

AFRICA IS OUR HOME, WE DRIVE HER



Kilimanjaro Tanzania

STANDARD BANK GROUP

IMATE RELATED FINANCIAL DISCLOSURES REPORT for the year ended 31 December 2024



Reading this report

This is an interactive report.

The following icons refer readers to information across our suite of reports:

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This report covers the period 1 January to 31 December 2024. Please direct any queries or comments to: GroupSustainability@standardbank.co.za

Navigating this report

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STANDARD BANK GROUP CLIMATE RELATED FINANCIAL DISCLOSURES REPORT 2024

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OUR REPORTING SUITE

Our suite of reports caters for the diverse needs of our stakeholders.

Annual integrated report



Serves as an overarching report to our reporting suite. It provides a concise and balanced view of how we create, preserve and erode value while delivering sustainable growth.



Annual financial **Risk and capital**

Shareholder reporting

statements management report Sets out the group's Contains the group's full audited annual approach to risk financial statements, management and Pillar including the report III disclosures of the of the group audit Basel Framework committee.

Governance report Disclosures of the group's governance approach and priorities, aligned to the principles of King IV¹.

Remuneration report

Sets out the group's remuneration policy and implementation report and includes a background statement from the remuneration committee chair

THIS REPORT

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

Sustainability reporting

Sustainability disclosures report An overview of how we manage environmental, social and governance (ESG) risk.

Report to society (RTS)

An overview of our impact on society, the economy and the environment, focusing on the four areas in which we have the most significant impact, together with a brief description of our corporate social investment (CSI) activities.

Climate-related financial disclosures report Discusses how the group is managing the risks

and responding to the opportunities presented by climate change.

1 King IV Report on Corporate Governance for South Africa 2016 – copyright and trademarks are owned by the Institute of Directors of South Africa NPC and all of its rights are reserved.

Scope and reporting boundary

This report covers the period 1 January 2024 to 31 December 2024 and includes material events and information up to board approval on 12 March 2025. The data in this report, financial and non-financial, pertains to the Standard Bank Group as the reporting entity and includes all entities over which we have control or significant influence, except where otherwise indicated. Our sustainability reports are published annually at the end of March. Our annual financial statements were published on 13 March 2025.

Report preparation

The board ensures the integrity of our external reporting through internal reporting processes that are well embedded and supported by various levels of oversight. The social, ethics and sustainability board subcommittee provides oversight of this report.

Assurance statements

PricewaterhouseCoopers Inc. (PwC) provided limited external assurance on selected performance data in this report, indicated by \checkmark 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 **(o)** here. Information about the assured indicators can be found () here.

Deloitte provided limited external assurance on financed emissions data in this report, indicated by 'LA' in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), ISAE 3410, and assurance engagements on greenhouse gas statements (ISAE 3410). Deloitte's limited assurance report can be found **o** here.

Our digital 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.

We are aware of the developments in corporate sustainability reporting, particularly the IFRS Foundation's International Sustainability Standards Board's sustainability disclosure standards, published to meet the growing capital market demand for information on how sustainabilityrelated matters impact an organisation's enterprise value and how these impacts are being managed. We are considering these standards and working toward alignment.

For further information or queries, please contact GroupSustainability@standardbank.co.za.

WHO WE ARE

PURPOSE DRIVEN Africa is our home, we drive her growth

FOCUSED

lusive

China

Other

Europe

(R368 billion)

United States

MARKET CAPITALISATION

USD20 billion

20

13

10

8

Comprehensive financial services offering

PPB	16.1	CIB	R50.6
Personal	million	Corporate	billion
& Private	clients in	&Investment	client revenues in
Banking	15 countries	Banking	20 countries
Business & Commercial Banking	816 000 clients in 16 countries	Insurance &Asset Management	R1.5 trillion assets under management



Headquartered in Johannesburg, South Africa, with (JSE) in South Africa

Secondary listing in Namibia and A2X Markets in South Africa

Malawi, Namibia, Nigeria and Uganda

Founding signatory of the United Nations Environment Programme Finance Initiative's (UNEP FI) Principles for Responsible Banking (PRB)

Most valuable banking brand in Africa and South Africa, Brand Finance

African Banker's Sustainable Bank of the Year 2024

Best Bank for Sustainable Finance in Africa. **Global Finance Sustainable** Finance Awards 2025

One of the World's Best Companies, Time

One of the World's Best Employers, Forbes

a primary listing on the Johannesburg Stock Exchange Subsidiary banks listed on exchanges in Kenya,

A MESSAGE FROM SIM TSHABALALA

Chief Executive, Standard Bank Group



Our approach to managing climate-related risk and opportunity is grounded in our group purpose: Africa is our home, we drive her growth. We commit to **enabling Africa's just energy transition** and to **prudently managing climate risk.**

Just over half of Africa's population, 600 million people, have no access to electricity ¹. Sustainable and inclusive economic growth, and the broader human development envisaged by the United Nations Sustainable Development Goals (UN SDGs) all require urgent action to address Africa's massive energy deficit. At the same time, we need to take urgent action to reduce carbon emissions to protect the natural environment and the ecosystems on which we all depend for life. We believe that it is possible to do both. To achieve a sustainable energy transition, we need to simultaneously address poverty, inequality and unemployment.

The principle of common but differentiated responsibilities, enshrined in the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, recognises that all countries have a shared responsibility to protect the climate system but that their obligations should be differentiated based on their capabilities and national circumstances. Africa's growing urban populations require a reliable and sustainable energy supply to power industrial production, electrify more households and expand the use of transport, to drive socioeconomic development.

To achieve a just energy transition, we must balance environmental priorities with the needs of a continent that faces significant social and economic challenges, including the need for better access to modern energy services and the need for economic development to lift people out of poverty. This creates complexities and challenges. Our approach aims to balance the principles of climate action and sustainable development.

The stakes could not be higher. This is particularly true for Africa. Our continent lacks the infrastructure and resources to adequately protect our people and economies from the severe negative impacts of climate change. Building resilience and enabling adaptation are critical priorities, alongside curbing emissions. We are working closely with our clients, across sectors, to support their transition journeys and strengthen resilience. Critical levers include enabling large-scale development of renewable energy infrastructure, climate-smart agriculture and associated solutions to preserve food security, reduce water use and save jobs, and supporting decarbonisation efforts in hard to abate sectors, including financing projects to reduce emissions, such as carbon capture and storage where the technology is proven, renewable energy integration, and other energy efficiency improvements.

In 2024, we mobilised R74.3 billion \checkmark in sustainable finance. We have mobilised a total of R177.4 billion \checkmark since 2022. Our updated group sustainable finance mobilisation target is to mobilise over R450 billion by 2028, cumulative from 2022.

We continue to actively pursue opportunities to finance green energy projects and projects that support the energy transition. In 2024, our energy supply ratio, the share of finance directed towards renewable power relative to that for non-renewable power, was 5.96.

We're proud of this impact, and we continue to scale up our efforts, with a strong focus on renewable energy. But we believe that a just energy transition must recognise the right of African nations to develop their natural resources and economies to improve their people's lives. Certain countries, including Nigeria, Angola, Ghana and Mozambique, produce oil and gas for international markets, thus providing foreign currency and tax revenues to develop their respective economies. African countries should not be prevented from developing diverse forms of energy generation, including for export, to support economic growth, industrialisation and human development.

We also recognise that energy security and economic growth still require substantial non-renewable inputs. An integrated approach that combines renewable energy, battery storage, and some capacity from carbon-based fuels is necessary to ensure energy reliability, access and efficiency. This view aligns with International Energy Agency (IEA)² research, which indicates that, in the medium term, gas³ and oil will remain an important part of the global energy mix. The same is true for coal in the short-term.

Standard Bank will continue to finance new oil and gas projects, which have the potential to provide affordable and reliable energy to Africa's people, when these are designed and implemented with robust environmental and social risk controls, as part of clients' business strategies to transition to a low carbon future, and within the parameters of our group climate policy and targets. We have set a target to limit our upstream oil and gas exposure to less than 30% of our energy book, and less than 3% of SBG's total loans and advances, by 2030.

We also continue to advocate for supportive policy and regulatory frameworks, sector transition pathways and available technologies to accelerate the clean energy transition across Africa.

We accept that we will continue to receive criticism from some stakeholders, who believe that a much faster transition is possible or who insist on immediate divestment from fossil fuels. We are a real economy, African bank. Many of our countries of operation will remain heavily dependent on their oil, gas and coal resources for several years to come. It is neither realistic nor responsible to expect an immediate freeze on the development of these resources. We remain open to engagement and dialogue with diverse stakeholders and encourage our critics to engage us with workable alternative solutions. We welcome constructive debate and learning.

- 1 https://unsdg.un.org/latest/stories/decoding-africa%E2%80%99senergy-journey-three-key-numbers
- ² https://www.iea.org/reports/oil-market-report-march-2025; https:// www.iea.org/reports/gas-market-report-q1-2025
- ³ As per the IEA definition, gas primarily includes natural gas, liquefied petroleum gas, methane-rich gas, biogas and renewable natural gas.

facilities

OUR PROGRESS

Progress and Published SBG Sustainable Finance Framework Our commitments milestones Mobilised R15.5 billion for new renewable energy Standard Bank is Updated group climate policy infrastructure and R600 million for climate smart Selected initial priority sectors committed to: Published financed emissions agriculture Joined UNEP FI's TCFD and began work to assess baselines for oil and gas Enhanced climate-related risk assessment in pilot programme for exposure to climate risk Achieving net zero across our lending (midstream and downstream), banks environmental and social (E&S) risk assessment and investing activities by 2050 Launched PowerPulse and coal, and commercial and process Established sustainable LookSee Achieving net zero for our direct residential property finance unit in CIB to Expanded climate commitments and targets to operations by 2030 for newly built Launched climate-focused Set target to reduce physical leverage climate-related encompass additional priority sectors executive development facilities, and by 2040 for existing intensity of financed emissions opportunities Piloted climate risk scenario analysis and stress programme with University of related to oil and gas portfolio Implemented restrictions testing London's School of Oriental and Working with our clients to provide Updated sustainable finance on financing thermal coal African Studies (SOAS) Implemented sustainability and climate training the finance and support needed mobilisation frameworks and mining and coal-fired for employees across business areas and risk Hosted first SBG Climate for individuals, businesses and targets. power generation. functions Conference for employees economies to mitigate their Participated in UNEP FI working group on nature. and clients. emissions, adapt to a changing climate and strengthen their resilience to climate risk Enabling a just energy transition, and 2025 2019 2020 2021 2022 2023 2024 growing clean energy capacity in Africa, including renewable energy, distributed energy systems, and associated energy infrastructure Published SBG Sustainable Bond • Expanded E&S risk screening and due diligence to include Actively managing our exposures to Published group (Climate Policy, with Framework business and commercial clients oil and gas over time as part of a commitments to reach net zero for financed Published first Climate-related Integrated climate risk into existing risk frameworks. broader transition to net zero, and emissions by 2050, and target for sustainable disclosures report and fossil fuels including credit risk, market risk, business resilience and finance mobilisation engaging with our clients to finance policy insurance risk encourage and support their Mobilised R18.2 billion for new renewable energy decarbonisation efforts Implemented capacity building for board Participated in the South African Reserve bank (SARB) infrastructure members on climate-related risk exploratory climate-risk stress test Reviewing our climate targets and Adopted group-wide climate risk management Adopted revised group ESG risk Expanded employee training programmes on ESG. commitments at least every three programme governance framework inclusive of sustainability and climate across sectors and countries years. We adopted our first climate Joined Partnership for Carbon Accounting climate risk policy in March 2022, and published Published baseline financed emissions for upstream oil Financials (PCAF) to build capacity to measure Integrated ESG risk into SBG enterprise a revised Climate Policy in and gas financed emissions risk management framework. March 2025. Participated in Encore¹ pilot to assess nature-related risk Launched climate risk training for country boards. with SARB, focused on the agri-sector Integrated nature-related considerations into SBG's annual materiality assessment.

A tool for exploring exposure to nature-related risks, entity dependencies on nature and impacts of business activities.

Phased approach to understanding sector-specific climate impacts

SBG operates across 20 African countries and multiple economic sectors.

We have taken a phased approach to understanding climate impacts at sector level, taking account of government policy and regulatory frameworks, sector transition pathways and available technologies, and the level of material exposure to risk and opportunity within our lending portfolio.



Timeframes



Looking ahead

We continue to integrate the management of climate risk and opportunity into our business activities. Forward looking focus areas include:

- Show measurable improvement in the quality of climate risk data, as it relates to our clients and transactions, in line with regulatory guidelines
- Publish financed emissions baselines for additional priority sectors
- Complete the integration of net zero commitments and management of physical and transition climate risk into group-wide policies and processes
- Deepen client engagement for clients in high-emissions sectors. Robust due diligence and responsible client selection are critical to our approach
- Continue to advocate for appropriate policy and regulatory frameworks, sector transition pathways and available technologies to support and accelerate Africa's clean energy transition.

OUR PERFORMANCE IN RELATION TO TARGETS.

UR PERFORMANCE IN RELATION TO TARGETS Key: On track O Behind target				
Sector	Commitment/target	Target date	Status on 31 December 2024	
SBG own operations	Net zero for newly built facilities 2030 and for existing facilities by 2040	2040	On track	0
Sustainable finance	Mobilise R250 billion	2026	On track, mobilised a cumulative amount of R177.4 billion√ by 2024 (71% of target)	0
Renewable energy power plants	Mobilise R50 billion finance and R15 billion underwriting	2024	Achieved 82% of target	0
Agriculture	Disburse R7 billion (cumulative) in climate smart agriculture finance by 2030 (inclusive of R2 billion by 2025)		On track, disbursed R2.2 billion in 2024	0
Commercial real estate	Mobilise >R30 billion in sustainable finance from 2022 to 2026 for the CRE sector	2026	On track	٥
Thermal coal, coal-fired	Limit thermal coal exposures as a percentage of group loans and advances	0.5% by 2030	0.51%	0
power	Reduce finance (as a % of total group advances) to existing power sector clients generating power predominantly from coal	0.15% by 2026 0.12% by 2030	0.17	0
Oil and gas	10% reduction in physical intensity of financed emissions and maintain an average portfolio intensity below 33kgCO_e/boe for upstream oil and gas production (Scope 1 and 2 client emissions)	2030	New target	
	Limit upstream oil and gas exposure to 3% of SBG's total loans and advances	2030	1.43%	٥
Energy book exposure	Limit upstream oil and gas exposure to 30% of the energy book		New target	
	Pursue a greater share of renewables in the energy mix, aiming to maintain an energy supply ratio (share of finance directed towards renewable energy power generation relative to that for non-renewable power generation) of >3:1 ¹ .	2030	5.96: 1	0

¹ Please see page 19 for an explanation of our methodology.





STRATEGY



STRATEGY FOR MANAGING CLIMATE RISKS AND OPPORTUNITIES | ENGAGEMENT | SKILLS DEVELOPMENT | CLIMATE RISK ANALYTICS

Strategy for managing climate risks and opportunities

SBG's purpose is to drive Africa's growth. To deliver our strategy and achieve our purpose, we must ensure that our business activities solve Africa's challenges and deliver improved prosperity for Africa's people. This requires us to undertake our core business activities in a manner that generates attractive financial outcomes for our shareholders, while generating positive social, economic and environmental impact for the communities in which we operate.

We commit to aligning our strategy with the United Nations Sustainable Development Goals (UN SDGs), the Paris Climate Agreement, the UN Guiding Principles on Business and Human Rights, and sustainable banking frameworks in our countries of operation, in line with our commitments as a founding PRB signatory. This includes identifying opportunities to maximise positive impact, and effectively managing the potential negative impacts arising from our activities, products and services. This commitment informs the two pillars of our sustainability approach.



Our role in leading Africa's energy and infrastructure development is central to maximising positive impact. We partner with Africa's governments and businesses to mobilise the investment needed to enable access to affordable and reliable energy, with a strong focus on renewable energy, together with water, roads, transport and telecommunications. At the same time, we implement appropriate risk management to protect the functioning of the environmental ecosystems on which we depend.

As an African bank, with a deep understanding of Africa's economic and developmental challenges, we take a considered and responsible approach to decarbonisation. In 2022, Africa was responsible for just 3.7% of global energy-related carbon emissions. However, Africa's share of global CO₂ emissions could rise to 20% by 2100, even with moderate economic and population growth¹. Guided by the need for a just energy transition, and the Paris Agreement's principle of 'common but differentiated responsibilities', we recognise that while there is a duty on all countries to take climate action, the types of action they take will depend on their national circumstances. Rapid disinvestment in coal, oil and gas production is neither practical nor responsible in African economies with a heavy reliance on these fuels.

Climate risk mitigation and adaptation is one of the group's four impact areas and is recognised as a material risk and opportunity by the group. Physical and transition risk are present across our presence countries and operations, with varying levels of intensity. Our most material exposure to climate risk is through our credit risk exposures that arise from the loans and advances that we make to clients who are impacted by climate-related physical and transition risks. We are working with all of our clients, from individual homeowners to businesses across all sectors of the economy, to support them in their efforts to lower their carbon footprint, limit negative environmental impacts, and strengthen their resilience and adaptability in the face of climate-related risk. We are also analysing the impact of climate risk on other financial risk types such as market risk and assessing the impact on business continuity and reputational risk.

Robust due diligence and responsible client selection are critical to our approach, as we work toward achieving our target of net zero financed emissions by 2050. We are engaging with our clients regarding sector transition pathways and the potential for technological developments to support and accelerate Africa's clean energy transition. We also continue to advocate for supportive policy and regulatory frameworks at national and regional level. And we remain committed to constructive and robust dialogue with our stakeholders.

¹ IEA 'Africa', https://www.iea.org/regions/africa; Wang J et al (2024), Investigating the fast energy-related carbon emissions growth in African countries and its drivers, https://www.sciencedirect.com/science/article/pii/S0306261923018585; Kalvin, C (2014) The effect of African growth on future global energy, emissions, and regional development, https://www.cmcc.it/wp-content/uploads/2015/02/rp0214-cip-01-2014.pdf

Maximising opportunity

Sustainable finance

We enable our clients to adopt technologies and operating models that reduce their carbon emissions and strengthen their resilience to physical and transition climate-related risk. Our sustainable finance solutions include use of proceeds and general purpose (sustainability-linked) instruments. Our mobilisation of sustainable finance is defined as the arranging and lending activities in relation to all sustainable finance categories, including eligible green, social, sustainable and sustainability-linked transactions (excluding treasury activities).

Our internal sustainable finance product frameworks ensure consistency, transparency and credibility in terms of our process to select, evaluate, report, track and verify eligible assets, and enables us to track our progress against our sustainable finance mobilisation targets.

We continue to prioritise investment in renewable energy while also supporting a broader range of activities that support the transition to a low carbon economy. Some of these are categorised as sustainable finance and have been independently reviewed and approved as such. Others are part of a broader set of decarbonisation activities, which are not eligible to be categorised as sustainable finance but are nonetheless critical to support the decarbonisation of Africa's economies.

We engaged with an external consultant to identify a credible list of eligible transition finance activities that complement our green and social eligibility criteria and will be eligible to count towards our sustainable finance mobilisation targets. These eligible transition activities will be incorporated into the next iteration of our group sustainable finance framework.

We will continue to finance decarbonisation activities for clients outside this framework, under clear and strict parameters as set out in SBG's climate policy and in line with our commitment to achieve net zero portfolio emissions by 2050. This list of activities supports our view that gas plays an important role as a transition fuel, with a lower emissions factor than other fossil fuels. The list includes gas production and the distribution and storage of gas, which will play an important role in reducing emissions, alongside an accelerated rollout of renewable energy.



In 2022, we set a target to mobilise over R250 billion in sustainable finance format by 2026. We are on track to achieve this target, having mobilised a cumulative amount of R177.4 billion \checkmark by 2024 (71% of target).

We committed to review our cumulative targets every three years. We have continued to integrate sustainable finance across the group and have improved related processes and reporting. This has enabled us to identify additional eligible asset portfolios for inclusion in our sustainable finance reporting. As a result of these improvements, we have developed an updated group sustainable finance mobilisation target of >R450 billion for an extended period 2022 to 2028. We have also set new sub-targets for green finance (R100 billion) and social finance (R100 billion) mobilisation between 2025 and 2028.

Sustainable Finance Product Framework

Sustainable finance mobilisation target > R450 billion (2022 – 2028)



Renewable energy

Investment in renewable energy infrastructure is a priority for the group. This includes expanding access to affordable and reliable energy, with a focus on renewable energy solutions, to drive economic growth and human development, inclusive of finance for utility scale and decentralised renewable energy solutions, and renewable energy and energy efficiency solutions for SMEs and homeowners.

We support projects across the renewable energy value chain. We are working with clients and partners, with a focus on energy intensive users, to enable diversification from centralised utilities to decentralised, off-grid, captive power including embedded power generation, wheeled power and aggregator models, and with homeowners and smaller businesses to support the implementation of renewable energy solutions, including rooftop solar, and energy efficiency.

We support a range of technologies, including:

- Wind, solar photovoltaic (PV), concentrated solar power (CSP) and ocean power
- Hydropower
- Biogas or biomass power from water materials or certified sustainable crops
- Geothermal power projects emitting <100gCO₂e/kWh
- Renewable energy solutions, including rooftop solar, for businesses and homes
- Production of green hydrogen and associated green ammonia production and transportation.

TARGET:

In 2022, we set a target to mobilise R50 billion finance and R15 billion underwriting for new renewable energy projects by 2024. We achieved **82%** of our target, raising R53.4 billion[√].

Green buildings

We are working closely with our commercial real estate (CRE) clients to provide solutions to decarbonise their property portfolios.

We aim to substantially increase our provision of sustainable financing for the commercial and residential property sectors over the next five years. We are engaging with partner organisations to develop solutions to incentivise green developments and retrofitting, climate adaptation and risk mitigation.

Clients' decisions to opt for green energy solutions tend to be driven by cost-benefit analysis, sector cost pressures and market dynamics. We are seeing an upward trend in the adoption of green energy solutions, as the long-term cost savings associated with renewable energy, and the importance of a stable supply, are increasingly recognised. We are working with clients to support retrofitting of existing buildings where feasible.

Several of our Africa Regions, clients are working toward achieving IFC EDGE Green Building certifications, for which we are providing sustainable finance solutions.

TARGET:

Our targets for the mobilisation of finance to support construction and retrofitting of green buildings, as well as sustainability linked instruments, contribute to our overall sustainable finance mobilisation target. In 2022, we set a target to mobilise >R30 billion in sustainable finance for the CRE sector by 2026. We are **on track to meet this target**.

Solutions for homeowners

We will continue to grow our home loans portfolio across our markets, while providing physical solutions and finance to enable homeowners to become more energy efficient and resilient. Our objective is to significantly grow the green-aligned portion of total lending over the next few years.

Focus areas include:

- Prequalified finance for solar home systems, initially focused on South Africa
- Finance for renewable products for residential customers including rooftop solar installations, with an initial focus on South Africa, Ghana, Zambia, Zimbabwe and Kenya
- Finance for home efficiency solutions inclusive of energy production, reduction and storage across solar, heat pumps, gas and geyser conversions
- An enhanced EDGE certification onboarding process and updated valuations in relation to future use for residential properties.

In South Africa, we provide an end-to-end renewable energy service for homes, which includes site visits by energy advisors, correct sizing of solar and battery equipment, installations and after-sales service, all of which is enabled through the **LookSee** solar customer care desk. Our customers are free to select from our range of lending solutions, which includes the option to leverage their home loan, and our custom energy loan. Our LookSee Home Services business provides homeowners with information to help improve their home efficiency and reduce their carbon footprint and running costs.

In 2024, we reached over 2.4 million consumers through () LookSee channels.



Our targets for the mobilisation of finance to support rooftop solar, energy efficiency and green building certifications contribute to our overall sustainable finance mobilisation target. We have delivered against our current targets, disbursing R1.1 billion across various products for green-aligned financing¹ in 2023, and R2.4 billion in 2022.

Sustainable solutions for the agri-sector

SBG aims to lead the transition to climate smart agriculture across the value chain. enabling our clients to build climate resilience and grow and contribute to a low carbon economy. We aim to substantially grow our lending exposure to the agriculture sector, while reducing our financed emissions, by supporting the implementation of sustainable. climatesmart agricultural practices across our client base. We support our agri-clients, from commercial producers to small-scale farmers. to implement sustainable practices, including regenerative agriculture, conservation agriculture and drought resistant cultivars. We work closely with our clients to support their adoption of:

- Renewable energy solutions
- Sustainable water management, including drip irrigation, shade netting and greenhouses
- Sustainable equipment, including no till and precision farming equipment.

Our efforts aim to help farmers increase their resilience to climate change, thereby increasing food security, strengthening the resilience of food systems, and supporting employment and sustainable livelihoods, while simultaneously helping them to reduce their emissions. We are committed to significantly expanding our financing for climate smart agriculture over the next five years.



In 2022, we set a target to disburse R7 billion in climate smart agriculture finance by 2030, inclusive of R2 billion by 2025. We are **on track** to achieve this target, having disbursed R2.2 billion in 2024 and R3.1 billion since 2022.

1 Loans and advances used to finance products or houses that are designed, built, or have solutions that have a favourable, or less harmful impact on the environment, and are verified or certified.

Carbon markets

Countries and companies may select to offset their emissions by buying carbon credits under the carbon market mechanisms specified in Article 6 of the Paris Agreement, national compliance systems (such as South Africa's carbon tax system) and voluntary carbon markets.

Sub-Saharan Africa, with its natural capital, agricultural systems and abundant renewable energy resources, is well placed to meet the demand for high quality carbon credits using these mechanisms.

SBG Global Markets has a carbon trading business with capability to trade carbon credits from all major standards and provide a safe trading environment in a predominately over-the-counter (OTC) market. We are also pursuing opportunities to finance projects designed to generate carbon credits. Our carbon trading governance framework governs the assessment of quality of projects and E&S risk. It sets out a list of carbon offsetting programmes or standards that require a high standard of third-party assessment of environmental integrity. Only carbon credits under these programmes or standards can be traded. The restrictions must be incorporated in all dealer mandates. Financing of carbon projects and participation in joint ventures with carbon project developers is subject to review by group E&S risk as part of normal approval processes.

We have opened accounts with a digital carbon exchange which provides trading and custody capabilities, enabling the trading of carbon credits with participants on the exchange and OTC with non-participants. We are in the process of opening accounts with other trading and custody service providers to supplement our capabilities.

We have acquired carbon credits that can be used by South African carbon taxpayers. We are actively marketing these to SBG clients to assist them to offset a portion of their taxable emissions at a reduced cost. We have successfully financed two tranches of funding aggregating to over R700 million to a South African carbon project developer against its future carbon revenue. We are also exploring nature-based carbon credit projects in sub-Saharan African countries which can be financed against payment obligations of creditworthy carbon credit offtakers.

We are engaging with multi-lateral development banks, development finance institutions and insurers to provide project risk mitigation to ensure bankability.

Investment and asset management

Standard Bank Group's assets under management comprise assets where we are the asset owner, and assets where we are the asset manager or agent. Where we are the asset owner, we dictate the investment mandate including decisions on investing or extending credit based on set emissions criteria. Where we are the asset manager, we take direction from the client (the asset owner) through their investment mandate, which may or may not have emissions criteria/restrictions. Our approach to responsible investing is active engagement.

Standard Bank as an asset owner

Managed by Libfin Credit Portfolio (R50 billion of assets)

- We aim to reduce carbon intensity within the portfolio and mobilise sustainable finance to support the decarbonisation strategies of our borrowers, particularly in carbon intensive sectors
- We are committed to limiting further funding to high-emissions sectors, namely thermal coal power, mining, oil and gas, agriculture, cement and power.

Current actions:

- Establishment of funds and products to contribute to the just energy transition, including for example the Khanyisa Energy Transition Fund
- Setting sector-based commitments to mobilise sustainable funding
- Developing a toolkit to assess climate-related credit risks and impacts on the portfolio, across various sectors
- Developing an emissions baseline as the first step toward setting targets for financed emissions reduction.

Standard Bank as an asset manager

These businesses include STANLIB as asset manager as well as Liberty Investments.

- Facilitated emissions (third-party funds):
- Support a Just energy transition
- Endorse regulatory climate change frameworks
- Facilitated emissions (Liberty balance sheet) through approved list of managers:
- All managers to have a climate policy in place, and by 2026 will report on it with quantitative targets. Currently seven of nine managers have a policy in place or consider it in their investment strategy.
- Facilitated emissions where STANLIB is the mandated asset manager for Liberty Policyholder:
- Liberty receive quarterly climate related reports from STANLIB and Ninety-one
- Requirement to report climate emissions by 2025.
- Liberty solutions:
- 100% of 30 managers engaged with 70% having policies or embedded strategies in place
- One third of managers measure at investee level
- Most managers take an engagement approach and just energy transition pathway route.
- In 2024, STANLIB joined Climate Action 100+. The participating asset managers commit to the principles of the Paris Agreement and through their considerable influence seek to ensure that the world's largest corporate greenhouse emitters take necessary action on climate change.
- STANLIB's annual (B) Stewardship Report provides details of STANLIB activities and initiatives in this area.

Engagement

Client engagement

Client engagement is central to executing our strategy. We engage with clients across all segments and sectors on an ongoing basis. This enables us to gain a deep understanding of our clients' sustainability goals, climate risks and key focus areas. By aligning our financing solutions with our clients' sustainability strategies, we help drive progress on their sustainability ambitions while contributing to the broader goals of the group.

We have developed a toolkit for client engagement, which provides comprehensive information about SBG's sustainability approach, climate policy and targets. This supports the development of sector and client strategies to achieve the group's sustainability objectives and assess product development and risk through a sustainability lens. 2024 also saw an increased focus on engaging clients in carbon intensive sectors on their transition strategies.

We have also developed engagement guidelines for use across business sectors, and implemented a framework to gather and analyse engagement data. In 2024, we developed a client engagement questionnaire as a tool to collect climate data directly from clients. Our aim was to better understand our financed emissions, and identify opportunities to support clients to manage their climate risk. We sought to collect data in three areas: physical risk, transition risk and emissions data. The questionnaire was piloted with agriculture clients in three countries. We are also exploring alternative mechanisms to source client data. Our **Sustainability Client Academy** aims to help clients build effective sustainability strategies, identify material sustainability risks and opportunities, and develop appropriate mitigation and adaptation strategies. We launched the pilot in South Africa and Eswatini in 2024, and plan to expand into other countries in 2025. Learning modules include sustainability and ESG, carbon markets, climate smart agriculture, renewable energy, and water and wastewater management.

We host and sponsor events to raise awareness of climate-related risk and encourage dialogue and collaborative action. Examples include:

- Our 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 delegates to hear from African leaders from business and government about tackling climate change, managing risks and capitalising on opportunities
- We sponsor national and provincial events and seminars, bringing together government officials, industry experts and business, with a focus is on leveraging renewable energy sources, enhancing infrastructure, and promoting energy efficiency.
 An example is Eswatini's **annual Energy Indaba** in collaboration with the Eswatini Electricity Company.

We hosted 150 clients, and focused on how to drive investment into domestic renewable energy generation and enable energy independence.

Engagement with governments and regulators

We continue to advocate for supportive policy and regulatory frameworks at national and regional level. We monitor regulatory developments related to climate risk from local banking supervisory authorities, authorities in other jurisdictions, the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board. We have regular engagements with our prudential supervisors in our countries of operation, to discuss their expectations of climate risk management by banks. Engagements with regulators in 2024 focused on issues such as:

- Climate risk stress testing and maturity of processes and models
- Plans for the integration of global reporting standards, including IFRS Sustainability Disclosure Standards, into national regulatory frameworks
- Taxonomies in relation to sustainable finance products and services.

Industry engagement

We participate in a variety of external forums to drive thought leadership, communicate

our approach to sustainability and seek to understand the perspectives of clients and other stakeholders. We seek to influence global standard-setting initiatives to ensure that the realities confronting banks in Africa are taken into consideration. We engage through forums such as the United Nations Environment Programme Finance Initiative (UNEP FI), the Institute for International Finance, and country-level industry associations, including the Banking Association of South Africa. We are co-chairs the UNEP FI Banking Board, the governance body for the Principles for Responsible Banking and UNEP FI Banking Membership. Information about our participation in industry bodies is available in our **(0)** sustainability disclosures report.



Skills	5
deve	opment

We have implemented a range of training programmes at executive and senior leadership level, to strengthen the management of climate-related risk and opportunity. Leadership teams within our business units have undertaken targeted climate-related training.

We have also implemented climaterelated training programmes for our employees, including relationship managers, to build our internal capacity to manage climate risks, leverage climate opportunities and support our clients on their decarbonisation journeys.

The group's ESG and Sustainability Learning Framework, launched in 2022, equips our employees with the knowledge and skills needed to embed sustainability principles and ESG risk management, including climate risk management, in our business practices.

The programme:

- Builds awareness and understanding of SBG's sustainable finance framework and objectives across the group
- Strengthens the capacity of clientfacing employees to engage meaningfully with clients on climate risks and partner with them to provide appropriate solutions
- Ensures climate risk is appropriately integrated into E&S risk assessment and credit risk decisions.

Training type and target audience	Objective
 Introductory Accessible to all employees Self-paced on-line learning hosted on the Learning Experience Platform 	 Enhances employees' awareness and understanding of sustainability and ESG risk management Includes the ESG Fundamentals pathway, part of the Future Ready Skills Curriculum, with modules on climate risk, nature risk and sustainable finance Includes training specific to business units Over 6 000 employees completed introductory training in 2024.
 Intermediate Bespoke training for client-facing teams in different areas of the group 	 Develop employee understanding of sustainable finance instruments to ensure effective engagement with clients. For example, BCB and PPB employees across our countries of operation have received training on renewable energy solutions to help them support our clients to achieve energy security and to support relevant clients in gaining the required renewable energy accreditation to access export markets
 Specialised training on PCAF methodology for individuals in sector teams 	 Build the group's capability to assess and calculate financed emissions 41 employees are enrolled in the PCAF Academy's Learning Journey
 Bespoke training for legal teams across the group 	 Management of legal risk in transactions
 Advanced ESG and Sustainability advanced development programme, delivered in partnership with the University of Pretoria's Gordon Institute of Business Science and Cambridge Institute for Sustainable Leadership 	 Builds employees' capacity to develop practical solutions with clients, partners and other stakeholders to drive sustainable growth and address ESG risk, including climate change risk 86 employees have completed the course since its launch in 2023.

Some of our countries of operation have introduced tailored programmes to build capacity, taking into account local priorities and policy frameworks. Stanbic Bank Ghana, for example, is part of the International Finance Corporation's (IFC) Climate Finance Advisory Programme, which provides training and advisory support to build the bank's knowledge in identifying and assessing climate-aligned asset classes, such as clean energy, clean transport, climate-smart agriculture, energy efficiency and green buildings.

Embedding climate risk management in performance

Sustainability and ESG risk management are embedded in our performance assessment and reward processes through our positive impact value driver.

We measure our performance against our six value drivers: client focus, employee engagement, risk and conduct, operational excellence, financial outcomes, and positive impact, including climate risk mitigation and adaptation. The performance of every Standard Banker, from group executives to frontline employees, is assessed against all six value drivers. This ensures a comprehensive view of performance that goes well beyond financial results.

KPIs in respect of climate risk mitigation and adaptation align with commitments and targets defined in the SBG climate policy, including mobilisation of sustainable finance, limits on exposures to high-emissions sectors, and reduction of SBG's own operational emissions.

Y

An independent advisory panel of industry experts awarded Standard Bank a GIBS client award, in the category Responsible Organisations: Sustainable Practice, for the ESG and Sustainability Advanced Development Programme. SBG was recognised for our exceptional contribution to learning and development, achieved through our strong partnership with GIBS and our shared focus on improving responsible individual and organisational performance in South Africa and the broader African environment, through high-quality business and management education.



Climate risk analytics

Our capacity to identify and assess climate-related risks using scenario analysis continues to improve. We invested in new group-wide climate risk analytics technology in 2024 and partnered with a global ratings, research and data provider to significantly enhance our ability to measure, model, manage and report our climate-related risk exposure.

Using data on the locations of our clients' climate sensitive operations and assets, as well as information on the nature of their sensitivity to transition risk, we are now better able to estimate the potential credit risk impacts of transition and physical risks in our banking and trading portfolios.

Analysis in 2024 included:

- Carbon emissions modelling
- Physical risk impacts scores and damage rates
- Scenario specific climate adjusted probabilities of default and loss given default
- Value impact assessments for traded instruments.

We used this information and methodology to complete a stress test on our South African lending portfolio as part of the **SARB's climate risk stress test** in 2024. The lessons from this exercise will drive improvements in our data sourcing capabilities, modelling, and integration of climate risk management into our existing risk and model frameworks. We will use this data and modelling platform to support further internal scenario analysis and stress testing exercises in 2025.

Internal scenario analysis

We also conducted an internal scenario analysis exercise in support of the SARB's guidance on embedding climate scenario assessments into internal capital adequacy and risk assessment processes. The approach used a **qualitative heatmap assessment** of sector and geographic sensitivity ratings to the drivers of transition and physical risk.

We rated the SBSA portfolio against the assumptions of two scenarios aligned to those defined by the Network for Greening the Financial System (NGFS) to arrive at relative measures of sector sensitivities.

The tables below provide the scenario narratives and potential impact features as used on the sensitivity analysis, as well as a summary of the qualitative ratings outputs for the more materially impacted sectors.

The overall qualitative assessment suggests moderately high transition and physical climaterisk ratings under the Net Zero 2050 scenario across most sectors. We note that the route that South Africa's just energy transition takes will be a significant driver of transition risk related impacts on SBSA's portfolio over the medium to long term, including the balance between energy security and meeting global climate targets.

	Net Zero Scenario		Current Policies Scenario	
Scenario description	Reaching net zero global CO ₂ emissions by 2050 will require an ambitious transition across all sectors of the economy. The Net Zero 2050 scenario requires decarbonising the electricity supply, increasing energy efficiency and developing new technologies to tackle hard-to-abate emissions. Transition risks to the economy could result from higher emissions costs and changes in business and consumer preferences. Physical risks would be minimised.		While many countries have started to introduce climate policies, they are not yet sufficient to achieve official commitments and targets. If no further measures are introduced, the world is likely to warm by 3°C or more by 2100. This would likely result in deteriorating living conditions in many parts of the world and irreversible impacts like sea-level rise. Physical risks to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.	
Climate-related risk	Long-term physical	Low	Long-term physical risk to 2050	High
Impact on GDP at country and sector level	risk to 2050	While risk is still present, the intensity and frequency of extreme weather events are projected to be lower due to more rapid mitigation efforts, although there remains uncertainty around the magnitude and timing of residual physical impacts.		Higher physical risks would undermine GDP growth due to loss of land, changing crop yields, depleted natural resources, lower productivity of the workforce, damages to infrastructure, etc. Chronic and acute risks could result in lower tax revenues or higher insurance premiums.
	Short-to-medium- term transition risk	Moderately high	Short-to-medium-	Moderately low
		Significant investment shifts towards renewable energy sources, potential job losses in carbon-intensive industries, rising carbon prices, and increased regulatory pressure on companies to decarbonise, potentially impacting their profitability and asset valuations, particularly in sectors with high emissions, while also creating opportunities for innovation and growth in cleaner technologies.	to 2050	A gradual increase in stranded asset risk for carbon-intensive industries, potential market volatility due to uncertainty around future policy changes, and limited investment incentives for low-carbon technologies, leading to slower transition and potentially higher costs in the long run. The lack of strong policy drivers potentially causes disruption to certain sectors and financial markets.
• High	Mode	rately high Moderate Moderate Moderate	ately Low	Low Positive

SBSA Sector	Net Zero Scenario		Current Policies Scenario		
	Physical risk	Transition risk	Physical risk	Transition risk	
Non-renewable	Low	Moderately high	Low	Moderate	
power generation	More stringent policy action leads to reduced demand as market shifts to renewable sources, leading to more stranded assets and write downs.		Demand for non-renewables may remain relatively stable or grow slowly with slow policy change and a lag in technology change.		
Oil and gas	Low	Moderately high	Low	Moderate	
	As the world shifts towards renewable energy earlier, demand for oil and gas declines significantly, restricting access to capital, higher costs of compliance and reputational risks.		Lower regulatory risks with fewer new regulations pushing for a shift to low-carbon energy. Existing regulations may still pose compliance costs.		
Agriculture	Moderate	Moderate	Moderately high	Moderate	
	New regulations promoting sustainable practices and more sustainable and plant-based diets could reduce of	reducing emissions, coupled with a consumer shift to demand for certain agricultural products.	Farmers may struggle to adapt to changing climate conditions and increasing physical risks, such as higher temperatures and unpredictable weather patterns. More frequent and intense floods and droughts could damage crops, erode soil, and disrupt planting and harvesting.		
Commercial real	Moderately high	Moderately high	Moderate	Moderately low	
estate	More stringent building codes and regulations to reduce carbon emissions could drive higher costs from significant upgrades to existing properties. Tenants could prefer energy-efficient and sustainable buildings, leading to a shift in demand away from less efficient properties. Minimal new regulations pushing for sustainable buildings, requiring more energy operational costs.		ing practices while demand for sustainable and nificant market incentives for change. Increased equiring more energy for cooling and increasing		
Residential	Moderate	Low	Moderately high	Low	
mortgages	Buyers may prefer energy-efficient and sustainable homes, leading to a shift in demand away from less efficient properties, while upgrading homes to meet sustainability standards can require substantial investments, impacting homeowners' budgets. Demand for sustainable and energy-efficient homeowners' budgets. Demand for sustainable and energy-efficient homeowners' budgets. Demand for sustainable and energy-efficient homeowners' budgets.		Demand for sustainable and energy-efficient homes m change, while homes that do not meet sustainability s potentially affecting property values. Increased freque structural damage, leading to costly repairs and poten	hay grow slowly, lacking significant market incentives for tandards may face a competitive disadvantage, ncy and severity of weather events could cause tial displacement of residents.	
Renewable power	Low	Positive	Low	Low	
Selectation	Increased global commitment to reduce carbon emiss leading to market expansion and growth opportunities creation in manufacturing, installation, maintenance, a	ions will drive demand for renewable energy sources, . The transition to renewable energy could spur job nd other related fields in South Africa.	Even with low ambition policies, there is still a growing interest in sustainability increase. Opportunities exist is solutions, especially in rural and underserved areas.	demand for renewable energy as awareness and n niche markets such as off-grid and mini-grid	
High	Moderately high	 Moderate M 	oderately Low Low	Positive	





RISK Management



RISK MANAGEMENT PROGRAMME | RISK IDENTIFICATION, ASSESSMENT AND MANAGEMENT | RISK MANAGEMENT AT SECTOR LEVEL

RISK MANAGEMENT

SBG defines climate-related risk as exposure to the physical and transition risks associated with climate change, in respect of our own activities and operations, and risk exposures from lending to, investing in and otherwise transacting with our clients and counterparties.

We define climate risk as a standalone risk type in the group risk taxonomy. It is identified as a transverse risk which manifests across existing risk types.

Climate risk presents a risk to our own operations primarily in terms of physical risk and potential disruption to business operations. More materially, it presents significant financial risk arising from our clients and counterparties, which may manifest in increases in impairments, decline in collateral valuations, adjustments in credit ratings and stranded assets over the longer term.

Our climate risk team in group risk is responsible for providing guidance and coordinating information across the group, and aggregating and reporting on risk measurement results, including scenario analysis and stress testing. Business is responsible for identifying, assessing, managing and mitigating risk at sector and portfolio level.

Risk management programme

Our group-wide approach to build, enhance and refine our management of climate risk and opportunity is structured into a programme with four focus areas:

- Embedding the operating model:
- Developing an operating model for effective aggregation and reporting of climate risks, supporting scenario analysis and stress testing and strengthening integration of climate risk into existing risk decision-making frameworks
- Scenario analysis and stress testing: Acquiring models and tools to support scenario analysis and stress testing; Developing internal capability to perform scenario analysis and stress testing of our portfolios under relevant regional-specific climate scenarios; Incorporating qualitative climate risk drivers into portfoliolevel risk appetite and developing a framework for future quantitative climate risk appetite statements
- Data architecture and management: Building the architecture for climate data sourcing, storing, refining and curating for group-wide application, including for example emissions measurement, appetite -setting, and scenario analysis
- Strengthening oversight: Developing appropriate climate risk metrics to support effective board oversight.

Risk identification and assessment

Our processes for identifying and assessing type and materiality of climate-related risk at both a transaction and portfolio level continue to evolve as we refine the quantity and quality of climate-related data and our ability to model the potential impact of climate risks from our exposures to our clients and their operations. Risk considerations include physical risk and transition risk.

Risk management process

Our risk management processes include:

- Consideration of climate risk and opportunity as and when material in the development of new products and services
- Transaction and counterparty level identification and assessment, including the integration of climate-related risks into E&S risk assessment processes
- Integration of climate risk into existing risk frameworks, including credit risk, market risk, business resilience and insurance risk
- Portfolio level monitoring and reporting, including a process to set sector level qualitative risk appetite statements.

Dimension	Identification, assessment and management
Portfolio-level identification and assessment of climate risks	 Our risk assessments are informed by: Internal and external expert knowledge on the inherent risks in relevant sectors and industries Research on global best practice and peer group learning through industry associations Potential future transition pathways for impacted sectors in our portfolios The potential impact of acute and chronic physical risk vulnerabilities of our counterparties and countries of operation.
Scenario analysis and risk appetite- setting	 We supplement portfolio-level risk identification processes with climate scenario analysis, which is intended to aid in assessing a broader range of assumptions and uncertainties around potential future states in which we and our clients may operate. Our work on climate risk appetite-setting includes progress made in 2024 on defining our qualitative statement. Focus areas for 2025 include further quantification of appetite for climate risk at portfolio level.
Transaction-level identification and assessment of climate risks	 Transaction screening The E&S risk policy governs the screening of all CIB, commercial and some business clients and transactions for climate risk, particularly insofar as it presents as potential credit risk Business units and legal entities must consider climate-related risk when completing the E&S risk screening tool and determining the client risk assessment and transaction risk assessment results, at origination and during credit review processes and annual client and portfolio reviews Clients in the oil, gas and coal sectors provide emissions reduction strategies for consideration in lending and investing decisions When considering a new transaction or client relationship, business units and legal entities must consider: Exposure of SBG counterparties, and assets and operations underlying a transaction, to climate-related physical risks and transition risks Risks related to climate change for specific transactions/projects related to the project's sector activities and location Alignment with the commitments set out in the group climate policy and international best practice Impact on SBG's ability to meet our climate-related targets.
Enhanced due diligence (EDD)	 Any client or transaction rated as high risk for climate-related risk is referred to the appropriate committees for enhanced due diligence, in line with the E&S risk policy EDD includes assessment of, among other factors: Current and future energy supply and demand at country, region and entity level Compliance with relevant international standards such as the Equator Principles and IFC Performance Standards Compliance with host country environmental and social laws, regulations and standards, including commitments and standards regarding GHG emissions.

Risk management at sector level

Agriculture		Commercial and	residential real estate
Context and climate impact	 Agriculture is a critical economic sector for Africa. On average, agricultural production accounts for 20 to 30% of GDP and 55% of exports in African markets¹. Current practices, including deforestation, fires and forest degradation, result in the agriculture, forestry and other land use (AFOLU) sectors being major carbon emitters in Africa, accounting for over half the continent's emissions. The sector also has a crucial role to play in strengthening climate resilience and sequestering carbon through photosynthetic (forests and savannas) 	Context and climate impact	 The real estate sector is a high emitter globally, with buildings responsible for about 40% of global carbon emissions². SBG's lending exposure is predominantly in South Africa, where reliance on coal-fired power significantly contributes to emissions for buildings. Climate-related opportunities are driven by policy incentives for decarbonising energy generation, securing power supply, leveraging decreases in price of renewables and rapid growth in investment and installation. Opportunities are somewhat constrained in the short-term owing to grid and storage capabilities.
SBG sector strategy	 and non-photosynthetic processes (soils and water). SBG's agriculture lending exposure is currently 83% South Africa and 17% Africa Regions, primarily Uganda, Nigeria, Kenya, Mozambique and Malawi. Our clients include farmers and agri-businesses, and range from small-scale to large commercial operations, across sub-sectors. We aim to substantially grow our exposure in Africa regions in the coming years, while managing our climate risk and financed emissions through the large-scale rollout of climate-smart sustainable practices for our clients. We expect the trajectory of our financed emissions in the agri-sector to increase at a reducing rate in the short to medium term, and to reduce consistently in the long term, as we support more of our clients to adopt sustainable practices. 	SBG sector strategy Exclusions	 SBG is working with clients in the real estate sector (commercial and residential) to support emissions reduction and strengthen resilience to physical climate risk. Focus areas include renewable energy for home and business use, and related initiatives to reduce negative impacts on the environment, including through alignment with Green Building standards and retrofitting. We have developed an updated guideline on the application of the E&S policy to the CRE sector. We are also engaging with our clients in the sector to develop mechanisms to improve the quality of our client emissions data, understand their plans to tackle physical risk and their financing needs to achieve this and support their efforts to decarbonise. We do not provide finance for properties within flood lines, in accordance with municipal by-laws. In South Africa, we require construction to adhere to the National Building Regulations and Standards Act, builders to be registered with the National Home Builders Registration Council (NHBRC), and new homes must be enrolled with the NHBRC.
Exclusions	 We do not provide finance for: Deforestation of natural forests and indigenous trees (excluding de-bushing in farming blocks where grazing and cropping will have a positive impact) Production or trade in wood and other non-indigenous forestry products other than from sustainably managed forests Unsustainable fishing methods. 	Physical risks (medium to long-term)	 The sector faces significant risks in the form of extreme weather events such as hurricanes, floods, and wildfires, and in the longer-term, rising sea levels in coastal areas. We have assessed our residential property portfolio for exposure to physical climate risk, using Representative Concentration Pathways (RCP) 8.5 (high emissions and severe climate impacts). We found relatively low risk for most factors including flood, sea level rise, water stress, heat stress and hurricane risk.
Physical risks (short-term) Transition risks (medium-term)	 Changing precipitation patterns, extended periods of drought, flooding, loss of biodiversity The Carbon Border Adjustment Mechanism (CBAM) will increasingly impact farmers and agri-businesses exporting to the European Union and the United Kingdom, Clients in this sector require support to understand. 	Transition risks (medium to long-term)	 Risks facing the CRE sector include increasing regulation, declining attractiveness of assets in particular locations, and associated challenges with insuring buildings in areas at high risk of physical climate impacts. It is difficult to quantify transition risk for residential properties owing to limited data on the energy efficiency of homes and shifting consumer preferences for sustainability. We are exploring how best to quantify this risk.
	and track their emissions and solutions to demonstrate mitigation.	² https://www.unepfi.org/	

¹ Talib, M.N. et al. (2021) 'The long-run impacts of temperature and rainfall on agricultural growth in sub-Saharan Africa', Sustainability, 13(2), p. 595. doi:10.3390/su13020595.

Energy portfolio

Non-renewable energy sources remain an important part of the global energy mix. While a transition to lower-carbon energy sources is underway, energy security and economic growth still require substantial non-renewable inputs. The table below shows our total group exposure to renewable and non-renewable energy.

Comparison of energy portfolio in the banking book



CIB Energy Supply Ratio



Renewables Oil and gas Coal extraction Coal fired Gas fired Oil fired

Energy supply ratio

Using an aggregation of CIB loan, project finance, equity and other banking exposures, as well as undrawn committed facilities and guarantees, we have calculated an energy supply ratio (ESR) that compares the share of finance directed towards renewable energy power generation relative to that for non-renewable power generation.

- Renewable power generation activities include exposures to entities involved in the acquisition of, construction, generation or maintenance of renewable power and associated infrastructure.
- Non-renewable power generation exposures include lending to power utilities and other clients that own
 and operate coal-fired, oil-fired, or gas-fired power plants. No distinction is made between higher and lower
 carbon intensity exposures in the non-renewables total.

The calculation excludes:

- IAM and BCB business unit exposures. The CIB energy portfolio comprises more than 95% of energy related exposures in the banking activities portfolio and an even higher percentage of the total energy supply generation exposures, Information on the use of finance extended is also more mature in CIB.
- Other non-renewable exposures in the oil and gas sector that are not directly linked to the generation of power.

We continue to refine the data and methodology for the measurement of this metric including for the balance of our banking activities and other business unit portfolios. We caution that comparisons with prior years' results and with similar ratios in the industry should be made with discretion. The CIB contribution to the prior year's group-wide metric of 5.39 is disclosed at 5.16 for comparative purposes.

Thermal coal (mining and power generation)

Context and climate impact	 The urgent need to reduce reliance on coal is widely recognised, given that the burning of coal is the single largest contributor to anthropogenic climate change. However, coal continues to supply over a third of global electricity generation. The IEA's Net Zero Emissions by 2050 Scenario envisions that all unabated coal generation will end by 2040. In the short term, however, many countries will continue generating power with coal and using coal in industrial processes, such as iron and steel production¹. SBG's thermal coal exposures are predominantly in Southern Africa. South Africa's draft Integrated Resource Plan 2023 proposes completing 1 440MW of new coal (already under construction), indicating that South Africa's transition away from coal will take time and that energy security in the Southern African region will remain dependent on coal-fired power in the medium term.
SBG sector strategy	 SBG is exposed to this sector in relation to: Electricity generation by utilities that own and operate coal-fired plants, and Owners and operators of thermal coal extractive assets excluding bulk commodity and diversified mining counterparties that may have coal extractive assets and excluding suppliers and contractors that operate in the coal extractive sector. SBG is committed to limiting exposure to this sector in the medium term, while continuing to engage and support our existing clients as they transition to a low carbon economy. We commit to limiting our thermal coal exposures as a percentage of group loans and advances 0.5% by 2030, and to reducing finance (as a % of total group advances) to existing power sector clients generating power predominantly from coal to 0.15% by 2026, and 0.12% by 2030. We will finance the refurbishment of existing coal-fired power stations for the specific purpose of improving efficiency and reducing carbon emissions as part of a decarbonisation plan aligned to net zero by 2050.
Exclusions	 We do not finance: The construction of new thermal coal-fired power plants. Expansion of generating capacity of existing coal-fired power plants. Mountain-top removal.
Physical risks (medium-term)	 Coal-fired power plants require significant amounts of water for cooling. Reduced water availability due to droughts or changing precipitation patterns can limit plant operations and efficiency. Climate change can lead to reduced water availability in certain regions, affecting mining operations. Higher temperatures and associated heat stress can reduce the efficiency of power generation and increase the risk of equipment failure due to overheating. Coastal power plants could be at risk over the medium term from sea level rise and storm surges, which can lead to flooding and damage to infrastructure.
Transition risks (medium to long-term)	 Stricter environmental regulations and policies aimed at reducing carbon emissions may lead to increased compliance costs and potential shutdowns of non-compliant operations. The global shift toward renewable energy sources may reduce demand for coal, impacting profitability and leading to stranded assets. The decreasing cost of renewable energy sources, such as solar and wind, may make coal-fired power generation less economically viable.

1 https://www.iea.org/energy-system/fossil-fuels/coal

Oil and gas	
Context and climate impact	 Oil represents over 90% of energy consumed in the transport sector. It is also used for power generation and various industrial processes. Peak demand is expected to be reached between 2028 and 2030, but oil will remain a major component of global energy demand in the coming decades. The IEA forecasts that oil use for transportation could decline from as early as 2026, but that oil's role as a key component in plastics and other chemicals will continue to drive global consumption. There have been several important oil discoveries in Africa over the past several years. Projects in Angola, Côte d'Ivoire, Ghana, Namibia and Nigeria are expected to increase Africa's output significantly by 2028. Ghana, Côte d'Ivoire, Senegal and Uganda have embarked on new oil projects. Gil represents 23% of global primary energy generation. It is recognised by the IAE as having a limited role as a transition fuel, from coal to renewable energy sources. The IEA also acknowledges that gas power generation may still be needed as back-up for variable wind and solar power¹. Gas emits less carbon than other fossil fuels. Plants can turn on and off quickly, providing a convenient way to respond to seasonal and short-term demand fluctuations. Gas plays an important role in the electricity and industrial sectors, heating and transport, and will be important in helping to meet the global increase in energy demand.
SBG sector strategy	 SBG is exposed to the sector in terms of upstream activities include the exploration, extraction and beneficiation of oil and gas products; midstream activities including the pipeline, maritime and land transportation activities of services and transport entities; and downstream activities comprising the trading, distribution, marketing and retailing of oil and gas pend-use products. We are also exposed to electricity generation by utilities that own and operate oil-fired and gas. Fired power plants. SBG is committed to limiting exposure to the oil sector in the medium term, while continuing to engage and support our existing clients as they transition to a low carbon economy. In the short-term, we will continue to finance oil production and related infrastructure within strict parameters, to ensure energy reliability, sustainability and efficiency. In the medium to long-term, we will provide finance for oil only where the use of such an energy source an technology emerge to mitigate environmental impacts. To qualify for finance, projects in the oil and gas sectors must: Be low carbon intensity, with zero to minimal fugitive emissions, and must result in lowering the average carbon intensity of our oil and gas portfolio. Include details of current or expected carbon emissions and have an approved plan to reduce scope 1 and 2 emissions. We will consider nature-based carbon offsetting projects and carbon capture. Transnational pipelines require enhanced due diligence. Any oil or gas transaction with a tenor of over 12 months must be assessed for alignment with the SBG climate policy and to determine climate-related risk and energy transition opportunities. If the assessment identifies areas of concern, these must be discussed with the client, to clarify what we expect from them before we can provide financing. If conditions cannot be met, financing will not proceed.
Exclusions	 The following activities will not be financed due to their high emissions intensity and misalignment with our climate commitments: New oil-fired power plant construction or the expansion in the generating capacity of existing oil-fired power plants, except where such plants provide backup services as part of an integrated renewable energy power plant. Companies with unrestricted flaring for new assets. We require clients to provide timebound plans to eliminate flaring for existing assets. Any activity that requires significant induced stimulation, mechanical intervention or unconventional extraction techniques in order to primarily produce the resource (i.e. shale gas and shale oil extraction). Any project outside Africa.
Physical risks (medium to long-term)	 Increased frequency and intensity of storms and hurricanes may damage offshore platforms, pipelines, and refineries, leading to operational disruptions and safety hazards. Heavy rainfall and flooding may inundate facilities, disrupt transportation routes, and cause environmental contamination from spills and leaks.
Transition risks (medium to long-term)	 Transition risk is driven by carbon costs, government policies (e.g. to restrict flaring), threat from substitutes (e.g. rebates for cleaner fuels) and legal action costs. These risk drivers are somewhat offset by the opportunities for the role of oil and gas in driving Africa's economic growth.

¹ https://www.iea.org/energy-system/fossil-fuels/natural-gas

2022 Shareholder resolution: Oil and gas financed emissions

At Standard Bank Group's 2022 Annual General Meeting, shareholders passed a non-binding advisory resolution for the group and its directors to measure financed emissions from oil and gas (O&G) exposure and set targets for their reduction. The resolution states that:

In order to promote the long-term success and sustainability of the Company, taking into account the significant risks and opportunities associated with climate change, and in accordance with the Company's stated support for the goals of the Paris Agreement, shareholders recommend and request that the Company and its Directors:

Commitment	Status
By no later than 31 March 2023, provide shareholders with a report on the Company's progress, in relation to each relevant country of operation, in calculating its financed GHG emissions from its exposure to O&G	Completed (March 2023)
By no later than 31 March 2024, disclose the Company's baseline financed GHG emissions from its exposure to O&G	Completed for upstream oil and gas (March 2024)
By no later than 31 March 2025, update the Company's March 2022 climate	Completed (March 2025)
policy to include short, medium, and long-term targets for the Company's financed GHG emissions from O&G, aligned with the Paris Agreement goal of	SBG climate policy 2025
limiting the global temperature increase to 1.5°C above pre-industrial levels	Target setting process described in this section

A balanced approach to target setting

Standard Bank is committed to the goals of the Paris Agreement, which seeks to avoid the worst effects of climate change. This includes a commitment to supporting the growth of sustainable energy capacity in Africa, mitigating emissions and adapting to the impacts of a changing climate. The Paris Agreement acknowledges the unique national circumstances of each country, emphasising the importance of a just transition as a key priority for Africa's national climate strategies. The principle of "common but differentiated responsibilities," enshrined in the United Nations Framework Convention on Climate Change (UNFCCC), and reinforced by the Paris Agreement, highlights the shared global responsibility to safeguard the climate system while recognising that obligations should vary based on individual nations' capabilities and circumstances.

Standard Bank supports a just transition away from greenhouse gas emitting energy sources by facilitating access to energy services and economic development, while limiting harmful environmental impacts. Our approach aligns with our climate policy, balancing the principles of climate action and sustainable development.

Recognising the complexity and challenges involved in this process we worked with external experts to develop our target setting approach for financed emissions associated with our upstream oil and gas portfolio, adhering to PCAF's methodology and guidance for financed emissions accounting.

Our approach was based on eight building blocks:

Building block	Approach
Financing scope	On-balance sheet, project finance, business loans and investments
Activity scope	Scope 1 and Scope 2 emissions from upstream oil and gas producers
Time horizon	Target year = 2030
Benchmark scenario	IEA Announced Pledges Scenario
Emissions data	Aligned to PCAF scoring methodology, using consistent third-party data and company reported data
Attribution factor	Internal financial data (limits and debt/equity)
Metric(s)	Physical intensity (kgCO ₂ e/barrel of oil (boe)) (combined with our current percentage concentration of total portfolio limit on oil and gas lending)
	Reduce physical intensity : Target a 10% improvement in the average physical intensity of the upstream oil and gas portfolio, focusing on operational emissions (2024 base year and 2030 target year). This is below the IEA APS scenario performance benchmark
	Limit upstream oil and gas: Limit upstream oil and gas to less than 30% of the energy book and less than 3% of our total loans and advances by 2030
	Promote a low-carbon energy mix : Increase our lending and investment in sustainable, gas and low-carbon energy technologies. Pursue a greater share of renewables in the energy mix, aiming to maintain a renewable-to-non-renewable energy supply ratio of no less than 3:1
Baseline year for target setting	2024

Our approach to meeting our targets will be underpinned by:

- Active portfolio management We aim to reduce the physical intensity of our financed emissions.
- Our target is for a 10% improvement in the average physical intensity of the upstream oil and gas portfolio, focusing on operational emissions (2024 base year and 2030 target year). This is below the IEA APS scenario performance benchmark.
- We aim to limit upstream oil and gas exposure to less than 30% of the energy book and less than 3% of Standard Bank total loans and advances by 2030.
- We are actively pursuing a low-carbon energy mix, with a target to increase our lending and investment in sustainable, gas and low-carbon energy technologies.
 We will pursue a greater share of renewables in the energy mix, aiming to maintain a renewable-to-non-renewable energy supply ratio of no less than 3:1 by 2030.
- Client engagement We continue to actively engage with our O&G clients to encourage and support their decarbonisation efforts. This includes financing projects that aim to reduce emissions, such as carbon capture and storage where the technology is proven, renewable energy integration, and other energy efficiency improvements. We also encourage our oil and gas clients to develop long-term transition plans that can guide their future business plans.
- **Supportive policy advocacy** We continue to advocate for supportive policy and regulatory frameworks, sector transition pathways and available technologies to accelerate the clean energy transition across Africa, in line with the pace afforded by the Paris Agreement.

Areas of focus

Focus on upstream

- Our focus is on upstream oil and gas clients. Upstream oil and gas producers account for a significant share of the operational emissions across the oil and gas value chain. Within Standard Bank's oil and gas portfolio, upstream producers account for almost 80% of scope 1 and 2 operational emissions.
- We have been tracking and evaluating the performance of our upstream oil and gas clients for several years, using an intensity metric aligned to our target.
- We source our performance data for upstream oil and gas producers from a single, consistent source, and we have verified the third party supplier data through client engagement.
- We have been evaluating the data available for midstream and downstream clients; some provide public disclosure, but others do not.
 We rely on emissions factors to estimate the financed emissions from midstream and downstream clients. As the data improves, we will have a better understanding of emissions performance and trends.

Focus on scope 1 and 2 emissions from upstream oil and gas producers (operational emissions of the companies in the portfolio)

- Scope 1 emissions are generated from the burning of fuel in company owned assets, methane emissions from oil and gas extraction (venting and flaring), and fugitive methane emissions from valves and pipelines.
- Scope 2 emissions are the indirect emissions from grid electricity purchases).
- Scope 1 and 2 emissions are under the direct operational control of an oil and gas company, giving Standard Bank the opportunity to engage with our clients on opportunities to reduce their operational emissions.

- Scope 1 and 2 emissions from the oil and gas sector account for a significant share of total energy-related GHG emissions. According to the International Energy Agency (IEA) World Energy Outlook 2023, scope 1 and 2 emissions for the oil and gas sector accounted for 5.1 billion tons of CO₂e in 2022, or just under 15% of total energy-related GHG emissions.
- Scope 3 emissions occur downstream in the supply chain, outside of the control of a primary fuel supplier. Reducing scope 3 emissions involves changes in consumer behaviour, energy policies, and technological advancements. Oil and gas producers will generally have limited opportunities to influence their scope 3 emissions, apart from reducing their total production.
- Substantial capital expenditures will be required to reduce scope 1 and scope 2 emissions from the oil and gas sector in Africa over the coming decade. Limiting oil and gas financing in Africa would limit the opportunities to improve access to reliable energy for households and businesses in Africa, which is crucial for economic growth.

Our focus is on operational efficiency and decarbonisation

- Our target is defined in terms of physical intensity (kgCO₂e/boe), combined with our current limit on oil and gas lending, as a % of total portfolio.
- The physical intensity metric provides a clear benchmark for Standard Bank to use when engaging with clients.

We referenced the IEA's Announced Pledges Scenario (APS) scenario (2030) in our target setting. The APS is a global decarbonisation scenario that assumes all governments around the globe meet their climate-related commitments on schedule. This pathway is consistent with a temperature rise of 1.7°C in 2100 (with a 50% probability). In a Special Report, the IEA projects a 31% improvement in oil and gas production intensity under the APS and a 56% improvement under the NZE by 2030 (2022 baseline). This includes emissions from production, transport, and refining.

Average portfolio physical intensity baseline and target



The graph shows the Standard Bank portfolio target in 2030 (red dot), and base year intensity (2024). It also provides an estimate of the global emissions intensity for upstream oil and gas production in 2022, and the IEA forecast levels in 2030, under the APS and NZE 2050 scenarios. This excludes scope 1 and 2 emissions from transport and oil and gas refining in the IEA numbers, to align with our target setting approach.

Insurance		Transport		Industrials sector			
Context and climate impact SBG sector strategy	 The insurance sector is exposed to physical risks through underwriting and investment activities. It has the capacity to make long-term investments in infrastructure to support climate change adaptation and mitigation. Scenarios developed by the International Association of Insurance Supervisors (IAIS) indicate that, under an orderly transition scenario, there would be a drop in insurers' available capital of around 7% to 8% of their required capital. This increases to over 14% under a disorderly transition scenario, and to almost 50% under a 'too little, too late' scenario. 		 Motorised transport remains largely dependent on carbon-based fuels. The Net Zero Scenario requires transport sector emissions to fall by about a quarter by 2030. Efforts are needed to support a shift to less carbon-intensive transport options, including reliable public transport, and more efficient technologies, including electric vehicles¹. SBG's credit exposure to the sector includes passenger transport, freight transport aviation and shipping. 	Context and climate impact	 The industrials sector accounts for 25% of global carbon emissions. Within the sector, the cement and steel sub-sectors account for approximately 54% of direct carbon emissions, which are largely driven by production activities². The cement and steel sub-sectors are vital to developing Africa's economies and improving human development, providing critical components of the infrastructure needed to support economic growth and human development. The manufacture of cement is a crucial enabler for construction and infrastructure development. It currently has a high direct emissions profile, but the technology to create alternative substitutes is development. 		
57	 We aim to remain the leading homeowners' insurance cover provider in South Africa. We provide commercially viable insurance solutions that support the transition of our existing residential real estate portfolio towards the use of renewable energy. We continue to explore and develop opportunities for energy efficient insurance solutions (including smart geysers and GHG emission assessments). We continue to expand our climate-related insurance offerings in partnership with underwriting management agencies and insurers and leveraging the internal brokerage business. We have geo-coded our home-owners insurance portfolio and we are using this information to review exposure limits. Risk is serviced through the brokerage platform for specialist cover. Our short-term insurance business has no exposure to carbon-intensive activities, which fall outside underwriter risk appetite. SBG's long-term insurance business provides life, disability and health insurance. 	SBG sector strategy	 Our focus is on supporting sustainable and green technologies, such as electric vehicles and related infrastructure, drawing on renewable energy sources, electrifying public transport, and last-mile delivery. We are also exploring alternative fuels and energy-efficient infrastructure to prote supply chain regulared. 	SBG sector strategy	 The manufacture of steel has a high carbon intensity due to the use of coal-fired furnaces for iron-ore smelting at high temperatures. The high levels of demand for steel products, the difficulties in changing its production process and the lack of viable alternatives, make it a hard-to-abate sector. We will develop a climate-risk mitigation strategy for this sector during 2025, with an initial focus on supporting our clients to reduce emissions in relation to the manufacturing. 		
		Physical risks (medium to long-term)	 Risks facing the sector include the vulnerability of transport and harbour infrastructure to extreme weather events, including floods, which may disrupt supply chains, damage assets and lead to significant economic losses. 	Physical risks (medium to long-term)	 Increased frequency and intensity of storms and hurricanes may damage factories, warehouses, and supply chains, leading to operational disruptions and safety hazards. Rising temperatures may reduce the efficiency of equipment, increase cooling costs, and pose health risks to workers, potentially leading to reduced productivity. 		
	 We continue to monitor developments in the life and disability insurance subsector. We participate in the Actuarial Society of South Africa's Climate Change Committee and the climate change impacts on mortality and morbidity working party. 		 The sector has high reliance on non-renewable product sources and is subject to disruption from a growing demand for cleaner 	Transition risks (medium to long-term)	 These sub-sectors face high transition risk, given the dependence of their manufacturing processes on fuel combustion to generate heat, which generates significant amissions. However, we believe this will be a long term rick 		
Physical risks (short-term) Transition risks	 More frequent and intense weather events and other physical climate risks could lead to higher claims for our short-term insurance business, particularly for home-owners cover. Asset values could be written-down owing to physical or transition 		alternatives and higher taxes on older technologies. Risks include risk of increased compliance costs and operational challenges as government regulations evolve.		 given the recognition that these are hard-to-abate sectors. Increases in carbon pricing may push up companies' production costs. They also face reputational risk if they are perceived to be slow to transition toward more sustainable practices. 		
(medium term)	risk, including carbon taxes and physical risks to property investments.	¹ https://www.iea.org/ener	gy-system/transport	2 https://www.unepfi.org/themes/climate-change/climate-risks-in-the-industrials-sector/			





METRICS



GROUP BANKING BOOK EXPOSURE TO CLIMATE SENSITIVE SECTORS | FINANCED EMISSIONS CALCULATIONS

METRICS

The table reflects exposures to sectors with high transition risk and opportunities, which face risks due to reliance on carbon-intensive processes but can benefit significantly from shifting to cleaner technologies. Sectors with elevated transition risk and opportunities also face indirect risk through supply chains or market changes but still have opportunities to innovate and adapt. We have identified these sectors based on both the nature of the underlying business activities of the entities that operate in them, and the materiality of our lending exposures. Sections 2 and 3 of this report provide information on our strategies to reduce risk and maximise opportunities in each sector. The 2024 results include separately disclosed banking book exposures to impacted sectors that are extended by the group's Insurance and Asset Management (IAM) business unit's Libfin, reflected in the table on **O page 26**. These include material long dated exposures to the South African power utility's bond issuance programme.

STANDARD BANK GROUP BANKING BOOK EXPOSURES TO CLIMATE SENSITIVE SECTORS: BANKING ACTIVITIES

as at 31 December 2024		2024				2023			
Rm	Note	On balance Sheet	Off balance Sheet	Total	% of total SBG exposure	On balance sheet	Off balance Sheet	Total	% of total SBG exposure
SECTORS SENSITIVE TO HIGH TRANSITION RISK Non renewable power generation		5 969	1 446	7 415	0.35	6 391	28	6 419	0.31
Coal-fired power generation by utilities Oil-fired power generation by utilities Gas-fired power generation by utilities	1 2 3	853 994 4 122	- 6 1 440	853 1 000 5 562	0.04 0.05 0.26	997 1 121 4 273	28 - -	1 025 1 121 4 273	0.05 0.05 0.21
Coal mining extractors Total oil and gas	4	1 988 77 196	5 329 37 240	7 317 114 436	0.34 5.33	1 314 80 828	4 775 39 939	6 089 120 767	0.30 5.92
Oil and gas		60 065	33 106	93 171	4.35	68 062	36 147	104 209	5.11
Oil and gas (exploration and production) Oil and gas (integrated) Oil and gas (services) Oil and gas (trading and retail)	5 6 7 8	24 675 938 425 34 027	5 954 2 062 9 374 15 716	30 629 3 000 9 799 49 743	1.43 0.14 0.46 2.32	18 655 12 630 656 36 121	6 193 4 020 9 798 16 136	24 848 16 650 10 454 52 257	1.22 0.82 0.51 2.56
Oil (midstream) Gas (midstream)	9 10	7 196 9 934	1 105 3 029	8 301 12 963	0.39 0.60	4 188 8 578	742 3 050	4 930 11 628	0.24 0.57
Total exposure to high transition risk		85 153	44 015	129 168	6.02	88 533	44 742	133 275	6.54
SECTOR WITH HIGH TRANSITION RISK OPPORTUNITIES									
Renewable power generation	11	46 455	4 068	50 523	2.35	30 922	3 670	34 592	1.70
SECTORS SENSITIVE TO ELEVATED TRANSITION RISK Manufacture of cement Manufacture of steel Manufacture of transportation vehicles Real estate activities Agriculture	12 13 14 15 16	3 670 409 616 588 493 71 429	175 1 965 50 250 18 636	3 845 410 1 581 638 743 90 065	0.18 0.02 0.07 29.75 4.19	4 720 149 1 657 577 421 74 283	753 56 1 068 50 389 6 185	5 473 205 2 725 627 810 80 468	0.27 0.01 0.13 30.80 3.95
Total exposure to elevated transition risk		664 617	70 027	734 644	34.21	658 230	58 451	716 681	35.16

		INSURANCE	AND ASSET MANAGEN	MENT ACTIVITIES	5				
			2024				2023		
Rm	Note	On balance Sheet	Off balance Sheet	Total	% of total SBG exposure	On balance sheet	Off balance Sheet	Total	% of total SBG exposure
SECTORS SENSITIVE TO HIGH TRANSITION RISK Non renewable power generation		3 244	_	3 244	0.15	2 906	-	2 906	0.14
Coal-fired power generation by utilities Gas-fired power generation by utilities	1 3	2 767 477	-	2 767 477	0.13 0.02	2 372 534	-	2 372 534	0.12 0.02
Total oil and gas		1 564	-	1 564	0.07	3 488	-	3 488	0.17
Oil and gas (integrated) Gas (midstream)	6 10	1 235 329		1 235 329	0.06 0.01	3 069 419	-	3 069 419	0.15 0.02
Total exposure to high transition risk		4 808	-	4 808	0.22	6 394	-	6 394	0.31
SECTOR WITH HIGH TRANSITION RISK OPPORTUNITIES									
Renewable power generation	11	5 264	690	5 954	0.28	3 625	16	3 641	0.18
SECTORS SENSITIVE TO ELEVATED TRANSITION RISK									
Manufacture of transportation vehicles Real estate activities Agriculture	14 15 16	3 891 3 266 2 162	- - 230	3 891 3 266 2 392	0.18 0.15 0.11	3 122 1 807	- - 148	3 122 1 955	0.15 0.10
Total exposure to high and elevated transition risk		9 319	230	9 549	0.44	4 929	148	5 077	0.25

Notes

Loans and advances extended to:

- 1. Power utilities that own and operate coal-fired power plants that generate electricity by burning coal as their primary fuel source
- 2. Power utilities that own and operate oil-fired power plants that generate electricity by burning oil as their primary fuel source
- 3. Power utilities that own and operate gas-fired power plants that generate electricity by using gas as their primary fuel source
- 4. Owners and operators of thermal coal extractive assets excluding bulk commodity and diversified mining counterparties that may have coal extractive assets and excluding suppliers and contractors that operate in the coal extractive sector
- 5. Entities that locate reserves, develop supporting infrastructure, drill and extract crude oil and gas from underground reservoirs

- 6. Entities that operate across the entire oil and gas value chain, including exploration, production, refining, transportation, and retail. Note that a material exposure to a large multinational entity, classified in integrated oil and gas in 2023, has been reclassified as downstream following corporate activity during the reporting period
- 7. Entities that provide specialised services and equipment to support exploration, drilling and production activities, including drilling contractors and equipment manufacturers
- 8. Entities involved in the sale of refined petroleum products to consumers and the trading of crude oil and petroleum products in global markets
- 9. Entities that manage the transportation, storage, and distribution of crude oil from production sites to refineries and markets, often through pipelines or tankers

- 10. Entities focused on gas processing, transportation, storage and distribution, including of liquefied natural gas (LNG) infrastructure
- 11. Entities, including independent power producers and utilities, that produce energy from sustainable sources including solar, wind, hydropower, geothermal and biomass
- 12. Entities that manufacture cement, lime, plaster and concrete materials
- 13. Entities involved in the manufacture of basic iron and steel, casting of iron and steel, fabricated metal products, excluding recycling of non-metal waste and scrap
- 14. Entities involved in the manufacture of vehicles used for transportation. Note that the decline in exposures to this sector is partially a result of OEMs tending to raise funding centrally and deploy financing to subsidiaries via liquidity lines or equity.

15. Holders of mortgage facilities secured by residential properties, commercial entities in office, industrial and retail property sectors and investors in property held for rental and capital appreciation. Residential mortgages include:

			2024			2023	
Rm	Note	On Balance Sheet	Off Balance Sheet	Total	On Balance Sheet	Off Balance Sheet	Total
Residential real estate		470 738	41 561	512 299	466 734	42 207	508 941
Green-aligned mortgages Other mortgages	15.1	10 627 460 111	1 805 39 756	12 432 499 867	2 560 464 174	142 42 065	2 702 506 239

15.1. Verified or certified loans and advances used to finance products or houses that are designed, built, or have solutions that have a favourable or less harmful impact on the environment.

16. Corporate and commercial agriculture, forestry and fishing entities.

Definitions

Climate sensitive sectors are those that we have identified as being relatively more exposed to climate related risks arising from low carbon transition drivers due to the nature of the economic activities of the entities that operate within them and the extent to which such activities may be subjected to the impacts of climate policy action.

Climate-related opportunities are the potential positive economic, social and environmental impacts related to the group's exposures with clients to support their efforts to mitigate and adapt to climate change. The metric table includes exposures related to the renewable power generation activities and green-aligned residential mortgage lending.

Climate-related risks are the physical and transition risks associated with the group's financial exposures to its clients and their business activities.

On Balance Sheet refers to the gross banking book exposure (i.e. before deduction of impairments, the effects of hedging, collateral and risk transfers) of loans and advances to customers.

Off Balance Sheet refers to the aggregation of loan commitments, including all contractual unutilised limits of facilities and other commitments to extend credit, as well as guarantees and letters of credit.

Methodology for exposure measurement

These metrics are an aggregate of all loans and advances extended to entities that operate in the impacted sectors identified as climate sensitive. Where a loan or advance is extended to an entity for a purpose outside of its primary business activities, such exposure is classified in the appropriate sector to which that purpose relates. Refinement of sector and industry classification to better reflect the nature of the activities of some counterparties, may necessitate a restatement of some comparable results.

Total non-renewables exposure is not moderated for the extent to which firms in this sector may be transitioning their business models towards lower-carbon energy sources or activities, nor are exposures weighted by risk profile differences in the activities which they fund and the type of facility used.

Total banking book on-balance sheet loans and advances plus off-balance sheet loan commitments at 31 December 2024: **R2 147 328 million** (2023: R2 038 351 million).

Financed emissions calculations

Methodology for calculating financed emissions for priority sectors

SBG has calculated baseline financed emissions for four priority sectors, namely oil and gas, thermal coal, and commercial and residential real estate. In each case, we applied the methodology for measuring financed emissions as defined by PCAF, a financial industry-led initiative that supports GHG measurement and disclosure by the financial sector. This methodology attributes emissions to financial institutions' financing activities (lending and investment), based on robust, consistent accounting rules specific to each financial asset class. We measured CO equivalent (CO₂e) values, which provide a standardised measure that includes various GHGs, such as methane (CH₄) and nitrous oxide (N_2O) , converted into equivalent amounts of CO_2 .

We measured financed emissions for the following PCAF-defined asset classes:

- Business loans, including all on balance sheet loans and lines of credit for general corporate purposes (with unknown use of proceeds) to businesses, non-profits, and any other structure of organisation that is not traded on a market. Revolving credit facilities, overdraft facilities, and business loans secured by real estate were also included where applicable.
- Unlisted equity, including all on-balance sheet equity investments to businesses, non-profits, and any other structure of organisation that is not traded on a market and is for general corporate purposes.
- Project finance, referring to on-balance sheet loans or equities to projects or activities that are designated for specific purposes (with known use of proceeds), such as the construction of a plant.

Our membership of the PCAF Africa Working Group helped to inform our processes for procurement of data from third-party providers and our engagement with clients to gather relevant data. We continue to develop our internal standards for the management and application of data.

We calculated absolute financed emissions, together with economic emissions intensity, reflecting tonnes of CO_2 equivalent per R1 million of on-balance sheet gross funded advances. The latter provides a useful view of opportunities to reduce environmental impact and enables year-on-year comparisons. Metrics per sector are provided in the tables that follow. These metrics have undergone internal audit review in terms of approach, data and assumptions, a PCAF technical review of methodology applied, and a limited external audit review of results and disclosures.

We recognise the importance of transparency, as required by PCAF, and our responsibility to provide relevant information to our stakeholders. However, in certain instances, where disclosure of specific details could potentially impact our competitive position or strategic initiatives, such disclosure has been excluded. In line with PCAF requirements, we have noted these and supported them with further explanation.

We applied the PCAF data quality scoring approach, weighted across all three emissions scopes, to reflect the quality of data used for our measurements. The data quality score for each asset class is presented as a weighted average, and a consolidated data quality score for the sector total is also reflected.

Data quality	Estimation option		n Emissions measurement application				
Score 1	Option 1 - reported	1a	Verified project/company emissions are available	Most certain			
6	emissions	1b	Unverified emissions data on the project/company is available				
Score 2	Option 2 - physical activity	2a	Emissions are estimated using physical activity data for project/company energy consumption and known emissions factors				
Score 3	based emissions	2b	Emissions are estimated using physical activity data for project/company production and known emission factors				
Score 4	Option 3 - economic activity	За	Emissions are estimated using sector factors or similar projects				
Score 5	based emissions		Emissions are estimated using sector economic activity-based factors] 📕			
		3c	Emissions are estimated using sector factors and sector asset turnover ratios	Least certain			

PCAF data quality hierarchy and scoring

Source – adapted PCAF Financial Emissions Global GHG Standard Part A. Second Edition, 2022.

Oil and gas

Measurement methodology

Financing scope	 Project finance and business loans, credit facilities and equity investments, covering upstream midstream and downstream activities (scopes 1 to 3).
Emissions data	 Company reported emissions, third-party data provider, calculated emissions based on reported oil and gas production. For midstream, oilfield services, and downstream business loans, where company-level emissions data may not be available, we applied proxy emissions factors.
Targets	 Our target is specific to scope 1 and 2 emissions from upstream oil and gas producers 10% reduction in physical intensity metric by 2030, while maintaining an average portfolio intensity below 33kgCO₂e/boe for upstream oil and gas production. This aligns with the IEA Announced Pledges Scenario (APS) benchmark. The target applies to the scope 1 and 2 emissions of our clients. Limit upstream oil and gas exposure to less than 30% of the energy book and less than 3% of SBG's total loans and advances by 2030.

- Pursue a greater share of renewables in the energy mix, aiming to maintain a renewableto-non-renewable energy supply ratio of no less than 3:1.
- We commit to yearly tracking and evaluation and public disclosure on our progress.

Oil and gas		% of		Financed	emissions		
31 December 2024	Rm	portfolio	Scope 1	and 2	Scol	be 3	
On balance sheet loans and advances			Absolute financed emissions (tCO ₂ e)	Economic emissions intensity (tCO ₂ e/Rm)	Absolute financed emissions (tCO ₂ e)	Economic emissions intensity (tCO ₂ e/Rm)	
Total oil and gas	77 196	100					
Total upstream oil and gas measured emissions	19 442	25	587 043 ^{LA}	30 LA	8 402 893 ^{LA}	437 ^{LA}	
Total midstream and downstream measured emissions	37 414	48	1 326 586 ^{LA}	35 ^{LA}	22 470 497 ^{LA}	601 ^{LA}	
PCAF data quality score:		Up: Midstro	stream: 2 (1b) eam/downstream 4.3		Upstrean Midstream/ 4.	n: 5 (3c) downstream 3	

¹ EEIO emission factors are originally sourced from a 2011 study from The Sustainability Consortium and are updated by the Carbon Trust to adjust for inflation and to convert to kgCO_e/USD. For more information see the EEIO emission factors included in the Standard Bank FY2023 Financed Emissions Model.

² SBG used audited financial statements to inform our calculations. As most of our clients have a December year end, and this work began in late 2024, we used December 2023 statements as the most recently available.

Thermal coal

scope

data

Measurement methodology

Financing Business loans and unlisted equity asset classes².

- SBG accounts for the portion of the annual emissions from its clients (borrowers and investees) determined by the ratio between the outstanding amount (numerator) and the value of the financed company (denominator), known as the attribution factor. To score the best grade in PCAF's data quality ranking, financed emissions attributed to business loans should be calculated by multiplying the attribution factor (outstanding amount/company's market value) by the company's reported emissions for that year. The calculation included short-term borrowings that had outstanding finance on-balance sheet at financial year end.
- Emissions Calculation included direct emissions from fuel combustion (scope 1) and indirect emissions from electricity consumption (scope 2) from clients' operations, applying PCAF methodologies, and, where publicly available, indirect value chain emissions (scope 3).
 - Company emissions were obtained from publicly available sources and confirmed with each client. Only publicly available scope 3 emissions were included in the analysis.
 - For scope 1, 2 and 3 emissions, where reported emissions data was unavailable for coal clients, production data was used to calculate companies' emissions. Relevant emission factors for coal (electricity generation) from the United Kingdom Department for Environment, Food & Rural Affairs (DEFRA) emission factor database were multiplied by each company's production volumes for 2023 provided by Standard Bank to obtain either scope 1 and 2 or scope 3 emissions. These were then multiplied by the attribution factor.
 - Where both reported emissions and production data was unavailable we estimated emissions using Environmentally-Extended Input-Output¹(EEIO) emission factors, which provide sectorial emissions per dollar of economic value¹, multiplied by company revenues provided by SBG for each company. As above, these are then multiplied by the attribution factor. It is assumed that EEIO spend factors are reasonably representative of the emissions intensity of a company's revenue stream, based on their sector.
 - We engaged clients to understand their emissions calculations methodologies but did not undertake independent verification of their data.

Thermal coal		% of	Financed emissions			
31 December 2023	Rm	portfolio	Scope 1 and 2		Scope 3	
			Absolute financed emissions (tCO ₂ e)	Economic emissions intensity (tCO ₂ e/ Rm)	Absolute financed emissions (tCO ₂ e)	Economic emissions intensity (tCO ₂ e/Rm)
Total coal mining	1 314	100				
Total measured emissions	1 133	86	960 945 ^{LA}	848 ^{LA}	11 027 069 ^{LA}	9 732 ^{LA}
PCAF data quality score:			1.58		2.36	

Commercial real estate

Measurement methodology

Financing	• The table below reflects the financed emissions in the South African commercial real estate
scope	loans and advances. As per the PCAF methodology, this includes on-balance sheet loans for purchase and refinance of commercial real estate as at 31 December 2024. We have excluded exposure from vacant land properties, as these properties do not generate any building-related emissions. We have also excluded properties in development since the PCAF methodology applies to completed buildings.

- A challenge in the commercial real estate portfolio is the lack of actual energy consumption Emissions data data. To overcome this challenge, we used the emissions factors for commercial real estate in South Africa, as per the latest PCAF Global Dataset.
 - In alignment with the PCAF methodology on the commercial real estate asset class, calculations were based on Absolute scope 1 and scope 2 emissions for properties already built.
 - The use of estimates resulted in a PCAF data quality score of 4 (option 2b) as the building energy consumption was estimated per floor area, based on the building type and locationspecific statistical data. Looking ahead we will aim to improve the quality of the data and expand the calculation to include other countries in which we operate.

Commercial real estate 31 December 2024	% of portfolio	Financed emissions: Scope 1 and 2	
		Absolute financed emissions (tCO ₂ e)	Economic emissions intensity (tCO ₂ e/Rm)
Total measured emissions	68	304 132 ^{LA}	3.71 ^{LA}
PCAF data quality score:		4 (2b)	

Residential real estate

Measurement methodology

Financing scope	 Based on the PCAF methodology, we calculated financed emissions for our residential real estate portfolio by considering the building floor area, average emission factors, outstanding amount as well as the property value at origination. The ratio between the outstanding amount and the property value is known as the attribution factor. Only South African exposures were considered. The calculated emissions could be offset by alternative energy sources like solar power.
Emissions	 We used the emission factors from the PCAF database which combine estimated energy consumption from
data	statistics with regional average emissions from energy consumption. The financed emissions were calculated as

statistics with regional average emissions from energy consumption. The financed emissions were calculated as the product of the attribution factor, floor area as well as the emission factor.

Residential real estate 31 December 2024	Rm	% of portfolio	Financed emissions: Scope 1 and 2 Absolute financed emissions (tCO2e) Economic emissions intensity (tCO2e/Rm)		
			Absolute financed emissions (tCO ₂ e)	Economic emissions intensity (tCO ₂ e/Rm)	
Total residential real estate	470 738	100			
Total South Africa	447 872	95			
Total measured emissions	363 774	77	1 648 298 ^{LA}	4.53 ^{LA}	
PCAF data quality score:			4 (2b)		





MANAGING CLIMATE RISK IN RELATION TO SBG'S OWN OPERATIONS

?

DIRECT ENVIRONMENTAL IMPACTS | DATA ACQUISITION AND REPORTING | ENERGY EFFICIENCY INITIATIVES | INVESTMENTS IN RENEWABLE ENERGY WATER MANAGEMENT | WASTE MANAGEMENT

MANAGING CLIMATE RISK IN RELATION TO SBG'S OWN OPERATIONS

Direct environmental impacts

Standard Bank is committed to achieving net zero for our own operations, with a target year of 2030 for newly built facilities, and 2040 for existing facilities. Our environmental impact is driven by factors such as physical footprint, energy performance intensity, energy mix, carbon emission factors and grid availability.

In managing climate-risk, we take an integrated approach that addresses both the immediate and long-term challenges of climate change, ensuring mitigation and adaptation to build a more sustainable future. We focus our efforts in countries where we have the largest environmental footprint, and where water risk is most acute to ensure maximum impact and improved operational resilience across our portfolio.

- SBSA operations constitute 61% of the group's direct emissions. Contributors to these emissions include our head office buildings, data centres and retail branches across the country. The remaining footprint includes Liberty Group Limited (31%) and Standard Bank's Africa Regions portfolio (8%).
- Liberty Group Limited's footprint includes Liberty Insurance head offices, regional offices and retail branches, together with the commercial and retail property assets under the management of Liberty2Degrees (L2D).
- Our operations in Africa Regions include head office and retail spaces across 18 countries outside South Africa.

Prior to 2023, our reporting on direct operational emissions (scope 1, 2 and upstream scope 3) was limited to Standard Bank operations in South Africa. In 2023, we expanded this scope to include Liberty Holdings. In 2024, we further extended our reporting to include Africa Regions, focusing on scope 1 and 2 emissions due to their material contribution to our overall footprint. Africa Regions' emissions are primarily driven by electricity purchased and diesel consumption. Our 2024 reporting boundary includes all entities with significant contributions to direct operational emissions, ensuring that our progress toward net zero is inclusive of all material impacts across the group.

Mitigation

Our carbon emissions reduction strategy

prioritises energy efficiency, including design and retrofitting of spaces to minimise energy consumption, smart building and energyefficient technologies and enhancing operational performance. This is further supported by investment in on-site renewables and off-site renewable solutions. Carbon offsets will be used as a last resort.

Other measures include monitoring and actively pursuing waste-to-landfill reductions, reducing the environmental impact of employee travel, and ensuring our tenants have access to facilities that empower them to manage their energy consumption effectively and reduce their carbon footprint.

Adaptation

Our **climate adaptation strategy** prioritises robust water management, to address both environmental impacts and the risks posed by climate change. By reducing waste and optimising consumption across our operations, we lower costs and minimise our environmental footprint, while also building resilience against water scarcity and extreme weather events.

We are also exploring and implementing the use of alternative natural water sources to reduce dependency on conventional water supplies and better position our operations to withstand the uncertainties and challenges associated with climate variability.

Data acquisition and reporting

Accurate data is critical to achieving our target and driving impactful emissions reductions. We have invested in data collection capacity in material countries with significant operational footprints and emissions impact. These countries, including South Africa, Nigeria, Ghana, Zambia, Botswana, Zimbabwe and Tanzania, were selected based on the most recent grid emission factors obtained from the International Renewable Energy Agency (IRENA) diesel usage and the size of our portfolio.

We use smart metering systems to enable real-time energy monitoring and reporting for electricity consumption. These systems are connected to digital platforms, allowing for seamless data consolidation, analysis and reporting across our operations. For diesel consumption, data is collected using a combination of fuel invoices, level sensors and automated monitoring systems, which ensure a high degree of accuracy and consistency. This enables us to track fuel usage efficiently and convert it into emissions figures using standardised methodologies.

In countries with limited data availability, such as Cote d'Ivoire, South Sudan and the Democratic Republic of Congo, we use projections based on energy performance data from regions with similar climatic conditions. While these countries do not make a significant contribution to the group's overall emissions impact, efforts are underway to expand data collection and reporting capabilities to achieve a consolidated group view in the future.

In South Africa, data from meters and invoices is converted to CO₂e using the latest grid emission factor (sourced from Eskom's integrated annual report) and fuel emission factors for natural gas and diesel provided by DEFRA. We use our metered data to develop business cases to ensure investment is targeted to priority areas which offer attractive paybacks and return on investment.

In Africa Regions, we track diesel consumption and purchased electricity for owned and leased real estate operations (commercial and retail) across 18 countries. Purchased electricity is converted to tCO₂e by applying the country-specific grid emission factors, sourced from the latest reports published by IRENA, which is recognised as the appropriate authority for such data. This provides for a single point of truth for real estate operations across Africa Regions and aligns with the GHG protocol and International Standards Organization (ISO), as used by the group. Similar to South Africa, the latest DEFRA factor for diesel is used to convert consumption in litres to the tCO₂e.

Targets

We aim to reduce our absolute GHG emissions while supporting the transition to a low-carbon economy and ensuring operational resilience. Our approach takes into account regional challenges, such as grid availability and energy resilience in our operations. Our target to achieve net zero direct emissions by 2040, amounts to 15 212tCO₂e for scope 1 and 2 (scope 1 target reduction of 2 083tCO₂e, and scope 2 reduction of 13 129tCO₂e. The target applies to Standard Bank Group's entire operational footprint, covering scope 1 and 2 across our Standard Bank operations in South Africa, Liberty Holdings, and Africa Regions. It is an absolute target, reflecting our commitment to reduce total emissions rather than just emissions intensity.

GROUP TARGETS AND EMISSIONS PERFORMANCE

While we developed our target using a sectoral decarbonisation approach aligned with the principles of the Science-Based Targets initiative (SBTi), we do not yet have an official SBTi target, as we do not yet have comprehensive data on the group's scope 3 financed emissions. We adopt a hybrid approach to decarbonisation, leveraging a sector-based strategy to drive internal changes and align with science-based, sector-specific pathways for emissions reductions. At the same time, we use a market-based strategy for offsetting residual emissions as a last resort. This approach ensures a balance between meaningful operational improvements and the flexibility needed to achieve our net zero goals while supporting global climate targets.

Total direct emissions	131 182	17 044	70 075	218 301	219 326	7%
Scope 2	124 222	13 814	66 388	204 424	189 292	-1%
Scope 1	6 960	3 230	3 687	13 877	30.034	57%
Group emissions	SBSA emissions (tCO ₂ e)	Africa Regions emissions (tCO ₂ e)	Liberty emissions (tCO ₂ e)	Group emissions (tCO ₂ e)	Targeted emissions (tCO ₂ e)	Group performance (year-on-year reduction) %

The expansion of our reporting boundary to include Liberty and Africa Regions has resulted in increased measured emissions. Energy efficiency improvements and renewable energy projects by Liberty and Africa Regions operations have achieved significant reductions in emissions, contributing to the group's overall progress. Liberty's strong performance in carbon reduction was driven by significant expansion of new solar PV infrastructure together with effective performance management of existing renewable energy assets.

Within South Africa, the largest portion of the group's portfolio, improved grid availability (reduced load-shedding) had a significant impact on emissions performance. Decreased reliance on diesel-powered backup generators resulted in a substantial decline in scope 1 emissions (on-site fuel combustion), beyond our targeted reduction. Improved grid availability also led to increased reliance on grid electricity. Consequently, scope 2 emissions (purchased electricity) increased by 1%. Despite this, our energy efficiency measures, renewable energy adoption and space optimisation initiatives helped to mitigate emissions. The Eskom emission factor increased from 0.997 in 2023 to 1.04 in 2024. This has a significant impact on the group's reported carbon footprint, particularly for SBSA and Liberty. However, the resultant savings achieved across the group underscores the effectiveness of our sustainability strategy to insulate our performance against external issues around the carbon footprint of South Eskom's grid.

The group is four years ahead of schedule on our net zero 2040 trajectory. We have achieved a net reduction of 16 237tCO₂e, exceeding our 2024 target of **15 212tCO₂e.** We aim to reduce our emissions by a further 15 212tCO₂e in 2025, and increase our **renewable energy capacity by 20%** year-on-year.

EMISSIONS DISTRIBUTION AND INTENSITY

	2024
Scope 1%	4
Scope 2%	59
Scope 3%	37
Per employee	6.91

Note: Includes SBSA, Liberty and Africa Regions

DISTRIBUTION OF TCO₂e EMISSIONS ACROSS THE DIFFERENT COMPOUNDS CONTRIBUTING TO GLOBAL WARMING

	Methane (CH ₄)	Nitrous oxide (N ₂ O)	Carbon dioxide (CO ₂)
Purchased electricity ¹	1.521	1.380	190 110
Diesel ²	0.349	0.070	8 674
Natural gas ³	0.030	0.003	1 694
Total	1.900	1.422	200 478

1 Emissions from purchased electricity are calculated using the reported emissions factors from Eskom's 2024 Integrated Report. This data pertains to SBSA and Liberty Holdings' purchased electricity. It excludes data for Africa Regions, as country-specific emission distribution is not presently available.

² Calculations are based on the methodological guidelines for quantification of GHG gazetted by the Department of Forestry, Fisheries and The Environment (DFFE) on 7 October 2022. The data pertains to SBG as a whole.

³ Calculations are based on the methodological guidelines for quantification of GHG gazetted by the Department of Forestry, Fisheries and The Environment (DFFE) on 7 October 2022. Only SBSA operations includes recorded diesel consumption.

STANDARD BANK SOUTH AFRICA EMISSIONS

	2020	2021	2022	2023	2024
Scope 1 GHG emissions⁴	8 463	7 660	12 083	18 560	6 960
Diesel generators	1 491	1 769	6 655	13 973	3 294
Fleet vehicles	802	868	880	741	521
Natural gas	3 633	2 433	1 877	1 430	1 654
Refrigerants	2 537	2 590	2 671	2 416	1 491
Scope 2 GHG emissions⁵	172 648	154 513	137 644	119 352	124 222
Total scope 1 and 2	181 111	162 173	149 727	137 653	131 182
Scope 3 GHG emissions ⁶	5 140	1 540	12 358	15 999	16 505
Waste disposed ⁷	259	123	148	269	468
Paper ⁸	395	397	391	769	411
Flights ⁹	4 334	995	11 754	14 872	15 365
Rental cars ¹⁰	116	25	65	83	267
Total scope 1, 2 and 3 operational emissions	186 215	163 713	162 085	153 652	147 687

LIBERTY EMISSIONS

	2020	2021	2022	2023	2024
Scope 1 GHG emissions ¹¹	2 542	3 170	6 726	9 963	3 687
Diesel generators	719	1 503	4 961	8 370	2 150
Fleet vehicles	556	806	903	850	776
Natural gas	-	-	-	-	-
Refrigerants	1 267	861	862	743	761
Scope 2 GHG emissions	58 000	73 101	71 388	67 958	66 388
Total scope 1 and 2	60 542	76 271	78 114	77 921	70 075
Scope 3 GHG emissions ¹³	109 265	102 427	108 762	94 533	112 974
Waste disposed ⁷	3 692	3 067	923	570	609
Paper ⁸	65	46	47	55	51
Flights	735	331	1 696	1 956	2 639
Rental cars	13	8	25	2 833	49
Tenant operations	104 760	98 975	106 071	89 119	100 666
Total scope 1, 2 and 3	1.00.007	170.000	100.070	170 151	
operational emissions	169 807	1/8 698	186 876	1/2 454	183 049

AFRICA REGIONS EMISSIONS

Country	2024 Scope 1 emissions (tCO ₂ e)	2024 Scope 2 emissions (tCO ₂ e)	2024 Total Direct emissions (tCO ₂ e)
Angola	57	538	595
Botswana	_	1 832	1 832
Cote d'Ivoire	25	26	51
DRC	22	-	22
Eswatini	-	357	357
Ghana	243	1 555	1 798
Kenya	85	201	286
Lesotho	11	387	398
Malawi	216	2 801	3 017
Mauritius	1	303	304
Mozambique	39	454	493
Namibia	3	398	400
Nigeria	1 397	3 525	4 922
South Sudan	13	-	13
Tanzania	193	425	618
Uganda	344	33	377
Zambia	493	230	722
Zimbabwe	87	752	838
Total	3 230	13 814	17 044

⁴ Direct emissions from owned/controlled sources (2014 Baseline 15 246 tCO₂e).

Indirect emissions from purchased electricity (2014 Baseline 283 314 tCO₂e). The Eskom conversion factor of 1.039 tCO₂e per MWh was used for electricity in South Africa.
 Indirect emissions from use of purchased materials and fuels and transport. Excluded from our net zero 2040 target.

⁷ Data is collected from the waste management companies servicing commercial and retail facilities in South Africa. We convert activity data to emission data using emission factors from the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA).

⁸ We use invoiced data from suppliers. Activity data is converted to emission data through DEFRA emission factors.

⁹ Calculations are based on invoiced data from travel agents. We convert activity data to emission data using DEFRA emission factors. Emissions from airline travel increased significantly in 2022 as Covid-related travel restrictions eased.

¹⁰ Calculations are based on invoiced data from travel agents. We convert activity data to emission data using DEFRA emission factors. ¹¹ Direct emissions from owned/controlled sources.

¹² Indirect emissions from purchased electricity. The Eskom conversion factor of 1.039tCO₂e per MWh was used for electricity in South Africa.

¹³ Indirect emissions from use of purchased materials and fuels and transport. Excluded from our net zero 2040 target.

Total carbon footprint Standard Bank Group (Scope 1, 2 and 3 operational emissions)

347 780[√]

Energy Efficiency Initiatives

Our energy efficiency strategy aligns with Green Building Net zero standards, ensuring sustainable operations across new and existing facilities. We have completed obtaining Energy Performance Certificates (EPCs) for all our commercial sites over 2 000m². All new buildings incorporate energy efficiency measures, renewable energy solutions and sustainable construction practices, to reduce environmental impact from the outset.

In older buildings, we have implemented:

- LED lighting, daylight sensors and occupancy sensors to ensure energy efficiency
- Heating, ventilation and air conditioning (HVAC) retrofits, lowering of HVAC set points, and integration of occupancy sensors and CO2 monitoring to optimise energy use while maintaining occupant comfort and indoor air quality
- Use of occupancy data to optimise the use of office space
- Adjustment of HVAC set points and use of energy consumption alerts in our data centres, to monitor and manage use and ensure proactive energy management
- An alert system to prompt load management in retail spaces

Within our Liberty portfolio, we have invested in improving energy performance information. This includes energy audits and identification of energy-saving opportunities, together with the rollout of smart meters to enable improved data capture, validation, and analysis across the portfolio. In 2024, we expanded LED lighting coverage and installed occupancy sensors in selected head office buildings. Other upgrades included fresh air control optimisation, free cooling with outside air, and retrofitting of aircooled condensers. By 2026, we plan to replace cooling towers and chillers and undertake escalator upgrades to further enhance efficiency.

Investments in renewable energy

We made further investments in renewable energy infrastructure at commercial and retail sites across Africa.

Bevond on-site renewable energy

from a solar PV plant to our Global

Leadership Centre, using the Eskom

supplying electricity in 2026.

infrastructure, we are also making headway

in renewable energy wheeling. SBSA has

established a power purchase agreement

with Lyra Energy to wheel renewable energy

electrical network. Lyra is expected to start

We also have plans to increase our battery

renewable energy generated on-site and

renewable resources are not available.

storage capacity, enabling us to store excess

procured off-site for use during times when

Within our Standard Bank operations, we increased our total installed peak capacity of renewable energy by 27% compared to 2023, bringing our installed capacity to 5.6MWp¹ of small-scale embedded generation solar PV plants. This expansion includes roof-top and car park installations. We plan to further extend solar PV installations at our head office buildings and branches to maximise use of available roof space and parking areas. Additionally, L2D plans to commission the Eastgate Phase 2 and Sandton City Phase 1 solar PV installations in 2025, with a targeted 25% increase in PV and battery installations, including Promenade Phase 2, in 2026.

 1 $\,$ Megawatt peak - the maximum power output of a solar PV system under ideal conditions

RENEWABLE ENERGY PRODUCTION

	2021	2022	2023	2024
Total renewable energy purchased/ produced MWh	2 601	2 459	2 595	19 314¹√

¹ The significant increase in renewable energy produced in 2024 reflects the inclusion of Liberty Holdings and Africa Regions, now reflecting SBG's full portfolio.

INVESTMENT IN RENEWABLE ENERGY AND STORAGE SOLUTIONS (STANDARD BANK SOUTH AFRICA)

	2021	2022	2023	2024
Expenditure	R12m	R14.6m	R52.9m	R65.5m

Green buildings

The Green Building Council of South Africa (GBCSA) uses the Green Star SA rating tools to provide an objective measurement for green buildings in South Africa and Africa. These tools recognise and reward environmental leadership in the property industry.

SBG has 19 buildings that are 4 or 5 Green Star-rated.

- 23% of our South African footprint is certified, accounting for 14% of the group's total.
- Our office in Rosebank, Johannesburg has a 5-star Green Star rating.
- Certifications in Africa Regions account for 8% of the group's total.
- In Nigeria, Stanbic IBTC Pension Managers flagship office facility, Stanbic IBTC Towers, has a 4-star best practice design rating from Green Building Council of South Africa. Stanbic IBTC deploys hybrid solar systems in some of its branches and off-site ATMs across Nigeria and has an EDGE certified facility.
- In Namibia, our head office has a 5-star best practice design rating.
- L2D's retail buildings portfolio is largely rated as Green star existing building performance with the GBCSA. Liberty Promenade has a 6 star rating, Eastgate Shopping Centre, Liberty Midlands Mall, Nelson Mandela Square and Sandton City have a 5 star rating, and Umhlanga Ridge and Botshabelo Mall have 4 star ratings.
- L2D achieved net zero waste certification for all retail assets in 2023, becoming the first landlord in South Africa to achieve this at portfolio level on all super-regional and regional malls.

In 2024, the group achieved its first net positive carbon rating at 1 Simmonds Street, Johannesburg, certified with measured data by GBCSA. We plan to certify additional sites in 2025 as either net positive or net zero for both carbon and waste.

Our Standard Bank Global Leadership Centre, a hotel and training facility in Johannesburg, is certified as ISO50001, demonstrating the effectiveness of its energy management system in improving energy performance, reducing energy costs and minimising environmental impact.



The **Association of Energy Engineers** (AEE), an international body, awarded SBSA the Corporate Energy Management Award (Runner-Up). The award recognises excellence in energy efficiency and renewable energy integration on a global scale. SBSA received the **South African National Energy Association (SANEA) ESG Excellence Award** which celebrates leadership in ESG practices within South Africa.

Water management

Our water management strategy prioritises water efficiency through robust data insights, and the integration of alternative water sources, minimising consumption while enhancing operational resilience. In 2024, SBSA reduced water use by **27 203kl**, 154% above our annual target of 10 700kl.

WATER PERFORMANCE SUMMARY (SBSA)

	2020	2021	2022	2023	2024	2024 Target	Year on year reduction %
Actual consumption (kl)	495 829	284 659	259 045	264 561 ¹	237 358	260 864	10.3%

1 Differs from the consumption number reported in 2023, owing to improved data collection, based on wider coverage of water meters, enabling a more accurate calculation of water usage.

Water efficiency

In South Africa, all our commercial office facilities, which account for 70% of total water consumption, are equipped with smart meters. This enables comprehensive monitoring via an online platform, where real-time data is integrated with utility bills to analyse trends and assess performance. This allows us to benchmark our water use against international and local best practice and identify areas for targeted action. We proactively address inefficiencies and prioritise interventions like leak detection and prompt repairs. Savings are calculated using a hybrid approach of direct measurements and modelling, ensuring accurate and reliable reporting.

Our space optimisation strategy enables us to reduce water use in under-utilised spaces. Through the consolidation of office footprints and careful planning, we ensure that operational spaces align with business needs, reducing demand for waterintensive systems such as HVAC and sanitation.

We continue to evaluate the potential of innovative technologies, such as water-efficient toilets and blackwater recycling infrastructure. At SBSA's Rosebank office in Johannesburg, the installation of a dry adiabatic cooler has delivered significant water savings. Aerator and cistern optimisation projects, implemented across Liberty's property portfolio, have already demonstrated measurable water savings. HVAC upgrades, including the replacement of water-cooled chillers with air-cooled systems, are underway at four Liberty shopping malls, with significant reductions in water consumption expected.

Alternative water supply

Given the risks posed by drought and municipal water supply pressures, we are integrating alternative water sources to reduce reliance on municipal systems. Our commitment to resilience includes continuously monitoring municipal water supply systems to identify vulnerabilities and respond to risks. By focusing on areas most susceptible to supply disruptions, we implement technical solutions that ensure the continuity of operations while protecting water resources for the future. Rainwater harvesting systems are operational at several facilities, where they effectively supplement municipal water use. Other facilities use borehole water paired with reverse osmosis plants to ensure a reliable and high-quality supply, meeting the strict standards of SANS 2412¹ and the International WELL Building Institute.

L2D reduced its water consumption by 13.3% year on year in 2024, driven largely by the replacement of air conditioning systems, together with leak detection, monitoring and repairs, and installation of shut-off valves in retail ablution facilities at night to reduce water consumption. We are currently investigating the potential use of blackwater harvesting solutions.



^{1.} SANS 2412 refers to the South African National Standard that details the application of SANS 241-1, which specifies the minimum requirements for potable water to be considered safe for human consumption.

Waste management

As part of our commitment to minimising upstream scope 3 emissions, we actively manage waste to reduce environmental impact and maintain hygiene standards.

Our efforts encompass general and hazardous waste streams, waste-to-landfill reduction, and recycling initiatives, underpinned by accurate data reporting and continuous improvement.

WASTE PERFORMANCE SUMMARY

Waste (tonnes)	2020	2021	2022	2023	2024 ¹
General waste	565	262.2	315.9	516.8	900
Hazardous waste	1.05	0.81	0.6	0.8	
Waste to landfill	566	263	316.5	517.6	900
Recyclable waste	51	20.8	38.1	95.6	138
Total waste	616	283.8	354.6	613.2	1 038

¹ In 2024, we increased our reporting boundary to cover both commercial and retail facilities in Standard Bank's South Africa operations. Data excludes Liberty Holdings and Africa Regions.

Our priorities include:

Data monitoring and baseline establishment

For SBSA and Liberty, 100% of commercial facilities, including all Liberty shopping malls, actively monitor and report on waste. To address data gaps in retail branches, we use a representative sample of measured data from selected sites to project overall waste figures. This approach enabled us to establish a comprehensive waste baseline for 2024. In 2025, we aim to expand data acquisition across all retail branches to improve reporting accuracy and provide a more holistic view of our waste management performance.

Paper use reduction

Since 2019, the digitisation of banking platforms and internal processes has led to a significant reduction in paper consumption.

Waste separation at source

We encourage employees to separate waste using clearly labelled bins for specific waste types, ensuring effective recycling and disposal.

Sustainable vendor practices

We encourage on-site food and coffee vendors at commercial office facilities to use biodegradable cups, straws and paper-based coffee lids, contributing to waste reduction efforts.

Food waste recycling

Six commercial office facilities currently participate in a food waste recycling initiative. All L2D malls actively implement food waste recycling measures. This initiative will be expanded in 2025 to include additional facilities.

Net zero waste certification and awards

- All L2D shopping malls, spanning 470 500m² of retail space, have achieved net zero waste certification.
- L2D won the Innovative Developments Category from the South African Property Owners Association (SAPOA) for its Level 2 net zero waste achievement.
- Liberty's Umhlanga Office Towers will undergo net zero waste certification in 2025.

E-Waste disposal

We responsibly dispose of computers and IT equipment through approved e-waste recyclers. Hard drives are physically destroyed, with serialised destruction certificates provided for compliance. Equipment such as cables, plastic and panels is also sent to approved recyclers, with weight recorded and reported monthly.

Business resilience

We conduct an annual review of our business continuity plans to ensure resilience in the face of physical climate risks, grid and water supply outages.

Our approach to mitigating these risks includes:

Energy supply resilience:

We deploy the latest technology to ensure that our back-up power systems are robust and reliable. These systems include gas engines, diesel generators, Diesel Rotary Uninterrupted Power Supply (DRUPS) generators, static Uninterrupted Power Supply (UPS) systems, as well as integrated solar PV and Battery Energy Storage Systems, ensuring operational resilience and energy security.

Water supply resilience:

To ensure uninterrupted operations during water outages, all main commercial facilities are equipped with water storage systems capable of meeting an average four days of water demand. Our water strategy is guided by available national risk assessments, such as the Blue Drop Report issued by the South African Department of Water and Sanitation.

Operational climate risk management:

As part of our climate risk management strategy, we use external tools and databases to identify areas where our operations are exposed to natural disasters and assess the severity of these risks as the effects of climate change become more prevalent. This enables us to ensure that our building locations and designs account for these risks and are equipped to handle the increasing frequency and severity of climate-related events.





GOVERNANCE



BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES | MANAGEMENT'S ROLE

GOVERNANCE

Board oversight of climate-related risks and opportunities

SBG's board is responsible for guiding the group's strategy and overseeing our progress against our strategic priorities and related value drivers.

Our value drivers include the delivery of positive impact on society, economies and the environment, with a specific focus on climate change mitigation and adaptation as one of four positive impact areas. The board is also responsible for assessing the effectiveness of our risk management processes, including ESG and climate risk management. The board and executive management are working toward strengthening our reporting regarding how performance against sustainability KPIs impact executive performance assessment and remuneration.

Responsibilities are delegated to several board sub-committees. Committees meet quarterly and provide feedback to the full board. All committees are chaired by independent non-executive directors. Our **()** governance report describes the composition of the board and its committees, together with an explanation of how board performance is evaluated.

Board skills and training

Sustainability, climate risk and organisational resilience are regularly discussed at board and board committee meetings. This ensures that board members are well-informed about key issues and developments impacting the group.

In March 2025, in partnership with the Gordon Institute of Business Science (GIBS), the board embarked on a 12-month programme focusing on climate-related matters, with a view to further strengthening the board's role in overseeing these issues in relation to SBG's strategy.



MANAGEMENT'S ROLE

Executive oversight of climate-related risks and opportunities

Group Leadership Council (GLC)	Social, ethics and sustainability management committee	Group risk oversight committee (GROC)	oup risk oversight committee Business unit strategy and governance committees		
 Chaired by group chief executive (CE) Highest management structure Reports to SBG board Meets monthly. 	 Chaired by SBSA CE Reports to group social, ethics, sustainability committee Meets quarterly. 	 Chaired by group chief risk and corporate affairs officer Reports to group risk and capital management committee Meets quarterly. 	Chaired by business unit CEs.	 Legal entity boards are responsible for overseeing climate-related risk management and alignment with the group climate policy and targets. 	
		ACCOUNTABILITY			
 Ensures appropriate governance structures, policies and processes are in place to identify and resolve risks, including climate risks, and strengthen risk culture Drives business alignment with climate risk management and ensures business ownership and accountability. 	 Oversees group's social, economic and environmental impact, including climate-related impacts Oversees implementation of group climate policy Approves metrics and targets related to climate risk management. 	 Ensures climate-related risk identification, classification, analysis, monitoring and reporting is embedded in enterprise-wide risk management system, including client and transaction screening and due diligence Reviews results of internal and regulatory scenario analysis and stress testing for climate risk. 	 Monitor progress against business unit-level sustainability and ESG strategies, including climate metrics and targets Provide quarterly progress reports to the GLC. 	 Ensure alignment between country strategy and group climate policy and commitments Engage with sector heads at group level regarding commitments and targets. 	
HOW IT RECEIVES INFORMATION					
 Receives updates from business units on progress against climate policy and targets. 	 Receives updates from business units on progress against climate policy and targets. Receives updates from business units on progress against climate policy commitments and targets Quarterly reports on stakeholder issues and concerns based on group-wide input. Receives updates from business units on management of sector and business progress to develop methodologies and and disclose financ 		 Receives updates from sector heads on climate risk management. 	• Engagement with sector heads, engagement between country sustainability teams and group sustainability, and between country risk functions and group risk including E&S risk teams.	

Integration of ESG risk management in the enterprisewide risk management system

SBG's **three lines of defence** model sets out the responsibilities of individuals and teams to ensure that risks are adequately considered and managed.



Second line – Risk management functions

- Identify, measure, monitor and report risk on an enterprise-wide basis, independently from the first line.
- Group chief risk officer Ensures climate risk is integrated into the enterprise-wise risk management framework
- Chief risk officers in each business unit Ensure effective implementation of climate risk management framework within business units
- Group environmental and social risk (GESR) Ensure lending activities align with SBG environmental and social risk policies and international standards; Work with business and credit teams to assess and monitor climate risks

- **Country risk** Assess and manage climate change in relation to sovereign risk
- Group sustainability Shape the group's approach to climate-related risk management and key performance metrics, with oversight from the group social, ethics and sustainability committee; Collate and report progress on climate targets and climate risk management on quarterly basis to GLC and relevant executive and board committees; Deliver annual climate-related financial disclosures report; Coordinate updates to climate policy, commitments and targets

Group legal and legal teams within

- **business units** Track trends in climate litigation, using information from a variety of sources including external law firms and other international databases and support business to manage legal risk in sustainable finance transactions (with a focus on risk of greenwashing)
- Physical security and group real estate risk Ensure appropriate policies and procedures are in place in relation to potential protest action on group properties.

First line – Business units

Business units and legal entities have strategy and governance committees that oversee climate work in their respective areas, and which recommend climate targets and commitments to group-wide governance committees for approval.

These committees are chaired by business unit CEs and are responsible for:

- Overseeing climate work in their business units and identifying and managing risks and opportunities
- Recommending climate targets and commitments to group-wide governance committees for approval
- Tracking progress and reporting to business unit excos and the GLC.

Business is responsible for:

- Assessing and managing climate risk relating to business unit activities and ensuring activities align with SBG's climate policy and commitments
- Integrating climate-related risk into risk management policies, processes, and controls at business unit level
- Assessing climate risk as a component of credit risk and managing this risk as an integral part of the credit risk framework, along with associated ESG risks, throughout the credit life cycle
- Engaging with group risk and other corporate functions (including compliance, legal, people and culture, procurement, third-party risk management) to ensure integration of climate risk management in enterprise-wide systems and frameworks, including client onboarding and review, transaction screening and monitoring, portfolio management, third-party risk management, procurement and product development
- Engaging with clients on climate-related risks and opportunities
- Implementing sector-specific climate commitments and targets and report progress to strategy and governance committees.

Third line – Internal audit

Internal audit conducts risk-based and general audits to provide assurance to the board that the overall governance framework, including the risk governance framework, is effective and that policies and processes are in place and consistently applied.

In 2024, group internal audit provided assurance over the group's strategic execution and reporting of environmental risk management, assessing the adoption and embedment of group policies, information and data management for internal decision making, and controls to manage the integrity of public environmental disclosures. It further provided assurance on the accuracy and completeness of data used to calculate financed emissions baselines for priority sectors and the appropriateness of the methodology in line with the PCAF Financed Emissions Standard.

In 2025, group internal audit will provide assurance over controls to identify, measure and manage climate risk impact on CIB's credit and equity exposures. It will then provide assurance over controls to identify, measure and manage CIB's impact on environmental and social sustainability.





APPENDICES



ASSURANCE REPORT (FINANCED EMISSIONS)

Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of Standard Bank of South Africa Limited

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Standard Bank Group Climate-Related Financial Disclosures Report 2024 of Standard Bank Group ("Standard Bank") for the year ended 31 December 2024 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an "LA" on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with Standard Bank's internally defined criteria ("reporting criteria"). The reporting criteria is available on Standard Bank's website **()** here.

Key Performance Indicators	Unit of measurement	Boundary	Page number
Residential Real EstateAbsolute Financed EmissionsEconomic Emissions Intensity	tCO₂e tCO₂e/Rm	Standard Bank South Africa	Page 30 Page 30
Commercial Real Estate Absolute Financed Emissions Economic Emissions Intensity 	tCO ₂ e tCO ₂ e/Rm	Standard Bank South Africa	Page 30 Page 30
 Oil and Gas Scope 1 & 2 Absolute Financed Emissions (Upstream) Scope 3 Absolute Financed Emissions (Upstream) Scope 1 & 2 Absolute Financed Emissions (Midstream and Downstream) Scope 3 Absolute Financed Emissions (Midstream and Downstream) Scope 1 & 2 Economic Emissions Intensity (Upstream) Scope 3 Economic Emissions Intensity (Midstream and Downstream) Scope 1 & 2 Economic Emissions Intensity (Midstream and Downstream) Scope 3 Economic Emissions Intensity (Midstream and Downstream) Scope 3 Economic Emissions Intensity (Midstream and Downstream) 	tCO_2e tCO_2e tCO_2e tCO_2e/Rm tCO_2e/Rm tCO_2e/Rm tCO_2e/Rm	Standard Bank Group	Page 29 Page 29 Page 29 Page 29 Page 29 Page 29 Page 29 Page 29 Page 29
 Thermal Coal Scope 1 & 2 Absolute Financed Emissions Scope 3 Absolute Financed Emissions Scope 1 & 2 Economic Emissions Intensity Scope 3 Economic Emissions Intensity 	tCO_2e tCO_2e tCO_2e/Rm tCO_2e/Rm	Standard Bank Group	Page 29 Page 29 Page 29 Page 29 Page 29

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with Standard Bank's reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Deloitte applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These Standards requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of Standard Bank's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures

performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Performed a walkthrough processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Standard Bank.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Standard Bank's selected KPIs have been prepared, in all material respects, in accordance with the accompanying reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 31 December 2024 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These Standards requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Standard Bank in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Standard Bank, for our work, for this report, or for the conclusion we have reached.

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Deloitte & Touche Registered Auditors

Per Jayne Mammatt Chartered Accountant (SA) Registered Auditor Partner

28 March 2025

5 Magwa Crescent Waterfall City, Waterfall Private Bag x6, Gallo Manor, 2052 South Africa

