



STANDARD BANK GROUP

STRATEGIC UPDATE

20 AUGUST 2021

Sustainability – David Hodnett, *Interim Group Chief Executive Officer, Business and Commercial clients*

Introduction by David Hodnett

Good afternoon everyone,

In this section of the presentation, I will cover our commitment to driving a sustainable impact through our SEE strategy, our approach to ESG, and managing climate risk. We will then turn to the panel discussion with Mercia Geisis, Chief Executive of Standard Bank Namibia; Anne Juuko, Chief Executive of Stanbic Bank Uganda, and Sasha Cook Sustainable Finance Executive where we hope to bring to life what this means in a Standard Bank context and to provide some concrete examples of how we are making a positive impact beyond financial services:

As Sim mentioned earlier, when we look at today's investor landscape there is no denying the importance of environmental, social and governance concerns to Standard Bank and to our investors.

Being more than a bank, driving sustainable and inclusive economic growth is part of our purpose – Africa is our home, we drive her growth. As noted in the three Client Segment presentations, we fully recognise the impact of our business activities and environments in which we operate and as such have embedded social, economic and environmental, what we call SEE, considerations into our decision-making processes, as well as our progress measurement framework. The economic value we generate for our shareholders should be underpinned by the creation of value for society. This is at the core of who we are and how we do business.

Our SEE strategy incorporates the UN Sustainable Development Goals, Agenda 2063 and other sustainability frameworks. We're also aligned to the Paris Agreement and are a founding signatory to the Principles for Responsible Banking. The Principles set the global benchmark for what it means to be a responsible bank. They make it clear that banks' indicators of impact and success should be much broader than their financial results. We are co-chair of the Banking Board, which is responsible for overseeing effective implementation of the Principles and are proud to be among 240 banks leading the charge for a more sustainable world.

In putting our strategy into action, we're working with our clients to develop solutions that allow them to mitigate and adapt to the effects of climate change. As mentioned by Kenny, we are focused, primarily through our Sustainable Finance division, on providing financial products and services that support positive ESG outcomes, including green and social bonds and loans, sustainability-linked bonds and loans, sustainable trade solutions and impact investing.

A large part of our strategy involves prudent ESG risk management, best practice in this regard is the foundation for delivering on our SEE impacts. We have reviewed and restructured our governance systems and processes to ensure we're aligned with global good practice in respect of ESG risk management, including climate-related risk management.

In the last two years, we have refreshed our approach to ESG, established a dedicated Sustainable Finance Unit; published a series of policies that guide our approach to thermal coal mining, coal-fired power and financing fossil fuels, published two TCFD reports which focus on our material sectors and participated in industry-level initiatives to improve our climate risk management and published our own Sustainable Bond Framework.

We have committed to publishing our climate strategy in our next TCFD Report. This climate strategy will set and publish science-based short-term, medium-term and long-term climate targets to support meeting the goals of the Paris Agreement and the goal of net-zero carbon by 2050. Our approach to climate-target setting is based on support for a just transition and the need to address Africa's energy needs.

While we have made some significant progress and reached a number of milestones, we are cognisant that this is a complex and fast evolving environment and remain committed to resolving these issues in a comprehensive, well-considered and transparent manner while navigating the complexity and trade offs required to fully integrate the climate risk while continuing to drive sustainable growth. To talk about how we are putting our SEE strategy into action, we've invited incredible well-regarded journalist Lerato Mbhele to host a panel discussion with some of our Standard Bank leaders on how they're working to make a sustainable impact in their respective areas.

Over to you, Lerato.

LERATO

Thank you very much for that *generous* introduction David.

Welcome everyone to Standard Bank's panel on "our commitment to driving Africa's growth - *putting it in action*".

The African continent continues to grapple with many social, economic and environmental challenges. The COVID pandemic has made that more pronounced, in exposing the vulnerability of health systems, disrupting schooling, affecting food systems & supply chains for factories and retailers. This experience has amplified the need for homegrown solutions & to place on communities at the centre of economic programmes.

Standard Bank puts SEE at the core of its work across Africa.

During this discussion we'll be exploring several projects that are currently underway across South Africa, Namibia and Uganda - initiatives that are bringing Standard Bank's SEE and ESG strategies to life.

These projects are directly linked to Standard Bank's SEE impact areas. Namely, Financial Inclusion and Job Creation & Enterprise Growth through the work being done with OneHub. The BioHAB project in Namibia is making SEE impacts in the areas of Climate Change, Infrastructure and once completed, Education as well. The Sustainable Finance Unit is a very strong driver of the Climate Change & Sustainable Finance SEE Impact area as well.

Joining me to unpack the impact of these projects is Mercia Geisis, Chief Executive of Standard Bank Namibia, and Sasha Cook, Sustainable Finance Executive at Standard Bank

Let's get started with this fascinating initiative underway in Namibia...

Q: I know you've recently partnered with the M.I.T Center for Bits and Atoms, and the architecture firm redhouse to develop a sustainable economic and social ecosystem in Namibia, tell me more about this? – Mercia Geisis

Q: What is Standard Bank's involvement in the BioHAB project? –
Mercia Geisis

To Sasha

Q: Moving on to a topic that's been of great interest lately, Sustainable Finance, Sasha why do you think this has been such a focus for investors and corporates lately? - Sasha Cook



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Sasha Cook

Q: What's next for sustainable finance? -

To Mercia

Q: What socio-economic needs does this project fulfil and how does it align to your selected SEE impact areas and attainment of the UN global goals?

To Sasha

Q: Sasha, earlier you spoke about the future of sustainable finance in the market, what about the future of sustainable finance within your organisation?

Closing

Thank you, Sasha & Mercia.

That's a remarkable impact you've been able to make.

What I've learnt from this discussion is that when we put an emphasis on social, environmental and economic impact into the work we do the returns are not just financial but beneficial to the societies in which we live and work.

Thank you again to Mercia, Sasha, David, and for all that have joined us for this session.

If you'd like to find out more about Standard Bank's SEE strategy and the impacts made, please visit the on-demand section of this platform.

I will now hand over to Arno Daehnke to speak about the Group's Financial Roadmap.

[Panel Ends]