



Standard Bank Group

# UN PRINCIPLES FOR RESPONSIBLE BANKING REPORTING AND SELF-ASSESSMENT

Standard Bank **IT CAN BE™**

Also trading as Stanbic Bank

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## Definitions

- a. **Impact:** An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. **Significant Impact:** Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of significant impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.




## Reporting and Self-Assessment



Standard Bank is a founding signatory of the UNEP FI Principles for Responsible Banking (PRB), launched in September 2019. We are co-chair of the Banking Board, which is responsible for overseeing effective implementation of the Principles. 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.

Signatories are required to report their progress within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

This report sets out Standard Bank's progress in implementing the Principles.



Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p><b>1 Principle 1: Alignment</b>            We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</i></p>	<p>Standard Bank Group (SBG) is an integrated financial services provider. We are the largest African banking group by assets, with a market capitalisation of approximately R208 billion (USD14 billion) at 31 December 2020.</p> <p>We operate in 20 sub-Saharan African countries and are headquartered in Johannesburg, South Africa.</p> <p>SBG has traditionally been structured according to three business lines:</p> <p><b>Wealth:</b> Insurance, investment, fiduciary, bespoke banking and multi-generational wealth preservation solutions to high net worth, retail, business and commercial and corporate clients.</p> <p><b>Corporate &amp; Investment Banking (CIB):</b> corporate and investment banking services to clients, including governments, parastatals, corporates, multinationals and financial institutions</p> <p><b>Personal &amp; Business Banking (PBB):</b> banking and other financial services to individuals and small and medium-sized enterprises.</p> <p>In 2020 we made internal structural changes to move the group from operating through business lines, to a structure built round three core client segments, effective from 2021, to better serve our clients. Our new Client Solutions business will deliver innovative and cost-effective solutions with a strong digital focus.</p>	<p> <b>2020 SBG ESG Report</b>            Page 3 – 4</p>
<p>1.2 <i>Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</i></p>	<p>Our purpose is to drive Africa's growth. We seek to do so in a manner that is sustainable and inclusive, i.e. that creates jobs and generates positive social, economic and environmental impacts. We have five value drivers against which we measure our strategic progress:</p> <ol style="list-style-type: none"> <li><b>1. Value for Clients</b></li> <li><b>2. Value for Employees</b></li> <li><b>3. Value for Stakeholders</b></li> <li><b>4. Financial Outcomes</b></li> <li><b>5. Social, Economic and Environmental (SEE) Impact</b></li> </ol> <p>In 2020 the group developed a performance dashboard to measure progress against our strategy and developed non-financial metrics for each of our five value drivers, including SEE impact, at group level. Each of our countries of operation is responsible for aligning their SEE strategies and tailoring their impact metrics to their context, national priorities and commitments.</p> <p>To assess progress against our SEE value driver, we have identified seven SEE impact areas, which are directly relevant to our core business as a provider of financial products and services. They encompass: Financial inclusion, Job creation and enterprise growth, Infrastructure, Africa trade and investment, Climate change and sustainable finance, Education and Health. We selected these issues based on where we believe SBG can create the greatest benefit for the communities in which we operate. The priority issues and targets identified by the SDGs, the African Union's Agenda 2063, South Africa's National Development Plan and South Africa's Nationally Determined Contribution to the Paris Agreement informed our thinking.</p>	<p> <b>2020 SBG ESG Report</b>            P4: Value drivers            P9 – 11: Material issues            P23: ESG Risk Governance            P67 – 77: TCFD aligned reporting</p> <p> <b>2020 SBG Report to Society (RTS):</b>            Description of SEE impacts</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p><b>2 Principle 2: Impact and Target Setting</b> We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.1 Impact Analysis:</p> <p><i>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</i></p> <p>a) <b>Scope:</b> The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <b>Scale of Exposure:</b> In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <b>Context &amp; Relevance:</b> Your bank has considered the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <b>Scale and intensity/salience of impact:</b> In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p>	<p><b>Scope, scale, context and relevance</b></p> <p>Africa's key challenges include low levels of financial inclusion; high levels of unemployment; lack of critical public infrastructure, including energy, water, transport and telecommunications infrastructure; comparatively-low levels of intra-regional trade; comparatively poor performance on global education and health indicators; and the need to balance energy poverty and an historical dependence on fossil fuels, with need to strive to reduce carbon emissions as per the Paris Agreement. Standard Bank's seven SEE impact areas aim to address these challenges, by ensuring our core business activities in each area deliver positive outcomes. These seven areas encompass SBG's core business areas, client segments and markets. To guide our decisions and activities, we engage closely with our clients, regulators and other stakeholders to ensure we understand their priorities, expectations and challenges and are able to create and deliver solutions to address these.</p> <p>We are pursuing opportunities to increase positive impacts in each of these areas as follows:</p> <ul style="list-style-type: none"> <li>• <b>Financial inclusion</b> – digital solutions to improve access and affordability for underserved customers, including informal sector traders; financial literacy/financial fitness programmes for clients and communities; initiatives to support and grow women-owned and managed asset management firms</li> <li>• <b>Job creation and enterprise growth</b> – relief for SME and corporate clients to enable them to remain viable and protect jobs in the context of the Covid-19 pandemic; targeted financial solutions and enterprise development support to enable SMEs to develop and grow their businesses; solutions for small-scale farmers to improve access to finance, access to markets, and payments processes.</li> <li>• <b>Infrastructure</b> – working with governments across Africa to facilitate the development of critical public infrastructure, including energy, transport, telecommunications and water infrastructure. This requires trade-offs to ensure economic benefits are delivered while minimising and mitigating negative social and environmental impacts.</li> <li>• <b>Africa trade and investment</b> – working with importers and exporters, large and small, and with governments, to ease cross-border transactions, promote intra-African trade, and connect African clients with global markets and sources of capital.</li> <li>• <b>Education and Health</b> – investment in our employees, CSI programmes in our communities, and innovative financial solutions for schools and universities to improve access and affordability.</li> <li>• <b>Climate change and sustainable finance</b> – developing sustainable finance solutions for retail, CIB and wealth clients and partnering with clients to promote economic growth and development in a sustainable manner.</li> </ul>	<p> <b>2020 SBG ESG Report</b> P9 – 11: Material issues</p> <p> <b>2020 SBG RTS</b> P11 – 17: Our SEE Impact at a Glance</p>

**Principle 2: Impact and Target Setting** continued


Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>		

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

Standard Bank has made significant progress in its impact measurement journey. Since 2019, we have:

- Identified SEE impact areas, informed by the SDGs, aligned to NDP 2030, AU Agenda 2063, and the Paris Agreement and directly relevant to our core business
- Developed country-led SEE strategies
- Enabled country level prioritisation of SEE impact areas based on local context, priorities, opportunities, and relevant standards and guidelines, including national-level sustainable banking principles
- Developed performance dashboards to measure progress against our strategy
- Developed non-financial metrics for each of our five value drivers, including SEE impact.


We continue to develop and strengthen our SEE impact measurement framework to enable effective tracking, measurement, monitoring and reporting on SEE impacts (positive and negative), as we mature from qualitative toward quantitative assessment measures. We continue to participate in peer learning actives and align to industry best practice where possible to enhance our measurements of impact.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p><b>2.2 Target Setting</b></p> <p><i>Show that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant and Time-bound</b> (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</i></p> <p><i>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</i></p> <p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</i></p>	<ul style="list-style-type: none"> <li>• The group is engaging internally on the establishment of directional targets for the SEE metrics.</li> <li>• We have convened a structured network to facilitate and collate metrics. This approach aims to establish and reinforce ownership and commitment to the metrics and targets from those that are closest to the relevant business activities/areas of impact, to ensure a realistic and pragmatic approach</li> </ul> <p>Initial SEE Metrics:</p> <p><b>Financial inclusion</b></p> <ul style="list-style-type: none"> <li>• Market share of affordable housing sector (SA)</li> <li>• People reached through financial fitness sessions (group)</li> </ul> <p><b>Job creation and enterprise development</b></p> <ul style="list-style-type: none"> <li>• Amount lent to Black-owned SMEs (SA)</li> <li>• Amount of enterprise development lending to Black-owned SMEs (SA)</li> <li>• Amount spent on business development support services for supplier development programmes (SA)</li> <li>• Amount spent on enterprise development initiatives (SA)</li> </ul> <p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Value of project finance deals for infrastructure related projects (group)</li> </ul> <p><b>Africa trade and investment</b></p> <ul style="list-style-type: none"> <li>• Number of African businesses supported with trade finance solutions (group)</li> <li>• Value of trade finance lending (group)</li> <li>• Value of cross-border payments (group)</li> </ul> <p><b>Climate change and sustainable finance</b></p> <ul style="list-style-type: none"> <li>• Value of sustainable finance capital raised, and as % of total funds</li> <li>• Number and value of sustainable finance deals</li> <li>• Number and value of sustainable bonds arranged and % of annual total</li> <li>• Number of Equator Principles deals closed</li> </ul> <p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Amount invested in skills development in the group</li> <li>• CSI spending on education programmes (group)</li> <li>• Value of student loans to students without traditional forms of collateral (SA)</li> <li>• Number of students supported through Feenix platform and value of funds disbursed</li> </ul> <p><b>Health</b></p> <ul style="list-style-type: none"> <li>• Amount spent on employee assistance programmes across the group</li> <li>• % of employees used employee assistance programme services</li> <li>• CSI spending on health-related projects (group)</li> </ul>	<p> <b>2020 SBG RTS</b></p> <p>P13 – 14: SEE Metrics at a glance</p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

In 2020 Standard Bank defined SEE metrics to assess and track progress. We will continue to further develop our impact measurement framework to ensure that we continuously increase our positive impacts while reducing negative impacts in society and managing the risks to people and environment resulting from our activities, products and services. We are engaging internally on the establishment of directional targets for the SEE metrics. This is a work in progress.

**Principle 2: Impact and Target Setting** continued

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<ul style="list-style-type: none"> <li>• We have collected baseline data on our seven SEE impact areas</li> <li>• We are engaging with the metrics owners to set directional targets for 2021 (for example, to increase the number of people reached by a specific programme; or to increase lending to a specific segment/certain type of product).</li> </ul>	 <p>P13 – 14: SEE Metrics at a glance</p>



Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

We are working toward the establishment of targets based on our SEE metrics, which have been adopted across the group.


<p>2.4 Progress on Implementing Targets</p> <p><b>For each target separately:</b></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>	<ul style="list-style-type: none"> <li>• We are participating in the PRB target setting working groups to ensure we are able to align to best practice and to draw lessons from peer learning.</li> </ul>	
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets

We are working toward the setting of targets.


Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p><b>3 Principle 3: Clients and Customers</b> We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 <i>Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</i></p>	<ul style="list-style-type: none"> <li>• Our client risk committees assess issues related to ethics and conduct in relation to new and existing client relationships.</li> <li>• Our environmental and social risk management system (ESMS) integrates E&amp;S screening, management and monitoring into business and credit functions, enabling us to assess, mitigate, document and monitor impacts and risks associated with financing and investments. ESMS is supported by the group environmental and social risk governance standard and policy, which set out the principles under which we identify, measure, manage and report on E&amp;S risk. The standard and policy aim to ensure that our operations effectively assess and manage E&amp;S risk associated with all business transactions, particularly in relation to commercial and corporate clients, project finance, commercial debt and equity and short-term banking facilities.</li> <li>• Our sustainable finance business unit is responsible for partnering with our clients to develop and implement sustainable finance solutions.</li> <li>• We are working toward aligning with TCFD reporting, and are reviewing credit-portfolio exposure by elevated climate risk.</li> </ul>	<p> <b>2020 SBG ESG</b> P23 – 24: ESG Risk Governance P25 – 28: Ethics and Conduct P29: Respecting human rights P49 – 58: Sustainable Finance P59 – 66: Managing environmental and social impacts P67 – 77: TCFD aligned reporting</p>
<p>3.1 <i>Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</i></p>	<ul style="list-style-type: none"> <li>• Our dedicated sustainable finance business unit is responsible for partnering with our business areas to better serve our clients by developing and delivering innovative and bespoke green, social and sustainable products and services, helping our clients and investors to achieve their social and environmental ambitions. The unit brings together the full range of knowledge, skills and experience necessary to cover this rapidly expanding and growing opportunity. Since establishing the unit, we have pioneered, developed and executed a broad spectrum of sustainable products and strategic advisory and support services across the group.</li> <li>• In 2020 SBG issued its inaugural USD200 million green bond, via private placement with IFC. This ten-year facility is Africa's largest green bond and South Africa's first offshore green bond issuance. The capital raised as a result will be used to finance eligible green assets (renewable energy, energy efficiency, water efficiency and green buildings) aligned to SBG's Sustainable Bond Framework.</li> <li>• SBG is also pioneering <b>sustainability-linked loans</b> in Africa. These loans are structured to incentivise borrowers to improve their sustainability or transformation profiles, by aligning loan terms to the borrower's performance against mutually agreed, material and ambitious, predetermined sustainability performance targets. We issued six such loans in 2020.</li> </ul>	<p> <b>2020 SBG ESG</b> P49 – 58: Sustainable Finance</p>



Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p><b>4 Principle 4: Stakeholders</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 <i>Describe which stakeholders (or groups/ types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</i></p>	<p>SBG engages with a diverse range of stakeholders to understand their priorities and expectations. Our processes for stakeholder engagement, and how this engagement informs our material issues, is described in our ESG report. Material issues in 2020 included:</p> <ul style="list-style-type: none"> <li>• <b>Clients:</b> The impact of Covid-19 on their personal and business finances; reliance on digital channels; information security, cyber-security, system stability; value for money; personalised solutions; customer service; sustainable finance products</li> <li>• <b>Employees:</b> Safety, wellness, resilience, juggling multiple responsibilities while working from home; need for ongoing skills development; gender equity in senior and top management; employment equity in South Africa</li> <li>• <b>Investors:</b> SBG's competitiveness in a crowded market; speed/efficiency of digitisation journey; ESG performance including in relation to diversity of board and management, diversity and anti-discrimination policies; access to appropriate skills/talent, availability of specialised knowledge and skills; sustainable finance products; TCFD alignment</li> <li>• <b>Regulators:</b> Fair treatment of customers; affordability of and access to services; measures to relieve financial distress arising from Covid-19 (companies and individuals); efficiency of relief measures; solutions for SMEs, entrepreneurs, informal sector; management of customer complaints; business continuity and safety of employees; re-skilling for digital age; gender equity; employment equity; Fraud and cyber-crime, third-party risk; impacts/potential impacts of severe weather events; sustainable finance products</li> <li>• <b>Industry associations:</b> Cyber security, financial crime; digital finance; sustainable finance; climate risk, evolving human capital governance; stakeholder capitalism</li> <li>• <b>Communities:</b> Social and environmental impacts of fossil fuel projects; perceptions re limited disbursement of Covid-19 loans (SA).</li> </ul>	<p> <b>2020 SBG ESG</b></p> <p>P8 – 11: Material issues</p> <p>P13 – 20: Engaging our stakeholders</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p><b>5 Principle 5: Governance &amp; Culture</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>		
<p>5.1 <i>Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</i></p>	<ul style="list-style-type: none"> <li>• The group board exercises oversight of executive management's efforts to foster a responsible culture of ethics and appropriate conduct. The group's code of ethics, organisational culture and values determine how we do business and with whom we do business.</li> <li>• Our board and executive management are responsible for ensuring an appropriate focus on ethics, conduct and positive client outcomes.</li> <li>• The social and ethics board committee is responsible for ensuring that we adhere to our values, code of ethics, and human rights statement, and our commitments under the UN PRB.</li> <li>• SEE is a standing agenda item for our risk oversight committee, our social and ethics board committee, and our group leadership council.</li> <li>• In 2020, we 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. ESG risk has been integrated into the group's enterprise risk management framework. We have adopted a revised group ESG risk governance framework which addresses social, environmental and climate-related risk identification, classification, analysis, monitoring and reporting.</li> <li>• The revised framework defines structures and accountability for the oversight, governance and execution of ESG risk management, including environmental issues and climate-related risks; social issues including labour practices, human rights, health and safety, financial inclusion and impacts on communities; and governance issues including ethics and conduct, prevention of financial crime, and stakeholder relations.</li> <li>• Enhancements to the framework included strengthening our focus on climate-related risk, ensuring accountability for climate-related risk management, and embedding climate-related risk identification, classification, analysis, monitoring and reporting in our enterprise-wide risk management system.</li> <li>• Group risk committees oversee the implementation of the ESG Risk Governance Framework, and report to the relevant board committees. During 2020, the group board undertook dedicated ESG training, including sessions with external experts.</li> </ul>	<p> <b>2020 SBG ESG</b></p> <p>P6 – 7: Message from Group CEO</p> <p>P23 – 26: ESG risk governance</p>
<p>5.2 <i>Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</i></p>	<ul style="list-style-type: none"> <li>• We have established governance and committee frameworks to support effective conduct risk management from a controls and business perspective with clear lines of accountability and responsibilities assigned across the three lines of defence for managing conduct and its related risks.</li> <li>• Conduct principles have been integrated into group leadership programmes.</li> <li>• We have integrated SEE metrics and ESG performance into group performance metrics and include SEE and ESG considerations in executive performance assessments.</li> </ul>	<p> <b>2020 SBG ESG</b></p> <p>P25 – 29: Ethics and conduct</p> <p>P87: Performance management</p>

Principle 5: Governance & Culture continued


Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved</li> </ul>	<ul style="list-style-type: none"> <li>• The Group social and ethics committee (GSEC) approved the group's decision to become a founding signatory to the UN PRB in August 2019</li> <li>• GSEC provides oversight over PRB implementation</li> <li>• Progress reports on PRB implementation re submitted to and reviewed by GSEC.</li> </ul>	 <p>P24 ESG Risk Governance</p>

Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

The Standard Bank board is responsible for ensuring the group conducts itself as a responsible, ethical corporate citizen and ensure that dedicated board and management committees are responsible for the oversight of ethics, conduct, culture, stakeholder engagement and ESG risk management, to ensure our values and standards are reflected in all our day-to-day activities.

The social and ethics board committee will ensure that the group continues to meet its commitments under the UN Principles for Responsible Banking. We will continue to work on maturing our target setting process and set up mitigation or remedial actions if milestones are not met.

SEE metrics and ESG considerations have been integrated into SBG performance metrics and executive performance assessment.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	References
<p><b>6 Principle 6: Transparency &amp; Accountability</b> We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p><b>6.1 Progress on Implementing the Principles for Responsible Banking</b> <i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i> <i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i> <i>Show that your bank has implemented/ is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>Please see the group's ESG report, p22, for a fuller description of our progress against the six principles. Progress in 2020 included:</p> <ul style="list-style-type: none"> <li>• <b>Alignment:</b> Developed performance dashboard to measure progress against our strategy; developed non-financial metrics for each of our five value drivers; developed country-led SEE strategies</li> <li>• <b>Impact and target setting:</b> Defined SEE metrics to assess and track progress; participated in working group on Collective Progress</li> <li>• <b>Clients and customers:</b> Expanded integration of E&amp;S screening, management and monitoring across business and credit functions (previously focused on CIB only); Sustainable finance business unit partnered with clients to develop tailored sustainable finance solutions</li> <li>• Expanded mandate of client risk committees to include assessment of ethics and E&amp;S risks in relation to new and existing client relationships</li> <li>• <b>Stakeholders:</b> Increased, regular engagement with investors on SEE impacts</li> <li>• <b>Governance and culture:</b> Adopted ESG governance framework, recognising ESG as separate risk type within non-financial risk and assigning clear accountability. Expanded board and management committee mandates to include oversight of ESG risk management</li> <li>• Integrated SEE metrics and ESG performance into SBG performance metrics</li> <li>• Included SEE and ESG considerations in executive performance assessment</li> <li>• Hosted internal PRB webinars for employees</li> <li>• <b>Transparency and accountability:</b> Report to Society shows activities under SEE impact areas; ESG report provides overview of the processes and governance structures to support commitment to doing the right business, the right way</li> <li>• Reports on PRB progress are submitted to group social and ethics committee.</li> </ul>	<p> <b>2020 SBG ESG Report</b> P22: Progress against the Principles for Responsible Banking</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p> <p>Our Report to Society provides an update on our activities under each of our SEE impact areas, while the ESG report provides an overview of the processes and governance structures we have in place to support our commitment to doing the right business, the right way. We are committed to consulting, engaging and partnering with our stakeholders, and to reporting transparently on progress.</p>		



## Standard Bank – SEE indicators

### Impact Area: Climate change and Sustainable finance

	2020	Impact Input definition
<b>Treasury</b>		
Quantum of “Sustainable Finance” capital raised – USDm	<b>385</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Sustainable Finance capital raised as % of annual total	<b>21.27</b>	Sustainable Finance: green/social/sustainable/climate related products and services
<b>Lending</b>		
Number of deals	<b>6</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Quantum of deals – USDm	<b>647.68</b>	Sustainable Finance: green/social/sustainable/climate related products and services
<b>Sustainable Finance credit lines as %:</b>		
Corporate finance solutions (CFS) RSA Book	<b>2.22</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Real Estate Finance (REF) RSA Book	<b>1.04</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Energy and Infrastructure (E&I) RSA Book	<b>0.28</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Energy and infrastructure CFS AR Book	<b>20.76</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Investment Banking (IB) SA Book	<b>1.23</b>	Sustainable Finance: green/social/sustainable/climate related products and services
IB AR Book	<b>6.54</b>	Sustainable Finance: green/social/sustainable/climate related products and services
IB Global Book	<b>2.82</b>	Sustainable Finance: green/social/sustainable/climate related products and services
<b>Arranging</b>		
Number of Sustainable bonds arranged	<b>1</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Quantum of Sustainable Bonds Arranged (USD)	<b>200</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Sustainable Bonds arranged as % of total bonds arranged by SBG in sub-Saharan Africa	<b>2.41</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Green Bonds arranged as a % of total Green Bonds issued in sub-Saharan Africa	<b>36.4</b>	Sustainable Finance: green/social/sustainable/climate related products and services
<b>Equator Principles</b>		
Equator Principle Advisory deals closed	<b>1</b>	Sustainable Finance: green/social/sustainable/climate related products and services
Closing Exchange Rate Dec 2020 – ZAR/USD	<b>14.67</b>	



### Impact Area: Education

	2020	Impact Input definition
Annual spend on skills development (Rm) SBG	<b>677.5</b>	Cumulative cost of employee training and development as a percentage of employee cost to company
Annual spend on skills development as % of total staff cost to company	<b>1.9</b>	
Annual CSI spend on programmes that target direct education outcomes (Rm) SBSA	<b>79.5</b>	Education outcomes include any programme or funding primarily dedicated to improving the education or learning system's efficacy or efficiency.
Annual CSI spend on programmes that target direct education outcomes (\$m) Africa Regions	<b>1.1</b>	Education outcomes include any programme or funding primarily dedicated to improving the education or learning system's efficacy or efficiency.
Value of lending to "missing middle" students (Rm) SA	<b>250</b>	Total disbursements for unsecured student loans University of Limpopo and University of KZN (new offering)
	<b>24.85</b>	Total disbursements for collateral backed student loans across University of Pretoria, Wits, and University of Stellenbosch (unsecured Limpopo and UKZN)
Value-add spend to support education via the Feenix platform (Rm) SA	<b>632</b>	Number of Students that received funding through Feenix Crowdfunding platform within a specific academic year.
	<b>26.2</b>	Donations directly made to students through Feenix Crowdfunding platform within a specific academic year.



### Impact Area: Health

	2020	Impact Input definition
Annual per capita spend on Employee Assistance Programmes (EAP) SBG	<b>219.14</b>	Cumulative cost of EAPs (ICAS or similar) divided by number of employees
Annual programme uptake of EAP services (%) SBG	<b>16.3</b>	Number of individuals who have accessed any of the EAP services/programmes/ offerings as a %age of headcount
Annual CSI spend on programmes that target direct health outcomes (Rm) SBSA	<b>27</b>	Health outcomes include physical, mental and social health outcomes. "Improvement" may include increased quality access, improved efficiency and efficacy of health systems, and improvements to health system.
Annual CSI spend on programmes that target direct health outcomes (\$m) Africa Regions	<b>2.7</b>	Health outcomes include physical, mental and social health outcomes. "Improvement" may include increased quality access, improved efficiency and efficacy of health systems, and improvements to health system.



**Impact Area: Infrastructure**

	2020	Impact Input definition
Total facilities granted (Rbn) SBG	<b>1</b>	Total banking facilities granted to entities operating within the key infrastructure sub sectors being: Construction and cement, Transportation, Water and logistics. This should include lending and working capital type facilities common for clients operating in this space utilising short term facilities to fund themselves through infra build programmes
Total Project Finance Loans Granted (Rbn) SBG	<b>2.5</b>	Total value of Project Finance debt granted in the case of greenfield and brownfield infrastructure projects



**Impact Area: Financial Inclusion**

	2020	Impact Input definition
Affordable housing lending per annum and % change year-on-year (%) SA	<b>2</b>	The Financial Services Code requires banks to provide affordable housing for consumers that earn a gross income between R3 500 and R25 400.
% Market share of the affordable housing sector	<b>29</b>	The Financial Services Code requires banks to provide affordable housing for consumers that earn a gross income between R3 500 and R25 400.
Number of people reached through financial literacy programmes per annum and % change year-on-year (SBG)	<b>7 848</b>	The Financial Fitness Academy (“FFA”) is an initiative that creates an opportunity for individuals to reflect on their finances and gain insights relevant to building a meaningful goals-based financial journey.



**Impact Area: Job creation and enterprise development**

	2020	Impact Input definition
Value of lending to Black-owned small and medium enterprises (Rm) SA	<b>147</b>	Supplier Development (SD) Loan portfolio book, loans to SD Programme participants, with concessionary terms.
Business Development Support Services on supplier development programmes (Rm) SA	<b>6.4</b>	Direct spend that goes directly to SMMEs for development and capacity building (i.e. grants and technical training and coaching etc.)
Value of Enterprise Development lending to Black-owned small and medium enterprises (Rm) SA	<b>14.2</b>	Value of lending through Enterprise Development credit lines as well as value of lending supported by Enterprise Development funds
Annual spend on enterprise development initiatives (Rm) SA	<b>37.3</b>	Value of Non-Recoverable spend on qualifying transactions
Number of entrepreneurs receiving support from incubators (Number) SBG	<b>470</b>	TBC



**Impact Area: Africa trade and investment**

	2020	YoY	Impact Input definition
Number of African businesses supported with trade finance solutions (Number) SBG	<b>4 094</b>	21% Increase	Number of Domestic and Multinational Corporations that are supported with trade solutions across the continent at parent level.
Value of Trade Finance lending per annum (Bn) and % change year-on-year – SBG	<b>166.8</b>	3% Increase	Trade finance products offered by the bank aids global trade by providing importers and exporters access to working capital and risk mitigates. It concerns both domestic and international trade transaction and the bank as one the intermediaries facilitate these transactions by financing the trade
Value of cross-border payments per annum (Trillion) and % change year-on-year – SBG	<b>2.23</b>	5.48% Increase	These are transactions where the payee and the transaction recipient are based in separate countries (intra Africa and outside Africa). The transaction can be between individuals, companies or banking institutions who are looking to transfer funds across territories. The payments are sum total inflows and outflows





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