



Standard Bank Group

ESG INVESTOR ENGAGEMENT

26 May 2022

DRIVE SUSTAINABLE GROWTH AND VALUE



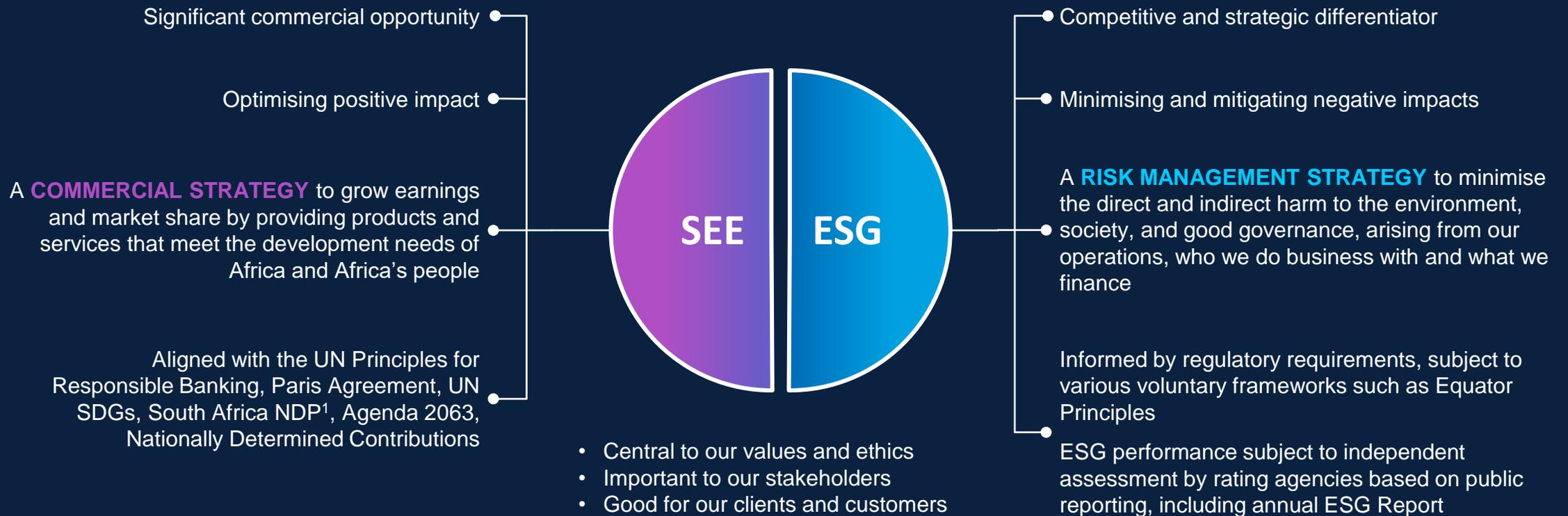
OUR APPROACH TO SUSTAINABILITY, SEE & ESG

Sustainability, SEE* and ESG



Africa is our home, we drive her growth

Given our purpose of driving Africa's growth, and that our business includes sectors rated as high ESG risk, best practice ESG risk management is the foundation for delivering positive social, economic and environmental (SEE) impact



SEE is what we aim to achieve, ESG is how we will achieve it



OUR SEE STRATEGY

Standard Bank's SEE impact areas



Standard Bank Group impact areas



Financial inclusion

We enable more people to access financial products and services, supporting economic development and reducing inequality.



Job creation and enterprise growth

We work with our clients to understand their challenges and priorities, provide them with appropriate financial solutions to support their growth and expansion and deliver digital solutions to meet their unique needs. This includes targeted support to enable SMEs to develop and grow their businesses.



Infrastructure

We support the development of infrastructure to enable inclusive and sustainable industrialisation by financing large-scale infrastructure projects and partnering with our clients to ensure environmental and social risks are appropriately managed and minimised.



Africa trade and investment

We facilitate the deepening of trade and investment flows between African countries, and with key global markets including China, through the provision of innovative trade finance solutions and cross-border payments and investment solutions.



Climate change and sustainable finance

We work with our clients to develop appropriate solutions for mitigating and adapting to the effects of climate change and develop innovative financial products and services that support the green economy, reduce carbon emissions, increase climate resilience, and enhance and socioeconomic development.



Education

We support access to inclusive, quality education and the promotion of lifelong learning opportunities, and help Africa harness the opportunities of the fourth industrial revolution.



Health

We support better health outcomes for Africa's people by financing healthcare providers, and health infrastructure and equipment, providing business development support to healthcare practitioners, investing in our people's health, safety and wellbeing and investing in health-focused corporate social investment (CSI) programmes.

We are aligned to the UN SDGs¹:



¹ United Nations Sustainable Development Goals

Our SEE impact in 2021



Financial inclusion

Ten million active retail clients in South Africa
5.5 million in Africa Regions (AR)



Digital lending

↑40% in SA
↑200% in AR



50 000 Instant Money access points across SA



+ 100 000

Unayo digital accounts across Botswana, Eswatini, Kenya, Malawi



+ 1.6 million MyMo accounts in SA

+ 8 000 small-scale traders using Trader Direct in Lesotho, Zambia, Kenya and Côte d'Ivoire



R5 billion new affordable home loans in SA

+11 000 participants in Financial Fitness webinars and +4 000 in Leadership Academies across Africa



1 850 beneficiary organisations used OneFarm Share platform



OneHub had 559 users across 370 clients



Sustainable finance and climate change

14 sustainable finance loan facilities to the value of R16.2 billion, and 8 sustainability finance bonds, to the value of R5.8 billion



Helped clients to transition 321 sites to green energy solutions



Helped 95 green energy solution providers grow their businesses



Infrastructure

R2.47 billion invested in renewable energy



R616 million invested in LNG



R2.19 billion invested in water infrastructure



Education



R21 million disbursed through Feenix, supporting 587 students



116 medical students accessed collateral free loans



R738 million on employee development



CSI funding of R72.7 million in SA and USD1.1 million in AR for education programmes



Health



CSI funding of R8 million to improve public access to Covid vaccinations in SA



CSI funding of R67.9 million on humanitarian relief in SA



CSI funding of USD1.7 million on health related programmes in AR



African trade and investment

Trade finance for +47 000 African businesses



R3 billion in logistics and trade financing for +100 clients through Trade Suite in SA



R46 billion in cross-border payments (excl. SA)



Matched 102 export businesses from 11 countries to Chinese importers



OUR ESG PERFORMANCE

How we measure our ESG performance

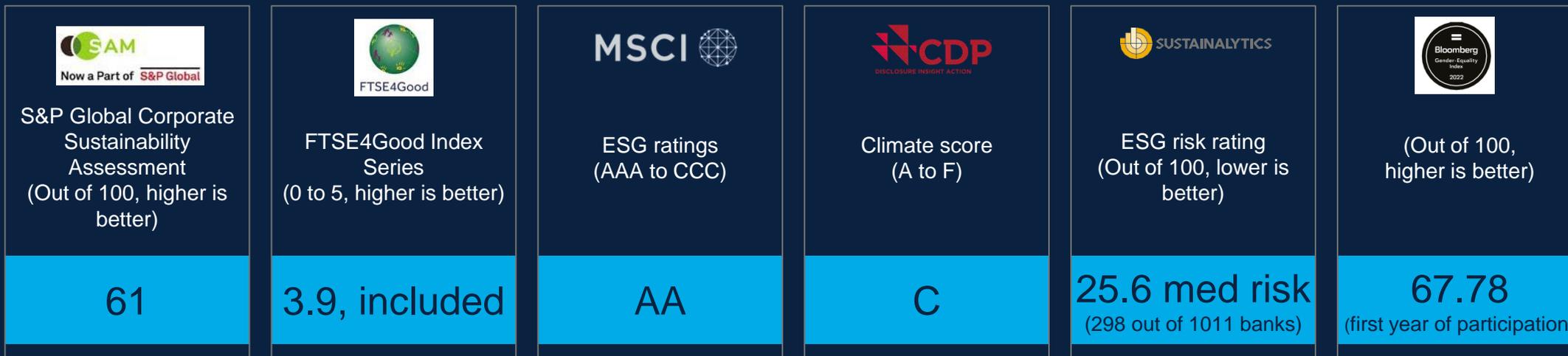
ESG performance is one of our metrics for measuring our SEE impact



Rating agencies and index providers provide various types of ESG performance information on publicly listed companies. Standard Bank Group aims to improve our score on selected ESG indices.

We have included such improvements as a performance metric. Our priority ratings include:

2021





OUR CLIMATE POLICY

IT CAN BE™

Climate change and Africa

A material risk to our group and to Africa's growth and development



Africa is disproportionately affected

- Already experiencing 0.7°C average temperature increases
- Risk of increased drought and floods, declining mean precipitation, inundation of coastal zones and deltas, loss of biodiversity
- Lower crop yields, reduced agricultural and labour productivity, decreased food production, spread of waterborne diseases and malaria will impact economic growth and human development
- GDP exposure in countries vulnerable to extreme climate patterns is projected to grow from \$895 billion in 2018 to \$1.4 trillion in 2023
- 1.5 °C temperature increase will decrease Africa's GDP by 3.8% per year after 2100

Africa has made a small contribution to climate change

- 3% of global GHG emissions are from Africa
- South Africa and Nigeria are the biggest contributors
- Removing SA and Nigeria, Africa's contribution to GHG emissions is less 0.5% of total emissions

Africans face high levels of energy poverty

A Just Transition must include an approach to climate target-setting by Africa's banks based on a fair contribution by African countries to achieving net zero by 2050

SBG Climate Policy



SBG's ambition is to support Africa's fair contribution to 1.5 degrees and a Net Zero economy by 2050

- Our pathway will follow a **1.5 degree aligned** climate scenario
- We will over time **align our portfolio** to this target and net zero
- This approach is be informed by the need for **sustainable and inclusive growth** and development across Africa, including overcoming Africa's energy poverty
- Our approach will also consider government policies and national climate commitments in the countries in which we do business, as well as the pace of the **transition pathways** afforded to developing countries by the Paris Agreement
- SBG will disclose its progress in meeting this ambition in its annual **TCFD reports**

SBG will work towards achieving this ambition using complementary mechanisms

- **Sustainable finance opportunities:** Identifying and capitalising on opportunities related to sustainable, green, and transition finance across Africa
- **Policies:** Implementing lending policies which restrict or exclude financing for certain activities and assets, typically defined by sector
- **Climate targets to reduce financed emissions:** Setting targets to reduce financed emissions
- **Green and transition lending targets:** Setting targets to increase our lending to green and transition assets and activities using appropriate taxonomies
- **Client engagement:** Actively partnering with clients and customers to support their climate transitions



NEXT STEPS

We are committed to making a positive impact

Delivering sustainable social, economic and environmental value across sub-Saharan Africa



Our commitments

- Drive positive impact across our 7 impact areas¹ – aligned to the **UN Sustainable Development Goals**
- Signatory to the **Principles for Responsible Banking**
- Net zero by 2050

Our progress

- Published a number of policies outlining our position on key ESG-related matters, including the financing of fossil fuel projects
- Published our **TCFD² reports**

What's next

- Focus on climate policy integration aligned to the **climate strategy and targets**
- Extend climate approach to other sectors



¹ Financial inclusion; Job creation and enterprise growth; Infrastructure; Africa trade and investment; Climate change and sustainable finance; Education; Health; ² Task Force on Climate-related Financial Disclosures



OUR REPORTS AND DISCLOSURES

Read more about our SEE and ESG journey



[Click here to read](#)





THANK YOU