




Standard Bank Group  
Environmental,  
social and governance  
report **2019**

**Standard Bank Moving Forward™**  
Also trading as Stanbic Bank

# Contents

- 
- 03** Our reporting suite
  - 05** Message from Sim Tshabalala
  - 06** ESG governance
  - 08** Material issues during the reporting period
  - 10** Engaging our stakeholders
  - 16** How we do business
  - 33** Managing our environmental and social (E&S) risks
  - 43** Sustainable finance
  - 49** Our people
  - 63** Corporate social investment
  - 64** ESG metrics
  - 70** Policies

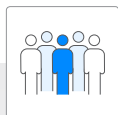
At the time of writing this report COVID-19 had begun spreading more rapidly across the world. Its impact on our communities and business activities is still being quantified. We intend to include these impacts in our strategy and short- and long-term budget plans.

# Our reporting suite

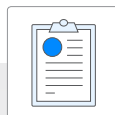
Standard Bank Group's (the group or Standard Bank) ESG (environmental, social and governance) report provides an overview of the processes and governance structures the group has in place to support our commitment to doing the right business, the right way.

It includes information about how we ensure that a strong ethical culture and appropriate conduct is embedded across the group – reflected in the way in which we treat our clients, suppliers and partners, how we support and develop our people, and how we impact on the societies in which we operate.

This report includes an overview of:



- The governance structure overseeing ESG across the Standard Bank Group
- Our material issues
- How we engage with our stakeholders, and the policies and frameworks guiding this engagement



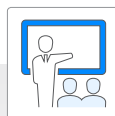
- How we ensure appropriate business conduct, including through adherence to:
  - Our values and code of ethics
  - United Nations Principles for Responsible Banking
  - Our human rights statement
  - Mechanisms for raising concerns/whistleblowing
  - Transparency regarding tax matters and responsible procurement



- How we manage risk, including regulatory and compliance risk, conduct risk, conflicts of interest and market abuse controls
- Our policies and processes to combat financial crime, including anti-money laundering (AML) and combating the financing of terrorism (CFT), anti-bribery and corruption (ABC), prevention of facilitation of tax evasion, and measures to combat fraud
- How we protect data privacy and security, cybersecurity and system availability



- How we manage social and environmental risk, including climate-related risk
- How we promote sustainable finance, through ESG-linked lending, our sustainable bond framework, sustainable trade finance, and investment in renewable energy
- Measures we're taking to reduce our direct environmental impacts and our progress against targets



- How we invest in the development and training of our people, and attract and retain talent
- What we do to promote diversity and inclusion across the group
- How we promote employee wellbeing and appropriate working conditions



- Our corporate social investment initiatives

## OUR REPORTING SUITE CONTINUED

This report is complemented by reports in Standard Bank's reporting suite.

The [annual integrated report](#) provides a holistic assessment of our ability to create sustainable value in the short, medium and long term.

The [governance and remuneration report](#) discusses the group's governance and remuneration priorities, as well as the group's remuneration and implementation report.

For more information regarding Standard Bank's social, economic and environmental (SEE) impacts, please see our [reporting to society platform](#).

[The risk and capital management report](#) sets out the group's approach to risk management, including current and emerging risks.

For information about how Standard Bank applies the principles of the King IV™ Report on Corporate Governance for South Africa, please visit the group's [governance and remuneration report](#).

\* Also known as the King Code and King IV™. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Our [annual financial statements](#) set out the group's full audited annual financial statements, including the report to the audit committee.

Quarterly disclosures in accordance with the Basel Committee on Banking Supervision's revised pillar 3 disclosure requirements, the South African Reserve Bank (SARB) Directives 11/2015 and 1/2018 issued in terms of section 6(6) of the Banks Act No. 94 of 1990 and Regulation 43 of the regulations relating to banks can be found [here](#).



# Message from Sim Tshabalala

Standard Bank Group Chief Executive

Around the world, investors, regulators and standard setting bodies are demanding greater transparency about how businesses are managing non-financial risks, particularly those created by climate change. Social expectations about the role and responsibilities of business in general also continue to change. Our business depends on us being a trusted partner to a broad range of stakeholders, including our clients, our regulators, our business partners and the communities in which we operate.

We are committed to driving sustainable and inclusive economic growth across Africa, and to ensuring that our business activities create net positive social, economic and environmental (SEE) impacts. Effective ESG risk management plays a critical role in this. We identified ESG risks as one of the group's material risks in 2019 and have begun a comprehensive review of our governance systems and processes to ensure we're aligned with global good practice.

As a responsible corporate citizen we aim to understand the impacts of our business activities on society, the environment, and economies. We have adopted SEE impact as one of our five strategic value drivers against which we measure our performance. Our SEE impact areas are informed by the UN global Sustainable Development Goals and the African Union's Agenda 2063. We choose to hold ourselves to a number of voluntary global standards regarding ethical business practice, including the UN Principles for Responsible Banking, the Equator Principles, and the UN Women

HeForShe initiative. Over the past four years, as chair of the Equator Principles Association, we've been closely involved in the review of the Equator Principles (EP), and the development of EP4. Having achieved this important milestone, we've stepped down from the chair, but remain an active and committed member of the Association.

We recognise the risks posed by a changing climate, together with the environmental impacts of coal-fired power, as material issues for the group. In 2019, we concluded that it was right that minority shareholder resolutions on finance for coal-fired power generation and on exposure to climate change risk should be considered at our group AGM. We were not legally obliged to table these resolutions, but did so in a spirit of respectful and honest engagement on the issue, and in recognition of the importance of hearing multiple perspectives on such issues. In accordance with our shareholders' decisions, we subsequently developed and

published policies governing new investment in [coal fired power finance policy](#) and [thermal coal mining finance policy](#).

As a large and complex business with a diverse set of stakeholders, we assess and manage trade-offs in respect of strategic and operational decisions. These trade-offs include the need to balance the challenges posed by climate change and the need to support access to reliable energy to support economic growth and poverty alleviation. Our decisions consider the optimal strategies to mitigate environmental impacts and are always made on the strict proviso that human rights are upheld and applicable laws and regulations adhered to.

Over the past year, we've reviewed our governance structures to ensure appropriate oversight and management of ESG risk, including climate-related risk. We're in the process of collecting and assessing data and using models to inform our approach to managing climate change risk in Africa. In accordance with our values, it is important that we report on and manage climate change risk with rigour and integrity, taking full account of the fact that we are an African financial services group.

We've formed a working group to address gaps in our existing climate change disclosures. We're analysing our lending and investment portfolio to identify concentrations of exposure to climate-related risks by industry and sector in line with the Task Force on Climate-related Disclosures (TCFD) recommendations.

Our approach is not just precautionary. We have established a dedicated sustainable finance business unit, and we're actively working with our clients to develop bespoke solutions to help them achieve their social and environmental goals. We're proud to be a constituent of the FTSE4Good Index Series. We commit to consulting, engaging and partnering with our stakeholders, and to reporting transparently on progress as we work toward strengthening our ESG risk governance and management.

# ESG governance

The Standard Bank Group board is responsible for ensuring the group conducts itself as a responsible, ethical corporate citizen.

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. In 2019, the group adopted a new ESG governance framework, which recognises ESG as a separate risk type within non-financial risk and assigns clear accountability for management of this risk area.



## GROUP EXECUTIVE COMMITTEE

## SBG BOARD

monitors adherence to group policies and standards, including values and code of ethics	practices are in place to identify risks, resolve issues and strengthen risk culture	ensures clear business ownership and accountability
ensures appropriate governance structures, policies, procedures,	drives business alignment with conduct and ESG strategies	oversees conduct dashboards prepared by business units and corporate functions

### GROUP RISK AND CAPITAL MANAGEMENT COMMITTEE (GRCMC)

oversees ESG risk, sets ESG risk appetite, approves group ESG risk standard and policy, considers risk associated with allocation of capital

### GROUP SOCIAL AND ETHICS COMMITTEE

defines strategy, approves codes of conduct and relevant guidelines and policies, including human rights statement and code of ethics

governs and oversees group activities relating to conduct, ethical standards and stakeholder engagement

ensures material stakeholder issues receive attention from board and management

### GROUP RISK OVERSIGHT COMMITTEE (GROC)

reports to the GRCMC, oversees all risk types, approves relevant risk governance policies, promotes risk management culture in the group, ensures effective ESG risk management, oversees processes implemented by business unit risk committees and mandated forums, including client and transaction screening and due diligence to assess potential human rights and environmental impacts

### SOCIAL AND ETHICS MANAGEMENT COMMITTEE

reviews matters related to ethics, market conduct, personal conduct and societal conduct before these are submitted to the group social and ethics committee

### CLIENT RISK COMMITTEES

assess issues related to ethics and conduct in relation to onboarding new clients, new client mandates, and existing client relationships, including conflicts of interest, anti-competitive behaviour and financial crime

assess new and existing clients in relation to risk level and proposed activities with a focus on sanctions, terrorist financing, bribery and corruption, money laundering and fraud

### SUPPLIER RISK COMMITTEE

reviews issues related to ethics and conduct in relation to suppliers and third parties, including conflicts of interest, anti-competitive behaviour, human rights and conduct

### BUSINESS UNIT AND CORPORATE FUNCTION HEADS

prepare conduct dashboards for quarterly reporting

### GROUP OPERATIONAL RISK COMMITTEE

reviews non-financial risk as defined by the group non-financial risk governance framework

includes all heads of operational risk: technology, cyber, information, fraud, ESG and tax risk

### PORTFOLIO RISK MANAGEMENT COMMITTEE

subcommittee of Corporate & Investment Banking (CIB) credit governance committee, sets concentration limits or thresholds of portfolios and risk appetite indicator guidelines for the group

# Material issues during the reporting period

Standard Bank Group's material issues are those that matter most to our key stakeholders and providers of capital, and impact on our ability to create value in the short, medium and long term. We consider an issue to be material if it has the potential to substantially impact on our commercial viability, our social relevance and our relationships with our stakeholders. Our material issues are informed by the expectations of our stakeholders, and the economic, social and environmental context in which we operate.

Our value drivers are used to measure our strategic progress and allow us to focus our efforts on achieving the value we aspire to create for all our stakeholders. Our material issues encompass the risks and opportunities in relation to each value driver.

While material issues evolve over time, in response to changes in our operating environment and stakeholder expectations, the broad themes tend to be relatively stable. In 2019 we made minor changes to the group's material issues.



## HOW WE DETERMINE OUR MATERIAL ISSUES

We view the materiality determination process as a business tool that facilitates integrated thinking.

### Identify

We identify issues based on ongoing engagement with internal and external stakeholders, as reported quarterly to the group social and ethics committee. These insights are supplemented by internal research and risk reports, media coverage, and national and regional developments in our countries of operation.

### Prioritise

We review our material issues annually. A list of issues is shared with executives across the group to identify priorities based on their likelihood and potential impact on the group.

### Approve






We discuss the refinements and adjustments at the group executive and the social and ethics management committees, before being discussed and approved at the group social and ethics committee. The issues are then shared with the group board for discussion and approval.

**In 2019, we made minor changes to the group's material issues.**



## MATERIAL ISSUES DURING THE REPORTING PERIOD

### CONTINUED

	Stakeholder priorities and concerns	2019 material issues
	<ul style="list-style-type: none"> <li>• <b>CLIENTS:</b> Always-on, secure, stable and convenient transactional platforms; value for money; personalised financial solutions; service concerns around branch closures.</li> <li>• <b>INVESTORS:</b> Competitiveness in a crowded market; speed and efficiency of the digitisation journey</li> <li>• <b>REGULATORS:</b> Fair treatment of clients; affordability of and access to services; managing over-indebtedness; equitable access to credit; protection against unfair discrimination.</li> </ul>	<b>Focusing on our clients</b> <ul style="list-style-type: none"> <li>• Deliver a compelling value proposition for our clients in an increasingly competitive environment.</li> <li>• Protect and maintain the integrity of client data.</li> <li>• Ensure fair outcomes for clients.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>EMPLOYEES:</b> Redundancy of skills and possible future retrenchments; branch closures in South Africa; gender equity in top and senior management; transformation of top and senior management in South Africa.</li> <li>• <b>INVESTORS:</b> Diversity of the board and workforce, as well as diversity and anti-discrimination policies; access to appropriate skills and talent.</li> <li>• <b>REGULATORS:</b> Gender equity; employment equity in South Africa; plans for reskilling the workforce and preserving jobs.</li> </ul>	<b>Engaging our employees</b> <ul style="list-style-type: none"> <li>• Diversity and inclusion: focus on gender equity in the group and employment equity in South Africa.</li> <li>• Impact of digitisation and automation on workforce requirements.</li> <li>• Build and retain local skills and capabilities in countries of operation.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>CLIENTS:</b> Disruption caused by system outages.</li> <li>• <b>INVESTORS:</b> Governance, ethics, market conduct and internal controls.</li> <li>• <b>REGULATORS:</b> Deepening of regulatory scrutiny and requirements in several African countries; protecting clients from fraud and cybercrime and processes for compensation; potential interest rate or fee cap structures.</li> </ul>	<b>Managing our risk and conduct</b> <ul style="list-style-type: none"> <li>• Cybersecurity.</li> <li>• Stability, security and speed of our IT systems.</li> <li>• Reputational and operational risk associated with third-parties, counterparties and suppliers.</li> <li>• Impact of fraud on clients and the group.</li> <li>• Risk management across geographies with varied and evolving policy and regulatory frameworks.</li> <li>• Building trust with regulators through constructive engagement.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>INVESTORS AND SHAREHOLDERS:</b> Revenue pressure from competition; low-fee competition from new entrants; poor South African macroeconomic outlook (loan growth and cost of risk); ICBCS performance; profitability, earnings and ROE.</li> </ul>	<b>Achieving our financial outcomes</b> <ul style="list-style-type: none"> <li>• Sustainable revenue growth.</li> <li>• Maintain resilience of our balance sheet.</li> <li>• Improve efficiencies and manage the cost base.</li> <li>• Returns on IT investment.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>CLIENTS AND REGULATORS:</b> Solutions for SMEs, entrepreneurs and the informal sector; impacts and potential impacts of severe weather events; sustainable finance products.</li> <li>• <b>INVESTORS:</b> ESG performance; transparency on climate-related risk exposure and ESG impacts; Task Force on Climate-related Financial Disclosures; sustainable finance products.</li> <li>• <b>COMMUNITIES:</b> Social and environmental impacts of fossil fuel projects.</li> </ul>	<b>Driving positive SEE impact</b> <ul style="list-style-type: none"> <li>• Contribute to job creation, enterprise development, education and skills development in countries of operation.</li> <li>• Financial inclusion across Africa with appropriate digital offerings.</li> <li>• Mitigate negative environmental impacts associated with direct and indirect business activities.</li> </ul>

# Engaging our stakeholders

Stakeholder engagement is part of our everyday business. We depend on constructive relationships with our diverse stakeholders to achieve our purpose of driving Africa's growth, understand stakeholder expectations, and help us identify the material issues impacting our business.

Effective engagement builds trust, strengthens our legitimacy as a socially-relevant and responsible corporate citizen and supports our efforts to develop and implement effective solutions to Africa's social, economic and environmental challenges.



Standard Bank's stakeholders are those individuals, groups, and organisations that materially affect or could be materially affected by our business activities, products, services and performance. They provide us with the resources and capital we need to achieve our strategy and purpose; influence the environment in which we operate; and confer legitimacy on our activities.

The issues on which we engage our stakeholders are multiple and diverse. We are committed to respectfully listening to and constructively engaging with all legitimate stakeholders. Proactive engagement provides us with insights that help to inform the definition of our material issues and shape our business strategy and operations, while enabling us to manage and respond to stakeholder concerns and minimise reputational risk.

The group policy, advocacy and sustainability team, within group risk, is responsible for reporting on material stakeholder engagements to the group social and ethics committee, and for ensuring that material stakeholder concerns and issues are incorporated into Standard Bank's annual assessment of material issues. It also serves as a subject matter expert on developing good stakeholder engagement practices and managing certain stakeholder engagements on behalf of the group.

We categorise our stakeholders into two primary groups: those with a direct relationship with the group, and those with an indirect relationship. The following table describes some of the ways we engage with these different groups.



## ENGAGING OUR STAKEHOLDERS CONTINUED

Why we engage	How we engage
<b>Stakeholders with a direct relationship with the group</b>	
<p><b>Our clients</b> range from individuals and small businesses to large corporates, state entities and multinationals. We need a clear understanding of different clients' needs and preferences, to provide an appropriately tailored service offering.</p>	<ul style="list-style-type: none"> <li>• Direct engagements through various channels</li> <li>• Client satisfaction surveys</li> <li>• Feedback from complaint resolution processes</li> <li>• Engagement with and support to SMEs through our enterprise development teams/incubator services at country level</li> </ul>
<p>We rely on <b>our people</b> to achieve our purpose. Regular engagement with our people and their trade union representatives is vital in fostering constructive relationships and making Standard Bank a great place to work.</p>	<ul style="list-style-type: none"> <li>• Engagement between executives and senior management through Group Leadership Forum and in-country visits</li> <li>• Regular engagements with employees' trade union representatives</li> <li>• Annual 'Are You a Fan' groupwide employee survey</li> <li>• Targeted surveys to obtain input from their employees on strategic topics</li> <li>• Executive communications via email and Yammer</li> <li>• Support for employees impacted by restructuring</li> <li>• Diversity and inclusion forums discuss matters of equity in the workplace</li> <li>• Critical Conversations provide opportunities to engage with senior executives and thought leaders</li> <li>• Financial fitness sessions</li> <li>• Employee wellness initiatives</li> <li>• In South Africa, the political, economic transformation and black economic empowerment (PETBEE) committee receives regular progress updates on transformation progress from Standard Bank South Africa (SBSA) management teams</li> </ul>
<p><b>Our shareholders</b> provide the financial capital that allows our business to grow. We have a fiduciary duty to manage their investment with care and provide them with a compelling value proposition to retain their confidence and support.</p>	<ul style="list-style-type: none"> <li>• Investor meetings, calls and conferences</li> <li>• Interim and annual results announcements</li> <li>• Investor issues and concerns are communicated to relevant internal stakeholders, including the board, and inform our planning and reporting</li> </ul>
<p>We engage with <b>our suppliers and business partners</b> to protect the integrity of our supply chain and ensure we're aligned in terms of expectations and standards.</p>	<ul style="list-style-type: none"> <li>• We manage our relationships with suppliers through service level agreements and direct engagements.</li> </ul>

## ENGAGING OUR STAKEHOLDERS CONTINUED

Why we engage	How we engage
<b>Stakeholders with an indirect relationship with the group</b>	
We engage with <b>regulators, policy-makers and legislators</b> on policy and regulatory matters that impact our operations and operating environment, to support evidence-based policy-making and dialogue and ensure effective compliance.	<ul style="list-style-type: none"> <li>• Regular formal engagements with central banks and other regulatory bodies on policy, regulatory and operational issues</li> <li>• Engagement through trade associations</li> <li>• Attending deliberations in Parliament</li> <li>• Seminars with government officials on forthcoming policy changes</li> <li>• Examples of engagement in South Africa can be found <a href="#">here</a>.</li> </ul>
We engage with <b>NGOs, environmental and human rights groups, research institutes, think tanks and community representatives</b> to access information and diverse perspectives on various issues and inform our decision-making. This helps us understand the potential social and environmental impacts of proposed and existing business practices and projects.	<ul style="list-style-type: none"> <li>• We partner with UN Women on their #HeForShe programme to promote gender equity</li> <li>• We welcome engagement on specific issues. During 2019, for example, we engaged with BankTrack regarding the East Africa oil pipeline, and we continue to engage with the Centre for Environmental Rights and the Raith Foundation in South Africa regarding finance for coal-fired power</li> <li>• In South Africa we engage regularly with selected civil society organisations and think tanks through our Expanded Democracy Support Programme and host regular dialogues at our head office in Johannesburg</li> </ul>
We engage with <b>trade associations and other industry bodies</b> , working through them to influence our regulatory and operating environment and working with them to agree industry standards and guidelines.	<ul style="list-style-type: none"> <li>• The group CE serves on the board of the International Institute of Finance. We participate in regular global discussions on issues impacting the sector</li> <li>• We're an active member of the Equator Principles Association and chaired the Association during the process of developing and agreeing the new EP4 Principles, adopted in November 2019</li> <li>• We're co-chair of the Banking Committee of the UNEP FI</li> <li>• We're a founding signatory of the UN Principles for Responsible Banking</li> <li>• We're part of the International Chamber of Commerce's Banking Commission on Sustainable Trade Finance to equip banks to finance sustainable trade practices</li> <li>• We're active participants in various industry bodies in our countries of operation, including, for example, Business Leadership South Africa (BUSA) and the Banking Association South Africa</li> </ul>
We engage with <b>political parties</b> to understand their expectations of our role in addressing societal challenges.	<ul style="list-style-type: none"> <li>• In South Africa, we host regular bilateral engagements with political parties as part of our Democracy Support Programme</li> </ul>
We engage with the <b>media</b> to support accurate and well-informed reporting.	<ul style="list-style-type: none"> <li>• We have a dedicated team at head office in Johannesburg who oversees our engagements with the media</li> </ul>
<b>Academia</b>	<ul style="list-style-type: none"> <li>• We partner with various educational institutions to support skills development and access to education.</li> </ul>

## ENGAGING OUR STAKEHOLDERS CONTINUED

### Engaging our regulators

In South Africa, we've adopted an externally assured operating model for the process of monitoring policy and regulatory developments, assessing their impact and providing evidence-based submissions to stakeholders.

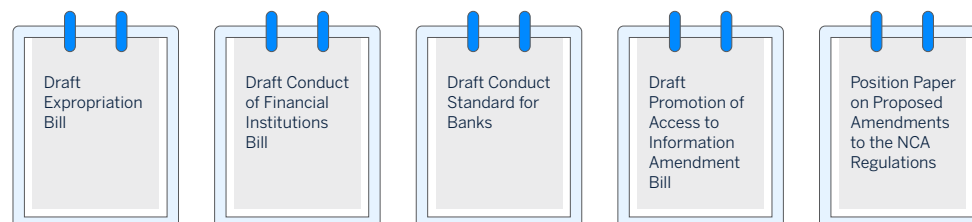
We maintain a schedule of policy and regulatory developments, which is shared with relevant internal stakeholders across SBSA to ensure awareness and readiness for new regulatory requirements.



#### Issues on which we engaged with government departments and Parliament included:

- Market conduct with National Treasury and the Financial Sector Conduct Authority
- Fintech and crypto assets with the SARB
- Financial crime with the Financial Intelligence Centre
- Consumer credit and over-indebtedness with the National Credit Regulator
- Development of a climate change legislative framework with the Department of Environmental Affairs.

#### Submissions included comment on:



## Governance of stakeholder engagements

Stakeholder engagement is governed by our group **stakeholder engagement principles**, which were approved by the group social and ethics committee in 2018. The principles provide a guideline for our operations across geographical areas, while recognising the need to accommodate local contexts. We developed the principles in consultation with our regional and country chief executives across Africa.

#### WE ARE COMMITTED TO:

Responding appropriately to legitimate concerns

Constructive engagement, listening to concerns and suggestions with an open mind

Being transparent in our engagements

Being accessible

Ensuring that our code of ethics and our values underpin and inform our engagements

We engage with our different stakeholders in different ways and strive to be responsive to their concerns. Given the scale of our operations and the diversity of our stakeholders, we have adopted a decentralised stakeholder engagement approach. Different teams within the group meet with their stakeholders regularly on matters of mutual interest. At country level, accountability for oversight of stakeholder engagement lies with the country board or, in some cases, the country executive committee. Executives in country are responsible for managing engagement with material stakeholders in the country.

## ENGAGING OUR STAKEHOLDERS CONTINUED

We have **guidelines and policies** in place to govern our engagements with various types of stakeholders. These ensure that group representatives have an appropriate mandate for engagement, and that potential conduct and reputational risks are managed.

Stakeholder type	Relevant guideline or policy governing engagement
<b>Industry, trade associations</b>	<b>Participation in Trade Associations policy</b> <ul style="list-style-type: none"> <li>• Aims to ensure that the group's position and representation is managed and is consistent across various associations; that adequate internal consultation is undertaken to formulate our positions; that our representatives are clearly mandated and supported to communicate group-wide positions; that developments and positions on material issues are appropriately reported to relevant stakeholders, and that all representatives conduct themselves in a way that reflects the values and protects the reputation of Standard Bank.</li> <li>• Applies to membership of banking or insurance associations, broader business associations and industry workgroups set up by regulators or government</li> <li>• Sets out categories of representatives; process for nominating and appointing Standard Bank representatives to new and existing committees; principles for participation; and criteria for an annual review of representatives</li> <li>• All representatives are required to undergo compulsory training on competition law provided by group compliance</li> </ul>
<b>Political parties</b>	<b>Group code of ethics</b> <ul style="list-style-type: none"> <li>• Designated group representatives should engage, in a transparent and fair manner, with politicians and political parties, with a view to making a positive difference to the relevant country's wellbeing and Standard Bank's business environment</li> <li>• Individual employees are free to engage in legal political activity in their personal capacity but should not make use of Standard Bank resources for this purpose</li> <li>• When personal relationships exist with political role players, employees should guard against those relationships being used to unfairly influence political decision-making or decision-making in Standard Bank</li> </ul>
<b>Regulators, policy makers, legislators</b>	<b>Regulator interaction guidelines</b> <ul style="list-style-type: none"> <li>• Aims to ensure engagements are conducted transparently and constructively and are aimed at highlighting the potential impact of policy and regulatory changes on our clients and the economy</li> <li>• Applies to all employees.</li> </ul>

## ENGAGING OUR STAKEHOLDERS

### CONTINUED

The group has guidelines in place to govern the **donations** to various categories of external stakeholders.

Stakeholder type	Relevant guideline or policy governing funding
<b>Political parties</b>	<ul style="list-style-type: none"> <li>• Requests for funding of, or decisions to fund, any political party are referred to the group chief ethics officer</li> <li>• We do not fund political parties outside South Africa</li> <li>• In South Africa, we provide funding for political parties under our <a href="#">democracy support programme</a>. Parties represented in the National Assembly of Parliament receive funding using the Independent Electoral Commission's formula. This board-approved funding policy is reviewed every five years. Political parties receive no other financial support from the group. Guidelines are in place to guard against the risk that such contributions could be used inappropriately, by the group, its employees or third-parties, to obtain business advantage. In 2019, R5.1 million was allocated towards the democracy support programme.</li> </ul>
<b>Civil society organisations</b>	<ul style="list-style-type: none"> <li>• Policies are determined at country level</li> <li>• In South Africa, the <a href="#">expanded democracy support programme</a> guidelines govern the assessment of funding requests and the provision of financial support to civil society organisations. The guidelines aim to ensure consistency in the assessment, management and outcomes of funding requests and compliance with applicable statutory and regulatory obligations and the group values and code of ethics, while guarding against the risk that such contributions could be used inappropriately to obtain business advantage. In 2019, we disbursed R4 million towards expanded democracy support programme.</li> </ul>
<b>Sponsorships</b>	<ul style="list-style-type: none"> <li>• The <a href="#">group sponsorship policy</a> governs all sponsorships undertaken by the group and its subsidiaries</li> <li>• We define sponsorship as a commercially viable investment of cash, product or in-kind support with a rights holder, for which the group receives quantifiable commercial rights in return</li> <li>• Due diligence must be carried out on rights holders prior to contracting, to ensure entities are of impeccable integrity and are reputationally sound</li> <li>• Total sponsorship spend is reported quarterly, to the social and ethics management committee and social and ethics board committee.</li> </ul>

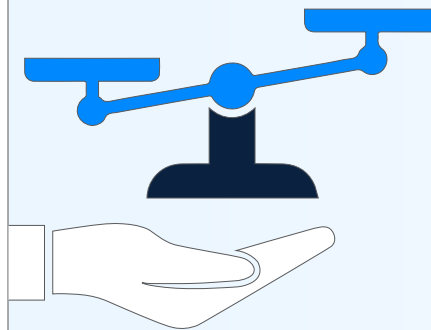


# How we do business

Achieving our group purpose and strategy depends on our reputation as a trusted partner across Africa. The group's code of ethics, organisational culture and values determine how we do business and with whom we do business.

Our board and executive management are responsible for ensuring an appropriate focus on ethics, conduct and positive client outcomes. The social and ethics board committee is responsible for ensuring that the group adheres to our values, code of ethics, and human rights statement, and our commitments under the UN Principles for Responsible Banking.

## Ethics and values



Our approach to ethics is based on three pillars:

**In the market (business conduct)** – placing our clients at the centre of our business, treating clients fairly, and treating competitors fairly

**In the group (personal conduct)** – how we treat one another as colleagues and create an inclusive and supportive culture, and how we empower our people to speak out against behaviours that go against our values and ethics

**In society (ESG, SEE, citizenship)** – how we manage our impacts on diverse stakeholders, society and the environment

### Our values



Respecting each other



Serving our customers



Delivering to our shareholders



Working in teams



Upholding the highest levels of integrity



Growing our people



Being proactive



Constantly raising the bar



## HOW WE DO BUSINESS CONTINUED

The group code of ethics requires all employees to act with integrity and to place the interests of our clients, and the communities impacted by our business, at the centre of our decision-making. It sets out clear principles to help our employees decide on the correct course of action. The code is based on the understanding that 'we need to focus our energy and attention on providing our customers with the products, services and solutions that suit their needs; and that our leaders need to encourage and help our people to develop their full potential'. The code further specifies four guidelines for the way we work with one another:

We proactively anticipate, in a carefully considered way, rather than react to situations for which we are unprepared

We believe that in teams, within and across business units, divisions and countries, we shall achieve much greater success than as individuals

Recognising the obligations corresponding with each of our rights, we act with the highest regard for the dignity of all people. We demonstrate respect for all people and for the values and principles of Standard Bank

It should be apparent to all our stakeholders that integrity permeates everything we do.

All employees must undertake annual mandatory training on the code of ethics. Employees must also complete mandatory conduct training annually, with a minimum pass mark set at 80%. Regular training helps to ensure appropriate understanding and embedding of the group's expectations in terms of ethics and conduct.

If an employee has any concerns about a behaviour or incident that they believe deviates from the group's values or code of ethics, they are required to report these. Employees may raise concerns or report issues to the chief ethics officer, their business unit ethics officers, human capital, line managers, or through the group's independent, anonymous ethics and fraud hotline.

## Managing our risks

**Our executives, senior management and compliance teams work together to reinforce a compliance culture across the group. Our combined assurance model includes group internal audit, group compliance monitoring and integrated operational risk, who together ensure a coordinated approach to providing assurance on whether top risks are effectively managed in the group.**

All Standard Bank Group employees must complete mandatory compliance training, which is available online and can be accessed via a computer or mobile device. Training uses case studies and course assessments and provides immediate feedback. We also hold regular compliance interactions with a wider audience across the group, including topics such as anti-bribery and corruption, anti-money laundering and combating the financing of terrorism, conflicts of interest and risk-based approaches to compliance documented in compliance policies.

Read more about our approach to risk management in our [risk and capital management report](#).

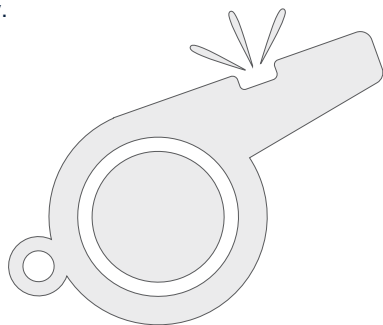
## HOW WE DO BUSINESS CONTINUED

# Whistleblowing

All employees are responsible for ensuring that their behaviour, and that of the group, reflects the group's values, code of ethics, and commitment to respecting human rights. If any stakeholder believes that the group has contravened these commitments, they are encouraged to report this under the provisions of the group's whistleblowing policy.

Stakeholders are encouraged to report any suspected, attempted or actual unlawful, irregular or unethical behaviour, including any instance or suspected instance of injustice, danger to the health and safety of any individual, environmental damage, unfair discrimination, abuse of company or client resources and assets, or deliberate covering-up of any of these behaviours.

The group provides various channels for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour. Through regular communications, we actively encourage employees to use these channels if they have any concerns. Whistleblowers may choose to report anonymously.



### REPORTING CHANNELS FOR EMPLOYEES

- Information on our whistleblowing policy and processes is readily available to all employees
- Reports can be made directly to line managers, to group investigation and fraud risk (GIFR), or via an independent, confidential whistleblowing hotline
- Employees may also make reports to persons or bodies external to the group, as defined by the policy.

### REPORTING CHANNELS FOR EXTERNAL STAKEHOLDERS

- External stakeholders (and employees) may make reports directly to the group. Details of whistleblowing hotlines for each of our countries of operation are listed [here](#)
- Stakeholders may send an email to: [whistleblowingline@kpmg.co.za](mailto:whistleblowingline@kpmg.co.za) detailing their concerns.
- Stakeholders may make a report to a legal representative, with the object of and while obtaining legal advice; relevant regulatory bodies, or a prescribed person/body who the whistleblower reasonably believes would usually deal with these matters.

### WHISTLEBLOWERS ARE PROTECTED

- No whistleblower shall be disadvantaged when reporting legitimate concerns in good faith or on the basis of a reasonable belief
- Our whistleblowing policy provides for the protected disclosure of any attempted, suspected or actual and/or unlawful, irregular or unethical behaviour that employees come across in the group in terms of the Protected Disclosures Act, 2014
- Whistleblowers are not expected to prove the truth of an allegation but do need to show that there are sufficient grounds for concern.

GIFR analyses all reports and determines appropriate action. Reports warranting a forensic investigation are investigated by GIFR or Fraud Risk in country.

In 2019, 406 cases were reported to the hotline, and 191 investigations were undertaken. The most common reports related to misconduct, unethical behaviour and fraud. Whistleblowing cases investigated in 2019 resulted in 11 dismissals and the issuing of 30 warnings.

## HOW WE DO BUSINESS CONTINUED

# UN Principles for Responsible Banking

Standard Bank is a founding signatory of the UN Principles for Responsible Banking. More than 100 banks from five continents launched the Principles at the annual UN General Assembly in New York in September 2019. 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.

Standard Bank was part of the core team responsible for developing the Principles and was closely involved in the consultations and negotiations that took place in the 18 months leading up to the launch. The core

team represented 28 banks, from all over the world, spanning developed and developing economies. Working closely with the UNEP FI secretariat, we consulted with a wide variety of banks across the globe, and engaged with a great many other stakeholders, including civil society organisations, banking associations, regulators and technical experts.

## HOW WE DO BUSINESS

### CONTINUED

UN Principles for Responsible Banking	Current progress
<p><b>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 SDGs, Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>Our strategy commits us to driving sustainable and inclusive economic growth across Africa and ensuring that our business activities create net positive social, economic and environmental impacts. We have adopted social, economic and environmental (SEE) impact as one of the five value drivers against which we measure our strategic progress.</p>
<p><b>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. We will set and publish targets where we can have the most significant impacts.</p>	<p>We have identified seven SEE impact areas, informed by the SDGs and directly relevant to our core business as a provider of financial products and services. We are committed to tracking, assessing and reporting on our SEE impacts, both positive and negative. We are in the process of identifying metrics to assess and track progress.</p>
<p><b>3. Clients and customer:</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>The group's code of ethics, organisational culture and values determine how we do business and with whom we do business. Our board and executive management are responsible for ensuring an appropriate focus on ethics, conduct and positive client outcomes.</p> <p>Our sustainable finance business unit is responsible for partnering with our clients to develop and implement sustainable finance solutions.</p> <p>Our client risk committees assess issues related to ethics and conduct in relation to new and existing client relationships.</p>
<p><b>4. Stakeholders:</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	<p>Stakeholder engagement is part of our everyday business. We depend on constructive relationships with our diverse stakeholders to achieve our purpose of driving Africa's growth, understand stakeholder expectations, and help us identify the material issues impacting our business. Effective engagement builds trust, strengthens our legitimacy as a socially-relevant and responsible corporate citizen and supports our efforts to develop and implement effective solutions to Africa's social, economic and environmental challenges. We provide further information on how we engage our stakeholders <a href="#">here</a>.</p>
<p><b>5. Governance and culture:</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	<p>The Standard Bank board is responsible for ensuring the group conducts itself as a responsible, ethical corporate citizen. 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. In 2019, the group adopted a new ESG governance framework, which recognises ESG as a separate risk type within non-financial risk and assigns clear accountability for management of this risk area.</p>
<p><b>6. Transparency and 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>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>

## HOW WE DO BUSINESS CONTINUED

# Respecting human rights

In keeping with our purpose, and our obligations as a responsible financial services group in, for, and across Africa, Standard Bank Group is committed to respecting the human rights of people involved in and impacted by our business. We aim to achieve a consistent approach to respecting human rights across Standard Bank.

Human rights are the basic and universal rights that underpin each person's inherent freedom, dignity, and equality as outlined in the UN's Universal Declaration of

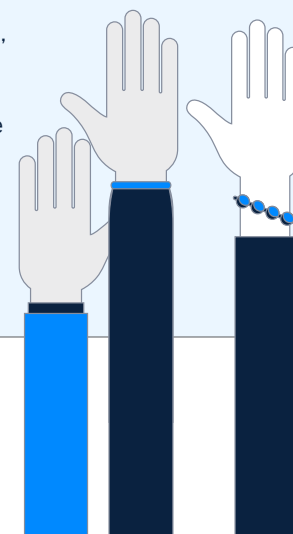
Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. We have used these universal benchmarks as our starting point for defining human rights.

Our commitment to respecting human rights is embedded in our values and code of ethics and is fundamental to ensuring our legitimacy and reputation as a corporate citizen. While nation states have a primary responsibility to protect and promote human rights, we recognise that corporations are also obligated to respect human rights.

We take any adverse human rights impacts seriously. We seek to avoid human rights infringements and being complicit in the human rights infringements of other parties. Our commitment to respecting human rights is included in many of our policies and standards.

In this way, we seek to integrate respect for human rights into our day-to-day operations and in the way we do business.

We acknowledge that this is a journey, one that may differ across our regions and countries based on the institutional and regulatory setting of each country where we operate. Where local legislation may conflict with Standard Bank's Statement on Human Rights, we will comply with the law while seeking, within our spheres of influence, to raise awareness of human rights and provide an example of good practice through our own conduct, while being mindful of the local context.



### WE ARE COMMITTED TO:

Providing a work environment for our people that respects their human rights and this commitment will be reflected in our people policies and practices.

Exercising due diligence in deciding who we do business with and understanding the potential human rights impacts of our business relationships, purchasing, lending and investing.

Taking appropriate steps where we discover, or are made aware, that we have caused or contributed to actual or perceived human rights abuses. This may include disciplinary action, exiting a business relationship, or constructive engagement with others to promote better practice.

Contributing to the combating of financial crime and corruption in all its forms, including money laundering, fraud, corruption, offering services to sanctioned entities, terrorist financing and facilitation of tax evasion.

Adhering to the Equator Principles in project financing.

Encouraging our clients, suppliers and business partners to avoid human rights infringements in their businesses, and supporting their adoption of good practices to manage their human rights impacts.

Requiring our people to report any alleged or suspected human rights violations to the group's chief ethics officer or to make use of the group's whistleblowing hotline.

Communicating about and reporting on our activities in the human rights arena through our report to society, and engaging with our stakeholders regarding the responsibilities of business in respecting and upholding human rights.

Regularly reviewing our progress in meeting these commitments under the oversight of the group social and ethics committee.

Our human rights statement is available on our website [here](#).

## HOW WE DO BUSINESS CONTINUED

### Our approach to tax matters

Standard Bank is committed to transparent compliance and adheres to global reporting and other legislative requirements on tax matters.

Our approach to managing tax risk is governed by the group board, with responsibility delegated to the group audit committee through the tax risk control framework. This framework includes the tax strategy and tax governance standard, supported by policies dealing with specific aspects of tax risk such as transfer pricing, indirect taxes, withholding taxes and remuneration-related taxes.

#### OUR TAX CONTRIBUTION

Standard Bank Group contributes toward the development and growth of the economies in which we operate. We are a major investor, taxpayer and purchaser of goods and services. We contribute directly to government revenues by way of corporate income taxes, as well as indirect taxes such as VAT. We also collect other taxes such as withholding taxes and employees' taxes on behalf of revenue authorities. Standard Bank assists tax authorities with tax administration, collection processes and by obtaining independent verification of third-party data.

Standard Bank  
International

R1.4 billion

+

Africa Regions

R9.1 billion

+

South Africa

R16.5 billion

**Total tax**

R27.1 billion  
in the 2019  
financial year

Various  
corporate taxes  
incurred

R10.3 billion

+

Various  
taxes collected

on behalf of  
government  
(e.g. PAYE)  
R16.8 billion

#### TAX GOVERNING PRINCIPLES

- We are committed to ethical outcomes and accurate, transparent and timely compliance with the tax laws of the countries where we operate in Africa and internationally.
- Tax reporting, both internal and external, is in line with best practices and standards.
- We will only engage in transactions that have commercial and economic substance in line with the spirit and purpose of the relevant tax legislation.
- We are committed to fostering transparent, constructive and cooperative relationships with tax authorities based on open and honest disclosure and mutual trust.
- We participate in the development of new tax legislation, including tax provisions arising from base erosion and profit shifting (BEPS) and support the fundamental principles underlying multilateral moves toward greater transparency.

## HOW WE DO BUSINESS CONTINUED

### Our approach to procurement

Our group procurement policy requires all procurement transactions to be objective, transparent and fair, in line with sound corporate governance principles, and the highest procurement and ethical standards must be applied to all such transactions.



All contractors, suppliers and consultants must comply with the group's internal requirements and with the South African Occupational Health and Safety Act and regulations at a minimum, and with environmental and social legislation in the relevant country.

We require all our suppliers to respect basic human rights and establish a clean and safe working environment. This includes not allowing forced labour, child labour or discrimination, and paying appropriate wages, regulating working hours and respecting everyone's freedom of association.

Suppliers, consultants and contractors to the group must comply with all the environmental and social legislation applicable, and they must follow good environmental and social practice that applies to their sector and to the goods or services supplied.

The group strives to procure goods and services that have a lesser or reduced impact on the environment and on the health and safety of workers and communities.

Sustainability is included in the evaluation criteria applied to all procurement decisions. Suppliers are required to provide the group with their environmental policy; company code of conduct; and sustainability certificate, where applicable.

Procurement should be aimed at supporting local suppliers while at the same time ensuring alignment to group standards for quality, sustainability and commerciality.

The group supplier risk committee reviews issues related to ethics and conduct in relation to suppliers and third-parties, including conflicts of interest, anti-competitive behaviour, human rights and conduct.

## HOW WE DO BUSINESS

### CONTINUED

# Personal conduct and managing conflicts of interest



Standard Bank Group has a robust and stringent conflicts of interest control framework in place to ensure that conflict of interest risk is adequately managed.

The framework provides for processes, procedures and mechanisms to identify, prevent and manage conflicts of interest to:

Ensure the fair treatment of clients

Maintain a sound financial environment

Ensure that conflicts of interest are managed fairly

Prevent the misuse of Need to Know information

Protect the good reputation of the Standard Bank Group and the industry.

The group has implemented a number of policies and procedures under the framework, including the group's **conflicts of interest policy** which aims to ensure that the group and all our employees comply with the applicable statutory and regulatory obligations by ensuring that all reasonable steps have been taken to prevent or fairly manage potential conflicts of interest, and thereby mitigate the effect that such conflicts could have on our clients and the group. The policy reflects the minimum requirements that need to be adhered to, to ensure that all reasonable steps are taken to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients. Employees are furthermore required to adhere to the group's gifts and entertainment policy; outside business interests policy; and personal account trading policy.





## HOW WE DO BUSINESS CONTINUED

# Market conduct and treating our customers fairly



### MANAGING CONDUCT RISK

Conduct risk is the risk of failure to act in accordance with clients' best interests, fair market practice and codes of conduct.

It extends to all conduct and behaviour in our daily business activities with all our stakeholders, internally and externally. Standard Bank places our clients at the centre of our business. We provide products and services based on our clients' needs. We do not promote products or services to meet sales or incentive targets. We have zero risk appetite for unfair customer outcomes arising from inappropriate judgement and conduct in the execution of our business activities, or wilful breaches of regulatory requirements.

Executive and senior management are responsible for championing a culture that delivers fair client outcomes and embedding conduct standards. We monitor conduct through business conduct committees, the group executive committee, social and ethics management committee and social and ethics board committee. The group board and social and ethics committee are ultimately responsible for ensuring that conduct risks are adequately identified, measured, managed and monitored and that governance arrangements are upheld.

Our **conduct risk management framework** integrates culture (the way we do things) and conduct risk (our business activities). We strive to embed conduct risk matters into our existing processes, procedures and practices and continuously develop and design tools to help support the group in delivering fair client outcomes. Governance and committee frameworks have been established 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.

Our **conduct risk policy** ensures that we monitor and oversee conduct risk effectively; that conduct risk governance arrangements are in place; roles and responsibilities are clear and business is conducted in line with industry standards and relevant regulatory requirements. It sets out the requirements for the timely identification, reporting, escalation, and remediation when conduct risk is identified. The executive head for each business unit and corporate function is responsible for ensuring the implementation of, and compliance with, the conduct risk policy. They are responsible for managing business conduct and identifying associated risks, reporting according to conduct dashboards, and escalating any concerns as appropriate.

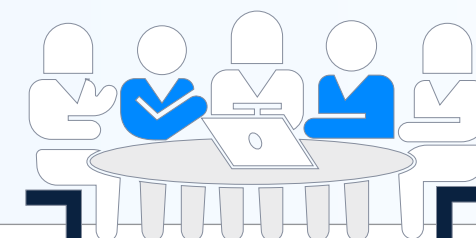
### BUSINESS CONDUCT COMMITTEES ARE RESPONSIBLE FOR:

Promoting sound culture and conduct standards and aligning conduct strategy and metrics at business unit level with regulatory requirements and business objectives

Identifying emerging trends in conduct and behaviour

Identifying conduct risk specific to their business and taking appropriate risk mitigating actions

Reporting conduct risk management information and material control issues at a business level to enable the board and executive management to exercise oversight and evidence good conduct risk management.



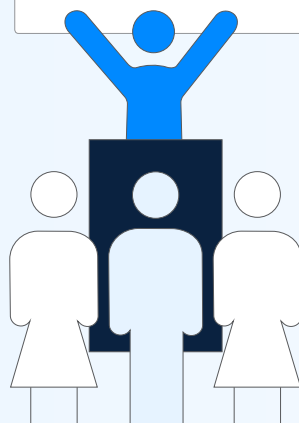
## HOW WE DO BUSINESS CONTINUED

We identify and manage conduct risk proactively using a combination of leading and lagging indicators. Each area in the group is required to complete a monthly conduct dashboard. Conduct dashboards monitor a range of indicators through eight conduct pillars, and provide a universal set of metrics across key conduct risk areas, which include, among others, conduct, culture and governance. They are an important mechanism to assess non-financial risk and identify appropriate responses. Metrics include operational, technology, compliance, regulatory and human capital risks. The dashboards are submitted to the group executive committee on a quarterly basis, and subsequently to the social and ethics management committee and social and ethics board committee. We've introduced a number of automated solutions across our countries of operation to improve efficiency in money laundering control and declaring of outside business interests.

All business units and corporate functions reported operating within acceptable tolerance levels for conduct risk throughout 2019. Tolerance is assessed by the various lines of business through key conduct risk indicators which are aggregated and provide an overall conduct culture rating (positive, negative or neutral). No material product or service-related issues materialised during 2019.

## Employees undertake **mandatory conduct risk training** on the group's conduct risk framework

Training includes introduction to conduct, business conduct, client conduct and personal conduct training, with completion rates over 95% for all training courses.



Other mandatory risk-related training includes programmes related to the code of ethics, sexual harassment, data privacy, cyber risk and fraud, and social media.

In 2019 we launched an internal campaign to deliver targeted training bursts to reinforce awareness and drive the right culture and conduct using Standard Bank's intranet hub.

We're integrating conduct principles into group leadership programmes to further embed conduct culture among leaders.

In 2019 board members participated in a conduct risk awareness session, which covered quantitative and qualitative concepts of culture and conduct risk.

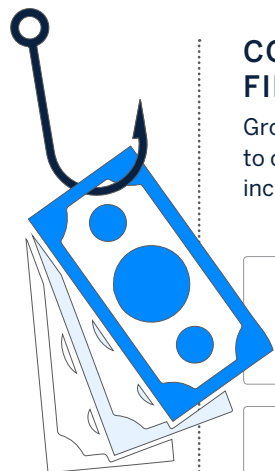
Looking ahead, we will continue to strengthen our control environment and approach to conduct risk through driving good business practices and reinforcing appropriate behaviours that are aligned to the values of the group and will continue to identify areas for enhancement through periodic diagnostics and ongoing metrics monitoring. We're increasing first-line accountability through communication campaigns and conduct training awareness. We're strengthening second line of defence by developing tools and methodologies to help improve oversight and monitoring of conduct risks.

We **track fines and penalties** issued against the group to assist us to identify problem areas that need attention and to implement appropriate remedial action.

## Market abuse control framework

The group seeks to maintain the highest standards of professional conduct when undertaking financial market transactions, communicating with market participants and when handling confidential information. Our market abuse control framework aims to ensure that the group and its employees support the orderly, fair and transparent functioning of the financial markets, encourage its integrity and contribute to the enhancement of financial stability in the markets within which the group operates. The framework specifically seeks to ensure that there are adequate and effective controls in place to prevent, manage and/or mitigate market abuse risk.

## HOW WE DO BUSINESS CONTINUED



### COMBATING FINANCIAL CRIME

Group policies and frameworks to combat financial crime include:

[Money laundering control policy and standards](#)

[Financial sanctions and counter terrorist financing policy and standards](#)

[Anti-bribery and corruption policy \(ABC\)](#)

[Prevention of the facilitation of tax evasion policy](#)

Fraud prevention, investigation and risk mitigation via group investigations and fraud risk

### ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

Our AML/CFT structures and framework are informed by Financial Action Task Force recommendations and designed to comply with statutory and regulatory obligations in all our countries of operation. They ensure that:

The risks arising from money laundering, terrorist financing and financial sanctions are well understood, mitigated and proactively managed.

Standard Bank's reputation and integrity is protected by taking all reasonable measures to prevent the use of its products and services for ML/TF purposes, or for the circumvention of financial sanctions.

Our framework enables the detection, investigation and reporting of suspicious activity and all other reportable transactions to competent authorities.

AML/CFT legislation in the countries in which we operate is continuously evolving. Our operations align their AML/CFT risk management and compliance programmes to these changes as they occur.

In South Africa, the Financial Intelligence Centre Act has been amended to incorporate a risk-based

approach to compliance in respect of the AML/CFT regulatory framework. These amendments include the requirement to develop, document, maintain and implement a risk management and compliance programme that must demonstrate the group's ability to effectively identify and mitigate money laundering and terrorist financing risk.

## HOW WE DO BUSINESS CONTINUED

### ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM **CONTINUED**

Group Financial Crime Compliance participates in a forum comprising multiple regulators and other industry stakeholders, which is designing strategies to enhance the fight against the illicit flow of funds. Work is also being conducted to enhance control measures for facilitation of cross-border transactions between related parties, to guard against potential efforts to evade tax.

SBSA signed the South African Anti-Money Laundering Integrated Taskforce (SAMLIT) charter in October 2019. The Taskforce aims to promote the exchange of anti-money laundering information between members and participating competent authorities.

The group is involved in the United for Wildlife IWT Learning Academy, as a participant in discussions on the subject of the illegal wildlife trade (IWT) from a financial crime perspective. As the bank with the largest footprint in Africa, it is important that we are vigilant to the risks related to IWT, in particular the flow of funds derived from, or to promote such activities.

During 2019, Standard Bank Group was issued with administrative sanctions relating to AML/CFT deficiencies identified in some of our countries of operation. The group is in the process of enhancing the enablement of our AML/CFT frameworks in these jurisdictions, with programmes of work overseen by senior executives.

In South Africa, the South African Reserve Bank Prudential Authority imposed an administrative sanction of R30 million on Standard Bank South Africa (SBSA) in December 2019, for failure to comply with prescribed suspicious and unusual transaction reporting timelines, as contained in the Money Laundering

and Terrorist Financing Control Regulations. R7.5 million of the administrative sanction was suspended for a period of three years, conditional upon SBSA not being found guilty of a similar offence during that time period. Standard Bank was also directed to take remedial action to address and enhance processes for reporting suspicious and unusual transactions timeously. SARB acknowledged in its press release that the administrative sanction is not an indication that SBSA has in any way facilitated transactions involving money laundering or the financing of terrorism. Standard Bank took immediate action to address the issues identified by the SARB and progress is being tracked and reported to the SARB on a regular basis.

## HOW WE DO BUSINESS CONTINUED

### ANTI-BRIBERY AND CORRUPTION (ABC)

We manage our anti-bribery and corruption risk in accordance with the Organisation for Economic Co-operation and Development's Guidance for Multinational Enterprises and other applicable statutory and regulatory obligations. The group's ABC policy commits us to:

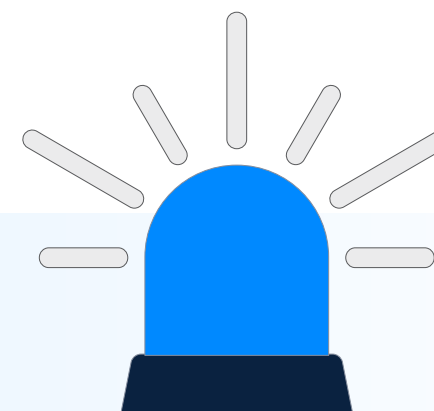
Prohibit bribery and corruption and ensure that an anti-bribery and corruption culture is established and maintained

Conduct business with integrity, transparency and openness, and in compliance with applicable laws

Conduct business in accordance with Standard Bank's values and code of ethics

Establish and maintain reasonable and proportionate measures to prevent bribery and corruption, and to detect, report, monitor and respond appropriately to any incidents that may occur.

All employees receive ABC general awareness training. Areas of the group that are perceived as being more susceptible to the risk of bribery and corruption receive specialised training.



### PREVENTION OF THE FACILITATION OF TAX EVASION

The group prevention of the facilitation of [tax evasion policy](#) is designed to regulate the development, implementation and integration of procedures to prevent the facilitation of tax evasion by associated persons of the group.

The policy aims to protect the group and its employees from legal, regulatory and reputational risks and penalties that may result from the failure to implement reasonable procedures to prevent the facilitation of tax evasion. All employees receive prevention of the facilitation of tax evasion training.

## HOW WE DO BUSINESS

### CONTINUED

### COMBATING FRAUD

We have measures in place to mitigate fraud risk and are committed to continuous improvement of these.

We define fraud as the unlawful and intentional misrepresentation committed to secure an unfair or unlawful gain. Fraud includes, but is not limited to, application fraud, card fraud, procurement fraud, employee fraud, digital fraud, insurance fraud and transaction fraud.

Group investigations and fraud risk provides fraud risk advisory services to the group, oversees fraud risk activities, escalates material fraud incidents and investigations in line with risk appetite, provides recommendations on fraud controls to be considered by the first line of defence and conducts internal and external investigations. All employees, associated persons and third-parties must raise concerns and report all attempted, suspected, and actual fraud via reporting channels defined in the policy directly to a line manager, to group investigations and fraud risk, or via the anonymous whistleblowing line or the FraudStop process. We allow for anonymous reporting. We prohibit victimisation and protect anyone who reports fraud from suffering prejudice.



**IF YOU DON'T  
REPORT IT  
YOU SUPPORT IT**

**FraudStop**

Scan the QR code to  
join the fight against Fraud

**Visit the SB Hub for more  
information on how to join  
the fight against fraud**

Fraud losses declined across the group in 2019. However, customer losses in Personal & Business Banking (PBB) South Africa showed an increase, with customer losses at R308.8 million. The majority of customer losses related to change of banking detail scams, a trend being seen across the industry. The South African Banking Risk Information Centre (SABRIC) and the banking industry are working closely to derive solutions to best mitigate this risk.

## HOW WE DO BUSINESS CONTINUED

### DATA PRIVACY AND SECURITY

We are committed to protecting the personal information of clients, third-parties and employees, and adhere to the relevant codes and regulations, including South Africa's Code of Banking Practice.

We dedicate extensive focus to management of cyber risk. We continue to invest in enhancing cyber resilience across the group, including investing in improved capabilities to predict, prevent, detect and respond to cyber incidents.

The group's data privacy policy provides for measures to ensure that the group processes personal information in a lawful and responsible manner, in line with in-country privacy laws.

These measures, together with other relevant policies, inform the security safeguards necessary to protect personal information from unlawful and unauthorised access, use, destruction or loss. These measures cover all processing activities within the group.

We ensure accurate and relevant data security policies and procedures are in place and applicable to employees' day-to-day work

We protect our core system by controlling access rights

We assess new and existing clients in relation to their associated risk level and their proposed activities with focus on sanctions, terrorist financing, bribery and corruption, money laundering and fraud

We engage with clients and provide them with information on how to protect their accounts.

The **data privacy consent and notification framework** enables the free flow of information within the group. This allows each group entity to align itself with one consistent commitment to the customer in terms of protecting their information. Where we become aware of privacy incidents, we investigate the incidents, and immediately take steps to mitigate any risks to clients. Our **privacy**

**statement** can be found [here](#). Standard Bank South Africa's privacy statement is published [here](#).

Our PAIA (Promotion of Access to Information Act) manual and the Standard Bank website set out the **procedures for information requests**. Our group data privacy policy applies to all information requests.



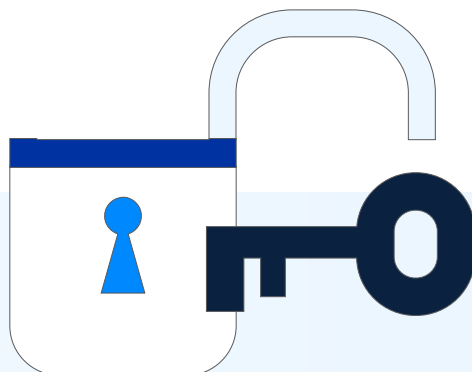
## HOW WE DO BUSINESS CONTINUED

### CYBERSECURITY

Cyber incidents are a major threat to companies globally, and to financial services companies in particular, which are commonly targeted.

Standard Bank is committed to safeguarding clients' data, money and time from cyber threats. Cyber risk receives extensive focus at various governance and management committees across every level of the organisation.

Standard Bank Group board has delegated the management of cyber risk to the group chief information security officer (CISO), who is responsible for creating and executing the cybersecurity strategy and programme. The strategy and programme are aligned to security frameworks such as ISO27001, the US National Institute of Standards and Technology, and Information Security Forum's Standard of Good Practice for Information Security and has been ratified by the group board. In 2019, the group certified the Africa shared core banking platform against ISO27001. The CISO provides regular updates to the board on the group's cyber risk posture. The board also gets assurance through an annual independent assessment of the strategy by a cybersecurity expert.



As part of the cybersecurity programme, the group employs a continuous testing, continuous monitoring strategy. Testing includes technology testing (vulnerability scanning, penetration testing), people testing (training and awareness) and response testing (cyber incident simulations, disaster recovery testing) to stress test security capabilities. Monitoring includes using machine learning, big data and robotics to detect suspicious behaviour, as well as continuously measuring the effectiveness of security controls.

The group maintains dedicated cyber insurance cover for additional protection against common cyber threats. During 2019 the group detected and successfully mitigated several attempted cyber threats, leading to zero material or client impacting incidents for the year.

Cyber security skills shortages are a growing risk to cybersecurity strategies across the globe, with almost two million security vacancies worldwide. In response, the group has created a Cybersecurity Academy to develop cybersecurity skills. In 2019, the academy trained 75 group technology employees on various aspects of cybersecurity.



### SERVING OUR CUSTOMERS

#### System availability

Work to improve the availability and reliability of our transaction channels is ongoing.

In 2019, we experienced five priority one incidents in South Africa and 14 such incidents in Africa Regions. A priority one incident refers to extensive impact and critical urgency incidents.

#### Responding to customer complaints

Standard Bank endeavours to respond timeously to all customer complaints.

In South Africa, the Ombudsman for Banking Services named Standard Bank overall winner for 'large' banks in terms of: Quality of the written response of the bank to the office in response to a specific complainant, response time, and overall fairness of the response. We also received an award for innovation in dispute resolution resulting in a noticeable decrease in consumer disputes and an engagement award for our dealing with the Ombudsman.



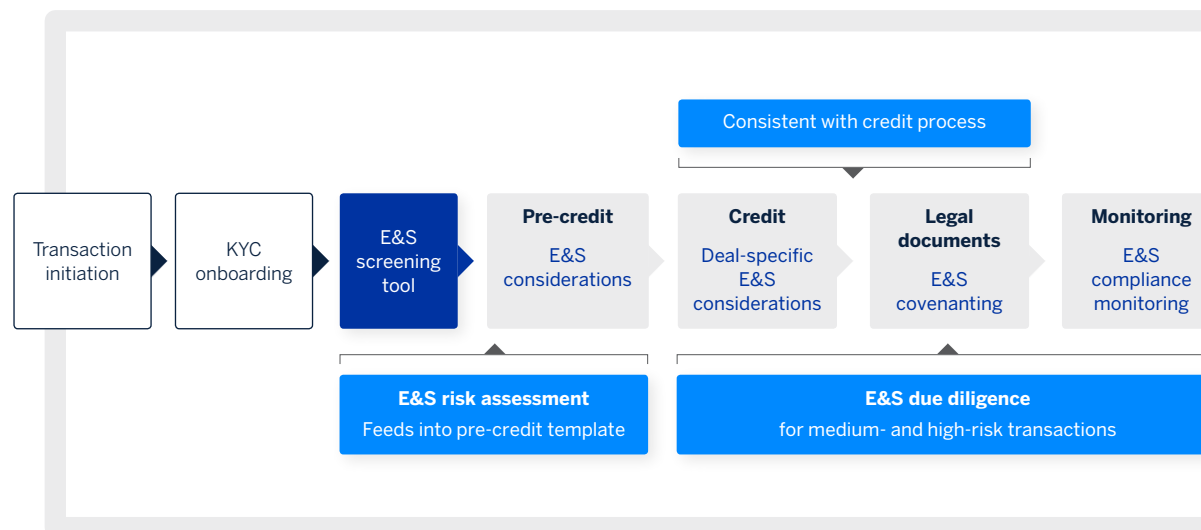
# Managing our environmental and social (E&S) risks

## Managing E&S risk in lending

Standard Bank's environmental and social (E&S) risk assessment process is based on international best practice. The group adopted an environmental and social risk governance standard and policy in 2018, which set out the principles under which we identify, measure, manage and report on E&S risk.

The standard and policy aim to ensure that our operations effectively assess and manage environmental and social risk associated with all business transactions, particularly in relation to commercial and corporate clients, project finance, commercial debt and equity, short-term banking facilities and trade finance. We are currently reviewing the standard and policy, as part of the process of strengthening ESG governance and climate-related risk management across the group.

Our system integrates E&S screening, management and monitoring into our business and credit functions, enabling us to assess, mitigate, document and monitor risks associated with financing and investments. We undertake E&S risk management throughout the transaction process, from the pre-credit stage to post-transaction financial closure.



Standard Bank encourages our clients to meet relevant internationally accepted environmental and social risk standards and to develop action plans to close any gaps between these and their current performance. We work with our clients to assist them to manage their material environmental and social risks and impacts.

Our exceptions list has several general exclusions for which we will not provide banking or lending facilities. It includes global exclusions and regional restrictions.

The group environmental and social risk (GESR) team is responsible for ensuring that environmental, social and related risks are identified, evaluated and managed.

The E&S risk screening process has been embedded in CIB for several years. In 2018 we commenced integration into commercial and business banking (excluding personal banking) across the group. We are currently piloting embedding E&S risk screening processes in digital transaction processes in South Africa, Nigeria and Zambia in the commercial, business and small enterprise lending segments.

## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### SCREENING

E&S risk screening is applied to all transactions (excluding personal banking) at the pre-credit application stage. We use our E&S screening tool to assess E&S risk for different risk categories of transactions across the Standard Bank Group.

#### SCREENING INCLUDES ASSESSMENT OF POTENTIAL RISKS SUCH AS:

Impacts on biodiversity, water, air, community health and safety, worker health and safety, indigenous people, cultural heritage and climate-related risks

Human rights impacts, in line with Standard Bank's human rights statement (issues such as discrimination, child labour, forced or compulsory labour and the rights of indigenous people)

Resettlement and livelihood impacts

Existing environmental liabilities.

We apply national laws and standards and our exceptions list when assessing all transactions. In addition, and where applicable, we apply the International Finance Corporation (IFC) Performance Standards and the Equator Principles (an international benchmark) for identifying and managing E&S risk.

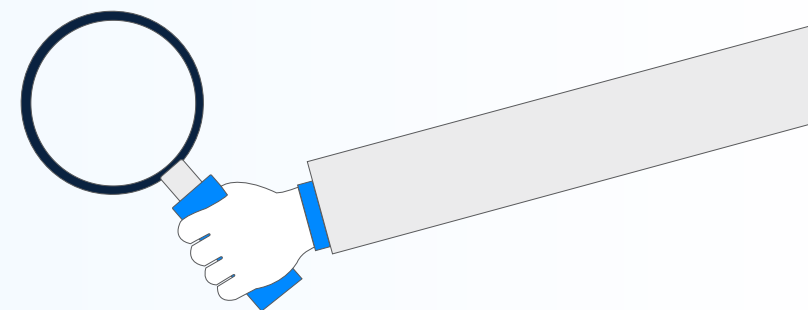
#### Screening new clients and transactions:

Pre-credit committees are responsible for ensuring that E&S risks are identified at application phase. Screening provides an indication of whether to proceed with a transaction, and whether further assessment is required. Screening provides for three levels of assessment for new transactions. These are applied according to the type of financial product, the quantum and tenor of the transaction. Each level of assessment includes E&S risk, sector and client considerations, including the client's ability to manage E&S risk and historical track record. Risks are rated low, medium or high. All project-related transactions and medium and high-risk non-project related transactions are escalated to the GESR team, which works with business and credit teams to examine and mitigate such risks.

Where appropriate, we undertake enhanced due diligence and ongoing monitoring to ensure risks are properly managed. Approval of transactions rated as high E&S risk require sign-off from the head of GESR.

#### Screening existing transactions:

Our E&S screening tool is applied by credit managers in regular reviews of existing transactions and clients. This enables any E&S risks that emerge after financial close to be flagged and assessed. Transactions or clients identified as high E&S risk are reviewed annually. Where required, GESR team members engage with clients to gain a better understanding of issues. Where appropriate, we may require implementation of mitigating actions, monitoring and/or reporting requirements by clients.



## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### DUE DILIGENCE

The scale and scope of due diligence is determined per transaction, as advised by GESR. The level of due diligence is commensurate with the potential level of E&S risk associated with a transaction, with enhanced due diligence undertaken for transactions that represent significant risk to the group, society and environment.

Due diligence may include sector or issue specific questions, direct client engagement and site visits, or engagement of independent external consultants. Due diligence highlights any issues requiring mitigation or management, which are addressed in the financing requirements of a transaction.

### MONITORING

We monitor all project-related transactions and medium and high non project-related transactions to ensure clients meet their E&S commitments. The frequency and type of monitoring is determined according to the type of transaction and the level of risk.

High-risk transactions, transactions categorised as Category A and Category B (where appropriate) under the Equator Principles, are monitored more closely. Where necessary, GESR undertakes site visits to ensure that E&S performance is being managed appropriately. In relevant cases, we use independent external consultants to monitor implementation and progress. The GESR team has input into portfolio-wide reviews of specific sectors, such as coal, oil and gas, where E&S risks are considered high.

In cases where clients are not compliant with E&S requirements, we work with them to achieve the necessary standards. If there is no progress toward meeting requirements within agreed timeframes, remedies may include additional monitoring and revised, and/or more stringent action plans; specialist/independent intervention; or re-evaluation of the loan.

We are committed to taking appropriate steps where we discover, or are made aware, that actual or perceived human rights abuses or environmental damage has occurred. This may include disciplinary action, exiting a particular business relationship, or constructive engagement with others to promote better practice.

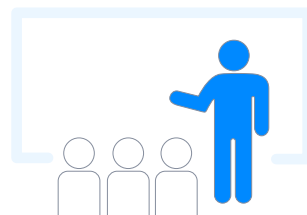


## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### TRAINING

Targeted areas across the group undertake mandatory training which covers environmental and social risk awareness, Standard Bank's environmental and social risk management process, and relevant environmental guidelines, standards and requirements. Training includes classroom training and online training using the group's in-house training platform. We're investigating ESG tools to assist credit managers, country risk and portfolio risk teams with more ESG risk information that matches well with our portfolio characteristics.

Standard Bank employees who received environmental and social risk training in 2019



#### CLASSROOM TRAINING:

**913** CIB and PBB commercial and business banking employees across the group since 2017 – amounting to **66%** of targeted employees



#### ONLINE TRAINING:

**7 613** CIB and PBB commercial and business banking employees across the group in 2019 – amounting to **75%** of targeted employees

### THE EQUATOR PRINCIPLES

The group is a signatory to the Equator Principles (EP), a global risk management framework for determining, assessing and managing environmental and social risk in project-related transactions.

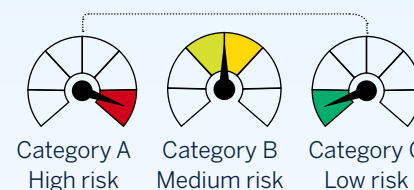
The EP provides a minimum standard for due diligence and monitoring to support responsible decision-making. When we lend or provide advisory services to a client, we are required to evaluate and actively avoid and mitigate any negative social or environmental impacts.

EP Financing Institutions categorise projects proposed for financing based on the magnitude of potential environmental and social risks and impacts (Category A, B or C). GESR provides the categorisation for EP transactions and is involved in ongoing due diligence for all Category A and B projects. GESR applies the EP and associated IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) to all relevant project-related financing or transactions irrespective of the level of funding.

In 2019, no active EP deals were terminated due to E&S non-compliance.



### TRANSACTIONS SCREENED AGAINST THE EQUATOR PRINCIPLES



1                      0                      0

**Total number of EP projects financed**

1 ✓

## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### Managing climate related risk

**Standard Bank is committed to prudent management of the risks arising from climate change, as they relate to our direct operational footprint and our lending activities, and to improving our climate-related disclosures over time.**

Climate risk is recognised as one of material risks facing the group. We're strengthening our [ESG governance](#) to ensure adequate oversight and improve our ESG risk management systems, which will embed climate-related risk into risk identification, classification, evaluation, analysis, monitoring and reporting.

We continue to develop our climate related risk strategy and align with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. Climate change is a complex issue and we are working to ensure that we develop a strategy that's appropriate to our business, our operating environment, and the group's commitment to create positive social, economic and environmental impact through our core business activities, and drive Africa's growth.

We established a TCFD working group in 2019, bringing together governance, environmental and social risk, portfolio risk, stress testing, reporting, real estate services, and research functions across the group, together with our sustainable finance experts and sector teams. The group is participating in the UNEP FIs TCFD pilot programme, as well as working with the Banking Association of South Africa and the National Business Initiative to enhance our data on climate risk. Access to reliable data that is relevant to our areas of operation across the African continent is currently a constraint on our alignment with the TCFD guidelines.

Some of the challenges that we are grappling with include inadequate local and regional climate science information, scarce portfolio-level climate data, and a lack of detailed climate-related risk information associated with our clients. While global climate scenarios are available from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), the adaptation of these into Africa-specific scenarios, taking account of regional socio-political and economic factors, is not yet mature enough to fully support our scenario assessments of climate related risks on our portfolio.

Climate-related risks are referenced explicitly in the group's environmental and social risk governance standard and policy. We are reviewing our existing standards and processes to ensure that climate-related issues are appropriately incorporated into the group's strategic decision-making processes and, where appropriate, inform adjustments to risk appetite based on the results of scenario assessments to be performed on the group's portfolio. Our [environmental and social risk screening tool](#) identifies the climate-related risk of a transaction and/or the client at a transactional level. Going forward, we aim to acquire tools to assist us to develop comprehensive climate-related risk data for our clients. Annual client reviews in high risk sectors will also be expanded to include climate-related risk information. We are incorporating climate-related risk, as a component of ESG risk, in client credit ratings and will be establishing guidelines for appetite and risk tolerance levels for climate-related risk. Portfolio risk management committees will use this information to assess sector appetite. Climate-related risk will also be more fully integrated into capital allocation, pricing processes, and asset allocation processes.

We have already concluded several landmark transactions through our newly established [sustainable finance](#) unit, through which we incentivise clients to address climate change and its impacts. We intend to scale up this offering going forward. We remain committed to measuring and reducing our direct carbon and water footprint.

Physical risk mitigation requires an improvement in climate adaptation and resilience. Our initial focus will be the agricultural sector where we believe climate-related physical risks will impact macro-economic and social factors such as food security. Opportunities to facilitate adaptation and resilience (e.g. flood control, water efficiency, water storage, ecological restoration, etc.) are being sought.

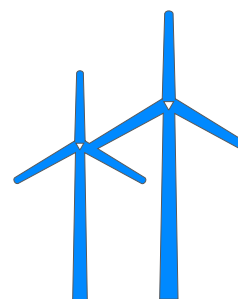
The transition from carbon-intensive activities to low carbon activities presents risks with respect to job losses, skills shortages, technologies, and government policy. The socio-economic impacts of transition risk are not well understood for Africa and scenarios relevant to regional socio-political characteristics need to be developed to understand transition risk. We believe that mitigation includes skills development, availability of resources and appropriate technologies, adoption of appropriate policies and governance processes and a collective will within the communities in which we operate. We will be working with governments and other stakeholders to play our part in a just transition to a lower-carbon economy. Our initial focus has been on two high carbon emitting sectors: energy and mining and metals. Our [coal-fired power finance policy](#) and [thermal coal mining finance policy](#) are intended to ensure that we only support developments for much-needed sustained economic development in developing countries, and in line with our lending requirements. We will continue to invest in renewable energy projects across the continent. Work is underway to develop a more comprehensive approach to financing fossil fuels, including oil and gas. We are engaging with a range of stakeholders, including our clients, as we develop this policy.

During 2020, as additional policies are finalised these will be made available on our website. Please also check our website for further climate risk disclosures during the course of the year as we continue to work on this important issue.

\* Please refer to the metrics section for our climate risk disclosures.

## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

	<p><b>Short-term actions:</b></p>	<p><b>Medium-term actions:</b></p> <p>Based on an understanding of climate-related risk in our portfolio, we will assess the following sectors:</p>	
<p>Physical risk</p>	<p><b>Physical risk</b> is presented by the impacts of climate change, and includes droughts, extreme weather events, and hotter temperatures. We are using global and regional models by the IPCC, IEA and CSIR to identify these risks, and develop ways to improve climate adaptation and resilience. Our initial focus is on our existing clients in the agricultural sector, where diversification and medium- to long-term business plans need to include climate adaptation and resilience considerations. We will also be identifying opportunities to finance infrastructure that improves adaptation and resilience, such as flood control, water efficiency and water storage.</p>	<p>(climate mitigation)</p> <ul style="list-style-type: none"> <li>• Agriculture (research and advice to clients, diversification of crops and products, food security, water efficiencies, flood mitigation, changing temperature/ecosystem mitigation)</li> <li>• Water-intensive industries, including mining (water efficiency measures, desalination/ water treatment projects)</li> <li>• Urban developments and infrastructure (flood management measures, energy efficiency measures, water efficiency measures)</li> <li>• Coastal developments (rising sea levels, extreme weather events).</li> </ul>	<p>We have undertaken a preliminary assessment of high carbon emitting sectors in our portfolio. The outcomes are currently undergoing internal authentication, using tools available through the TCFD pilot and other credible sources. Our focus is on both physical risk and transition risk. Where we have significant exposure, we will develop short- and medium-term actions to manage this. In the short term, we'll be working with qualitative assessments of these sectors. In the medium term, we'll use scenario-planning and stress-testing methodologies to ensure mitigation actions have sustainable outcomes. Management actions will cover risk mitigation and opportunity development.</p>
<p>Transition risk</p>	<p><b>Transition risk</b> is presented in the transition from carbon intensive activities to low carbon activities, and includes job losses, skills shortages, technology risk, policy and governance risks. Socio-economic impacts are currently not well understood for Africa and scenarios that incorporate local socio-political characteristics are still to be developed. It's nonetheless clear that transition risk mitigation requires skills development, access to resources and technology, adoption of assertive policies and governance processes and a collective will within the communities in which we operate. We are looking at green financing opportunities that can facilitate just transition.</p>	<p>(climate adaptation)</p> <ul style="list-style-type: none"> <li>• Energy (reduction in coal exposure, emission efficiencies in oil and gas, increase in renewables)</li> <li>• Carbon-intensive industries, including mining (energy efficiency measures).</li> </ul>	<p>South Africa ranks among the top 20 countries with the world's highest carbon emissions. Our short term efforts will therefore focus on South Africa's energy, mining and heavy industry sectors, identified, alongside urban development, as the high-emitting sectors in our portfolio. We continue to support renewable energy projects across Africa, where these meet our governance requirements.</p>



## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### Reducing our direct environmental footprint

Standard Bank Group continues to implement climate change adaptation and mitigation measures to decrease our direct environmental impacts.

In 2019 we continued to implement energy and water efficient technologies and processes, and actively manage our consumption in new build projects and in our existing building portfolio. Our CDP 2019 score for climate change remains stable at B-.



Given that our physical footprint is greatest in South Africa, our energy and water saving investments have to date focused on our operations in South Africa. We are, however, committed to deploying the same technologies where possible in our other countries of operation. For example, our new head office building in Namibia, was designed and built with extensive water and energy saving features, and has achieved a 5-star green design rating by the Green Building Council of South Africa.

Data collection remains a challenge in Africa Regions. A future area of focus is the need to improve metering and data capture and analysis systems in these countries, to enable tracking of progress and assist in setting accurate and realistic reduction targets.



## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### ENERGY MANAGEMENT AND GREENHOUSE GAS (GHG) EMISSIONS

Electricity remains the major contributor to the group's direct carbon footprint. In 2019, we concentrated our efforts on reducing purchased electricity consumed in our South African data centres, headquarters, branches, cash centres, automated teller machines, and learning facilities, with a specific focus on air-conditioning, lighting and IT systems.

In 2018 we sought to set a science-based target (SBT) toward reducing our carbon footprint by 2040. We used a model aligned to limit global temperature rises to below 1.5°C. The result yielded a target for **Standard Bank operations in South Africa to reduce direct emissions by 79% by 2040 when compared to the 2014 base year.**



**We've invested R28.6 million in increasing our energy efficiency, energy security, and environmental sustainability in South Africa. Our 2019 electricity consumption reduction target was 8GWh. We were able to slightly exceed this target, achieving a reduction of 8.3GWh by:**

Incorporating behaviour change in our facilities

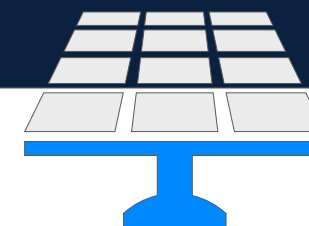
Installing low flow water equipment which reduces the demand for hot water

Optimising our use of floor space to substantially reduce our purchased electricity

Retrofitting lighting systems with LED – 71% of our commercial office space (excluding branches) now have LED lights

Doubling our capacity to generate electricity from natural gas and consequently reducing our reliance on purchased electricity from the grid in our Rosebank, Johannesburg head office building.

The total energy consumed in 2019 in our South African operations was around 195GWh, well below the 307GWh consumed in 2014. Our renewable energy plants generated about 4.3GWh which is equivalent to 2.2% of our total energy mix. This is enough to power over 5 700 average size family houses.

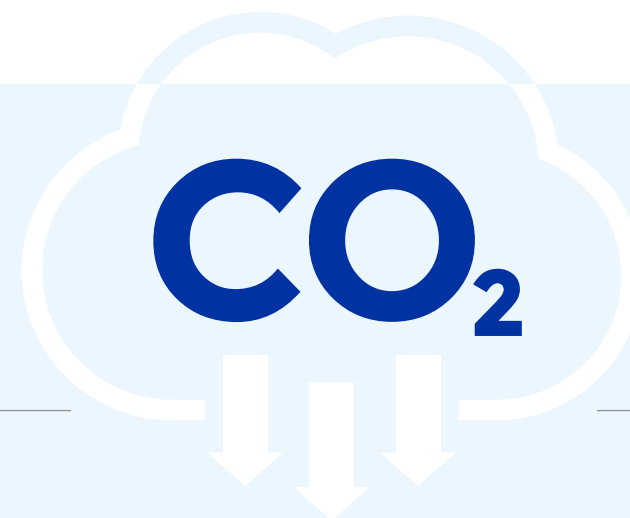




## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### CARBON EMISSIONS

	Scope	Measure	2019	2018	2017
Scope 1 Diesel generators	SBSA	Tonnes CO <sub>2</sub>	1 900	1 153	1 660
Scope 1 Fleet vehicles	SBSA	Tonnes CO <sub>2</sub>	1 600	1 969	2 603
Scope 1 Natural gas	SBSA	Tonnes CO <sub>2</sub>	3 829	3 742	3 363
Scope 1 Refrigerants	SBSA	Tonnes CO <sub>2</sub>	1 895	3 350	3 180
<b>Total Scope 1</b>	SBSA	Tonnes CO <sub>2</sub>	<b>9 224</b>	10 215	10 806
Scope 2 (Purchased electricity)	SBSA	Tonnes CO <sub>2</sub>	197 771	202 586	220 408
<b>Total Scope 1 and 2</b>	SBSA	Tonnes CO <sub>2</sub>	<b>206 995</b>	212 801	231 214
Scope 3 Flights	SBSA	Tonnes CO <sub>2</sub>	21 066	29 107	25 762
Scope 3 Rental Cars	SBSA	Tonnes CO <sub>2</sub>	351	422	412
Scope 3 Paper	SBSA	Tonnes CO <sub>2</sub>	698	353	1 378
Scope 3 Waste disposed	SBSA	Tonnes CO <sub>2</sub>	770	802	669
<b>Total Scope 3</b>	SBSA	Tonnes CO <sub>2</sub>	<b>22 885</b>	30 684	28 221
<b>Total emissions</b>	SBSA	Tonnes CO <sub>2</sub>	<b>229 880</b> ✓	243 485	259 435



## MANAGING OUR ENVIRONMENTAL AND SOCIAL (E&S) RISKS **CONTINUED**

### WATER MANAGEMENT

We have put measures in place to ensure that our strategic facilities are water efficient, have a reliable source of water when there is an interruption to supply from the municipality and water wastage is minimised.

Since 2016, we've installed water meters in our strategic facilities, to enable accurate monitoring of water usage and benchmarking across locations and against industry benchmarks. For facilities with high usage, we've set targets to reduce and prioritise water reduction efforts.

In 2018, we set a **target to reduce water usage by 110 000 kl (16%) at metered sites in South Africa by 2021.**

In 2019, we prioritised sites displaying high-use and sites at significant water risk, for installation of back-up water storage tanks and water efficiency projects, including low-flow bathroom taps and showers. We also developed a water saving guideline to aid our building managers toward improving efficient technology, water security and water recapture and reuse. We succeeded in reducing water consumption in our facilities by 15 760 kl. We improved our CDP score for water management from C in 2018 to B- in 2019.

### WATER CONSUMPTION

	Scope	Measure	2019	2018	2017
Total water consumption	SBSA	kilolitres	<b>627 632</b>	680 559	666 806
Reduction target	SBG	%	<b>8</b>	6	n/a

### WASTE MANAGEMENT

We effectively manage our waste and what is sent to landfill sites, by reducing, reusing and recycling. Our waste includes paper, which is mostly recycled, and hazardous and wet waste from our canteens and restaurants, which is mostly sent to landfill sites. In our efforts to

reduce our waste to landfill, we installed a composter at one of our facilities in 2018, that converts wet waste to compost for use in our gardens. The trial facility reduced waste generated at the facility by more than 2 400 kg per month. The technology is being rolled out to other facilities with high wet waste quantities.

At the on-site coffee shops in our group head office facilities, we've introduced biodegradable and compostable paper cups and moulded fibre lids, and we're using coffee bean grounds in the gardens. We're working toward reducing plastic food packaging, bottles and cups, and replacing polystyrene cups.

### WASTE MANAGEMENT

	Total (kg) 2019	Total (tonnes) 2019	Total (kg) 2018	Total (tonnes) 2018
General waste	<b>1 311 735.90</b>	<b>1 288.26</b>	1 365 234.4	1 365.2
Recyclable waste	<b>241 739.05</b>	<b>240.98</b>	170 308.2	170.3
Hazardous waste	<b>1 148.50</b>	<b>1.12</b>	1 379	1.3
Waste to landfill	<b>1 312 884.40</b>	<b>1 289.38</b>	1 366 613.4	1 366.6



## Sustainable finance

There are increasing opportunities to deliver sustainable and impactful investment expertise to our clients and stakeholders across a broad range of growth themes.

As a first step in that effort, we have established a sustainable finance business unit, the first of its kind in Africa. The unit is responsible for partnering with our businesses to better serve our clients, drive innovation and capture emerging opportunities as sustainable growth becomes increasingly important for investors, institutions and companies globally.

The unit concluded a number of deals in 2019, including:

- We provided a sustainability-linked funding solution to Curro schools – the first sustainable finance deal in the African market. Curro is the leading for-profit independent school provider in Southern Africa. The sustainability-linked loan will enable the building of additional schools and development of existing campuses. The R500 million five-year loan is linked to achieving pre-agreed environmental, social impact and governance targets and performance, which will be measured by an external ESG rating agency. Target areas include diversity programmes, data privacy and reduction in CO<sub>2</sub> emissions.

### Curro Holdings

October 2019

**R500 million**

**Standard Bank role:** sole arranger and lender  
ESG-linked

**First ESG-linked facility in Africa**

### Federal Republic of Nigeria

June 2019

**NGN15 billion** – 14.5% Series II green bonds

**Standard Bank role:** Joint financial advisor and book runner via Stanbic IBTC Capital

**Impact:** Green projects aimed at addressing climate change

**Sovereign green bond**

- We played a key role in arranging the first ever green bond in East Africa. Nairobi-based property developer Acorn Group has issued a bond to raise KES4.3 billion (R611 million) in project finance over five years for environmentally-friendly student accommodation in the city. Standard Bank Group, via Stanbic Bank Kenya Limited and SBG Securities Limited, acted as lead arranger and placing agent for the bond. The bond has been certified as green by the Climate Bonds Initiative as it meets international green building standards, which are designed to achieve savings on energy usage and water consumption through the building materials used. The finance that is raised via the bond will be used to fund six purpose-built student accommodation properties in Nairobi with a capacity of over 5 000 beds.

### Acorn Project (Two) Limited Liability Partnership

October 2019

**KES4.26 billion** – Fixed rate series of I green bonds

**Standard Bank role:** Lead arranger and placing agent

**Impact:** Construction of student housing. Edge-certified green buildings.

**First green bond in east Africa**

### NSP – SPV PowerCorp Plc February 2019

**NGN8.5 billion** – 15.6% Series of I green bonds

**Standard Bank role:** Joint issuing house and receiving bank

**Impact:** Re-finance existing debt, acquired 30MW Gurara hydropower plant, rehabilitation of overhead cranes and systems/control upgrade

**First green infrastructure bond issued by a corporate in Nigeria.**

## SUSTAINABLE FINANCE CONTINUED

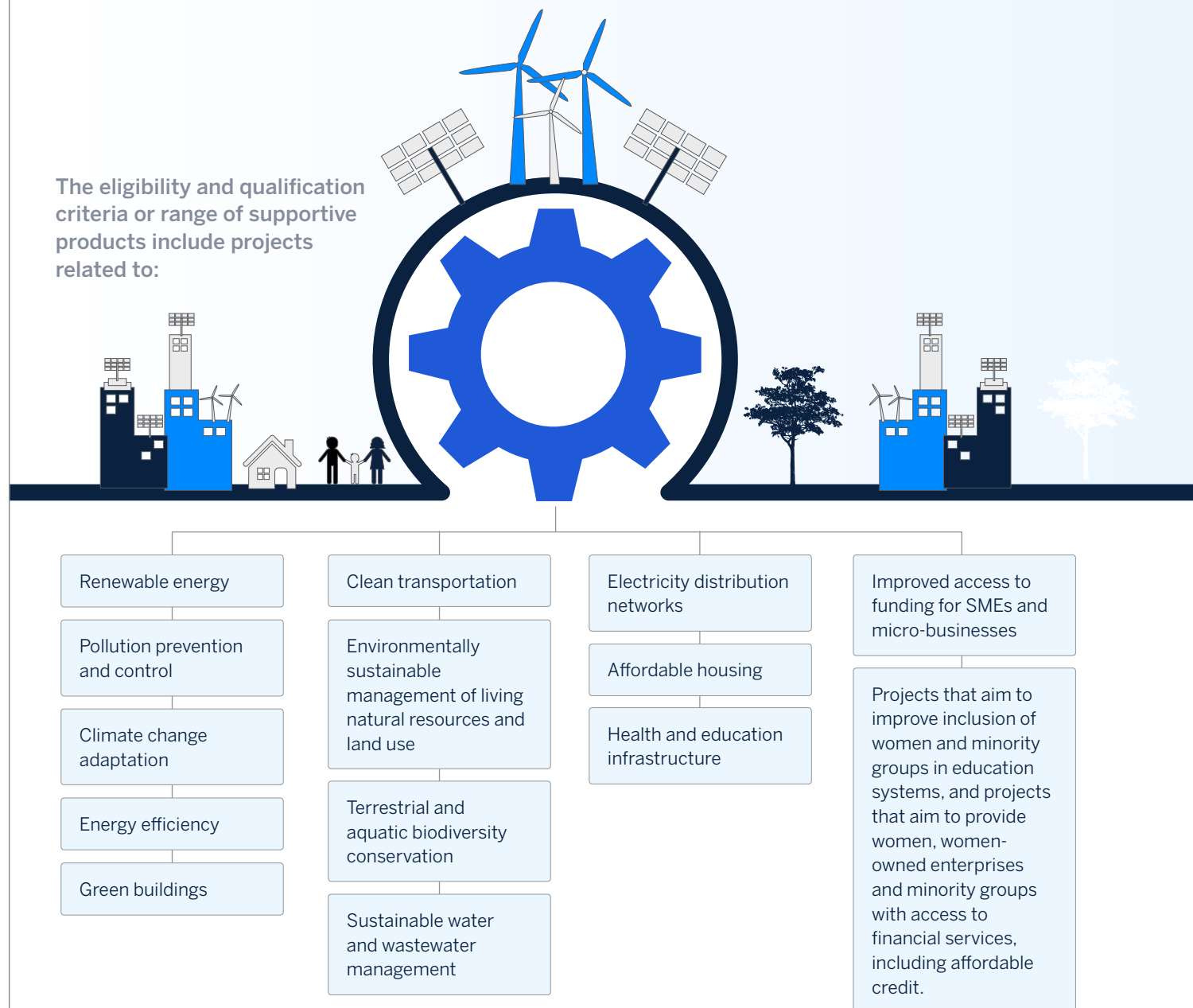
### Sustainable bond framework

Standard Bank Group's [Sustainable Bond Framework](#) allows us to issue sustainable, green and social bonds that support Standard Bank's lending to green projects aimed at mitigating climate change, and social projects reducing economic and social inequality. The framework will be reviewed by an independent party, with experience and track record in issuing Second Party opinions. This opinion will be made available to investors on the group's investor relations website.

Standard Bank will allocate the net proceeds of the sustainability bonds issued under this framework to an eligible loan/asset portfolio of new and/or existing loans/assets within categories aligned to our SEE impact areas. The eligible loans/assets will be funded in whole or in part by an allocation of the bond proceeds.

Final approval of selection and evaluation of projects eligible for green, social or sustainable bonds lies with the group asset and liability committee.

The eligibility and qualification criteria or range of supportive products include projects related to:



## SUSTAINABLE FINANCE CONTINUED

### Sustainable trade finance

Banks and corporates face a growing demand from shareholders, clients, investors and other stakeholders, for their trade finance transactions to actively support the production of goods or services in a manner that minimises adverse environmental and social impacts and promotes environmental and social benefits.

The group has been working with the International Chamber of Commerce (ICC) Banking Commission, co-leading a working group tasked with equipping banks to encourage sustainable finance trade practices.

Standard Bank's commitment to the ICC Banking Commission's sustainable trade finance process dovetails with the aims of the African Union's Agenda 2063 which highlights the need for trade and investment infrastructure to connect Africa. As an African bank clear in its purpose to drive Africa's growth, partnering with the ICC to develop standards and rules in trade, in general, and universally adopted global best practice in sustainable trade finance specifically, supports our purpose to facilitate trade and investment flows between African countries, and between African countries and global markets in a way that promotes sustainable and inclusive economic growth.



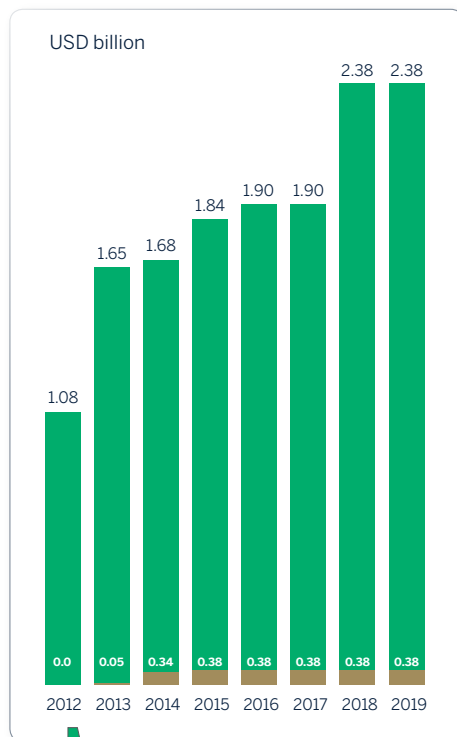
## SUSTAINABLE FINANCE CONTINUED

### Investment in renewable energy

Standard Bank Group supports the expansion of affordable renewable energy solutions across Africa. We work with governments, renewable energy companies and development finance institutions to facilitate large-scale infrastructural development.

Over the past several years we have significantly increased the proportion of our energy loan book committed to green energy and decreased the proportion of finance committed to fossil fuels.

Since 2012, we have financed the construction of new power projects to the value of USD2.77 billion in Africa. 86% of this funding was for renewable energy. Lending to fossil fuel power projects represented 14% of our investments (12% natural gas and 2% heavy fuel oil). We have not financed any new coal-fired power stations since 2009.



### ESTIMATED JOBS CREATED FROM STANDARD BANK'S INVESTMENTS IN SOUTH AFRICAN RENEWABLE ENERGY PROJECTS (2012 – 2019)

	PV	CSP	Wind	Total
Construction (direct)	6 264	2 719	4 116	<b>13 099</b>
Construction (supplier)	3 530	994	2 900	<b>7 424</b>
<b>Construction total</b>	<b>9 794</b>	<b>3 713</b>	<b>7 016</b>	<b>20 523</b>
Operations (direct)	673	117	715	<b>1 505</b>
Operations (supplier)	113	13	45	<b>171</b>
<b>Operations total</b>	<b>786</b>	<b>130</b>	<b>760</b>	<b>1 676</b>
<b>Total jobs</b>	<b>10 580</b>	<b>3 842</b>	<b>7 776</b>	<b>22 199</b>

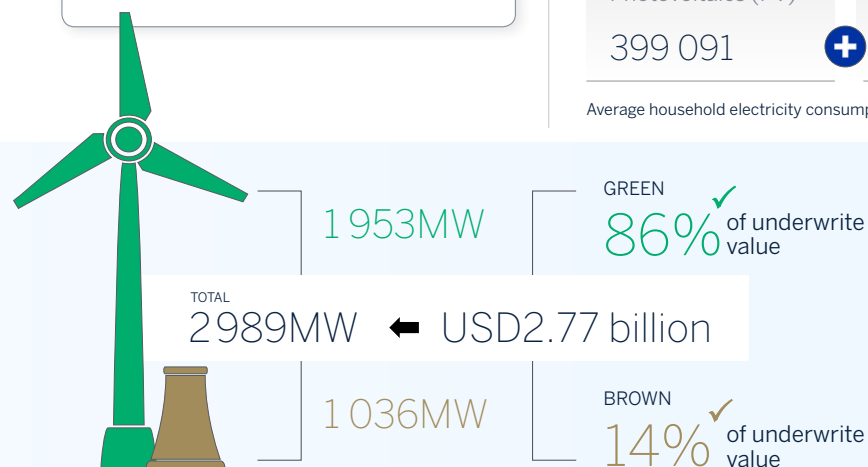
References  
Macroeconomic assumptions from Department of Energy Integrated Energy Plan  
Average capacity factors from statistics of utility-scale solar PV, wind and CSP in South Africa in 2017 by CSIR Energy Centre

### ESTIMATED HOUSEHOLDS EQUIVALENT POWERED FROM STANDARD BANK'S INVESTMENTS IN SOUTH AFRICAN RENEWABLE ENERGY PROJECTS FROM 2012 – 2019



Average household electricity consumption sourced from Exon Consulting –How much electricity does my home use, August 2016

### CUMULATIVE GREEN VS BROWN UNDERWRITE VALUE OF ENERGY INVESTMENTS FROM 2012 – 2019



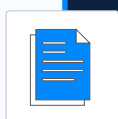
**GREEN** – Annual cumulative underwrite from 2012 – 2019 of project finance power generation transactions directed toward green energy. This includes clean, non-polluting and renewable energy sources that are naturally replenished over time, e.g. solar or wind.

**BROWN** – Annual cumulative underwrite from 2012 – 2019 of project finance power generation transactions directed toward brown energy, derived from conventional fossil fuel-based energy sources that release pollutants during processing and are finite/not replenished over time, e.g. coal, oil or natural gas.

## SUSTAINABLE FINANCE CONTINUED

### EXAMPLES OF PROJECTS FINANCED IN 2019 AND SEE IMPACTS

#### NEW VAAL DESALINATION

**Project description:**

Expansion of an existing mine water reverse osmosis treatment plant by 8 million litres per day, to 10.5 million litres per day, and a new salt recovery unit, at a colliery near Vereeniging, South Africa

**Social impacts:**

Reduced risk of effluent impacts on downstream users

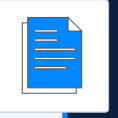
**Environmental impacts:**

Better management of effluent, recovery and reuse of polluted water, recovery of salts for easier disposal and potential resale

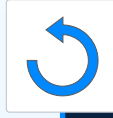
**Economic impacts:**

Sustained mining operations, Capex spend locally

#### ZANDVLIET WATER TREATMENT

**Project description:**

Installation of an ultra-filtration and reverse osmosis unit at the Zandvliet sewage works to improve water quality of 7.6 million litres per day discharge to river and recover 10 million litres per day of potable water for reuse in the City of Cape Town

**Social impacts:**

Improved water quality for downstream users, increase in potable water supply

**Environmental impacts:**

Improved water quality in the river downstream of the sewage works, recovery and reuse of sewage effluent

**Economic impacts:**

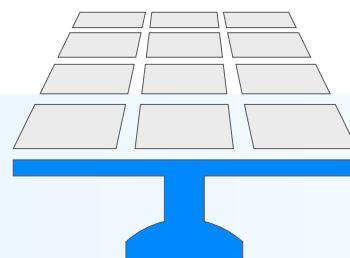
Increased capacity of municipal infrastructure in the region

## SUSTAINABLE FINANCE CONTINUED

Working with businesses and households to implement small-scale green energy solutions

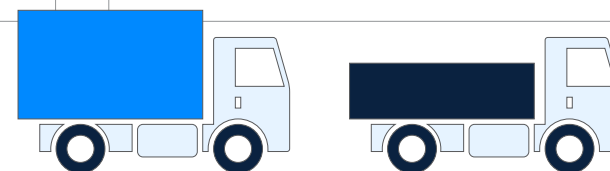
**We recognise our obligation to respond strategically to the risks which global environmental and social pressures have on our ability to create sustainable value for our stakeholders.**

We work with our clients to adopt greener solutions for their homes and businesses.



In South Africa, our VAF Solar Asset Solution enables our business and commercial banking clients to apply for finance to install small-scale renewable energy solutions at their businesses. In 2019, we financed 103 small-scale solar PV projects in South Africa, totalling 9.5MWs. In doing so, we helped improve energy and price security for businesses across the commercial, industrial and agricultural sectors. Projects included installations at Nelson Mandela University in Port Elizabeth, and the Central University of Technology in Bloemfontein. In both cases, the arrangement includes long-term Power Purchase Agreements (PPAs) with the universities, enabling the universities to purchase electricity generated by the solar PV system at beneficial tariffs. The Nelson Mandela Metropolitan University system is a 1MW dual-axis system, which allows the solar panels to track the movement of the sun, thereby maximising effectiveness.

Effective fleet management provides a major opportunity to reduce a company's carbon footprint. SBSA offers our clients access to ECO<sub>2</sub> Fleet, a web-based fleet management data collection and reporting service that enables users to accurately measure the carbon dioxide (CO<sub>2</sub>) emissions and other gases emitted by each vehicle in their fleet. It includes online monitoring and vehicle emission reporting, aligned to the principles of the Greenhouse Gas Protocol, a globally recognised accounting tool used to measure carbon emissions. ECO<sub>2</sub> Fleet compares the actual carbon emissions of each vehicle in a fleet to a manufacturer-specified or default carbon emissions rating. This provides fleet managers with a clear indication of how each vehicle is performing, and can help to identify trends and set objectives to reduce carbon emissions. This in turn supports savings on total fuel expenditure, thereby reducing operating costs. Fleet managers can use the data to make drivers more aware of their driving habits and how these could be improved. It can also inform improved maintenance practices – a vehicle that runs well has lower emissions. For more information, go [here](#).







## Our people

The Standard Bank Group employs over 48 000 people (excluding Liberty). We strive to create a work environment in which our people feel deeply connected to our purpose, their colleagues and our clients; are empowered to, and recognised for, delivering against our strategic objectives and being client centric in everything that they do; make the most of every opportunity to embrace new ways of working and learning new skills to remain relevant and achieve their full potential; and are encouraged to speak up and feel heard.

Our recruitment, on-boarding and training processes are designed to entrench our values, ethics and conduct standards across the group.

## Leadership development

**3 781** employees across all geographies took part in leadership development programmes in 2019.

**2 815** employees participated in customised programmes to meet specific requirements for business areas or countries. Of these attendees, 58% were women.

We launched our tailored leadership programme, Journey to Greatness, for our top **167** leaders in 2019, bringing together leaders from across our geographies and business areas, driving strategic alignment and developing behaviours aligned to our leadership identity.

We provide ongoing opportunities for senior executives and managers to gain international exposure through the Leadercast programme, conferences and international business school programmes.

Our Phakama Coaching programme is designed to accredit senior executives who are nearing retirement as coaches, enabling us to leverage their wisdom and institutional memory as they support the development of our future leaders.

Our preference is to promote from within. The identification of potential successors for executive roles forms an integral part of our annual talent review process. Over the past two years, the Africa Regions team has developed and begun implementing Last Mile, a bespoke programme to support selected individuals to take the step from executive to chief executive, with a particular focus on increasing the representation of women chief executives at country and regional level. The programme is based on insights from our existing regional and country level chief executives, together with extensive external research, to understand best practice for chief executive successor development, including specific research around female chief executive development. We have identified a pool of successors who demonstrate readiness to assume a chief executive role within the next few years. Through Last Mile, we will work with them to accelerate their readiness – gaining an understanding of their individual developmental needs, based on objective assessments and in-depth interviews, and developing tailored development plans for each participant. The inaugural cohort of Last Mile participants consists of 11 employees, of whom five are women.

## OUR PEOPLE CONTINUED

# Employee development

We encourage continuous learning and development to ensure our people are equipped to meet the demands of a rapidly changing and increasingly digital world of work.

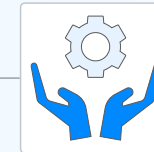
We invest in training and development at all levels, enabling us to build a strong succession pipeline of future leaders. We're also investing in our people to help them become future-ready, developing their skills as the financial industry evolves.

Our online learning platform ensures the availability of innovative skills development tools and learning content to all our employees. In 2019 we piloted an innovative, cloud-based micro-learning platform which gives all employees access to the learning resources they require to improve their current skills and build future skills. Using behavioural and data science, this solution continuously analyses employees' skill sets to personalise development pathways based on their unique skills, roles and learning goals. Our employees are also embracing opportunities to learn via our world-class digital libraries, which provide them with access to a large volume of training courses and learning videos.

In 2019 we invested

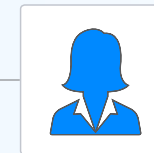
**R878 million**

in skills development,  
equivalent to 2.5% of  
staff costs



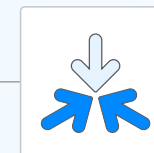
**8.4%** of all

employees attended  
management and  
leadership development  
programmes

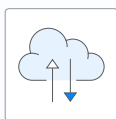


**60.4 %**

of positions were filled  
internally at group level  
over the past year



## OUR PEOPLE CONTINUED

EXAMPLES OF SKILLS DEVELOPMENT  
PROGRAMMES IN 2019

The group launched an 18-month cloud internship. **19** students are participating in a six-month classroom-based course, after which they'll join teams across Standard Bank for a 12-month period, working on cloud-related projects.



The group launched the Standard Bank Cyber Security Academy in July 2019. The first cohort of **75** employees completed the programme at the end of 2019, gaining them industry-recognised accreditation from various security vendors.



In South Africa, **4 225** employees are retraining as universal bankers to broaden their skills to meet the changing needs of our clients. The programme provides a nationally recognised NQF5 qualification.



**1 484** employees enrolled in learnership programmes to build scarce, critical skills in areas including data analytics, IT, auditing and finance and future skills such as data science, robotics, behavioural economics and cloud computing.

## OUR PEOPLE CONTINUED



### EMPLOYEE BURSARIES AND LEARNERSHIPS

We encourage our employees to stay up to date with developments in their fields and to continuously develop their professional skills. Our employees can apply for bursaries to study further at recognised tertiary institutions. Tailored employee bursary schemes are implemented in specific countries of operation. Bursaries for under- and post-graduate studies were provided to **1 794** employees across the group in 2019.

We also offer learnerships for our employees, to enable them to keep their skills relevant and up to date. Focus areas include evolving regulatory environments; and areas such as data science, robotics, behavioural economics and cloud computing.



### EMPLOYEE EXCHANGE PROGRAMMES AND SECONDMENTS

As an international group with an expansive footprint across Africa, we're proud to have employees from over 50 different countries. We value multi-country experience and offer international training opportunities for our people. **120** employees participated in international assignments in 2019. The cross-cultural awareness that results from the programme facilitates our ability to conduct business across Africa. At the same time, international assignments support succession planning for key roles, with a strong focus on strengthening the diversity of our senior leadership teams across Standard Bank and building a diverse medium to long-term succession pipeline.

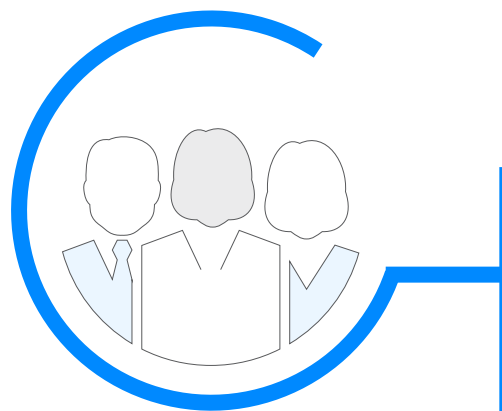
Standard Bank and ICBC established an employee exchange programme in 2016, which enables selected employees across Africa and China to spend time in headquarters of both our banks. Since inception, **43** assignees have participated in short and long-term assignments. Eight employees participated in 2019. The programme supports collaboration and relationship building between ICBC and Standard Bank, enabling the sharing of knowledge, cross-cultural exposure and the advancement of commercial and client objectives.

## OUR PEOPLE CONTINUED

### Talent attraction and retention

#### EMPLOYEE RETENTION AND TURNOVER

Overall turnover increased to 10.8%, from 8.3%, largely as a result of the retrenchments that took place as a result of branch closures in South Africa and reconfiguration in our information technology and shared services functions.



Voluntary employee turnover declined marginally year-on-year and our voluntary regrettable turnover remained stable at a low 2.3%. Our overall and voluntary turnover remain well below global financial industry benchmarks of 14.4% and 9.3% respectively (Source: Gartner CEB Global benchmarks: 2018).

#### TURNOVER

	Scope	Measure	2019	2018	2017
<b>Voluntary turnover rate</b>	SBG	%	<b>4.8</b> ✓	4.9	5.5
Overall employee turnover <sup>1</sup>	SBG	%	<b>10.8</b>	8.3	8.8
Voluntary regrettable turnover <sup>2</sup>	SBG	%	<b>2.3</b>	2.3	2.3
Voluntary turnover at executive level	SBG	%	<b>3.8</b>	4.8	4.3
Voluntary turnover rates (African)	SBSA	%	<b>4.6</b>	5.0	5.5
Voluntary turnover rates (black females)	SBSA	%	<b>3.9</b>	4.3	4.5
Black female hires as a % of total hires	SBSA	%	<b>50.8</b>	52.5	46.1

Voluntary turnover rate

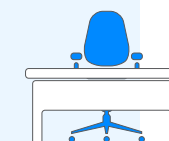
2019

4.8% ✓

Overall turnover

2019

10.8%



<sup>1</sup> Gartner CEB global benchmarks: 2018.

<sup>2</sup> High performing permanent employees leaving the group on a voluntary basis

## OUR PEOPLE CONTINUED



## GRADUATE PROGRAMME

We strive to attract and retain talented individuals in the banking sector. Our graduate programme provides an entry point into the corporate world for university graduates, supporting skills development and on-the-job training, nurturing future skills within the group and building a diverse workforce to drive Africa's growth. Participants are exposed to different departments and opportunities across the group and work closely with a variety of senior colleagues. **183** graduates joined the group this year on our various programmes, with a strong focus on data science and quantitative skills.

In 2019, we were awarded the SA Graduate Employers Association, Employer of Choice award in Commercial and Retail Banking for the ninth time in ten years.

INTERNSHIPS AND  
LEARNERSHIPS  
FOR UNEMPLOYED  
YOUNG PEOPLE

To build a bridge for young people entering the world of work, address racial, gender and geographical challenges to educational advancement, and develop the kind of skills needed by Standard Bank, we introduced learnership programmes for unemployed young people in 2007. The programmes provide a crucial opportunity to gain work experience. For many participants it's their first job.

In 2019, we enrolled

**709**

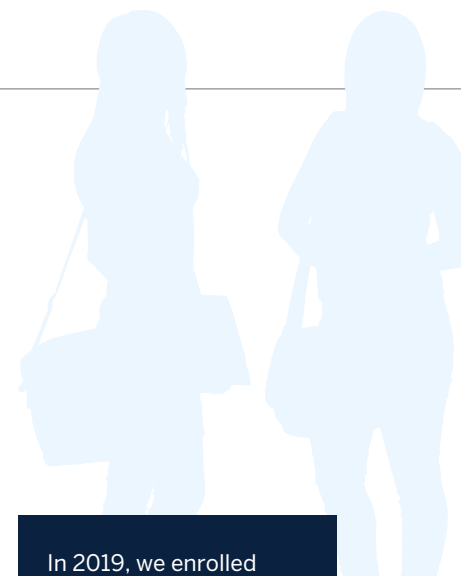
young people in  
learnership programmes

**729**

learners from the 2018  
intake completed their  
programmes during 2019

**374**

of these learners were  
retained at Standard Bank



## OUR PEOPLE CONTINUED

### INDIVIDUAL PERFORMANCE MANAGEMENT

Our 'perform to grow' philosophy is founded on the principle that more regular and constructive performance coaching conversations help drive personal improvement, growth and business contribution.

Our approach to performance management includes:

Agreement on clear and measurable performance goals, so our people know what's expected and can focus their energy and efforts on what matters most

Clear rating descriptors which provide our employees with an indication of where they stand in their personal performance and growth journey

Regular informal and formal performance coaching conversations, throughout the year, to ensure every employee knows what they are doing well and what needs more attention

Talent and succession planning, including prioritisation of learning and development opportunities

Line managers serving as performance coaches to guide and support each of their team members on their personal performance and growth journey to help them reach their full potential

A global, online performance management system, which includes the ability to give and receive feedback

All employees are expected to uphold the group's eight values. Living our values is a significant element of individual performance management. Our remuneration committee governs our remuneration policy and its application and ensures reward and remuneration decisions and processes consider and promote desired behaviours and conduct. More information can be found [here](#).

## OUR PEOPLE CONTINUED



## EMPLOYEE ENGAGEMENT

The group runs an annual 'Are You a Fan' survey. 74% of employees participated in 2019, up from 62% in 2018. The employee net promoter score (eNPS) was +18<sup>1</sup>, which compares favourably with benchmark data, but is down from +23 in 2018. We consider this to be a good result in the context of the restructuring activities that took place in our largest geography, South Africa.

## OUR THREE HIGHEST RATED RESPONSES WERE:

95% of employees have good relationships with their colleagues.

92% of employees understand their contribution to the broader Standard Bank Group purpose.

88% of employees are proud to be associated with the Standard Bank Group.

In 2019, SBSA closed 90 branches, and undertook broader restructuring across the business. The bank worked closely with employees impacted by restructuring to help them manage the transition. People were given opportunities to apply for vacancies and had access to a comprehensive support programme,

inclusive of redeployment support and assistance, options for technical, artisan and entrepreneurial training, franchising, financial and early retirement advice, and emotional support. Many employees were successfully redeployed to other roles in the bank.

An area highlighted for improvement is ensuring opportunities to grow and advance careers, where 70% of employees responded positively.

<sup>1</sup> Pure Survey for South African financial services: 2019.



## OUR PEOPLE CONTINUED

Diversity and  
inclusionWE RECOGNISE THAT TO  
DRIVE AFRICA'S GROWTH:

We need to access the full scope and depth of the talent available on the continent

We need a diverse workforce to help us understand and respond to the diverse needs of our clients

We need diversity of perspective, background and experience within the organisation to nurture creativity and innovation

Our **diversity and inclusion strategy** supports our efforts to employ people that reflect the diversity of Africa's people, and to create an inclusive, engaging and high-performance culture that enables all our employees to perform to their full potential. We aim to ensure that all our employees feel valued, empowered and motivated to work together to create solutions for our clients and the communities in which we operate.

In 2019, building on the work that had already been done in South Africa, we developed a **diversity framework** for Africa Regions, which guides how we work, to ensure fair and equal treatment of employees. The framework applies to all recruitment and selection; terms and conditions of employment; remuneration; promotion; work assignment; training and every other aspect of employment. It also addresses the critical issue of creating an inclusive work environment.

At country level, each of our businesses is developing a diversity plan with targets, against which progress will be tracked. Gender is a primary focus area for all countries. Plans include diversity metrics for recruitment and skills development, promotion and provision of targeted skills development interventions for women.

In South Africa, we have appropriate processes and support systems in place to assist people with disabilities to perform to their full potential. Employees can apply for reasonable accommodation to address specific workplace requirements. We raise awareness of disability declaration and reasonable accommodation application processes, through internal communications to all employees.

Standard Bank employees are governed and protected by group policies on **harassment, sexual harassment and unfair discrimination**. These policies establish non-negotiable principles and standards on these issues, while allowing for in-country adaptations for dealing with complaints. We have zero-tolerance for harassment and discrimination. All reported cases are taken seriously, and promptly and justly handled. Individuals are provided with the necessary support, and we ensure that they are not in any way prejudiced or disadvantaged as a result of having laid a bona fide complaint.

## OUR PEOPLE CONTINUED

### UN WOMEN HEFORSHE

Sim Tshabalala, our group CEO, is a Thematic Champion of the UN Women HeForShe movement, a global initiative for the advancement of gender equality. HeForShe is rooted in the understanding that gender equality will only be achieved with the involvement of men.



Sim Tshabalala

Group CEO

Standard Bank is committed to reaching parity in executive positions across our operations. We will achieve this through fair and unbiased hiring practices, policies, and ensuring that women have access to appropriate development and leadership opportunities

The movement invites all people to stand together to create a gender equal world. It recognises that fairness is not about treating everyone the same, but about treating people in a way which enables them to achieve their full potential. In line with the UN HeForShe ethos, we aim to create an inclusive culture, and to engage men and women to discuss the systemic and societal constraints that many women face. We make particular efforts to address any workplace barriers to gender equity. This includes making it easier for all employees, men and

women, to manage the often-conflicting demands of work and home life, making it easier for women to integrate back into their positions after maternity leave, and offering opportunities for employees to take sabbaticals and extended leave periods when certain conditions are met.

During 2019, we encouraged our people across the group, from executives to front line employees, to make their own HeForShe pledges. We received an excellent response, and we're delighted to see the enthusiasm with which our people have embraced the movement.



Lakshman Bheenick

Mauritius CE

Diversity is key for an organisation to be successful; gender diversity ensures all employees achieve their potential and shine.



## OUR PEOPLE CONTINUED

IMPROVING  
GENDER EQUITY  
ACROSS THE  
GROUP

We are continuously working to increase the representation of women in senior positions across the group. Measured against the 2018 McKinsey Women in the Workplace Report, Standard Bank Group compares favourably in respect of the representation of women in both executive and senior management positions.

## HeForShe targets

Increase representation of women on the Standard Bank Group board from 22% in 2018 to 33% by 2021

29.4%<sup>2</sup>✓

Increase representation of women in executive positions in Standard Bank Group from 32% in 2018 to 40% by 2023

32.3%

Increase representation of women in executive positions in SBSA from 35% in 2018 to 40% by 2021

35.0%

Increase representation of women chief executives (country/regional) in the Africa Regions from 10% in 2018 to 20% by 2021

10.5%<sup>3</sup>✓

## 2019 status

## OUR PEOPLE

	Scope	Measure	2019	2018	2017
<b>Total number of employees by type of employment contract<sup>1</sup></b>	SBG	Employees	<b>48 614</b>	52 147	54 047
Permanent	SBG	Employees	<b>44 996</b>	47 419	48 322
Non-permanent	SBG	Employees	<b>3 618</b>	4 728	5 725
<b>Total number of employees by gender (permanent)</b>	SBG	Employees	<b>44 996</b>	47 419	48 322
Male	SBG	Employees	<b>19 155</b>	20 032	20 407
Female	SBG	Employees	<b>25 841</b>	27 387	27 915
<b>Total number of employees by region</b>	SBG	Employees	<b>44 996</b>	47 419	48 322
South African Operations	SBG	Employees	<b>30 102</b>	32 162	32 876
Africa Regions	SBG	Employees	<b>14 274</b>	14 618	14 831
Standard Bank International	SBG	Employees	<b>620</b>	639	615

<sup>1</sup> Numbers exclude Liberty.

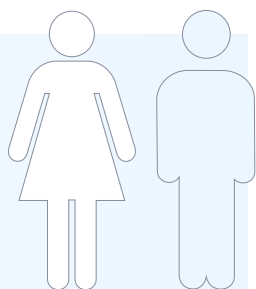
<sup>2</sup> Percentage of women on SBG board.

<sup>3</sup> Percentage of CE in Africa Regions.

Standard Bank has a policy of equal pay for work of equal value, ensuring that employees doing similar jobs at the same level are paid equitably. This principle, which is entrenched in South African labour law, is applied across the group. South Africa's Employment Equity legislation requires all employers to submit an annual income differential report, in order to identify whether there is any unfair discrimination in remuneration on the basis of race and/or gender. In 2019, we finalised a pay equity methodology, using adjusted regression analyses, that allows us to assess pay equity on an 'equal pay for work of equal value' basis. This will be applied across the group, aligning us with global best practice and demonstrates our commitment to fair and equitable remuneration practices.

## OUR PEOPLE CONTINUED

## Employee wellbeing



We provide a wide range of wellbeing services to our employees. We believe it is important to adopt a holistic view to wellbeing, so our service offerings cover physical, mental, social, emotional and financial wellbeing.

Our Employee Wellbeing Programme (EWP) provides confidential, personal support and information to help employees deal with everyday stressors and more serious concerns. Services are provided through an independent, external organisation in each country. Counsellors follow a strict, professional code of ethics to protect personal privacy. All Standard Bank employees and their immediate dependants can use EWP services, at no cost to the employee.



In 2019 we developed a minimum standards framework for the provision of an EWP, which stipulates:

Multiple points of access to the programme including a dedicated telephone line, text and e-mail

Employees and their immediate dependants have access to telephonic counselling 24 hours a day and 365 days per year

The telephonic service provides counselling and support on an extensive range of psychological, social and wellbeing related issues and provides Standard Bank employees with the necessary therapeutic assistance, information and guidance to resolve psychosocial problems, make positive and informed lifestyle choices and bolster their resilience

Access to individual, family and couple face to face counselling, which is short-term and solution focused

Onsite trauma intervention for individual employees and groups of employees exposed to incidents of trauma related to colleagues and the workplace

Line managers have access to telephonic or face to face guidance on the management and referral of employees whose performance and attendance are impacted by possible personal/professional challenges.

Employees can also participate in wellness days, medical assessments for executives and senior managers, and a range of training and upskilling initiatives focusing on financial wellbeing and building personal resilience and coping skills.

During 2019, **7 147** individual employees from across Standard Bank Group accessed these services, representing **15.6%** of total employees (compared to 15.7% in 2018).

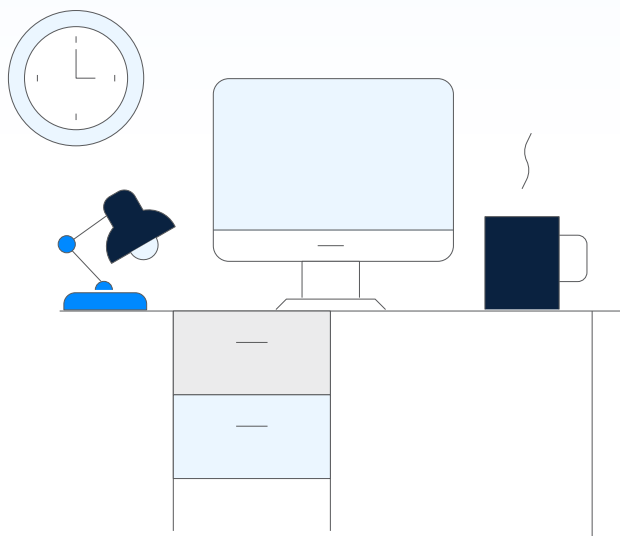
We train managers in managing absenteeism and appropriately supporting employees who display symptoms of psychosocial or health challenges.

We use the cost of total sick leave as a percentage of total payroll as our main measure of absenteeism. In 2019, this equated to **0.66%** for Standard Bank Group (0.63% in 2018). The average sick days per employee increased to **4.09** in 2019 compared to 3.92 in 2018, but is below the benchmark for the financial services sector of 4.5 days per employee (Alexander Forbes 2018).

## OUR PEOPLE CONTINUED

### WORKING CONDITIONS

Our employees have the right to enjoy fair and just conditions of work. The Standard Bank Group Employee Relations Governance Framework provides for constructive employer-employee relationship practices. The framework is founded on our international and national regulations and obligations, our values and code of ethics, and our commitment to maintaining and developing fair employment practices in all our countries of operation. The framework provides a general set of employee relations operating principles, which should be incorporated into the policies and procedures of group entities as applicable in their country of operation.



### IT INCLUDES OUR COMMITMENT TO ENSURING, IN RESPECT OF ALL OUR EMPLOYEES:

Protection of **human rights**, fair employment practices, and the principles of non-discrimination

Freedom of association, and the freedom not to associate, including the right to collective organisation and representation

**Freedom to express concerns** arising in the workplace through established procedures without fear of retaliation or victimisation

The right to a safe and healthy working environment and the expectation of decent work that is productive and delivers a fair income

Protection against discrimination in employment and occupation, including recognition of the principle of equal remuneration for work of equal value

The right to fair labour practices in the employment of employees and throughout the duration of their employment with the group

### THE OBSERVANCE OF FREEDOM OF ASSOCIATION PROVIDES FOR, AMONG OTHERS:

Recognition of collective organisation for employees to form and join unions of their choice (or the right not to), and to exercise organisational rights (or the right not to) as provided for in terms of the relevant laws

Collective bargaining through representatives of choice for the purposes of reaching agreement on terms and conditions of employment in terms of the relevant laws and country level agreements

The structure and form of collective bargaining will be determined by labour market factors within the country and the group, and will require agreement between the group and the recognised union. Collective bargaining by custom and agreement is restricted to general staff

In South Africa, 47.9% of our people belong to a trade union. Of our general staff, 63.6% are recognised by the group for the purposes of collective bargaining


In African countries other than South Africa, 28% of employees belong to a trade union, recognised by the group for the purposes of collective bargaining

## OUR PEOPLE CONTINUED

**OCCUPATIONAL HEALTH AND SAFETY**

The Standard Bank Group is committed to providing a healthy and safe working environment for our employees. We do so by complying with all applicable legislation and regulatory and supervisory requirements.

Our Occupational Health and Safety (OHS) policy seeks to achieve high standards of care and provide a healthy and safe workplace for employees, contractors, clients, visitors, and other relevant persons. Any risks to the health and safety of employees and stakeholders resulting from hazards in the workplace and/or potential exposure to occupational illness, as well as the group's exposure to the risk of impacting directly on the environment through our business, are managed by the health, safety, and environmental risk management team and are supported by executive management accountability structures. The Safety, Health and Environment (SHE) risk team works closely with group real estate services on the group's direct environmental impact, which is reported in more detail on [pages 39 to 42](#).



All buildings occupied by Standard Bank throughout Africa are covered by Standard Bank's OHS programme. Our operations across Africa comply with national OHS standards and legal requirements, or the group's minimum standards, whichever is more stringent. Effective OHS practices provide protection against the direct costs of health and safety violations and minimise legal, regulatory and reputational risks, while simultaneously ensuring shareholder value by looking after our biggest asset, our people.

We continuously strive to ensure that a healthy and safe workplace is provided for all employees, contractors, clients and visitors across all geographies, in pursuance of all applicable health and safety legal requirements and best practices. As an employer we understand that our duty of care places an obligation on us as to integrate occupational health and safety management frameworks as part of our policies and management arrangements at the workplace. We empower our people with appropriate knowledge and training that will enable them to effectively execute their health and safety responsibilities. We also provide our service providers and contractors with information on their health and responsibilities and how their activities may impact the group's operations. Regular support visits are conducted to ensure alignment across all our operations. The visits contribute toward creating a positive health and safety culture, while preventing, minimising and managing health and safety risks, working closely with all the relevant stakeholders.



# Corporate social investment

Africa's growth depends on her people having access to quality education, skills training and lifelong learning opportunities, and affordable and accessible health-care and shelter.

Standard Bank aims to create shared value through our corporate social investment (CSI) initiatives, addressing social needs in a sustainable manner, while also seeking business opportunities. Our CSI programme aims to deliver benefits for the communities in which we operate, while enhancing our visibility and reputation, improving our employee experience, and demonstrating our local relevance.



In Africa Regions, we invested **R19.8 million** in CSI programmes in 2019. 50% of this spending went to economic empowerment, focusing on entrepreneurship and SME development, including our incubator programmes (R9.9 million); 40% was spent on education (R7.9 million), and 10% on health (R1.9 million).









In South Africa, we focus our investment in education, with the objective of contributing to social and economic transformation in South Africa through supporting the development of future-fit children who are ready for a new world of work. The particular focus of our strategy is on early childhood development and foundation phase education. In 2019, we spent **R83.6 million** on education initiatives, about 74% of our total CSI budget of R113.6 million. We kept our operational costs to 4.4% of total budget, ensuring that the large majority of spending goes directly to beneficiaries.

Standard Bank encourages employee participation in CSI activities, including volunteering in meaningful, sustainable volunteer work in the communities in which we operate. We see a positive effect on employee engagement and team cohesion, and consequently on productivity, when we encourage, enable and support employee community involvement through volunteering. We work with the NGOs we support to structure appropriate volunteering opportunities for our employees.

Read more about Standard Bank's corporate social investment activities in 2019 [here](#).

# ESG metrics

## Sustainable finance

Group			
Performance Loans			
Product Type	2019	Impact Area	UN SDG*
Sustainability Linked Loans (SLL) Issued	Number of SLL – 2	<ul style="list-style-type: none"> <li>African Trade &amp; Investment</li> <li>Education</li> <li>Climate Change &amp; Sustainable Finance</li> </ul>	  
	Quantum – USD 52.9m		
Bonds			
Product Type	2019	Impact Area	UN SDG*
Green Bonds Arranged	Number of Green Bonds – 3	<ul style="list-style-type: none"> <li>Job Creation &amp; Enterprise Growth</li> <li>Infrastructure</li> <li>Education</li> <li>Climate Change &amp; Sustainable Finance</li> </ul>	  
	Quantum – USD 113.87m		
<b>Green Bonds Arranged by SBG (African Share*)</b>			
<b>41%</b>			

\* % of African Green Bonds arranged by SBG.

## Environmental indicators

### GREEN VS BROWN ENERGY INVESTMENT

	Scope	Measure	2019	2018	2017
Ratio: Green (renewables)	SBG	%	86 ✓	86	83
Ratio: Brown (fossil fuel-based)	SBG	%	14 ✓	14	17
<b>Cumulative underwrite of energy transactions – since 2012</b>	SBG	USD bn	2.77	2.77	2.28
Green (renewables)	SBG	USD bn	2.38	2.38	1.90
Brown (fossil fuel-based)	SBG	USD bn	0.38	0.38	0.38
Number of energy transaction per year	SBG	Number	0	7	0
Green (renewables)	SBG	MW	0	472	0
Brown (fossil fuel-based)	SBG	MW	0	0	0

\* Aggregate Standard Bank Group gross unhedged credit limits extended to the following activities are expressed as a % of Standard Bank Group's Banking Activities Total Assets at 31 December 2019:

	Scope	Measure	2019	
Coal-fired Power Generation*	SBG	%	1.26	Gross limits extended to Eskom as well as other coal fired power generation utilities in Africa
Renewable Power Generation*	SBG	%	1.12	Gross limits extended to renewable power generation utilities and IPPs





## CARBON EMISSIONS

	Scope	Measure	2019	2018	2017
Scope 1 Diesel generators	SBSA	Tonnes CO <sub>2</sub>	1 900	1 153	1 660
Scope 1 Fleet vehicles	SBSA	Tonnes CO <sub>2</sub>	1 600	1 969	2 603
Scope 1 Natural gas	SBSA	Tonnes CO <sub>2</sub>	3 829	3 742	3 363
Scope 1 Refrigerants	SBSA	Tonnes CO <sub>2</sub>	1 895	3 350	3 180
<b>Total Scope 1</b>	SBSA	Tonnes CO <sub>2</sub>	<b>9 224</b>	10 215	10 806
Scope 2 (Purchased electricity)	SBSA	Tonnes CO <sub>2</sub>	197 771	202 586	220 408
<b>Total Scope 1 and 2</b>	SBSA	Tonnes CO <sub>2</sub>	<b>206 995</b>	212 801	231 214
Scope 3 Flights	SBSA	Tonnes CO <sub>2</sub>	21 066	29 107	25 762
Scope 3 Rental Cars	SBSA	Tonnes CO <sub>2</sub>	351	422	412
Scope 3 Paper	SBSA	Tonnes CO <sub>2</sub>	698	353	1 378
Scope 3 Waste disposed	SBSA	Tonnes CO <sub>2</sub>	770	802	669
<b>Total Scope 3</b>	SBSA	Tonnes CO <sub>2</sub>	<b>22 885</b>	30 684	28 221
<b>Total emissions</b>	SBSA	Tonnes CO <sub>2</sub>	<b>229 880</b> ✓	243 485	259 435

## ENERGY CONSUMPTION

	Scope	Measure	2019	2018	2017
Total Direct Energy Consumption – i.e., from fuels burned	SBSA	MWh	25 812	22 861	22 890
Total Indirect Energy Consumption – i.e., from electricity consumed	SBSA	MWh	186 576	209 467	218 226
Total Electricity Consumption (from Renewables)	SBSA	MWh	2 758	3 101	2 704
Total Energy Consumption – calculated	SBSA	MWh	215 146	235 429	243 820

## PAPER CONSUMPTION

		2019	2018	2017
Total		<b>732.9</b>	352.86	1 377.6
CO <sub>2</sub> tons		<b>698.27</b>	337.33	2 663.7

## FLIGHTS

	Scope	Measure	2019	2018	2017
Total flight emissions	SBSA	Tonnes CO <sub>2</sub>	<b>21 066</b>	29 107	19 349
Total flight km	SBSA	km	<b>72 869 775.7</b>		

## ENERGY SOURCES

	Scope	Electrical energy (MWh) 2019	CO <sub>2</sub> emissions (kg) 2019	Electrical energy (MWh) 2018	CO <sub>2</sub> emissions (kg) 2018
Electricity	SBSA	<b>189 334.45</b>	<b>197 770 601.2</b>	212 282.65	202 586 483.1
Diesel	SBSA	<b>7 069.50</b>	<b>1 900 280.5</b>	4 335.95	1 153 363.9
Gas	SBSA	<b>18 742.33</b>	<b>3 828 683.7</b>	18 525.35	3 742 120.4
<b>Renewable</b>	SBSA	<b>2 763.47</b> ✓	<b>0</b>	3 101.01	0

## WASTE MANAGEMENT

	Total (kg) 2019	Total (tonnes) 2019	Total (kg) 2018	Total (tonnes) 2018
General waste	<b>1 311 735.90</b>	<b>1 288.26</b>	1 365 234.4	1 365.2
Recyclable waste	<b>241 739.05</b>	<b>240.98</b>	170 308.2	170.3
Hazardous waste	<b>1 148.50</b>	<b>1.12</b>	1 379	1.3
Waste to landfill	<b>1 312 884.40</b>	<b>1 289.38</b>	1 366 613.4	1 366.6

## WATER CONSUMPTION

	Scope	Measure	2019	2018	2017
Total water consumption	SBSA	kilolitres	<b>627 632</b>	680 559	666 806
Reduction target	SBG	%	<b>8</b>	6	n/a

## OUR PEOPLE

	Scope	Measure	2019	2018	2017
<b>Total number of employees by type of employment contract<sup>1</sup></b>	SBG	Employees	<b>48 614</b>	52 147	54 047
Permanent	SBG	Employees	<b>44 996</b>	47 419	48 322
Non-permanent	SBG	Employees	<b>3 618</b>	4 728	5 725
<b>Total number of employees by gender (permanent)</b>	SBG	Employees	<b>44 996</b>	47 419	48 322
Male	SBG	Employees	<b>19 155</b>	20 032	20 407
Female	SBG	Employees	<b>25 841</b>	27 387	27 915
<b>Total number of employees by region</b>	SBG	Employees	<b>44 996</b>	47 419	48 322
South African Operations	SBG	Employees	<b>30 102</b>	32 162	32 876
Africa Regions	SBG	Employees	<b>14 274</b>	14 618	14 831
Standard Bank International	SBG	Employees	<b>620</b>	639	615

<sup>1</sup> Numbers exclude Liberty.

## TURNOVER

	Scope	Measure	2019	2018	2017
<b>Voluntary turnover rate</b>	SBG	%	<b>4.8</b> ✓	4.9	5.5
Overall employee turnover <sup>1</sup>	SBG	%	<b>10.8</b>	8.3	8.8
Voluntary regrettable turnover <sup>2</sup>	SBG	%	<b>2.3</b>	2.3	2.3
Voluntary turnover at executive level	SBG	%	<b>3.8</b>	4.8	4.3
Voluntary turnover rates (African)	SBSA	%	<b>4.6</b>	5.0	5.5
Voluntary turnover rates (black females)	SBSA	%	<b>3.9</b>	4.3	4.5
Black female hires as a % of total hires	SBSA	%	<b>50.8</b>	52.5	46.1

<sup>1</sup> Gartner CEB global benchmarks: 2018.

<sup>2</sup> High performing permanent employees leaving the group on a voluntary basis.

## ACTUAL ANNUAL CTC

	December 2017	December 2018	December 2019
<b>Country</b>			
Angola	829 195 351	843 498 212	<b>353 961 162</b>
Botswana	186 627 324	200 844 343	<b>219 482 716</b>
Brazil	10 219 025	7 483 383	<b>7 997 526</b>
China	50 457 388	60 211 430	<b>72 555 931</b>
Congo The Democratic Republic Of	47 054 559	40 757 334	<b>52 062 554</b>
Ghana	239 772 304	267 316 065	<b>291 731 025</b>
Great Britain	358 218 868	375 756 284	<b>323 472 261</b>
Hong Kong	34 649 892	31 970 955	<b>2 563 973</b>
Isle of Man	78 518 165	90 755 469	<b>101 630 793</b>
Jersey	222 903 503	237 613 971	<b>269 101 513</b>
Kenya	424 694 343	459 855 540	<b>459 065 595</b>
Lesotho	138 438 998	148 099 761	<b>148 950 868</b>
Malawi	105 049 020	111 719 019	<b>129 435 863</b>

## ACTUAL ANNUAL CTC (CONTINUED)

	December 2017	December 2018	December 2019
Mauritius	56 025 186	56 966 583	<b>61 837 728</b>
Mozambique	142 199 468	170 713 108	<b>196 237 315</b>
Namibia	508 064 360	545 134 121	<b>552 108 298</b>
Nigeria	953 968 445	1 093 161 579	<b>1 231 094 820</b>
South Africa	19 272 920 099	19 481 294 236	<b>16 066 217 167</b>
South Sudan	444 610	486 909	<b>628 015</b>
Swaziland	147 168 020	158 611 092	<b>161 854 737</b>
Tanzania	169 997 527	175 132 637	<b>188 893 052</b>
Uganda	298 576 536	300 312 370	<b>353 509 275</b>
United Arab Emirates	24 477 440	22 130 597	<b>27 157 067</b>
USA	39 464 116	41 071 151	<b>46 801 283</b>
Zambia	229 822 419	234 728 670	<b>212 424 091</b>
Zimbabwe	188 935 691	196 657 477	<b>109 568 179</b>
<b>Grand Total</b>	<b>24 757 862 658</b>	<b>25 352 282 298</b>	<b>21 640 342 805</b>

## TRAINING AND DEVELOPMENT

	Scope	Measure	2019	2018	2017
<b>Training spend</b>	SBG	Rm	<b>878</b>	931	925
Number of employees that attended a leadership programme	SBG	Employees	<b>3 781</b>	5 631	4 592
Number of leaders participating in customised leadership training programmes	SBG	Employees	<b>2 815</b>	517	757
<b>Number of employees receiving bursaries for studies</b>	SBG	Number	<b>1 794</b>	2 170	934
Internal bursary spend	SBG	Rm	<b>42.4</b>	51.8	22.7
Africa Regions attendees across all leadership training programmes	SBG	Number	<b>n/a</b>	687	1 017
Employees receiving bursaries	SBG	Number	<b>1 794</b>	1 933	934
Black attendees at all Global Leadership Centre courses combined	SBSA	%	<b>70.5</b>	74.4	67.5
<b>Leadership training and graduate programmes</b>					
<b>SBSA leadership training – total number</b>	SBSA	Employees	<b>2 708</b>	4 709	3 543
SBSA leadership training – black South African attendees	SBSA	%	<b>70.5</b>	74.4	67.5
SBSA leadership training – female attendees	SBSA	%	<b>43.1</b>	46.0	34.8
SBSA leadership training – black African attendees	SBSA	%	<b>38.0</b>	43.0	34.8
<b>SBSA graduate programmes – total number</b>	SBSA	Employees	<b>940</b>	1 009	924
SBSA graduate programmes – black South African attendees	SBSA	%	<b>92</b>	91	89
SBSA graduate programmes – female attendees	SBSA	%	<b>61</b>	43	46
SBSA graduate programmes – black African attendees	SBSA	%	<b>77</b>	75	39.7
<b>Black succession planning and promotions</b>					
<b>Learnership students absorbed into permanent employment</b>	SBSA	%	<b>64</b>	64.1	83
<b>Black staff in succession plans and programmes for senior positions</b>	SBSA	%	<b>56.9</b>	55.4	50.8
Black African staff in succession plans and programmes for senior positions	SBSA	Employees	<b>534</b>	464	370
Black attendees in succession plans and programmes	SBSA	%	<b>56.9</b>	55.4	50.8
<b>Black African attendees in succession plans and programmes</b>	SBSA	%	<b>30.8</b>	28.4	25.9
<b>Leadership attendees promoted into senior positions</b>	SBSA	Employees	<b>98</b>	31	84
Black attendees promoted into senior management	SBSA	%	<b>70.4</b>	67.7	72.6
Black African attendees promoted into senior management	SBSA	%	<b>35.7</b>	29	42.9

## GRADUATE PROGRAMME

	Scope	Measure	2019	2018	2017
<b>Number of graduates on the programme</b>	SBG	Number	183	243	139
% of graduates employed for permanent positions	SBG	%	100	100	
Value of bursaries and scholarships	Scope	Measure	2019	2018	2017
<b>Total number of bursaries awarded</b>	SBG	Number	2 314	2 322	1 084
Value of all bursaries	SBG	Rm	87.3	97.9	74.3

## GENDER EQUALITY

	Scope	Measure	2019	2018	2017
<b>Gender equality</b>					
Number of females in the group	SBG	Number	25 841	27 387	27 915
Number of males in the group	SBG	Number	19 155	20 032	20 407
<b>Percentage of women in:</b>					
Executive management positions	SBG	%	32.3 ✓	32.2	31.5
Senior management positions	SBG	%	40.3 ✓	39.4	38.2
Middle management positions	SBG	%	44.6	44.9	44.8
Junior management positions	SBG	%	51.8	50.9	50.9
<b>Percentage of men in:</b>					
Executive management	SBG	%	67.7	67.8	68.5
Senior management positions	SBG	%	59.7	60.6	61.8
Middle management positions	SBG	%	55.4	55.1	55.2
Junior management positions	SBG	%	48.2	49.2	49.1

## GENDER EQUALITY

	Scope	Measure	2019	2018	2017
Representation of women in SBSA	SBSA	Number	18 675	20 051	20 499
Representation of men in SBSA	SBSA	Number	11 427	12 111	12 377
<b>Percentage of women in:</b>					
Top management	SBSA	%	11.6	9.3	9.1
Senior management	SBSA	%	21.9	20.4	18.1
Middle management	SBSA	%	38.3	37.0	36.1
Junior management	SBSA	%	61.1	60.5	59.9

## EMPLOYEE WELLNESS

	Scope	Measure	2019	2018	2017
<b>Employee Net Promoter Score</b>					
SBG	SBG	eNPS <sup>1</sup>	18	23	14
<b>ICAS (employee wellness programme)</b>					
Uptake by employees	SBG	Employees	7 147	7 221	
Percentage uptake by employees	SBG	%	15.6	15.7	

1 Pure Survey for South African financial services: 2019.

## LABOUR STANDARDS

	Scope	Measure	2019	2018	2017
<b>Freedom of association</b>					
Percent of your total number of employees are covered by an independent trade union or collective bargaining agreements	SBG	%	<b>47.8</b>	40.2	
<b>Staff turnover and temporary staff</b>	SBG				
Total employee costs	SBG	Rm		34 904	33 340
<b>Absenteeism</b>					
Total number of person days lost due to absenteeism	SBG	Number	<b>184 099</b>	187 194	179 887

## COLLECTIVE BARGAINING REPRESENTATION

	Scope	Measure	2019	2018
General employees	SBSA	%	<b>64.2</b>	67.6
General employees	SBSA	Number	<b>12 229</b>	13 985
Managerial employees	SBSA	%	<b>20.4</b>	20.9
Managerial employees	SBSA	Number	<b>2 171</b>	2 037
Overall collective bargaining members	SBSA	Number	<b>14 400</b>	16 226
Overall collective bargaining member representation	SBSA	%	<b>48.5</b>	51.7

## COMMUNITY INVESTMENT/CORPORATE CITIZENSHIP

	Scope	Measure	2019
Total CSI spend	Africa Regions	Rm	<b>19 800 000</b>
Total CSI spend*	SBSA	Rm	<b>113 600 000</b>
CSI spend on arts, sports and culture	SBSA	Rm	<b>16 204 257</b>
Value of CSI spend on social development, including nutrition and/or feeding programmes	SBSA	Rm	<b>0</b>
Value of CSI spend on education	SBSA	Rm	<b>83 670 621</b>
Value of CSI spend in environmental management projects	SBSA	Rm	<b>0</b>
Value of CSI spend on health	SBSA	Rm	<b>5 134 659</b>
Value of CSI spend on infrastructure development	SBSA	Rm	<b>900 000</b>
Value of CSI spend on other	SBSA	Rm	<b>9 201 163</b>
Value of CSI/SED spend on skills development	SBSA	Rm	<b>0</b>
Value of CSI/SED spend on small business development projects	SBSA	Rm	<b>8 700 000</b>
Variance between total CSI spend versus calculated	SBSA	Rm	<b>27 168 700</b>
Variance between total CSI spend reported versus calculated	SBSA	%	<b>0.2</b>
CSI spend as a percentage of Net Profit after Tax (NPAT)	SBSA	%	<b>0.8</b>
Rand value of enterprise development Spend (i.e. support for small business)	SBSA	Rm	<b>n/a</b>
Community investments: Percentage of total costs	SBSA	%	<b>92.6</b>
Community investments: Tututwa	SBSA		
Commercial initiatives: Percentage of total costs	SBSA	%	<b>n/a</b>

\* CSI budget is calculated based on NPAT. It therefore does not include additional contributions which may come from staff matching and emergency CSI relief spending, which may come directly from business.

# Governance indicators

## BUSINESS CONDUCT AND PERSONAL CONDUCT

	Scope	Measure	2019	2018
<b>Whistle blowing</b>				
Number of cases reported to the whistleblowing line	SBSA	Number	406	
Number of cases investigated	SBSA	Number	191	
Number of dismissals from whistleblowing cases reported	SBSA	Number	11	
Number of warning issued from whistleblowing cases reported	SBSA	Number	30	
<b>Ombudsman resolutions</b>				
Ombudsman resolutions found in favour of the bank	SBSA	%	70.8	69
Ombudsman resolutions found in favour of the complainant	SBSA	%	29.3	31
<b>Disputes</b>				
Banking Ombudsman (OBS)	SBSA	Number	1 128	1 203
FAIS Ombudsman	SBSA	Number	114	76
National Credit Regulator (NCR)	SBSA	Number	26	17
Credit Ombudsman (CO)	SBSA	Number	76	29
Other	SBSA	Number	461	360
Total number of disputes	SBSA	Number	1 758	1 732
<b>Disputes financial impact</b>				
Amount at risk/claimed (Anticipated claim cost)	SBSA	Rm	174 331 266.28	97 217 023.12
Amount at risk paid (Valid claim pay out)	SBSA	Rm	8 493 151 .24	7 529 604.14
<b>OBS complaint numbers</b>				
Absolute	SBSA	Number	1 128	1 203
Normalised*	SBSA	%	13.9	14.8
<b>Conduct Sanctions</b>				
Administrative sanctions	SBSA	Number	1	
Total cost of sanction	SBSA	Rm	30 000 000	

\* Per 100 000 SA retail customers

## CONDUCT TRAINING

	Scope	Measure	2019
<b>Conduct measurement</b>			
Number of employees who completed conduct training	SBG	Number	44 000
Conduct training completion rate	SBG	%	95



## OWNERSHIP BY REGION

	Measure	Country
South Africans	%	49
International Investors	%	51
China	%	20
USA	%	14
UK	%	20

## TAX CONTRIBUTIONS – PER REGION

	Measure	Country
Standard Bank International	Rbn	1.4
Africa Regions	Rbn	9.1
South Africa	Rbn	16.5
Total tax contribution	Rbn	27.1
Various corporate taxes incurred R10.3 billion	Rbn	10.3

# Policies

## Compliance Policies

### [Anti-bribery and corruption policy](#)

Chinese walls policy  
Competition policy  
Complaints management policy  
Compliance risk management policy  
Conflicts of interest policy

### [Data privacy policy](#)

EU short selling policy  
FAIS conflict of interest management policy

### [Financial sanctions and counter terrorist financing policy](#)

Gifts and entertainment policy  
Market abuse control policy

### [Money laundering and terrorist financing control policy](#)

Need to know information policy  
Outside business interest policy  
Personal account trading policy  
Research policy  
Watch and restricted list policy  
Complaints management (SBSA) policy  
Exchange control interaction (SBSA) policy  
Occupational health and safety (SBSA) policy

### [Facilitation of tax evasion prevention policy](#)

## Conduct Risk

### [Conduct Risk](#)

## Human Capital

Assessment policy  
Benefits philosophy  
Bursary policy  
Chronic diseases policy  
Cross-border transfer policy  
Disability policy  
Employee referral scheme policy  
[Harassment in the workplace policy](#)  
International mobility for project-based assignments  
Annexure 2 Tier 2  
International mobility for skills deployment assignments  
Annexure 3 Tier 2  
International mobility for strategic assignments  
Annexure 1 Tier 2  
International mobility Tier 1  
Non-permanent resources policy  
Policy for non-permanent resources  
Recognition policy  
Remuneration policy  
Resourcing policy  
Retirement funds and benefits policy  
Smoke-free policy  
Staff movements\_SALL\_ICBC\_SBG policy  
Substance abuse policy  
Talent and succession policy  
Time off in lieu (TOIL) of overtime policy  
Corporate social investment policy

### [Discrimination in the workplace policy](#)

### [Sexual harassment in the workplace policy](#)

## Credit Risk

Equity policy  
Intragroup transactions lending to related connected parties policy

## Investigations and Fraud Risk

Anti-fraud policy  
Whistleblowing policy

## Operational Risk

AMA capital model development policy  
Business resilience policy  
Managing the risk of outsourcing policy  
New and amended business product and services policy  
Operational risk management (ORM) policy  
Stanbic international insurance Ltd (SIIL) risk management policy  
Start-up acquisition and disposal transaction policy

## Market Risk

Market risk policy

## Model Risk

Credit risk model governance

Global markets and liquidity risk model validation policy

Operational risk model validation policy

## Environmental and Social Risk

Environmental and social risk policy

[Coal-fired power finance policy](#)

[Thermal coal mining finance policy](#)

## Information Risk

Acceptable use of information assets policy

Card data protection policy

External party information risk management policy

Information lifecycle policy

[Information risk policy](#)

Logical access management policy

Mobile device policy

Records management policy

## Citizenship

Group human rights statement

[Stakeholder engagement policy](#)

Trade association policy

[Human rights policy](#)

[Expanded democracy support programme policy](#)

[Sponsorship policy](#)



[standardbank.com](https://www.standardbank.com)