



Standard Bank Group

# ESG INVESTOR ENGAGEMENT

14 June 2022

DRIVE SUSTAINABLE GROWTH AND VALUE



# OUR APPROACH TO SUSTAINABILITY, SEE & ESG

IT CAN BE™

# 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

IT CAN BE™

# 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 SDGs<sup>1</sup>:



<sup>1</sup> 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



## Job creation and enterprise growth

**500 000** active Business and Commercial Clients in South Africa,  
**492 000** in Africa Regions

**>53 000** SMEs used MyMo Biz

**38** African start-ups supported through partnership with Founders Factory



**+ 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

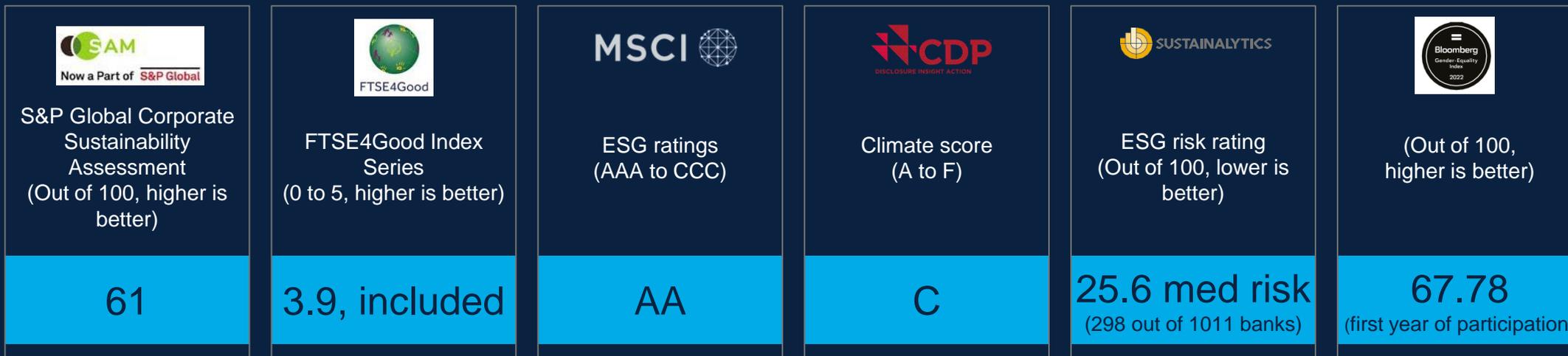
ESG performance is one of our metrics for measuring our SEE impact



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

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# 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 summary



## What we aim to achieve?

- SBG's ambition is to **support Africa's fair contribution to 1.5 degrees** and a **Net Zero** economy by **2050**
- Our approach is informed by the need for **sustainable and inclusive growth** and development across Africa
- Consideration given to **government policies** and national climate commitments in countries of operation and 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**

## How do we hope to achieve this?

- Sustainable finance, policies, climate targets, green and transition lending targets, client engagement

## Where are we with our Climate policy – progress to date

- Published on the **16<sup>th</sup> March 2022**
- Joint initiative **by Group Risk and CIB**
- Debated at length by **Group Leadership Committee** and **Group Board**
- **Sector workshops** (climate science, benchmarking against other banks, etc.)
- **Business owns targets** and commitments

## Initial sector focus



## Expanded sector Focus – by 2025\*



## Time horizons

- Our policy, strategy, assessment of risks and opportunities and targets structured according to the following time horizons

Short-term (0–5 years)	Medium-term (5–10 years)	Long-term (+10 years)
<b>Start Year 2022</b>	<b>Start Year 2027</b>	<b>Start Year 2033</b>
<b>End Year 2026</b>	<b>End Year 2032</b>	<b>End Year 2050</b>

\* Including but not limited to



# SUSTAINABLE FINANCE

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# Supporting the transition

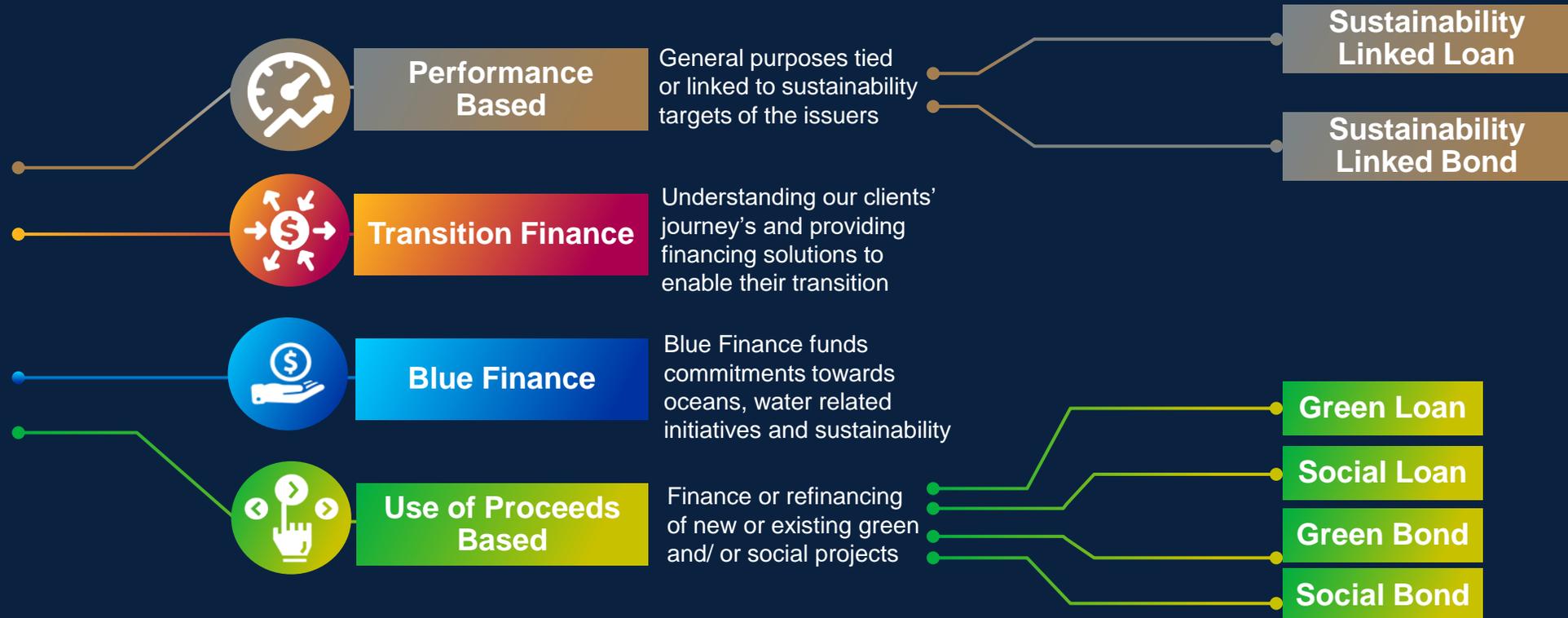


Targeting a cumulative amount of between **R250 billion – 300 billion** to mobilise sustainable finance across all banking products by the end of 2026



This includes **R50 billion** to finance renewable energy over the next three years, and underwriting a further **R15 billion** for renewable energy over the same timeframe.

## OUR PRODUCTS



# Landmark transactions

Deals concluded for large multinational and local corporates



 <p><b>TUHF</b></p> <p>raised a ZAR 609m social bond issuance</p> <p>First social bond on sustainability segment of the JSE</p>	 <p><b>INVESTEC PROPERTY FUND</b></p> <p>raised a ZAR 800m SLB</p> <p>First SLB in the REIT Sector in South Africa</p>	 <p><b>ACWA POWER GREEN ENERGY AFRICA</b></p> <p>ZAR 1.1 billion Green Loan</p>	 <p><b>SA TAXI</b></p> <p>raised a ZAR 900m social bond issuance</p> <p>Environmental Finance 2022: Social Bond of the Year Award</p>	 <p><b>TCTA</b></p> <p>ZAR 600m SLL</p>	 <p><b>EMIRA PROPERTY FUND</b></p> <p>ZAR 225m SLL</p>	 <p><b>FORTRESS REIT</b></p> <p>ZAR 900m SLB</p>	 <p><b>INFRACONNECT FIFTEEN AND EIGHTEEN</b></p> <p>USD 87m Social Loan</p>	 <p><b>WOOLWORTHS</b></p> <p>ZAR 600m Sustainability Linked Overdraft</p> <p>First Sustainability Linked Overdraft in South Africa</p> <p>Emeafinance Achievement Awards 2022: Best SLL</p>	 <p><b>TUHF</b></p> <p>ZAR440m Social Bond Tap</p>
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2021

2022

 <p><b>NETCARE</b></p> <p>raised a ZAR1 billion, 3 year, unsecured note</p> <p>First SLB in Africa</p>	 <p><b>NSP SPV POWERCOR P PLC</b></p> <p>NGN 6.325bn Green Bond</p>	 <p><b>MSC</b></p> <p>USD 197m SLL</p>	 <p><b>WOOLWORTHS</b></p> <p>ZAR 1.15bn SLL</p> <p>First SLL in the Retail Sector in South Africa</p>	 <p><b>STANDARD BANK OF SOUTH AFRICA</b></p> <p>ZAR 2bn social bond issuance</p>	 <p><b>GREENLIGHT PLANET KENYA</b></p> <p>USD 15M eq. SLL &amp; USD 60m eq. SL BBF</p> <p>Emeafinance Achievement Awards 2022: Best sustainable refinancing in Africa</p>	 <p><b>EQUITES PROPERTY FUND</b></p> <p>ZAR 800m SLB &amp; GBP 50m SLL</p> <p>Emeafinance Achievement Awards 2022: Best sustainable refinancing in EMEA</p>	 <p><b>FORTRESS REIT</b></p> <p>ZAR 1.3bn SLB</p>	 <p><b>Growthpoint Student Accommodation</b></p> <p>ZAR550m Social Loan</p> <p>First Social Loan in the REIT Sector in South Africa</p>	 <p><b>Barloworld</b></p> <p>ZAR1bn SLL</p>
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**Emeafinance Achievement Awards 2022:**  
Best financial institution green bond in EMEA  
Best ESG bond house



# 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 areas<sup>1</sup> – 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 **TCFD<sup>2</sup> reports**

## What's next

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



<sup>1</sup> Financial inclusion; Job creation and enterprise growth; Infrastructure; Africa trade and investment; Climate change and sustainable finance; Education; Health; <sup>2</sup> 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**