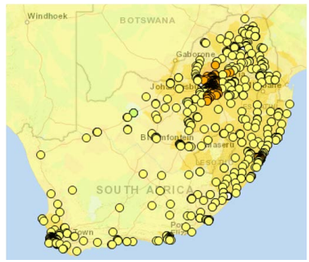


Pollution

This indicator encompasses pollution pressures related to nutrient loading, pesticide use, plastic pollution and air pollutants. Pollution is a major driver of biodiversity loss across terrestrial, freshwater and marine ecosystems:

- Excess nitrogen and phosphorus from fertilisers can alter soil and freshwater systems, contributing to biodiversity decline
- Mismanaged plastic waste, transported by wind and rainfall, can accumulate in rivers and marine environments, threatening wildlife and contaminating food webs
- Air pollution from industrial emissions, fossil fuel combustion, agricultural activities and transport contributes to ecological degradation and health risks.

Areas classified as very high risk exhibit elevated nutrient and pesticide loads, high levels of mismanaged plastic waste, significant river-borne plastic emissions and high concentrations of floating plastics in marine waters.



6 For your information

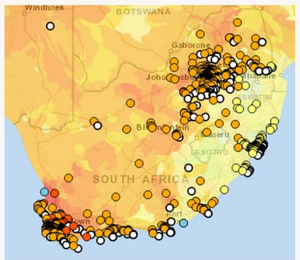
Residential and commercial mortgage portfolio

Using the WWF Biodiversity Risk Filter, a current nature-related physical risk assessment was performed for Business Banking's residential mortgage portfolio as of 31 January 2026.

Water availability

Water availability reflects the physical abundance or scarcity of freshwater resources, including both surface water and groundwater. Adequate water availability is essential for maintaining business operations, ensuring supply chain resilience and enabling sustainable growth. Low water availability can lead to production disruptions, increased operating costs and constraints on future expansion.

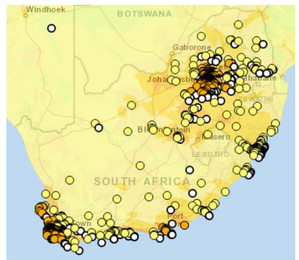
Areas classified as very high risk are expected to experience severely limited freshwater availability.



Water condition

Water condition measures whether water quality is sufficient to support human consumption and ecosystem functioning. Deteriorating water quality can pose significant operational and health risks, resulting in increased treatment costs, reduced productivity and impaired ecosystem services.

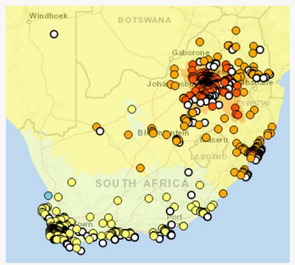
Areas classified as very high risk are projected to have extremely poor water quality, impacting both human health and ecological systems.



Air condition

Air condition evaluates the suitability of air quality for human and ecosystem health. This indicator is based on concentrations of PM2.5, a fine particulate matter associated with elevated mortality risks when exposure is sustained over long periods. PM2.5 represents global annual average surface concentrations (mg/m^3) of particulates measuring 2.5 micrometres or smaller.

Areas classified as very high risk experience PM2.5 concentrations exceeding $50mg/m^3$, indicating significant air quality challenges for communities and ecosystems.

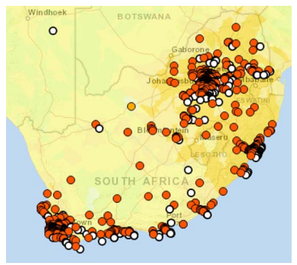


Pollution

This indicator encompasses pollution pressures related to nutrient loading, pesticide use, plastic pollution and air pollutants. Pollution is a major driver of biodiversity loss across terrestrial, freshwater and marine ecosystems:

- Excess nitrogen and phosphorus from fertilisers can alter soil and freshwater systems, contributing to biodiversity decline
- Mismanaged plastic waste, transported by wind and rainfall, can accumulate in rivers and marine environments, threatening wildlife and contaminating food webs
- Air pollution from industrial emissions, fossil fuel combustion, agricultural activities and transport contributes to ecological degradation and health risks.

Areas classified as very high risk exhibit elevated nutrient and pesticide loads, high levels of mismanaged plastic waste, significant river-borne plastic emissions and high concentrations of floating plastics in marine waters.



Moving forward

Capitec recognises that climate-related risks and opportunities are expected to increase in the near future. In response, the business remains committed to embedding climate considerations across business operations, while expanding its risk management practices and enhancing transparency in reporting.

Below is a summary of Capitec's plan for progressing its climate journey for the 2027 financial year and beyond.

Governance	Strategy	Risk management	Metrics and targets	Disclosure
• Improve participation in industry forums • Implement evolving regulatory requirements	• Strengthen ESG integration in credit risk and due diligence (suppliers, service providers and business partners) • Explore opportunities for sustainability-linked product offerings • Partner with the NBI on selected programmes • Launch sustainability awareness campaigns • Maintain active participation in external ESG ratings	• Continuously monitor regulatory developments and stakeholder expectations • Further embed the CRMF across the business • Improve climate risk assessment capability, including scenario analysis and stress testing	• Improve data quality for water consumption • Use the PCAF membership to calculate and disclose Scope 3 financed emissions of investment and financing activities (3-year journey) • Set absolute GHG emissions reduction targets and draft a transition plan (once GHG emissions data is complete) • Develop and implement sustainability-related KRIs for management operating system reporting	• Align climate disclosures with IFRS S2

Annexure A

Global collaboration

PCAF® Partnership for Carbon Accounting Financials

Capitec became a signatory to the PCAF in October 2025. The PCAF is a global initiative that provides financial institutions with a standardised framework for assessing and disclosing GHG emissions associated with their lending and investment activities. As a signatory, Capitec has committed to calculating and publicly disclosing its financed emissions within 3 years of joining the partnership.

BIS

Capitec's climate risk management practices are informed by guidance from the BCBS, the primary global standard setter for the prudential regulation of banks. The following consultative papers and reports have shaped our approach:

- Climate-related risk drivers and their transmission channels
- Framework for the voluntary 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.

Local engagement

THE BANKING ASSOCIATION SOUTH AFRICA

BASA provides a collaborative platform for South African banks to address climate-related risks. Capitec participates in relevant forums, including the Operational Risk Subcommittee, the Sustainability Policy and Regulation Subcommittee, the Environmental and Social Risk Subcommittee and the Main Sustainability Committee, to support industry-wide alignment and knowledge sharing.

NBI National Business Initiative

The NBI is a voluntary coalition of South African and multinational companies committed to sustainable development. It fosters collaboration between the private sector, government, academia and civil society, with a focus on social transformation, economic inclusion and environmental sustainability.

Capitec became a member of the NBI in February 2023, contributing through an annual membership fee.

South African Reserve Bank

The Financial Sector Regulations Act, Act 9 of 2017, established the PA within the SARB, responsible for regulating financial institutions.

Over the past 2 years, the SARB PA issued guidance notes relevant to banks and insurers. These notes address climate-related disclosures and best practice governance and risk management practices.

Capitec does not participate in any environmental-related lobbying activities or trade associations beyond its membership in BASA and the NBI. The NBI's climate-related engagements are aligned with and supportive of the goals of the Paris Agreement.

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.

Independent ESG ratings of Capitec

Capitec actively participates in assessments conducted by leading ESG rating agencies. These independent evaluations provide valuable insights into our sustainability performance, helping us identify both strengths and areas for improvement.

By monitoring our ESG ratings, we aim to enhance transparency, benchmark our progress against industry peers and continuously improve our sustainability practices in alignment with global standards.

Rating agency		Rating methodology	Capitec's performance 2025	2024	2023
ISS	Institutional Shareholder Services ESG corporate rating	A+ to D-	C-	D+	D
LSEG DATA & ANALYTICS	London Stock Exchange Group ESG score	A+ to D-	B	B-	C+
MSCI	Morgan Stanley Capital International ESG rating	AAA to CCC	AA	AA	A
S&P Global	S&P Global Corporate Sustainability Assessment score	Out of 100, higher is better	62	56	45
SUSTAINALYTICS	Sustainalytics ESG risk score	Out of 100, lower is better	19.7	20.3	22.8

Annexure B

Toward alignment with the TCFD reporting framework

	Recommendation	Detailed description	Capitec's response	Pages
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Capitec's Board and Board subcommittees recognise climate change as a relevant risk and opportunity for the business and therefore provide robust oversight of climate-related policies, strategies and risk management practices. During the reporting period, Capitec engaged an external consultant to deliver sustainability/ESG training to the Board and senior management. The session focused on enhancing awareness and understanding of climate-related risks and opportunities, aligned with Capitec's commitment to integrating sustainability into its strategic and operational frameworks. The primary objective of the training was to provide a high-level overview of sustainability and ESG principles, equipping leadership with the foundational knowledge necessary to support the organisation's sustainability journey. This initiative formed part of Capitec's broader efforts to embed sustainability considerations into decision-making processes and to strengthen governance structures around climate-related issues. **Next steps:** Board oversight over progress against goals once science-based targets have been set and a transition plan drafted.	10
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	Capitec's CEO holds ultimate executive responsibility for all sustainability-related matters across the Group. This accountability ensures that ESG considerations are embedded at the highest level of strategic and operational decision-making. The CEO is supported by several specialised management committees, including the: • credit committees for Personal and Business Banking • RISCO • Sustainability Committee. During the reporting period, Capitec engaged an external consultant to deliver sustainability/ESG training to the Board and senior management. The session focused on enhancing awareness and understanding of climate-related risks and opportunities, aligned with Capitec's commitment to integrating sustainability into its strategic and operational frameworks. The primary objective of the training was to provide a high-level overview of sustainability and ESG principles, equipping leadership with the foundational knowledge necessary to support the organisation's sustainability journey. This initiative formed part of Capitec's broader efforts to embed sustainability considerations into decision-making processes and to strengthen governance structures around climate-related issues. Sustainability-related STI KPIs are included in Executives' annual performance measurements. Executive targets are set annually, and performance is evaluated at year-end by the REMCO. Outcomes are disclosed in the subsequent integrated annual report, ensuring transparency and accountability. Achievement of these targets is a prerequisite for earning the full STI bonus. **Next steps:** Advance the maturity of the CRMF and strengthen the organisation's capability, especially within the BCC, to proactively identify, monitor and manage climate-related risk across the Business Banking credit portfolio.	12

Annexure B continued

	Recommendation	Detailed description	Capitec's response	Pages
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Capitec has identified our most material climate-related risks over time horizons aligned with the life cycles of our credit product offerings. We continue to explore related opportunities.	25 and 26, 32 and 33
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Capitec is exploring the development of enhanced internal capabilities for climate-related risk modelling (scenario analysis and stress testing) to support more forward-looking assessments of how climate-related risks and opportunities may influence the organisation's business activities, strategy and financial planning.	32 to 44
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Capitec participated in the SARB PA CRST exercise for 2024. **Next steps:** Capitec is assessing opportunities to strengthen its internal capabilities for climate-related risk modelling (scenario analysis and stress testing). This enhancement will incorporate the development of transition and physical risk scenarios, including one aligned with a 2°C or lower warming pathway and another reflecting heightened physical climate-related risks.	50
Risk management	Disclose the processes used by the organisation to identify, assess and manage climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Capitec does not consider climate change as a stand-alone risk category. Instead, climate-related impacts are understood to materialise through traditional risk domains, including credit, operational and liquidity risk. Accordingly, the management of climate-related risks is embedded within existing risk identification, evaluation, treatment, monitoring and reporting processes across all risk disciplines. During the reporting period, we developed a dedicated CRMF, which will serve as the foundation for further maturing climate-related risk management practices across the organisation in the year ahead. This framework provides a structured approach for integrating climate considerations more systematically into decision-making, risk governance and business planning.	29 to 33, 47 to 49
		b) Describe the organisation's processes for managing climate-related risks.		
		c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.		
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Capitec uses several quantitative and qualitative metrics to evaluate climate-related risks and opportunities: • GHG emissions metrics: Measurement of Scope 1, 2 and 3 emissions, supported by emissions-intensity indicators • Energy and resource efficiency metrics: Monitoring of total energy consumption and energy-intensity levels, the proportion of renewable energy within total energy use and waste generation and recycling rates • High-level physical climate risk screening: Assessment of exposure to a range of physical hazards across the operational footprint. **Next steps:** Develop internal climate risk modelling capabilities (scenario analysis and stress testing). This will support the quantification of both physical and transition risks.	54 to 58
		b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Capitec remains focused on building a robust, high-quality carbon footprint baseline across all relevant scopes to strengthen the accuracy, completeness and reliability of our GHG emissions reporting. During the reporting year, we achieved several key milestones that advance this objective: • Conducted our first employee commuting survey, enabling the calculation and disclosure of an additional Scope 3 emissions category relating to employee commuting • Successfully completed the first limited assurance engagement over the accuracy and completeness of our GHG emissions inventory, marking an important step toward enhanced data integrity • Became a signatory to the PCAF, committing to a 3-year roadmap to calculate and disclose financed emissions associated with our financing and investment activities. **Next steps:** Develop robust and standardised data-collection mechanisms to ensure the availability of high-quality, verifiable information required for the calculation and disclosure of financed emissions.	59
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Capitec is committed to setting emissions reduction targets that are both meaningful and achievable. While we remain in a data-gathering and methodology-refinement phase, we intend to adopt science-based reduction targets once the underlying emissions data sets have been fully stabilised and validated. In the interim, Capitec continues to maintain a relatively low operational carbon footprint through sustained operational efficiencies and the ongoing scaling of its digital-first strategy.	64

Assurance report

INDEPENDENT ASSURANCE PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY PERFORMANCE INFORMATION REPORTED IN CAPITEC BANK HOLDINGS LIMITED'S CLIMATE REPORT FOR THE YEAR ENDED 28 FEBRUARY 2026

TO THE DIRECTORS OF CAPITEC BANK HOLDINGS LIMITED

We have undertaken a limited assurance engagement on selected sustainability performance information (the "subject matter"), as described below, and presented in the Capitec Bank Holdings Limited ("Capitec") Climate Report for the year ended 28 February 2026 (the Climate Report). This engagement was conducted by a multidisciplinary team with experience in assurance, sustainability performance and carbon emissions.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained (and subject to the inherent limitations outlined elsewhere in this report), nothing has come to our attention that causes us to believe that the selected sustainability performance information as set out in the Subject Matter paragraph below, for the year ended 28 February 2026, is not prepared, in all material respects, in accordance with management's measurement and reporting criteria.

Subject matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability performance information identified and selected by Capitec's management as requiring independent external assurance:

Environmental Key Performance Indicators

No.	Selected sustainability performance information	Unit of Measurement	Reporting Boundary	Location disclosed in the Climate Report (page number)	Location of description of Capitec's Criteria in the Climate Report (page number)
1	**Scope 1 emissions tCO_2e** • Fuel used in owned or controlled equipment • Fuel used in owned or controlled vehicles • Air-conditioning and refrigeration gas refills	tCO_2e	Capitec Bank Holdings Limited, together with its wholly owned and controlled subsidiaries, namely: • Capitec Life Limited; • Capitec Bank Limited, comprising Personal Banking and Business Banking; and • Capitec Rental Finance (Pty) Ltd.	**59**	**54** and **55**
2	**Scope 2 emissions tCO_2e**	tCO_2e		**59**	**54** and **55**
3	**Scope 3 emissions tCO_2e** • Purchased goods and services Category1): paper usage • Business travel (Category 6): rental vehicles, commercial airlines and accommodation and employee-owned vehicles • Employee commuting (Category 7) • Downstream transportation and distribution (Category 9)	tCO_2e		**59**	**54** to **57**

The selected sustainability performance information prepared and presented in accordance with management's criteria are marked with the symbol LA ("Limited Assurance") to indicate that we have provided limited assurance over the selected sustainability performance information.

Other than as described in the preceding paragraphs, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Climate Report, and accordingly, we do not express a conclusion on this information.

Capitec's responsibilities

The Directors of Capitec are responsible for the selection, preparation, and presentation of the selected sustainability performance information in accordance with management's measurement and reporting criteria as set out in in the table above. These responsibilities include the identification of stakeholders and stakeholder requirements, key issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control and maintaining adequate records and making estimates that are relevant to the preparation of the Climate Report and any references or statements of compliance with reporting frameworks applied, such that it is free from material misstatement, whether due to fraud or error.

The Directors of Capitec are responsible for, in relation to application of the reporting standards used in the preparation of the Climate Report, this report being prepared in accordance with the reporting principles as per those standards.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability performance information and for ensuring that those criteria are publicly available to the Climate Reports users.

Inherent limitations

Where Capitec's reporting of the selected sustainability performance information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

The scope of work was limited to the selected sustainability performance information disclosed in the Climate Report and did not include coverage of data sets or information unrelated to the selected information, nor did it include information reported outside of Capitec's Climate Report, information relating to prior periods or comparisons against historical data.

Our assurance report does not extend to any disclosures or assertions relating to management's future performance plans, forward-looking statements or strategies disclosed in the Climate Report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion on the selected sustainability performance information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of the greenhouse gas emissions, in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. Those Standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability performance information is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Summary of work performed

Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of Capitec's use of its measurement and reporting criteria as the basis of preparation for the selected sustainability performance information, assessing the risks of material misstatement of the selected sustainability performance information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement. A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the sustainability performance information subject matter and related information and applying analytical and other appropriate procedures.

For the selected sustainability performance information, we:

- Performed analytical procedures to evaluate the reasonability of the reported performance results;
- Obtained explanations from management in response to our analytical procedures and assessing the reasonability in the context of our understanding of the business;
- Performed tests of detail on the selected performance information, on a selective basis, as part of assessing whether (i) the data has been appropriately measured, recorded, collated, and reported; and (ii) activities set out by management are appropriately evidenced and reported;
- Confirmation with internal or external parties;
- We also performed such other procedures as we considered necessary in the circumstances.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Other Matters

The information relating to prior reporting periods for selected sustainability performance information included in scope for the first time in the current reporting period has not been subject to our assurance procedures.

Restriction of Liability

Our report, including our conclusions, has been prepared solely for the Board of Directors of Capitec in accordance with the agreement between us and for no other purpose. We permit this report to be published in Capitec's Climate Report to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the selected sustainability performance information.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Capitec for our work or for our report and the conclusion contained therein. We agree to publication of our assurance report within Capitec's Climate Report provided it is clearly understood by recipients or readers of the Report and that we accept no duty of care to them whatsoever in respect of our independent assurance report.

Maintenance and integrity of Capitec's website is the responsibility of Capitec management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the selected sustainability performance information as reported, or our independent assurance report that may occur subsequent to the initial date of publication of the Report on Capitec's website.

Ernst & Young Inc.

Ernst & Young Inc.
Associate Partner – Mohsin Yahya Nana

Registered Auditor
Chartered Accountant (SA)

2 June 2026
102 Rivonia Road, Sandton Johannesburg
South Africa

Abbreviations

°C	Degrees Celsius
ALCO	Asset and Liability Committee
ATM	Automated teller machine
AvaFin	Avafin Holding Limited
AWS	Amazon Web Services
BASA	Banking Association South Africa
BCBS	Basel Committee on Banking Supervision
BCC	Business Banking Credit Committee
BMS	Building management system
Capitec	Capitec Bank Holdings Limited and its subsidiaries
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CH_4	Methane
CIT	Cash-in-transit
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CRMF	Climate risk management framework
CRST	Climate risk stress test
CSI	Corporate social investment
CSST	Common scenario stress test
DEFRA	Department for Environment, Food and Rural Affairs
DNR	Dual note recycler
ERM	Enterprise risk management
ESG	Environmental, social and governance
EXCO	Executive Management Committee
FTE	Full-time employee
FTSE	Financial Times Stock Exchange
GDP	Gross domestic product
GHG	Greenhouse gas
HFC_3	Hydrofluorocarbon
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	IFRS® Accounting Standards
IT	Information technology
JSE	Johannesburg Stock Exchange Limited
kg	Kilogram
kl or kℓ	Kilolitre
km	Kilometre
km^2	Square kilometre
km/h	Kilometres per hour
KPI	Key performance indicator
KRI	Key risk indicator
kW	Kilowatt
LA	Limited assurance
LGD	Loss given default
ℓ/km	Litres per kilometre
m	Metre
m^2	Square metre
m^3	Cubic metre
mg/m^3	Micrograms per cubic metre
MGC	Model Governance Committee
mm	Millimetre
$MtCO_2e$	Metric tons of carbon dioxide equivalent
MWh	Megawatt hour
N_2O	Nitrous oxide
NBI	National Business Initiative
NDC	Nationally Determined Contribution
NGFS	Network for Greening the Financial System
OHS	Occupational health and safety
ORSA	Own risk and solvency assessment
PA	Prudential Authority
PBCC	Personal Banking Credit Committee
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of default
PFC_3	Perfluorocarbon
PM	Particulate matter
pp	Percentage point
PV	Photovoltaic
QR	Quick response

Abbreviations continued

RCMC	Risk and Capital Management Committee
REMCO	Human Resources And Remuneration Committee
rha	Right-hand axis
RISCO	Risk Committee
SARB	South African Reserve Bank
SCC	Scored Credit Committee
SESCO	Social, Ethics and Sustainability Committee
SETs	Sectoral Emissions Targets
SF_6	Sulphur hexafluoride
SME	Small and medium-sized enterprises
SPEI	Standardised Precipitation Evapotranspiration Index
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial Disclosures
the Bank	Capitec Bank Limited
the Group	Capitec Bank Holdings Limited and its subsidiaries
UK	United Kingdom
W	Watt
WWF	World Wide Fund for Nature

Contact information

Capitec Bank Holdings Limited
Registration number: 1999/025903/06
Registered bank controlling company
Incorporated in the Republic of South Africa
JSE ordinary share code: CPI
ISIN code: ZAE000035861
JSE preference share code: CPIP
ISIN code: ZAE000083838

Directors
SL Botha *(Chairman)*
GM Fourie *(CEO)*[1] (retired on 18 July 2025)
GR Lee *(CEO)*[1] (appointed on 19 July 2025)
NF Bhettay
SA du Plessis
CH Fernandez
N Ford-Hoon
GR Hardy *(CFO)*[1]
MSdP le Roux
V Mahlangu
RR Malhotra (appointed on 1 March 2025)
PJ Mouton
CA Otto

[1] *Executive*

Group Company Secretary and registered office
YM Mouton
5 Neutron Road, Techno Park, Stellenbosch, 7600

Postal address
PO Box 12451, Die Boord, Stellenbosch, 7613

Transfer secretary
Computershare Investor Services Proprietary Limited
Registration number: 2004/003647/07
Rosebank Towers, 15 Biermann Avenue
Rosebank, Johannesburg, 2196
Private Bag X9000, Saxonwold, 2132

Sponsor
PSG Capital Proprietary Limited
Registration number: 2006/015817/07
1st Floor, Ou Kollege Building
35 Kerk Street, Stellenbosch, 7600
and
1st Floor, The Place, 1 Sandton Drive, North Towers
Sandhurst, Sandton, 2196

Website
www.capitecbank.co.za

Enquiries
enquiries@capitecbank.co.za