STANDARD BANK GROUP

UN PRINCIPLES FOR RESPONSIBLE BANKING (PRB) REPORTING AND SELF-ASSESSMENT

for the year ended 31 December 2023
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This report uses UNEP FI Principles for Responsible Banking (PRB) September 2022 template. It provides a self-assessment summary to demonstrate the extent to which Standard Bank has fulfilled the requirements of PRB’s key steps. It provides summaries of the annual progress made in implementing each principle, with references to where information can be found in our annual reporting suite. It includes limited assurance for:

- Section 2.1: Impact Analysis
- Section 2.2: Target Setting
- Section 2.3: Target Implementation and Monitoring
- Section 5.1: Governance Structure for Implementation of the Principles

This report covers the period 1 January to 31 December 2023.
Please direct any queries or comments to GroupSustainability@standardbank.co.za
Our reporting suite

Our suite of reports caters for the diverse needs of our stakeholders. Our PRB report summarises relevant information that can be found in other areas of our reporting suite, and indicates where more information can be found.

### Integrated reporting
Primarily of interest to our shareholders, debt providers and regulators, assesses our ability to deliver sustainable growth and value in the short, medium and long term.

### Annual integrated report
Sets out our value story and intended outcomes for our stakeholders, Africa and the group, and assesses our ability to create and preserve value, and mitigate value erosion, in the short, medium and long term. It draws information from our key supplementary reports which provide more detailed disclosure.

### Report to society (RTS)
An assessment of our impact on society, the economy and the environment, focusing on the four areas in which we have the most significant impact, namely: enterprise growth and job creation, infrastructure development and the just energy transition, climate change mitigation and resilience, and financial inclusion.

### Sustainability disclosures report
Provides an overview of how we manage environmental, social and governance (ESG) risk, including information regarding ethics and conduct, people and culture, environmental and social risk management, and tax governance and policy, together with information about our sustainable finance activities.

### Climate-related financial disclosures (CRFD) report
Discusses how the group is managing the risks and responding to the opportunities presented by climate change, aligned to the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD).

### Sustainability reporting
Primarily of interest to our clients, employees and broader society, our reports to society demonstrate how the group is fulfilling its purpose and the positive impacts it makes.

### Shareholder reporting
Primarily of interest to our shareholders, debt providers and regulators, providing detailed financial performance, risk and regulatory disclosures and governance-related aspects of interest.

### Annual financial statements
Sets out the group’s full audited annual financial statements, including the report of the group audit committee.

### Risk and capital management report
Sets out the group’s approach to risk management and Pillar III disclosures of the Basel Framework.

### Governance report
Discusses the group’s governance approach and priorities.

### Remuneration report
Sets out the group’s remuneration policy and implementation report and includes a background statement from the remuneration committee chair.

### Subsidiary annual reports
Our subsidiaries account to their stakeholders through their own annual and/or other reports and information, available on their respective websites, accessible from www.standardbank.com.

### Assurance Statement
We have a series of internal policies, procedures and controls in place to ensure that accurate data is provided. Our group social, ethics and sustainability committee provides oversight of this report. PricewaterhouseCoopers Inc. (PwC) provided limited external assurance on selected performance data in this report, indicated by ✓ in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), ISAE 3410, and assurance engagements on greenhouse gas statements (ISAE 3410). PwC’s limited assurance report can be found here.

Information about our reporting boundary and relevant exclusions is available here.

### Our reporting portal
All our reports, latest results, presentations and SENS announcements along with a glossary of financial terms, other definitions, acronyms and abbreviations used in our reports are available here.
WHO WE ARE

PURPOSE DRIVEN
Africa is our home, we drive her growth

FOCUSED
- We are Africa focused, client led and digitally enabled
- We provide comprehensive and integrated financial and related solutions to our clients
- We drive inclusive growth and sustainable development

Comprehensive financial services offering

PERSONAL AND PRIVATE BANKING (PPB)
15.4 million customers in 15 countries

BUSINESS AND COMMERCIAL BANKING (BCB)
818,000 customers in 14 countries

CORPORATE AND INVESTMENT BANKING (CIB)
R51.3 billion client revenues in 20 countries

INSURANCE AND ASSET MANAGEMENT (IAM)
R1.5 trillion assets under management

MARKET CAPITALISATION
USD19 billion (R349 billion)

SHAREHOLDING
United States 13%
Europe 7%
China 20%

STANDARD BANK GROUP
UN PRINCIPLES FOR RESPONSIBLE BANKING REPORTING AND SELF-ASSESSMENT 2023
**Principle 1: Alignment**

<table>
<thead>
<tr>
<th>Reporting and Self-Assessment Requirements</th>
<th>Response</th>
<th>Links and references</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRINCIPLE 1: ALIGNMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</td>
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</table>

**1.1 Business model**

Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Standard Bank serves four primary client segments, and provides a comprehensive suite of financial services to each segment.

**Number of clients**

<table>
<thead>
<tr>
<th></th>
<th>PPB</th>
<th>BCB</th>
<th>CIB</th>
<th>IAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of clients</td>
<td>15.6 million customers in 15 countries</td>
<td>819 000 customers in 14 countries</td>
<td>R51.3 billion client revenues in 20 countries</td>
<td>R1.5 trillion assets under management</td>
</tr>
</tbody>
</table>

**Client segments**

<table>
<thead>
<tr>
<th></th>
<th>PPB</th>
<th>BCB</th>
<th>CIB</th>
<th>IAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual clients inclusive of low-income, mass market, private clients, wealth and investment</td>
<td>SMEs, large commercial enterprises</td>
<td>Large companies - multinational, regional and domestic, governments, parastatals and institutional clients</td>
<td>Individual customers, corporate and institutional clients who want to build and protect their wealth and lifestyle</td>
<td></td>
</tr>
</tbody>
</table>

**Products and services**

<table>
<thead>
<tr>
<th></th>
<th>PPB</th>
<th>BCB</th>
<th>CIB</th>
<th>IAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional services, lending, home services, card &amp; payments, vehicle &amp; asset finance</td>
<td>Transactional services, lending, card &amp; payments, vehicle &amp; asset finance</td>
<td>Transactional banking, global markets, investment banking</td>
<td>Life, disability, health insurance, home and vehicle insurance, Asset management</td>
<td></td>
</tr>
</tbody>
</table>

**Contribution to SBG headline earnings %**

<table>
<thead>
<tr>
<th></th>
<th>PPB</th>
<th>BCB</th>
<th>CIB</th>
<th>IAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>22%</td>
<td>46%</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

**Total income by geography (%)**

<table>
<thead>
<tr>
<th></th>
<th>South Africa</th>
<th>Africa Regions</th>
<th>Offshore</th>
<th>Other (Liberty and ICBCS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39%</td>
<td>42%</td>
<td>10%</td>
<td>9%</td>
</tr>
</tbody>
</table>

**Headline earnings contribution**

<table>
<thead>
<tr>
<th></th>
<th>CIB</th>
<th>PPB</th>
<th>BCB</th>
<th>IAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46%</td>
<td>25%</td>
<td>22%</td>
<td>7%</td>
</tr>
</tbody>
</table>
PRINCIPLE 1: ALIGNMENT continued

Types of products and services

**Banking**
- **Home services:** Tailored home financing solutions for home buyers and existing homeowners across our retail market, including related value added services.
- **Vehicle and asset finance:** Finance solutions in instalment credit, fleet management and related services across our retail, corporate and business markets.
- **Lending:** Suite of lending products for individuals, SMEs, corporates, government entities.
- **Card and payments:** Credit card facilities for individuals and businesses; merchant acquiring services; digital payment capabilities through various products and platforms; mobile money; cross-border payments.
- **Transactional:** Suite of cash management, international trade finance, working capital and investor services solutions.
- **Global markets:** Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities.
- **Investment banking:** Suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets.

**Insurance and asset management**
- **Insurance:** Life, disability and health insurance to individuals and retail insurance to individuals for their homes and motor vehicles.
- **Investments and asset management:** Manage long-term investments and are responsible for ensuring returns on these investments for policyholders and pensioners.

<table>
<thead>
<tr>
<th>Sectors/products and services</th>
<th>PPB</th>
<th>BCB</th>
<th>CIB</th>
<th>IAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional</td>
<td>45%</td>
<td>64%</td>
<td>25%</td>
<td>73%</td>
</tr>
<tr>
<td>Home services</td>
<td>21%</td>
<td>22%</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>Lending</td>
<td>19%</td>
<td>8%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Card &amp; payments</td>
<td>11%</td>
<td>5%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>VAF</td>
<td>4%</td>
<td></td>
<td>8%</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td>8%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>
We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.2 Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☑ Yes
☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☑ UN Guiding Principles on Business and Human Rights
☑ International Labour Organization fundamental conventions
☑ UN Global Compact
☑ UN Declaration on the Rights of Indigenous Peoples
☑ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:
  - We are working toward alignment with the TCFD recommendations. We have adopted the PCAF methodology to assess our financed greenhouse gas (GHG) emissions. We will disclose our baseline financed emissions from upstream oil and gas in March 2024, and other sectors in a phased approach thereafter.
  - We comply with the UN Guiding Principles on Business and Human Rights and, where applicable, the IFC Performance Standards on Environmental and Social Sustainability, the Equator Principles and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines).
☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:
  - We identify, assess and manage human rights risks in line with international principles and standards, including the UN Guiding Principles on Business and Human Rights.
  - Our ESMS specifies issues/risks against which clients and transactions must be screened. These include child labour and forced and compulsory labour. We screen for adequate protection of workers’ rights, fair treatment of workers, provision of safe and healthy working conditions, and protection of vulnerable categories of workers, such as migrant workers. For Equator Principles transactions, we assess workplace practices in respect of gender equity, discrimination, and freedom of association.
☐ None of the above

How we align our strategy to be consistent with the SDGs, the Paris Climate Agreement, and relevant national and regional frameworks

We assess our progress against three strategic priorities:

1. Transform client experience
2. Executive with excellence
3. Drive sustainable growth and value

And six value drivers:

1. Value for clients
2. Value for employees
3. Risk and conduct
4. Operational excellence
5. Financial outcomes
6. Positive impact

Our positive impact value driver is concerned with our social, economic, and environmental impacts, both positive and negative, and how our business activities contribute to the achievement of the targets of the UN SDGs. In line with the Paris Climate Agreement, we have adopted net zero emissions targets for our own operations by 2040, and for financed emissions by 2050.

Each of our countries of operation is responsible for aligning their positive impact strategies with the group framework, and tailoring their impact metrics to their context, national priorities and community needs within this framework.
**Principle 2: Impact and target setting**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### 2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly\(^1\) and fulfil the following requirements/elements (a-d):\(^2\)

- **Scope:** What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

We performed an initial impact analysis in 2019, taking as our starting point the UN SDGs and the African Union’s Agenda 2063, our own understanding of Africa’s challenges and opportunities, and the need for African economies and the businesses to mitigate and adapt to climate change within the context of the Paris Agreement. We identified seven areas where we could make an impact on this basis.

In 2023, we reviewed and refined our impact areas to better reflect our evolving strategic priorities and strengthen our alignment with specific SDG targets. Our current focus is on four impact areas, which are described in our Report to Society.

- Financial inclusion – SDG Target 8.3, 11.1
- Enterprise growth and job creation – SDG Target 9.3
- Infrastructure development and the energy transition – SDG Target 7.1, 7.2, 9.1
- Climate resilience and mitigation – SDG Target 13.1, 15A

**Scope of impact analysis**

We assessed our business activities across our PPB, BCC, CIB and IAM client segments, and across the 20 African markets in which we operate, to determine our most significant impacts and opportunities to support positive impact. The four key impact areas we have identified apply across all our business units and geographies.

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\(^1\) That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

\(^2\) Further guidance can be found in the Interactive Guidance on impact analysis and target setting.
b) **Portfolio composition**: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
   i) by sectors and industries\(^3\) for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
   ii) by products and services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.

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<tr>
<th><strong>Response</strong></th>
<th><strong>Links and references</strong></th>
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| - **Banking** comprises the large majority of our activities (93%), with the remaining activities including insurance, asset management and other activities (see page five above for business unit information).  
- **South Africa** accounts for the majority of the group’s income (39%), followed by South and Central Africa, which includes Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe. Our largest impact is therefore concentrated in South Africa and its neighbouring countries. Africa Regions countries contribute 42% to the group’s headline earnings.  
- **PPB** provides credit to individuals to enable them to purchase homes and pay for education  
- **BCB** provides credit to small businesses to enable them to buy stock and equipment, expand their premises, and access new markets; and to medium and large businesses to enable expansion, innovation, productivity improvements  
- We increase our positive impact by finding ways to lend to individuals and SMEs that would not usually qualify for credit under traditional conditions (collateral, financial statements, track record etc).  
- **CIB** provides finance for large scale infrastructure projects, including renewable and non-renewable energy projects, and infrastructure related to water, transport, telecommunications and housing. Our clients include  
  - government-owned energy utilities, which in some cases are heavily dependent on coal, oil and gas  
  - mining companies which provide crucial input to the renewable and non-renewable energy sectors and are large-scale employers, but also have significant negative environmental impacts  
  - other large-scale industries, which have positive and negative social and environmental impacts arising from their activities  
- We manage our impacts by carefully balancing social, economic and environmental considerations, and by undertaking robust environmental and social (E&S) risk assessment at project/transaction and client level.  
- **Asset management** manages investments on behalf of clients. We consider financial returns and ESG factors when considering where to invest clients’ funds.  
- **Our insurance** business provides protection for individuals in the event of unforeseen events, ensuring they have access to adequate and appropriate cover through the provision of affordable, easy to understand products and services. | 2023 Annual Integrated Report  
Page 14, 35, 39, 43, 48 and 71 |

\(^3\) Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.
### Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?4 Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank’s portfolio impacts into the context of society’s needs.

#### Enterprise growth and job creation

- Africa faces high levels of unemployment, particularly among the youth. Unemployment is highest in South Africa, at around 30% of the adult population. Eswatini, Botswana, Namibia and Lesotho have unemployment rates around or above 20%. While other countries have significantly lower official rates of unemployment, at 10% or below, this is largely reflective of high levels of activity in the informal sector, including subsistence farming and informal traders.
- SMEs and traders account for up to 80% of employment across Africa. Many remain outside the formal banking system, remain largely dependent on cash and lack access to affordable credit. They require access to financial services, capacity building opportunities, and support to access markets.
- This is supported by **SDG Target 9.3**: Increase small enterprises’ access to financial services, including affordable credit, and their integration into value chains and markets; together with economic and market analysis at country level, and our engagements with regulators, government departments, SMEs and entrepreneurs in our countries of operation.

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4 Global priorities might alternatively be considered for banks with highly diversified and international portfolios.
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<thead>
<tr>
<th>Reporting and Self-Assessment Requirements</th>
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<tbody>
<tr>
<td><strong>PRINCIPLE 2: IMPACT AND TARGET SETTING continued</strong></td>
<td><strong>Financial Inclusion</strong></td>
<td></td>
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<tr>
<td></td>
<td>Individuals, entrepreneurs and small businesses, particularly those in under-served segments such as women, youth and micro-enterprises, require access to relevant and cost-effective financial products and services appropriate for their needs, including payments, savings, credit and insurance, together with access to financial literacy/financial health education.</td>
<td></td>
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<tr>
<td></td>
<td>This is informed by <strong>SDG Target 8.3</strong>: Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of SMEs, including through access to financial services.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Our understanding of the types of products and services required by individuals and SMEs is informed by our engagements with clients, regulators and communities; industry, market and academic research; and analysis of customer behaviours and pain points.</td>
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<tr>
<td></td>
<td>Access to affordable housing is a priority. This is a focus in South Africa, which has seen rapid urbanisation and high levels of migration to major urban centres, as people seek access to better job opportunities, education and health services. Infrastructure, including housing, has not kept pace. South Africa’s national housing shortage is estimated at 3.7 million units. Government data shows that almost 13% of South Africans live in shacks or informal settlements. Affordable, centrally located housing stock is an urgent priority, together with the provision of affordable, responsible lending to enable people to buy homes within their budget, manage their mortgage payments and build their asset base.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Our efforts are informed by <strong>SDG Target 11.1</strong>: Facilitate access to adequate, safe and affordable housing, and close collaboration with government to ensure products are appropriately priced and targeted.</td>
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</tbody>
</table>
Infrastructure development and the just energy transition

- Africa requires substantial investment in energy, water, transport and telecommunications infrastructure to facilitate economic growth and create opportunities for job creation and human development.
- This is supported by SDG Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. We engage with governments and the private sector to identify infrastructure development needs and develop appropriate solutions.
- Africa’s energy infrastructure must be urgently developed. McKinsey modelling estimates that African energy demand in 2040 could be up 30% on today, compared to a 10% rise globally. Currently, 53% of sub-Saharan Africa’s population lacks access to electricity. In many rural areas, the proportion rises to 70%. Access to electricity is vital to economic and human development and is crucial to achieve almost all of the UN SDGs, including good health and access to healthcare, access to quality education, safe drinking water and sanitation.
- For African economies, securing a just transition means ensuring that decarbonisation efforts take place in parallel with efforts to address Africa’s huge energy deficit and enable access to affordable power.
- We support the achievement of SDG Target 7.1 and 7.2: Achieve universal access to affordable, reliable and modern energy services, and increase substantially the share of renewable energy in the global energy mix, while recognising that other forms of energy will also need to be developed in the short to medium term.

Climate resilience and mitigation

- Climate change threatens food security, health and livelihoods across Africa.
- SMEs, medium and large businesses need support to enhance environmental sustainability, deliver on socio-economic objectives, transition to a lower carbon economy and improve their climate resilience. This is particularly true for the agriculture sector, where everyone from subsistence farmers to commercial farms are feeling the impacts of climate change.
- We support the achievement of SDG Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters, together with SDG Target 15.A: Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.
- We engage with our customers and clients, government departments, industry bodies and academia to understand the risks and opportunities facing the agriculture sector at geographical and sub-sector level, and develop appropriate solutions.
Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.

We aim to make positive impacts in respect of:
- Expanding access to products and services, including for those who are currently underbanked or unbanked;
- Providing opportunities for SMEs to access finance, business development support, and markets, enabling them to grow and employ more people;
- Financing the development of infrastructure, including energy infrastructure, across Africa to support economic growth and human development;
- And supporting a just energy transition.

We recognise that the development of large-scale infrastructure projects creates the risk of negative social and environmental impacts. We work closely with clients and stakeholders to manage these risks and mitigate negative impacts.

In respect of the just energy transition, we are mindful of the need to balance social, economic and environmental impacts. We believe that a just energy transition must allow for ongoing short-term support for coal and oil-driven power generation, and medium to long-term support for gas as a transition fuel. We recognise that this creates negative environmental impacts in respect of GHG emissions. However, a sudden moratorium on finance for these sectors would create severe economic and social harm in many of Africa’s economies. We have therefore adopted an approach that reduces our financing for these sectors over time, while partnering with our clients to manage and mitigate negative environmental impacts and strengthen their ability to manage physical and transition risk.

We have set targets to increase our lending in three of our four impact areas, namely:
- Financial inclusion: Mobilise finance to support social objectives such as affordable housing, access to essential services, affordable basic infrastructure, employment generation and programmes designed to prevent and/or alleviate unemployment, including through SME financing and microfinance, food security and sustainable food systems, and socioeconomic advancement;
- Infrastructure development: Mobilise finance for renewable energy infrastructure, including utility scale and private installations for businesses and homeowners;
- Climate resilience: Reduce lending to clients in high-emitting sectors, namely coal, oil and gas, by 2050. We will reduce lending in a gradual and considered manner that supports our commitment to a just energy transition, the needs of our clients as they transition to a low-carbon economy, and African countries’ various nationally determined contributions and transition pathways.

5 To prioritise the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.
d) For these (min. two prioritized impact areas):

**Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annexure.

If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (including indicators) you can use for setting targets in two areas of most significant impact.

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**Finance for new renewable energy infrastructure**

- **Target:** Provide an additional R50 billion of financing for renewable energy power plants (2022 to 2024) and underwrite the financing of a further R15 billion of renewable energy power plants over the same timeframe.
- To achieve this, we are working with clients to develop both private and public sector renewable energy power plants, and with homeowners and businesses to provide small-scale rooftop PV solutions for their home and businesses.
- We mobilised R15.5 billion for renewable energy infrastructure projects in 2023, bringing total cumulative finance since 2022 to R33.6 billion.

**Reduce lending to high-emitting sectors (coal, oil, gas)**

- **Target:** We have set short, medium and long term targets to reduce our lending/loan-book exposure to coal, oil and gas, which are widely recognised as high-emissions sectors and to which we have material exposures, particularly in the CIB client segment.
- We are engaging with clients in these sectors and with globally recognised tools, such as the PCAF methodology, to help us to assess and manage our financed emissions.

**Percentage of asset book (loans and advances) (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas</th>
<th>Oil*</th>
<th>Thermal coal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.63</td>
<td>0.65</td>
<td>0.70</td>
</tr>
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<td>2030</td>
<td>0.91</td>
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<tr>
<td>2040</td>
<td>0.70</td>
<td>0.23</td>
<td>0.00</td>
</tr>
<tr>
<td>2050</td>
<td>0.40</td>
<td>0.09</td>
<td>0.00</td>
</tr>
</tbody>
</table>

* Exploration and production.

---

**Finance to support social projects**

- **Target:** We aim to mobilise R7.5 billion for social projects in 2024.
- We mobilised R4.4 billion in 2023.
- We are working with our clients to identify and finance appropriate projects.
**Self-assessment summary:**
Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?*

<table>
<thead>
<tr>
<th>Component</th>
<th>Yes</th>
<th>In progress</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Portfolio composition:</strong></td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Context:</strong></td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Performance measurement:</strong></td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

*Climate change mitigation, climate change adaptation, resource efficiency and circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify*

- **Climate change mitigation** – We will decrease our lending to high-emissions sectors over time, and increase our lending for new renewable energy power plants
- **Climate change adaptation** – We are working with our agri-sector clients in particular to strengthen climate resilience through adaptation measures
- **Financial health & inclusion** – We provide products and services designed to increase financial inclusion, particularly for women, young people and micro-enterprises.
  We provide financial education programmes to improve financial health
- **Decent employment** – We aim to support the growth and sustainability of micro-enterprises and SMEs with financial solutions tailored to their needs and broader solutions to support capacity-building, access to markets and value chains, and networking
- **Gender equality** – We promote the advancement of gender equality through products and services tailored for women and through internal programmes to develop and promote women employees and improve the representation of women in executive and senior management and at the board level.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

---

* You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

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**STANDARD BANK GROUP**  **UN PRINCIPLES FOR RESPONSIBLE BANKING REPORTING AND SELF-ASSESSMENT 2023**
### PRINCIPLE 2: IMPACT AND TARGET SETTING continued

#### 2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- **a) Alignment:** which international, regional or national policy frameworks to align your bank’s portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. You can build upon the context items under 2.1.

### Infrastructure development and the just energy transition

- **Target:** Finance R50 billion of new renewable energy infrastructure by 2024
- **Progress in 2022:** R18.2 billion
- **Progress in 2023:** R15.5 billion
- **Percentage of target achieved:** 67%
- **Our renewable energy target aligns with SDG target 7.1 and 7.2, and with the energy infrastructure development plans of key countries of operation (including South Africa’s REIPPPP) and with the goals of the Paris Agreement.**

### Climate resilience and mitigation

- **Target:** We aim to reduce our loan book exposure:
  - Thermal coal exposures: 0.5% by 2030
  - Existing power sector clients generating power predominantly from coal to 0.15% by 2026 and 0.12% by 2030
  - Clients generating power mainly from oil to 0.03% by 2026 and 0% by 2030
  - Standalone gas-fired power plants providing general baseload, mid-merit or peaking power to 0.75% by 2026.
- **Our targets to reduce portfolio exposure to high emissions sectors are aligned with Nationally Determined Contributions and energy strategies in our countries of operation, and are informed by the ambitions of the Paris Agreement and the principle of common but differentiated responsibility within the Agreement.**
- **Progress in 2023:** While exposures have increased in the past year, the short-term nature of this increased exposure is aligned with our climate policy. Exposures will decline from 2030.
- **Increase in coal exposure resulted from the extension of a new line of credit to a mining client, which serves as a liquidity backstop facility and is booked as undrawn off-balance sheet exposure. We remain on track to achieve our target to limit thermal coal exposures to 0.5% of group loans and advances by 2030.**
- **Increase in oil exposure was primarily due to facilities provided to support increased oil production in existing oil blocks. These facilities are amortising and will reach zero by end of 2029.**
- **We anticipate an increase in gas exposure up to 2030, in line with our recognition of gas as a transition fuel, followed by a decline after 2030.**

### Finance to support social projects

- **Target:** Mobilise R7.5 billion for social projects in 2024
- **Progress in 2023:** Mobilised R4.4 billion in 2023
- **Our target is aligned to SDG Target 8.3: Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of SMEs, including through access to financial services; and SDG Target 11.1: Facilitate access to adequate, safe and affordable housing**

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Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.
Reporting and Self-Assessment Requirements

PRINCIPLE 2: IMPACT AND TARGET SETTING continued

b) **Baseline**: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annexure, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

<table>
<thead>
<tr>
<th>Impact area</th>
<th>Indicator code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change mitigation</td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
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</tbody>
</table>

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

<table>
<thead>
<tr>
<th>Impact area</th>
<th>Indicator code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial health &amp; inclusion</td>
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<td></td>
</tr>
<tr>
<td>Impact area</td>
<td>Indicator code</td>
<td>Response</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------</td>
<td>----------</td>
</tr>
<tr>
<td>Climate change</td>
<td>A.1.1</td>
<td>Yes</td>
</tr>
<tr>
<td>mitigation</td>
<td>A.1.2</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>We aim to achieve net zero for own emissions by 2040, and for financed emissions by 2050. Our baseline for own emissions is 2022. Our baseline for financed emissions from oil and gas is 2024. We are working toward calculating and disclosing financed emissions for additional sectors by 2025. Our commitments and targets are informed by the NGFS scenarios.</td>
</tr>
<tr>
<td></td>
<td>A.1.3</td>
<td>In progress</td>
</tr>
<tr>
<td></td>
<td>A.1.4</td>
<td>We published financed emissions for <strong>oil and gas</strong> in March 2024 (baseline year). We include our portfolio exposure to high-emitting sectors in our <em>CRFD report</em>.</td>
</tr>
<tr>
<td></td>
<td>A.1.5</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>See our <em>Report to Society</em> for information on sustainable finance/green loans and bonds; green-aligned lending in PPB, provision of solar loans for homes and businesses, and loans to support climate smart agriculture. We are not yet able to provide a % for all green-aligned lending. We disbursed R1.1 billion across various products for green-aligned personal and private banking lending in 2023. Loans and advances to personal and private banking clients to finance products and services that support the generation of renewable energy, or for verified or certified homes that are designed, built, or have solutions installed that have a positive or less harmful impact on the environment, represented 0.13% of the group’s total loans and advances in 2023.</td>
</tr>
<tr>
<td></td>
<td>A.2.1</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;We engage with <strong>CIB clients</strong> in the coal, oil, gas and mining sectors, to understand their climate-risk mitigation plans and support their transition strategies. We engage with our <strong>agri-clients</strong> to raise awareness of climate risk, the importance of measuring emissions, and to support climate resilience and the potential for carbon sequestration.&quot;</td>
</tr>
<tr>
<td></td>
<td>A.2.2</td>
<td>Our <em>CRFD report</em> provides financed emissions for oil and gas. Other sectors will follow in due course.</td>
</tr>
<tr>
<td></td>
<td>A.3.1</td>
<td>Our <em>Report to Society</em> provides information about green loans issued under our <strong>sustainable finance framework</strong> (R15.5 billion in 2023), as well as loans issued for solar installations by businesses and home owners, and loans to support climate resilient agriculture. As we are still in the process of developing a group-wide taxonomy for green lending, we do not yet report a single consolidated figure for these loans.</td>
</tr>
<tr>
<td></td>
<td>A.3.2</td>
<td>This information is available in our <em>CRFD report</em>.</td>
</tr>
<tr>
<td></td>
<td>A.4.1</td>
<td>Our <em>CRFD Report</em> provides information on our financed emissions in relation to oil and gas. 2024 is our baseline year. We will provide progress on reducing financed emissions from 2025.</td>
</tr>
<tr>
<td></td>
<td>A.4.2</td>
<td>We are working toward providing this information.</td>
</tr>
<tr>
<td>Impact area</td>
<td>Indicator code</td>
<td>Response</td>
</tr>
<tr>
<td>---------------------</td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Financial health & inclusion | B.1.1          | Retirement savings, Nigeria *(RTS p39)*  
Liberty Stash app *(RTS p39)*  
Our Standard Bank mobile app credit score and improvement tips *(RTS p36).*                                                                 |
|                     | B.1.2          | Not disclosed                                                                                                                                                                                            |
|                     | B.1.3          | We run our financial education programmes in partnership with experts on specific areas (e.g. savings, investments, insurance, retirement, SMEs) and use local service providers in our various countries. We do not have a specific number of partners, given that these programmes are run at a country level and by different business units. We do not currently collate all the relevant information in one metric/assessment. |
|                     | B.2.1          | WalletWise *(28.6 million)*, Financial Fitness *(47 000)*, Mind My Money *(58 500)* programmes *(RTS p49)*  
SME financial education provided through our incubators in several countries *(RTS p40-43).*                                                                 |
<p>|                     | B.2.2          | In South Africa, our Standard Bank app has &gt;3 million active users, with an average of 100 million sign ins per month. We do not have consistently measured data for customers across all 20 countries and have therefore not provided a % for the group as a whole. |
|                     | B.3.4          | We disclose this information in respect of affordable housing customers <em>(RTS p51)</em> but not for loans more broadly.                                                                                      |
|                     | C.1.1          | We provide information about these products in our Report to Society <em>(p36-51).</em> We do not currently have a metric that quantifies the number of products or quantifies these as a % of total products.              |
|                     | C.2.1          | As per response for B.2.1.                                                                                                                                                                              |
|                     | C.2.3          | Our PPB customer numbers increased from 14.8 to 15.4 million from 2022 to 2023, and BCB customers increased from 791 000 to 818 000 over this period. <em>(Sustainability Disclosures Report p14).</em> |</p>
<table>
<thead>
<tr>
<th>Reporting and Self-Assessment Requirements</th>
<th>Response</th>
<th>Links and references</th>
</tr>
</thead>
</table>
| **c) SMART targets** (including key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose. | **Infrastructure development and the just energy transition**  
- Target: Finance R50 billion of new renewable energy infrastructure by 2024  
- Progress in 2022: R18.2 billion  
- Progress in 2023: R15.5 billion  
- 67% of target achieved  

**Climate resilience and mitigation**  
- Loan book exposure to high emissions sectors: Targets and progress  
  - Thermal coal exposures: 0.5% by 2030. Exposure in 2023: 0.35%  
  - Existing power sector clients generating power predominantly from coal to 0.15% by 2026 and 0.12% by 2030. Exposure in 2023: 0.05%  
  - Clients generating power mainly from oil to 0.03% by 2026 and 0% by 2030. Exposure in 2023: 0.05%  
  - Standalone gas-fired power plants providing general baseload, mid-merit or peaking power to 0.75% by 2026. Exposure in 2023: 0.57%  

**Finance to support social projects**  
- Target: We aim to mobilise R7.5 billion for social projects in 2024  
- Progress in 2023: Mobilised R4.4 billion in 2023 | **Report to Society**  
Page 20  
**Sustainability Disclosures Report**  
Page 15  
**Climate-related financial disclosures**  
Page 13 (summary of targets and progress)  
Page 23 (2030, 2040 and 2050 targets)  
Page 23 to 26 (detail on progress re coal, oil and gas targets)  
Page 39 and 40 (sector concentration metrics)  
**Sustainability Disclosures Report**  
Page 15 |
### PRINCIPLE 2: IMPACT AND TARGET SETTING continued

<table>
<thead>
<tr>
<th><strong>Reporting and Self-Assessment Requirements</strong></th>
<th><strong>Response</strong></th>
<th><strong>Links and references</strong></th>
</tr>
</thead>
</table>
| **d) Action plan:** which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts. | **Infrastructure development and the just energy transition**  
- Our renewable energy targets are defined in terms of an increase in lending to relevant projects. We are on track to achieve our target for finance mobilisation of R65 billion by the end of 2024. We will set new targets in 2024, to apply from 2025.  
- Potential negative impacts associated with renewable energy development include social and environmental risks to communities and natural environments.  
- We manage these risks by adhering to our environmental and social risk management system, which aligns with global standards and good practice.  

**Climate resilience and mitigation**  
- Our targets to reduce portfolio exposure to high emissions sectors relate to our lending activities, and include short, medium and long term targets for the reduction of lending exposures, against which we track our progress. We are committed to reviewing our climate targets and commitments, at a minimum on a three-year cycle from the date of adoption (March 2022). Per our SBG Climate Policy (section 5), this review will take place by no later than March 2025.  
- Potential negative impacts associated with reducing lending to high emissions sectors include social impacts on direct and indirect employees in these sectors and associated value chains; impacts on local communities where, for example, the local economy is highly dependent on a mine or refinery; impacts on national governments that depend on revenues from these sectors.  
- We are managing these risks by engaging closely with our clients in these sectors, and engaging in forums with governments, the business sector, unions, civil society and broader stakeholders to support a just energy transition for Africa.  

**Finance to support social projects**  
- Our target is covers a range of activities with social objectives. We have not yet set sub-targets for specific activities within this set of activities.  
- The potential negative impacts associated with this area relate mainly to potential credit risk to the bank.  
- We manage this risk by providing ‘beyond banking’ support to customers, including training for affordable housing mortgage clients, capacity building for entrepreneurs and SMEs and support through our incubators and enterprise development teams, and broader financial education programmes aimed to improve financial health in this market segment. | |  
| | |  
| | |  

- Report to Society  
Page 20  
- Sustainability Disclosures Report  
Page 15  
- Climate-related financial disclosures  
Page 13 (summary of targets and progress)  
Page 23 to 26 (detail on progress re coal, oil and gas targets) |
## Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your first area of most significant impact:

- Finance for renewable energy

... (please name it)

... second area of most significant impact:

- Reduce lending to high emissions sectors

... (please name it)

(If you are setting targets in more impact areas)

... your third (and subsequent) area(s) of impact:

- Finance for social projects

... (please name it)

### Alignment

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>In progress</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance for renewable energy</td>
<td>☑️</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Reduce lending to high emissions sectors</td>
<td>☑️</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Finance for social projects</td>
<td>☑️</td>
<td>☐</td>
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</tr>
</tbody>
</table>

### Baseline

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>In progress</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance for renewable energy</td>
<td>☑️</td>
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<tr>
<td>Reduce lending to high emissions sectors</td>
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<tr>
<td>Finance for social projects</td>
<td>☑️</td>
<td>☐</td>
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</tbody>
</table>

### SMART targets

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>In progress</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance for renewable energy</td>
<td>☑️</td>
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<tr>
<td>Reduce lending to high emissions sectors</td>
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<tr>
<td>Finance for social projects</td>
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### Action plan

<table>
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<tr>
<th></th>
<th>Yes</th>
<th>In progress</th>
<th>No</th>
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</thead>
<tbody>
<tr>
<td>Finance for renewable energy</td>
<td>☑️</td>
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<td>Reduce lending to high emissions sectors</td>
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<tr>
<td>Finance for social projects</td>
<td>☑️</td>
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</tr>
</tbody>
</table>
### 2.3 Target implementation and monitoring (Key Step 2)

**For each target separately:**

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

**Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):**

describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

#### Infrastructure development and the just energy transition

- Target: Finance R50 billion of new renewable energy infrastructure by 2024
- Progress in 2022: R18.2 billion; Progress in 2023: R15.5 billion
- 67% of target achieved, on track to achieve target by end of 2024
- In 2023, we expanded the scope of measured activities to include PPB and CIB (renewable energy solutions for homes and businesses)

#### Climate resilience and mitigation

- Loan book exposure to high emissions sectors: Targets and progress
  - Thermal coal exposures: 0.5% by 2030. Exposure in 2023: 0.35%
  - Existing power sector clients generating power predominantly from coal to 0.15% by 2026 and 0.12% by 2030. Exposure in 2023: 0.05%
  - Clients generating power mainly from oil to 0.03% by 2026 and 0% by 2030. Exposure in 2023: 0.05%
  - Standalone gas-fired power plants providing general baseload, mid-merit or peaking power to 0.75% by 2026. Exposure in 2023: 0.57%

#### Finance for social projects

- 2023 is our base year for this target.
  - We mobilised R4.4 billion in 2023
  - Target: We aim to mobilise R7.5 billion for social projects in 2024.
Principle 3: Clients and customers

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.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

☐ Yes □ In progress □ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes □ In progress □ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients’ transition, selected indicators on client engagement and, where possible, the impacts achieved. This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

- We are beginning to engage with clients in the priority sectors identified in our climate policy to gather information about their GHG emissions and their transition plans, where applicable, to encourage and support their transition to a low carbon economy and to support climate adaptation strategies, particularly in vulnerable sectors such as agriculture.
- Our sustainable finance team partners with clients to provide green, social and sustainability-linked funding instruments tailored to their needs. We offer both performance-based and use of proceeds sustainable finance solutions. We work with our clients to embed sustainability terms into their financing strategies.
- Since 2021, we have hosted an annual Climate Summit, in collaboration with the University of London’s School of Oriental and African Studies (SOAS), in Johannesburg. The summit provides an opportunity for us to engage directly with clients, and for delegates to hear from African leaders about tackling climate change, managing risks and capitalising on opportunities. The 2023 summit included a focus on scaling up industry transitions, and how the global North and South can jointly tackle climate change in a just and equitable manner.
- BCB has established a Sustainability Client Academy, which we are running in partnership with Microsoft. Over 50 clients from seven countries participated in the pilot in 2023. The academy will be available to all BCB clients from 2024.
- In 2023, BCB hosted several engagements with clients at various forums, including an Energy Indaba in Eswatini, attended by over 100 BCB clients. We provided clients with information about sustainable energy and sustainable finance solutions relevant to their businesses.
- BCB has integrated climate modules in our agribusiness curriculum for clients.

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9 A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

10 Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.
### 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

- We provide a range of green, social and sustainability-linked funding instruments to assist our clients to achieve their sustainability goals. Our sustainable finance framework outlines the methodology and associated policies and procedures to facilitate the raising of finance in the form of sustainable financing instruments, including green, social and sustainable bonds or loans (including hybrid instruments), repurchase agreements and securitisation instruments by the group. The framework describes the process to select, evaluate, report, track and verify eligible assets. Eligible assets have to meet specific green and/or social criteria, or Pure Play criteria where the use of proceeds are not specific but classification as a sustainable finance asset is based on the company profile. The framework also describes how the proceeds of the bonds or loans are managed and allocated, and how we verify and report on the management and allocation of proceeds and environmental and social impacts of assets.
- Our PowerPulse and LookSee platforms enable businesses and home-owners to access solar PV and other sustainable options for their premises, with support to find appropriate energy solutions for their specific needs, vetted providers and affordable finance solutions.
- Our insurance and asset management business offers ESG aligned investment solutions.
- In 2022, we set a target to provide R50 billion for renewable energy power plant financing and R15 billion in renewable energy underwrites by 2024. We are on track to deliver against our target. We financed eight government procured and two private renewable energy power plants in 2023.
Principle 4: Stakeholders

<table>
<thead>
<tr>
<th>Reporting and Self-Assessment Requirements</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</td>
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</tbody>
</table>

### 4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

- [X] Yes  
- [ ] In progress  
- [ ] No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

- Our Sustainability disclosures report describes how we identify and engage with our stakeholders, defined as those individuals, groups and organisations that may materially affect or could be materially affected by our business activities, products, services and performance. It provides information on stakeholder priorities during the year and how we responded.

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11 Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations
**Principle 5: Governance and culture**

<table>
<thead>
<tr>
<th>Reporting and Self-Assessment Requirements</th>
<th>Response</th>
<th>Links and references</th>
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</thead>
<tbody>
<tr>
<td><strong>PRINCIPLE 5: GOVERNANCE AND CULTURE</strong></td>
<td></td>
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<tr>
<td>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</td>
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</table>

**5.1 Governance Structure for implementation of the Principles ✓**

Does your bank have a governance system in place that incorporates the PRB?

- [x] Yes
- [ ] In progress
- [ ] No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

**Governance structures, policies and procedures to manage impacts and support the effective implementation of the Principles**

Our Sustainability Disclosures report describes the policies, processes and governance structures the group has in place to manage our ESG risks and opportunities, including social risks related to human rights, and environmental risks related to climate impact.

**Committee responsible for the sustainability strategy and target approval and monitoring**

Our social and ethics management committee (executive level) and group social, ethics and sustainability committee (board level) oversee the implementation of the group’s sustainability approach, progress against our positive impact value driver, and progress against our climate policy commitments and targets.

**Chair of the committee**

Social and ethics management committee – SBSA CE.

Group social, ethics sustainability committee – non-executive board member.

**Process and frequency for board having oversight of PRB implementation**

From 2024, the social and ethics management committee and social, ethics and sustainability board committee will receive quarterly updates on progress against the group’s positive impacts.

The committees will also continue to receive quarterly updates on the group’s progress against our climate policy and commitments, which include targets in respect of our PRB commitments.

**Remuneration practices linked to sustainability targets**

Our remuneration report provides information about the group’s governance approach and priorities and includes our remuneration policy and implementation report. The remuneration committee considers executive performance against the group’s six value drivers, including positive impact, in their decision-making.
### 5.2 Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

- Our code of ethics and conduct 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.
- Our recruitment, on-boarding and training processes are designed to entrench our values, ethics and conduct standards across the group.
- Individual and team goals are aligned to the group’s strategic value drivers and associated metrics, including positive impact. This is integrated into the performance management process so that employees know exactly how their goals and efforts need to translate and contribute to measurable results and value for our clients, partners, colleagues and broader stakeholders.
- Our reward and remuneration decisions and processes consider and promote desired behaviours and conduct as key part of the performance review process.
- Our Report to Society describes our investment in internal capabilities, to ensure we are well-placed to serve our clients on their sustainability journeys. This included the piloting of an advanced ESG and Sustainability programme for CIB employees, online ESG and sustainability training for BCB employees, bespoke training for relationship managers, ESG training for specific teams including credit risk, and a secondment programme to build sustainability and sustainable finance skills across the group.

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</thead>
<tbody>
<tr>
<td><strong>PRINCIPLE 5: GOVERNANCE &amp; CULTURE continued</strong></td>
<td><strong>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</strong></td>
<td>2023 Sustainability disclosures report Page 22 to 26 and Page 69 Report to Society Page 35</td>
</tr>
</tbody>
</table>
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

### PRINCIPLE 5: GOVERNANCE & CULTURE continued

#### 5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?12

Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

- Our Sustainability disclosures report describes our environmental and social management system (ESMS), which guides all relevant stakeholders within the bank through the implementation of E&S risk management; our E&S risk governance standard, which sets out the group’s E&S risk management framework, and the group E&S risk policy, which details how the framework should be implemented. Group environmental and social risk (GESR) is responsible for reviewing, updating and ensuring the effective implementation of the standard and policy.

#### Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

- Yes
- No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

- Yes
- No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

- Yes
- In progress
- No

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12 Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.
### Principle 6: Transparency and accountability

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</table>
| **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** | PWC has provided limited assurance on aspects of our PRB commitment compliance. | ![2023 Sustainability Disclosures Report](#)  
Page 98 to 100 |

#### 6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- [ ] Yes
- [ ] Partially
- [x] No

If applicable, please include the link or description of the assurance statement.

#### 6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- [ ] GRI
- [ ] SASB
- [ ] CDP
- [ ] IFRS Sustainability Disclosure Standards (to be published)
- [ ] TCFD
- [ ] Other: ....

We are working toward aligning our climate-related reporting with the TCFD recommendations. In 2024, we will report financed emissions for specific high-emissions sectors. We have adopted the PCAF methodology and will disclose financed emissions in relation to our broader portfolio (where significant) in due course.

We provide an annual submission to the CDP Climate questionnaire.

We are working toward aligning with IFRS and SASB standards and have established an internal working group to lead this process.
**6.3 Outlook**

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis\(^{13}\), target setting\(^{14}\) and governance structure for implementing the PRB)? Please describe briefly.

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</thead>
<tbody>
<tr>
<td><strong>PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY continued</strong></td>
<td><strong>Impact analysis</strong></td>
<td><a href="#">Sustainability Disclosures Report</a>, Page 10 and 11</td>
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<td>- The group will introduce quarterly reporting for positive impact metrics, across business units. Business units will be responsible for collating information from across geographies, for submission to the group social, ethics and sustainability committee.</td>
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<td></td>
<td><strong>Financed emissions and targets</strong></td>
<td><a href="#">Climate-related financial disclosures report</a>, Page 8 and 9, 41 to 44</td>
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<tr>
<td></td>
<td>- The group will continue to progress toward calculating and disclosing financed emissions data for additional sectors, and will determine targets and timelines for the reduction of financed emissions on this basis.</td>
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<td></td>
<td>- The group will incorporate additional sectors into our climate-risk assessment processes and climate policy commitments.</td>
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<td></td>
<td><strong>Governance structure</strong></td>
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<td></td>
<td>- The group instituted quarterly reporting to the group social, ethics and sustainability committee (GESOC) and the social and ethics management committee (SEMCO) on climate risk and progress against the climate policy in 2023. From 2024, reporting to these committees will include quarterly progress on positive impact measures.</td>
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\(^{13}\) For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

\(^{14}\) For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.
### 6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question). If desired, you can elaborate on challenges and how you are tackling these:

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Response</th>
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<tbody>
<tr>
<td>Embedding PRB oversight into governance</td>
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<td>Gaining or maintaining momentum in the bank</td>
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<tr>
<td>Getting started: where to start and what to focus on in the beginning</td>
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<tr>
<td>Conducting an impact analysis</td>
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<tr>
<td>Assessing negative environmental and social impacts</td>
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<tr>
<td>Choosing the right performance measurement methodology/ies</td>
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<tr>
<td>Setting targets</td>
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<td>Other: ...</td>
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<tr>
<td>Data availability</td>
<td></td>
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<tr>
<td>Data quality</td>
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<td>Access to resources</td>
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<td>Reporting</td>
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<td>Assurance</td>
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<tr>
<td>Prioritizing actions internally</td>
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If desired, you can elaborate on challenges and how you are tackling these: