Standard Bank

STANDARD BANK GROUP

CLIMATE RELATED FINANCIAL DISCLOSURES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

AFRICA IS OUR HOME, WE DRIVE HER GROWTH.

ENTER

Contents

Cover image: Kenhardt, South Africa

Standard Bank partnered with Scatec and H1 Holdings to develop Africa's first dispatchable, hybrid solar and battery storage project, providing baseload power to the national grid from 5am to 9:30pm. Image courtesy of Scatec.

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About this report

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

INTEGRATED REPORTING

ANNUAL INTEGRATED REPORT

Serves as an overarching report and provides a concise view of how we create and preserve value and minimise the risk of eroding value over the short, medium and long term while delivering sustainable growth through our integrated approach to value management.

SHAREHOLDER REPORTING

ANNUAL FINANCIAL STATEMENTS

Contains the group's full audited annual financial statements, including the report of the group audit committee.

RISK AND CAPITAL MANAGEMENT REPORT

Sets out the group's approach to risk management and Pillar III disclosures of the Basel Framework.

GOVERNANCE REPORT

Disclosures of the group's governance approach and priorities, aligned to the principles of King IV[1].

REMUNERATION REPORT

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

SUSTAINABILITY REPORTING

SUSTAINABILITY DISCLOSURES REPORT

An overview of how we manage sustainability risk.

REPORT TO SOCIETY

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

CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT

Discusses how the group is managing the risks and responding to the opportunities presented by climate change.

THIS REPORT

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.

1 King IV Report on Corporate Governance for South Africa 2016™. Copyright and trademarks of King Reports are owned by the Institute of Directors in South Africa NPC (www.iodsa.co.za) and all of its rights are reserved. The group is assessing the requirements of King V Code on Corporate Governance for South Africa 2025 (King V) and will implement these appropriately.

Scope and reporting boundary

The scope of this report covers the period 1 January 2025 to 31 December 2025 and includes material information up to board approval on 11 March 2026. The data in this report, financial and non-financial, pertains to Standard Bank Group Limited (SBG, the group, or Standard Bank Group) as the reporting entity. It includes all entities over which we have operational control, including legal entities in 21 countries. It excludes joint ventures, as SBG does not have full authority to introduce and implement its operating policies at these entities. It also excludes Liberty Africa Regions in respect of the calculation of SBG's operational carbon emissions, owing to data quality challenges. Our reporting suite/annual report is published annually at the end of March. Our annual financial statements were published on 12 March 2025.

Report preparation

The SBG board ensures the integrity of our external reporting through various reporting processes that are well embedded and supported by various levels of oversight. The board social, ethics and sustainability committee has reviewed and approved this report.

Assurance

PricewaterhouseCoopers Inc. (PwC) provided limited external assurance on selected performance data in this report, indicated by a ✓ in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (ISAE 3410). PwC's limited assurance report can be found here. Information about the criteria, unit of measurement and boundary for 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 here.

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

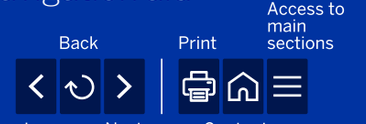
Reading this report

This is an interactive report.

The following icons refer readers to information within this report and across our suite of reports.

- Indicates interactive content
- Refers readers to further information within this report
- Refers readers to additional information in our suite of reports
- Refers readers to other online information
- Indicates video content

Navigation aid



The navigation tools for this report can be found at the top right of this page and each page that follows.

This report is best viewed in Adobe Acrobat for desktop, mobile or tablet.

Download or update to the latest version: Adobe Acrobat Reader

Who we are

WE ARE PURPOSE DRIVEN

Africa is our home, we drive her growth

WE ARE FOCUSED

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

Our values are our standard. Put simply, they are the non-negotiable principles that guide how we show up every day as part of the Standard Bank Group.

WE ARE

- DEEPLY COMMITTED
- BOLDLY PIONEERING
- TRUSTED STEWARDS
- GUIDED BY EMPATHY
- UNFAILINGLY HONOURABLE

WE ARE AN INTEGRATED FINANCIAL SERVICES GROUP

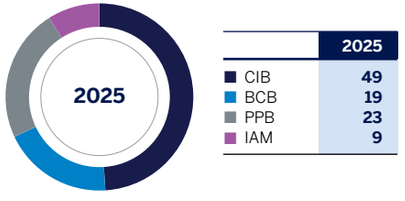
CIB — Corporate & Investment Banking
R1.2 trillion
client deposits in 21 countries

BCB — Business & Commercial Banking
861 000
clients in 18 countries

PPB — Personal & Private Banking
16.6 million
clients in 15 countries

IAM — Insurance & Asset Management
R1.8 trillion
assets under management and administration

Headline earnings contribution[1] (%)



	2025
CIB	49
BCB	19
PPB	23
IAM	9

1 By business unit excluding Central and Other and ICBCS.

WE ARE A LEADER ON THE AFRICAN CONTINENT

21 **countries** in sub-Saharan African

4 **global centres** in Beijing, Dubai, London and New York

2 **offshore hubs** in Isle of Man and Jersey

MARKET CAPITALISATION

USD28 billion

(R460 billion)

ACCOLADES

TIME
World's Best companies for the second consecutive year

FORBES WORLD'S BEST EMPLOYERS
One of the World's Best Employers and the best in Africa

NEWSWEEK
World's Most Trustworthy companies for the third consecutive year

Most valuable banking brand in Africa and South Africa for the fifth consecutive year in 2026

OUR COMPETITIVE ADVANTAGES

- Purpose-driven organisation
- Unrivalled, African-focused capabilities
- International presence via global centres and offshore hubs to support our clients
- Recognised and trusted brand
- Growing and engaged client franchise
- Well-diversified and resilient business (client base, service offering, revenue streams and footprint) with scale
- Robust capital and liquidity position with fortress balance sheet and proven track record of managing risks and opportunities
- Strong growth prospects and attractive medium-term targets
- Targeted technology investment delivering improved client experience, stability, security and productivity
- Strategic partnerships, including with the Industrial and Commercial Bank of China Limited (ICBC)

* Data as at 31 December 2025

A message from the SBG CE

SBG's purpose is to drive Africa's growth. To achieve our purpose, we strive to ensure that our business activities solve Africa's challenges and create prosperity for Africa's people. We aim to undertake our core business activities in a manner that delivers attractive financial outcomes for our shareholders, while generating positive social, economic and environmental impact for the communities in which we operate.

Sim Tshabalala
Standard Bank Group
Chief Executive

Our role in leading Africa's energy and infrastructure development is central to maximising positive impact. People need access to affordable, reliable energy, together with water, roads, transport and telecommunications infrastructure. We partner with Africa's governments and businesses to mobilise the investment needed to achieve this, with a strong focus on renewable energy. At the same time, we implement appropriate risk management to mitigate the negative environmental impacts of large-scale infrastructure development. Our objective is to make life better for Africa's people, by supporting economic and human development, job creation and access to services and public infrastructure, while ensuring that natural ecosystems are protected and respected.

Climate risk mitigation and adaptation is one of the group's four impact areas and is recognised as both a material risk and opportunity. We assess our climate-related risks and opportunities using a double materiality lens – how we impact the environment, and how climate risk impacts our business and enterprise value. We are committed to supporting the transition toward a low-carbon economy. We are also keenly aware that there cannot be a sustainable transition unless it is also a just transition that is fair, inclusive and visibly beneficial for all. This understanding drives our efforts and guides our decisions.

Maximising positive impacts

We are a leading enabler of Africa's just energy transition, mobilising finance to improve access to affordable and reliable energy supply for Africa's people. In 2025, we mobilised R47.1 billion✓ in green finance, including finance for renewable energy, distributed energy systems and associated energy infrastructure. We provide finance for non-renewable forms of energy, under strict parameters and conditions as set out in our **Climate Policy**. Our power generation ratio, the share of finance directed towards renewable energy power generation relative to that for non-renewable power generation, was eight to one in 2025.

We partner with our clients, from individual homeowners to small and medium enterprises (SMEs) and large corporations, to support their efforts to mitigate their climate impacts and strengthen their resilience. This includes providing finance for renewable energy generation, energy and water efficiency solutions, climate smart agriculture and green-certified home loans. We have a group-wide target to mobilise more than R450 billion of sustainable finance between 2022 and 2028 and we are over 60% of the way to achieving it.

Managing risks

Our group climate policy sets out what we are doing to reduce the financed emissions generated by the businesses and projects we fund to achieve net zero financed emissions by 2050. Robust due diligence and responsible client selection are central to our approach. We implement clear criteria and conditions when financing high-emissions sectors, including oil & gas (O&G) and coal. We have set targets to actively manage our exposures to these sectors. We engage with our clients to ensure that we have a clear understanding of their transition plans and to support their decarbonisation efforts. We have committed to reducing our lending and investment exposures to the thermal coal and oil sectors in the medium term, while ensuring that our decisions contribute to a just transition and do not compromise access to energy and economic opportunity for Africa's people.

We are also actively working to reduce the direct emissions generated by our buildings, branches, call centres and data centres. We aim to achieve net zero emissions for new buildings by 2030, and for existing buildings by 2040.

Climate change also poses physical and transition risks to our business, primarily in the form of credit risks arising from the impacts of climate risk on our loans and investments, as well as risks to our own operations and supply chain. Our group climate risk management approach addresses these risks. We use scenarios to stress test our lending portfolio at sector and country level. Our focus is on the sectors that have the greatest exposure to climate risk, owing to their contribution to carbon emissions (transition risk), and/or their exposure to physical climate risk. These include O&G, thermal coal, agriculture, commercial and residential real estate, transport and industrials.

Integration of climate risk into expected credit loss modelling, capital planning and strategic decision-making remains an evolving area. We recognise this as a key priority and are actively advancing our approach in line with the broader progression of practices across the financial sector. Since 2024, we have made substantial progress in enhancing our ability to measure and manage climate-related risks. However, challenges with data quality and comparability persist. Data architecture is being strengthened across all business units, supported by external providers for data and modelling. Integration of climate measurement into insurance and investment businesses is also advancing. Client engagement programmes are in place across business units.

Driving Africa's growth

The risks and opportunities posed by climate change are multi-faceted and complex, and require nuanced, context-specific responses. SBG remains unequivocally focused on driving Africa's growth. We remain committed to facilitating economic and human development, job opportunities and access to energy, while safeguarding our continent's natural assets and building resilience to climate-induced challenges.

OUR PERFORMANCE IN RELATION TO TARGETS

Key: On track Behind target

SBG published an updated Climate Policy in March 2025, which included targets to expand the mobilisation of sustainable finance and reduce our lending exposures to specified high emissions sectors over time. These targets remain unchanged.

Sector	Commitment/target	Target date	Status at 31 December 2025	
Sustainable finance	Mobilise >R450 billion, cumulative from 2022 to 2028	2028	**R277.4 billion (2022-2025)** ✓	●
Agriculture	Disburse R7 billion in climate smart agriculture finance, cumulative from 2024 to 2030	2030	**R7.3 billion (2022-2025)**	●
Coal mining	Limit coal mining exposures as a percentage of group loans and advances to 0.5%	2030	**0.33%**	●
Coal-fired power	Reduce 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	2030	**0.04%**	●
Oil and gas	Reduce physical intensity of financed emissions for upstream O&G by 10% and maintain an average portfolio intensity below 33 $kgCO_2e$/boe for upstream O&G production (Scope 1 and 2 client emissions)	2030	**26.45 $kgCO_2e$/boe**	●
	Limit upstream O&G exposure to 3% of group total loans and advances	2030	**1.72%**	●
Energy book exposure	Limit upstream O&G exposure to 30% of energy book	2030	**17.51%**	●
	Pursue a greater share of renewables in the energy mix, aiming to maintain a power generation ratio of >3:1[1].	2030	**8:1**	●
SBG own operations	Reduce absolute Scope 1 and 2 emissions by 15 212 tCO_2e	2025	**38 456 tCO_2e (19% reduction)**	●

1 The power generation ratio measures the share of finance directed towards renewable energy power generation relative to that for non-renewable power generation. Please see page 14 of this report for an explanation of how this ratio is defined and calculated.

Our journey

2019

- Established sustainable finance unit in CIB
- Implemented restrictions on coal financing
- Joined UNEP FI's TCFD pilot programme for banks

2020

- Adopted revised group environmental and social risk governance framework inclusive of climate risk
- Integrated ESG risk into SBG enterprise risk management framework
- Developed SBG Sustainable Bond Framework
- Adopted fossil fuels finance policy
- Published first climate-related disclosures report

2021

- Launched PowerPulse and LookSee
- Launched climate-focused executive development programme
- Hosted first annual SBG Climate Summit for employees and clients

2022

- Several country boards undertook training on climate change
- Joined Partnership for Carbon Accounting Financials (PCAF) to build capacity to measure financed emissions
- Adopted SBG climate policy
- Set target to mobilise >R250 billion in sustainable finance by 2026
- Mobilised R18.2 billion for new renewable energy infrastructure

2023

- Implemented sustainability and climate training for employees across business areas and risk functions
- Implemented climate risk scenario analysis and stress testing pilots
- Published SBG Sustainable Finance Framework
- Received net zero waste certification for the entire Liberty Property Portfolio, a first in South Africa
- Mobilised R15.5 billion for new renewable energy infrastructure

2024

- Expanded employee training programmes on sustainability and climate across sectors and countries
- Participated in the SARB exploratory climate-risk stress test
- Established financed emissions baseline measurements and targets for upstream O&G
- Established sustainability teams in BCB and PPB
- Participated in pilot to assess nature-related risk with SARB
- Mobilised R19.8 billion for new renewable energy infrastructure

2025

- Updated group climate policy
- Financed emissions baselines for O&G (midstream and downstream), coal mining, commercial and residential real estate
- Set emissions intensity reduction target for upstream O&G
- Expanded internal climate risk stress testing to six African countries
- Initial assessment of nature dependency and impact
- Updated group-wide sustainable finance target to mobilise >R450 billion by 2028, with sub-targets for green and social finance
- Mobilised R39.9 billion for new renewable energy infrastructure

2026

- Publish an updated Sustainable Finance Fundraising and Product Framework (SFFPF)
- Develop sector transition plans and a credible group pathway that aligns with global decarbonisation trajectories
- Design and implement bespoke climate scenarios to stress test strategy and risk profile in changing global contexts
- Continue to engage clients to understand and support their decarbonisation journeys
- Improve quality of climate risk data and strengthen impact measurement capabilities
- Further refine and expand financed emissions measurements.

1

GOVERNANCE

The role of the board | Management's role

The role of the board

SBG's board is responsible for guiding the group's strategy and overseeing our progress against our strategic priorities and related value drivers. The latter includes 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 impact areas. The board is also responsible for assessing the effectiveness of our risk management processes, including ESG and climate risk management.

Country-level and subsidiary boards are responsible for overseeing climate-related risk management and alignment with the group climate policy and targets. They ensure alignment between country strategy and group climate policy and commitments and engage with sector heads at group level regarding commitments and targets.

Group board committees

The group board delegates responsibilities to relevant board sub-committees. These committees meet quarterly and provide feedback to the full board. All committees are chaired by independent non-executive directors. Our governance report provides more detail on the composition of the board and its committees, together with an explanation of how board performance is evaluated. The table alongside provides information about committees that oversee climate-related matters.

	GROUP SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE (GSESC)	GROUP RISK AND CAPITAL MANAGEMENT COMMITTEE (GRCMC)
OVERSIGHT	▪ Ensures alignment between SBG strategy and climate commitments ▪ Approves group policies and standards, including climate policy ▪ Approves climate-related metrics and targets ▪ Oversees implementation of climate policy ▪ Monitors progress against climate targets ▪ Approves sustainability reporting suite	▪ Monitors enterprise-wide risks, including climate risk, and oversees integration into risk appetite, risk frameworks, credit processes, environmental and social (E&S) risk ▪ Approves updates to E&S risk governance standard ▪ Approves risk appetite and allocation of capital ▪ Monitors effect of macroeconomic and operating environment across jurisdictions on the group's risk profile ▪ Considers climate related risks, opportunities and trade-offs in relation to major transactions
HOW INFORMATION IS RECEIVED	Regular reports from business units on: ▪ Progress against climate policy commitments and targets at sector and business unit (BU) level ▪ Progress on financed emissions measurement and target setting.	Regular reports from business units on: ▪ Integration of climate risk management into an enterprise-wide risk management framework ▪ Management of climate risk at sector and BU level.

Board skills and training

SBG's board members continue to develop their understanding of climate-related risks and impacts. In March 2025, SBG engaged the Gordon Institute of Business Science (GIBS) to provide a 12-month training programme, the Climate Compatible Boards Sustainability Journey, to further strengthen the board's role in overseeing these issues in relation to SBG's strategy. The programme concluded in March 2026. More details on board skills and development can be found in the **SBG governance report**.

Management's role

SBG's executive management is accountable for achieving sustainable growth and value through implementation of the group's sustainable business strategy. Responsibilities are clearly defined and relevant key performance indicators (KPIs) are integrated into performance management for teams and individuals. Executive committees have clear mandates and reporting processes to provide oversight of climate risk and impact. Our four business units have embedded climate governance into formal structures. We assess governance effectiveness through internal reviews, feedback from group risk and internal audit, benchmarking against best practice, and feedback from stakeholder engagement and regulatory developments, to inform ongoing improvements to governance structures and processes.

Executive committees

	GROUP LEADERSHIP COUNCIL (GLC)	SOCIAL, ETHICS AND SUSTAINABILITY MANAGEMENT COMMITTEE	GROUP RISK OVERSIGHT COMMITTEE (GROC)	BU STRATEGY AND GOVERNANCE COMMITTEES
STRUCTURE	▪ Chaired by group chief executive (CE) ▪ Highest management structure ▪ Provides feedback to SBG board ▪ Meets monthly	▪ Chaired by the Africa Regions and Standard Bank Offshore CE ▪ Provides feedback, through its chairman, to GSESC ▪ Meets quarterly	▪ Chaired by group chief risk officer ▪ Provides feedback, through its chairman, to GRCMC ▪ Meets quarterly	▪ Chaired by BU CEs ▪ Include sector heads ▪ Meet monthly
ACCOUNTABILITY	▪ Ensures appropriate governance structures, policies and processes are in place to identify and resolve risks, including climate risks, and strengthen risk culture ▪ Approves climate strategy, drives business alignment and ensures business ownership and accountability	▪ Oversees SBG'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 and impact	▪ Ensures climate risk 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 BU level sustainability strategies, including climate metrics and targets ▪ Recommend climate targets to group governance committees for approval ▪ Monitor progress against targets and report to GLC
HOW INFORMATION IS RECEIVED	▪ Updates from BUs on progress against climate policy and targets	▪ Updates from BUs on progress against climate policy and targets ▪ Reports on stakeholder issues and concerns based on group-wide input.	▪ Updates from BUs on management of climate risk at sector and BU level, and progress to develop appropriate methodologies and tools to assess and disclose financed emissions	▪ Dashboards tracking sustainable finance mobilisation and financed emissions.

2

STRATEGY

Maximising opportunities and managing risks | Integration in performance management
Stakeholder engagement | Skills development

Maximising opportunities and managing risks

SBG's strategy focuses on maximising positive impact and effectively managing the potential negative impacts arising from our activities, products and services.

This approach underpins our management of climate-related risk and opportunity. BUs play a central role in shaping and executing the strategy. Their ability to identify, assess, and respond to climate-related risks and opportunities is critical to delivering group-wide commitments and regulatory expectations. Each BU is responsible for embedding climate considerations into strategic planning, product development and decisions regarding client relationships and new transactions, ensuring alignment with the group's climate policy and sustainability objectives. We track progress via KPIs linked to the mobilisation of sustainable finance and financed emissions.

We assess our climate-related risks and opportunities using the timelines below:

SHORT TERM	<5 years	2025 – 2030
MEDIUM TERM	5 to 10 years	2030 – 2040
LONG TERM	>10 years	2040 – 2050

We continue to increase lending for green and transition finance across client segments, inclusive of renewable energy production, green buildings, water resilience and climate smart agriculture, while reducing lending exposure to coal in the short to medium term, and O&G in the medium to long term.

Climate-related capital allocation is not yet embedded in BU annual budgeting processes. Revenue forecasts for opportunities from a sustainable finance and energy transition perspective are included in financial planning.

Maximising opportunities

We support our clients to adopt solutions that reduce their carbon emissions and strengthen their resilience to climate risk.

Focus areas include:

- **Energy security**
  - Energy supply and infrastructure across the entire energy system, including power generation, transport and industrial uses
  - Diversified infrastructure, including non-renewable solutions where needed for energy security, while accelerating renewable energy deployment and storage and distribution solutions
- **Energy-related infrastructure**
  - Transmission networks, storage facilities (including hydrocarbons and liquified petroleum gas (LPG)) and pipelines to strengthen supply reliability and resilience
- **Water security**
  - Infrastructure for water conservation, resilience, treatment and distribution to address climate-driven water stress and drought resilience
- **Infrastructure**
  - Flood defences, resilient transport systems and disaster response facilities
  - Whole-of-life-cycle approaches for infrastructure design to withstand climate shocks
- **Climate smart agriculture**
  - Solutions including regenerative agriculture (enhancing soil health via cover cropping, agroforestry and no-till farming), resilient crop varieties, efficient water management techniques (including drip irrigation, rainwater harvesting), agricultural insurance, weather forecasting and integrated pest management
- **Integrated logistics and trade corridors**
  - Modernisation of seaports, airports, rail and road networks to support cross-border trade
  - Digital platforms to enhance port ecosystems and improve efficiency
- **Electric mobility ecosystem**
  - Electric vehicle charging networks, battery manufacturing and recycling facilities
  - Electrification of public transport and last-mile delivery, contingent on enabling policy frameworks
- **Green and affordable buildings**
  - Expansion of green construction
- **Critical minerals and strategic corridors**
  - Development of mineral corridors and processing capacity for minerals essential to clean energy technologies
- **Green hydrogen and associated infrastructure**
  - Long-term opportunity. We continue to monitor developments and opportunities[1].

Transition finance and decarbonisation

We support the transition strategies of our clients in hard to abate sectors, such as O&G, mining, cement and shipping. A subset of these activities will be externally verified as eligible to be labelled transition finance in our SFFPF.

We continue to mobilise finance for a broader set of decarbonisation activities that do not contribute to the achievement of our sustainable finance targets, but that are crucial to support Africa's transition. These are financed under clear and strict parameters as set out in SBG's climate policy. These activities include natural gas production and the distribution and storage of natural gas.

Sustainable finance

Our mobilisation of sustainable finance is defined as arranging, lending and investing activities in relation to all sustainable finance categories, including eligible green, social, sustainable, transition, sustainability-linked and pure-play transactions (excluding treasury activities). Our solutions include use of proceeds and general purpose (sustainability-linked and pure play) instruments. The group has developed an updated Sustainable Finance Fundraising and Product Framework (SFFPF), which is being independently reviewed by ISS-Corporate and will be published in H1 2026. The SFFPF will enhance the transparency of our sustainable reporting. More detail is available in our **sustainability disclosures report**.

Target	2025	Notes
Mobilise >R450 billion sustainable finance, 2022 – 2028	R277.4 billion ✓ (cumulative since 2022)	Original cumulative mobilisation target of R250 billion, 2022-2026, achieved September 2025, 15 months ahead of target date.
Mobilise >R100 billion green finance 2025 – 2028	R47.1 billion ✓	
Mobilise >R100 billion social finance 2025 – 2028	R40.3 billion ✓	

1 The International Energy Agency (IEA) Global Hydrogen Review 2025 has a cautious near-term outlook. Low-emissions hydrogen currently contributes <1% of global output. Project deployment has been slowed by high-costs, uncertain demand and infrastructure bottlenecks, particularly in Africa.

Carbon markets

We believe that sub-Saharan Africa, with its natural capital, agricultural systems and abundant renewable energy resources, is well positioned to meet growing demand for high quality carbon credits. We aim to add value to the carbon project development sector by providing funding and trading services and aggregating clients into carbon credit projects to secure supply of high-quality, tradeable carbon credits.

Our **carbon trading governance framework** directs the assessment of the integrity of projects. Only carbon credits managed under specified carbon offsetting programmes or standards, which are recognised as requiring a high standard of third-party assessment of environmental integrity, may be traded. 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 to ensure the quality of the project and partnerships.

We have opened accounts with a global digital carbon platform, Carbonplace, which provides trading and custody capabilities, enabling the trading of carbon credits with participants on the platform and over the counter (OTC) with non-participants. We are an active market maker in COAS eligible carbon credits that can be used by South African carbon taxpayers to offset a portion of their taxable emissions at a reduced cost. We are exploring financing both nature-based and energy efficient cooking carbon credit projects in sub-Saharan Africa on a blended finance basis, partnering with multi-lateral development banks, development finance institutions and insurers to provide project risk mitigation, coupled with carbon credit off-takers to ensure bankability.

Examples of funding to carbon project developers include:

- USD10 million to the Mamaland project, a large-scale afforestation and reforestation carbon credit project in Malawi
- R270 million to the TASC clean cooking project in South Africa
- R12 million to Wonderbag, a household device carbon credit project in South Africa.

We are also working on a pipeline of financing transactions for carbon project developers that will secure rights to trade carbon credits issued by these projects.

Managing climate risk

SBG's lending portfolio includes exposure to climate-related physical and transition risk. This is partially mitigated by our diverse geographical and sector coverage. We continue to refine our understanding of our sector, country and portfolio level exposure to transition and physical risks, using scenario analysis. To date, the scenario analysis and exposure measurement we have performed indicates that the financial risk posed by climate-related transition and physical risk is within risk appetite. We recognise that this risk may increase in the medium to longer term, depending on policy decisions taken at national and regional levels and in export markets, and the growing impact of physical risk associated with more frequent and extreme weather events and longer-term changes in climatic conditions. We have committed to reduce our financing of sectors exposed to high transition risk in the medium to long-term.

Our assessment of climate-related transition risk at sector level includes consideration of:

- Sector contribution to greenhouse gas (GHG) emissions
- SBG's level of exposure to the sector
- Country level policies and regulatory approaches to the sector
- Transition pathways for the sector, globally and at country level
- Existing and emerging technologies to support decarbonisation.

SECTORS EXPOSED TO HIGH TRANSITION RISK	**% of group total loans and advances 2025**	% of total group loans and advances 2024
Total exposure to high transition risk	**6.94%**	6.08%
Oil & gas portfolio (upstream, midstream and downstream)	**6.30%**	5.37%
Non-renewable power generation (coal, O&G)	**0.31%**	0.38%
Coal mining	**0.33%**	0.33%

The aggregate banking book exposure to the oil and gas sector increased year-on-year across all segments:

- Exposure to upstream oil and gas producers has increased year-on-year, driven by the group's overall growth in energy sector investment. In line with a general trend of reduced emissions intensity by some African producers[1] the year-on-year improvement in the physical emissions intensity target (refer details on page 13 below) for the upstream oil and gas portfolio reflects improved emissions intensity performance across our portfolio, driven by the adoption of more efficient extraction technologies and optimised energy usage with some resultant reductions in flaring and methane emissions.
- The growth in downstream oil and gas exposures is driven by elevated refined product import requirements, periods of utilisation volatility linked to foreign exchange and commodity price movements, as well as to rising LPG demand across several African markets.

Non-renewable power generation exposure has decreased year-on-year, reflecting reduced lending activity in conventional non renewable power and the continued shift in the energy portfolio toward renewable and transition-aligned projects.

The exposure to the coal mining sector has increased year-on-year, driven by higher utilisation of existing facilities in response to commodity price volatility, export-market dynamics and general cost pressures across the sector.

1 IEA Global Methane Tracker 2025 **https://www.iea.org/reports/global-methane-tracker-2025**

Oil and gas

Context

Recent global assessments indicate that O&G remain material components of the energy mix through 2050, and the trajectory depends strongly on policy and technology pathways. The Energy Institute Statistical Review of World Energy 2025 reports that total global energy demand increased by approximately 2% in 2024 and non-renewable fuels accounted for ~87% of the energy mix. The IEA's World Energy Outlook 2025 indicates diverging outcomes across scenarios:

- Current Policies Scenario (CPS): Oil demand rises to ~113 million barrels per day (bpd) by 2050, driven mainly by emerging market and developing economies. Global natural gas demand rises to ~5600 bcm by 2050
- Stated Policies Scenario (STEPS): Oil demand plateaus around 2030. Gas demand rises into the 2030s
- Net Zero Scenario (NZE): Non-renewables use declines more rapidly as low emissions technologies scale.

OPEC's World Oil Outlook 2025 projects oil demand rising to ~123 million bpd by 2050, with no peak demand in its outlook, driven largely by developing regions.

BP's Energy Outlook 2025 suggests global oil demand is broadly stable to 2030. In its Current Trajectory scenario, it sees oil grow modestly through the decade, while in its Below 2 degrees scenario demand declines sooner. BP sees gas trends dependent on the transition pace.

Across Africa, IEA analysis points to rising energy needs, steady O&G production to 2035, and growing reliance on gas and LPG alongside expanding renewable investment and grid upgrades. O&G projects in Angola, Cote d'Ivoire, Ghana, Mozambique, Namibia, Nigeria and Uganda are expected to increase Africa's output significantly by 2030.

TRANSITION RISKS	**Medium to long-term, limited impact** Limited transition risk in the short to medium term owing to global demand. Demand for O&G gas will subside in the longer term, driven by regulation, carbon pricing and shifts in market demands.
PHYSICAL RISKS	**Short to medium-term, variable impact** Potential for credit risk associated with specific assets associated with severe weather events, but risk to the overall portfolio is expected to be limited.

Sector strategy

SBG will continue to finance oil production and related infrastructure within strict parameters as defined in our climate policy, to ensure energy security, sustainability and efficiency. In the medium-term, we will provide finance for oil only where the use of such an energy source can be identified as an enabler to an energy transition pathway, or where future advances in technology emerge to mitigate environmental impacts.

Noting that gas has significantly lower emissions than coal or oil when combusted, we will continue to finance gas projects. Priorities include LNG, SSLNG and construction of gas-fired power plants that provide backup services as part of an integrated renewable energy power solution, or enable the conversion of existing coal or oil-fired power plants as part of a clearly defined decarbonisation plan.

SBG's exposure to the O&G sector includes:

- Power generation by utilities and independent power producers (IPPs) that own and operate oil-fired and gas-fired power plants
- Upstream O&G activities including exploration, extraction and beneficiation, including liquified natural gas (LNG)
- Midstream O&G activities including the pipeline, maritime and land transportation activities of services and transport entities
- Downstream O&G activities comprising trading, distribution, marketing and retailing of O&G end-use products, including small scale LNG (SSLNG).

Targets

- Reduce physical intensity of upstream emissions by 10% by 2030 for upstream O&G portfolio
- Limit upstream O&G to <30% of the energy book and < 3% of total loans and advances by 2030
- Maintain a renewable-to-non-renewable power generation ratio of no less than 3:1.

Criteria for finance

- Any O&G 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 and resolved with the client. If conditions cannot be met, financing will not proceed.
- Projects must align with SBG's financed emissions target of a 10% reduction by 2030, with zero to minimal fugitive emissions, and must result in lowering the average carbon intensity of our O&G portfolio.
- Projects must 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.
- Upstream O&G clients must provide a transition plan, with a demonstrable emissions reduction strategy. We monitor these strategies as part of client annual credit reviews.
- As per our E&S risk management system and high-risk sector guidelines, transnational pipelines require enhanced due diligence.

We will not finance

- 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 or mechanical intervention for the purpose of unconventional extraction techniques to primarily produce the resource.
- Any project outside Africa.

Upstream oil and gas: Financed emissions reduction targets

SBG aims to reduce the physical intensity of financed emissions associated with our upstream O&G portfolio and to increase lending and investment in sustainable, gas and low-carbon energy technologies.

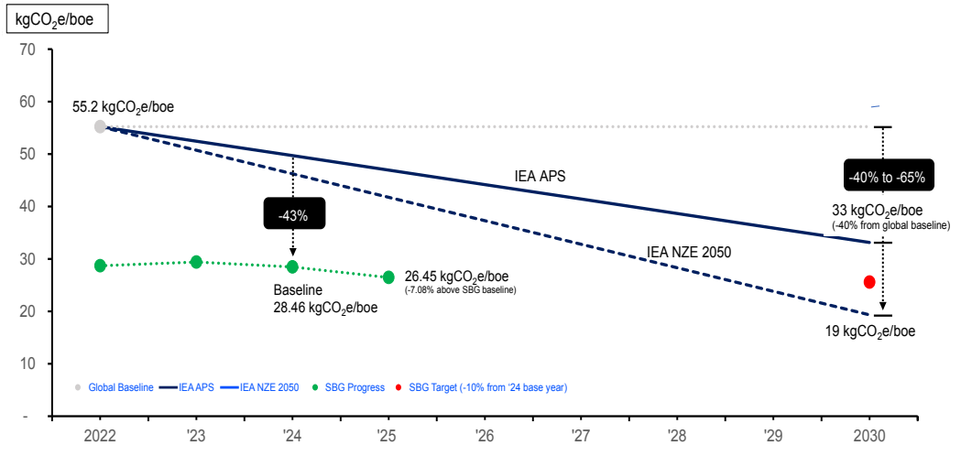
TARGETS	1. Reduce physical intensity of upstream emissions by 10% by 2030 for upstream O&G portfolio, focusing on operational emissions ($kgCO_2e/boe$) 2. Limit upstream O&G to <30% of the energy book and < 3% of SBG total loans and advances by 2030 3. Maintain a renewable-to-non-renewable power generation ratio of no less than 3:1.
FINANCING SCOPE	On-balance sheet, project finance, business loans and investments
BASELINE YEAR	2024
TARGET YEAR	2030
BENCHMARK SCENARIO	IEA Announced Pledges Scenario (APS) 2030 ▪ Assumes all governments around the globe meet their climate-related commitments on schedule. Consistent with a temperature rise of 1.7°C in 2100 with a 50% probability. ▪ The 2025 World Energy Outlook did not include the APS as many countries have yet to submit updated climate pledges for 2031 to 2035[1]. SBG's targets to 2030 remain unchanged. Once the IEA updates the APS, we will reassess and if necessary, adjust our 2030 targets accordingly.
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)
ACTIVITY SCOPE	Scope 1 and Scope 2 emissions from upstream O&G producers (operational emissions of the companies in the portfolio) ▪ Within SBG's O&G portfolio, upstream producers account for almost 80% of Scope 1 and 2 operational emissions. We source our performance data for upstream O&G producers from a single, consistent source and we have verified the third-party supplier data through client engagement. ▪ Scope 1 emissions are generated from the burning of fuel in company-owned assets, methane emissions from O&G 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 from the O&G sector account for just under 15% of total energy-related GHG emissions (IEA World Energy Outlook 2023). ▪ Scope 1 and 2 emissions are under the direct operational control of an O&G company, giving Standard Bank the opportunity to engage with our clients on opportunities to reduce their operational 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. O&G producers will generally have limited opportunities to influence their Scope 3 emissions, apart from reducing their total production.

1 **https://www.iea.org/reports/global-energy-and-climate-model/announced-pledges-scenario-aps**.

TARGET 1. REDUCE PHYSICAL INTENSITY OF UPSTREAM EMISSIONS BY 10% BY 2030: UPSTREAM O&G PORTFOLIO

Intensity metric as at 31 December 2024	Intensity metric as at 31 December 2025	Target
28.4$kgCO_2e/boe$	26.45 $kgCO_2e/boe$	25.56$kgCO_2e/boe$

Average portfolio physical intensity baseline and target



Note: Excludes Scope 1 and 2 emissions from transport and O&G refining in the IEA numbers, to align with our target setting approach.

Actions to achieve our target focus on:

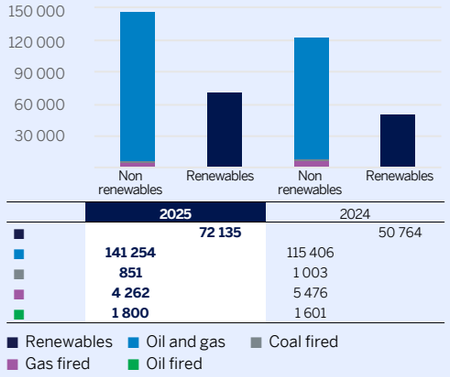
- **Active portfolio management** – We aim to reduce the physical intensity of our financed emissions and are actively pursuing a low-carbon energy mix, with a greater share of renewables.
- **Client engagement** – We continue to actively engage with our O&G clients to support their decarbonisation efforts. This includes financing projects that aim to reduce emissions, renewable energy integration and other energy efficiency improvements. We also encourage 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.

Target 2. Limit upstream O&G to <30% of the energy book and < 3% of total loans and advances by 2030

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 shows our total on and off balance sheet group exposure to renewable and non-renewable energy.

Comparison of energy portfolio in the banking book

(Rm)



	2025	2024
Renewables	**72 135**	50 764
Oil and gas	**141 254**	115 406
Coal fired	**851**	1 003
Gas fired	**4 262**	5 476
Oil fired	**1 800**	1 601

Renewables Oil and gas Coal fired
Gas fired Oil fired

	Percentage of total loans and advances (banking book)		% of total energy book	
	As at 31 December 2025 (%)	Target (%)	As at 31 December 2025 (%)	Target (%)
UPSTREAM O&G	**1.72**	<3 by 2030	**17.51**	<30 by 2030
COAL MINING	**0.33**	0.5 by 2026	**3.42**	
COAL-FIRED POWER GENERATION	**0.04**	<0.15 by 2026 <0.12 by 2030	**0.39**	

Target 3. Maintain a power generation ratio of >3:1

Renewable energy remains a core priority for the group's sustainable finance agenda, reflecting our ambition to scale renewable power generation finance and broaden access to affordable, reliable clean energy.

The power generation ratio (2025: 8:1) signals a year-end view of how our balance sheet is weighted between on balance sheet exposures to renewable power generation and non-renewable power generation. Measurement of this ratio supports the tracking of our progress against our transition ambitions. Previously termed the energy supply ratio, it is renamed to better describe its scope, data and methodology refinements.

Methodology

- **Scope and boundary**: Specific to CIB financing of utility-scale and decentralised power generation. The calculation is based on drawn, on balance sheet CIB loans and advances that are outstanding at financial year end.
- **Numerator** (renewable power generation): Facility-level exposures that meet renewable power generation criteria, where use of proceeds is clearly and exclusively identified for the acquisition, construction, generation or maintenance of renewable power and associated infrastructure.
- **Denominator** (non-renewable power generation): Exposures to entities that own and operate coal-, oil- or gas-fired power plants. Excludes the broader non-renewable energy portfolio beyond power generation.

Following enhancements to internal criteria for identifying lending where the use of proceeds is exclusively linked to renewable power generation, ratio values have been restated from 2022 onwards on this basis. At the end of 2025:

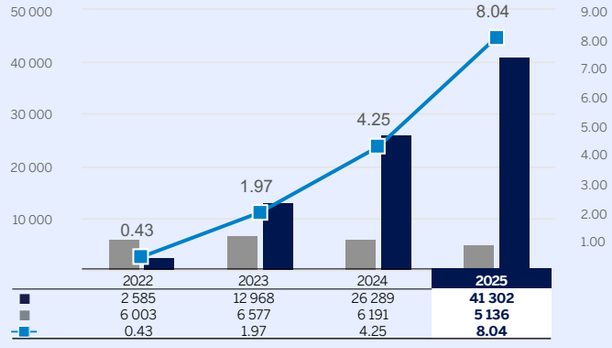
- Total outstanding on-balance sheet exposure for the finance of renewable energy was R60 billion, of which R41.3 billion (up by 57% from 2024) met the criteria for inclusion in the power generation ratio, i.e. identified use of proceeds for renewable power generation.
- There was a 61% increase in annual renewable energy mobilisation, from R21 billion in 2024 to R37 billion in 2025 for CIB.
- Outstanding on balance sheet exposure to non-renewable power generation decreased by 17%, from R6.1 billion to R5.1 billion.

Industry comparisons and ongoing review

As definitions and methodologies differ across the financial sector, comparisons with similar or related ratios should be made with care. As part of our ongoing review of targets and methodologies, we will continue to assess the definition and calculation approach for this metric to ensure alignment with our strategic intent and with evolving market practice.

Power generation ratio

(Rm) %



	2022	2023	2024	2025
Renewable power generation	2 585	12 968	26 289	**41 302**
Non-renewable power generation	6 003	6 577	6 191	**5 136**
Power generation ratio	0.43	1.97	4.25	**8.04**

Renewable power generation
Non-renewable power generation
Power generation ratio (previously 1.02 (2022), 1.93 (2023), 4.31 (2024))

Coal mining

TRANSITION RISKS	In the short to medium-term we expect coal demand to remain stable in the markets in which we have significant exposure (South Africa, Botswana, Zimbabwe). We anticipate a ~15% reduction in coal consumption by 2030, based on South Africa's 2025 Integrated Resource Plan and client emissions reduction targets.
PHYSICAL RISKS	Physical climate risks include higher temperatures, heatwaves, water scarcity and more severe flooding and potential damage to infrastructure, driving downtime and repair costs. Over the medium term, water constraints may worsen. Longer term, chronic heat stress, hydrological instability and extreme events pose a potential risk of elevated costs and productivity losses.

Sector strategy

Our primary focus is to work with our clients to support emissions reduction, while ensuring security of energy supply and a just transition for the people and communities currently dependent on the coal value chain.

Targets

- Limit thermal coal mining exposures as a percentage of group loans and advances to **0.5% by 2030**.

Coal-fired power generation

Context

The urgent need to reduce reliance on coal-fired power 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. In the short term, many countries will continue generating power with coal. We expect the Southern African region to remain dependent on coal-fired power in the medium term.

TRANSITION RISKS	In the long-term, the decreasing cost of renewable energy may make coal-fired power generation less economically viable, while regulation to reduce carbon emissions may lead to higher compliance costs for clients and shutdowns of non-compliant operations.
PHYSICAL RISKS	Coal-fired power plants require significant amounts of water for cooling. Further reductions in water availability due to droughts or changing precipitation patterns may limit plant operations and efficiency. Higher temperatures and associated heat stress may reduce the efficiency of power generation. This presents potential credit risk impacts at exposed assets. Our portfolio-wide view remains that the probability of material losses is limited, however this view will continue to be updated as physical risk scenario testing, including on the robustness of client's strategies to mitigate and adapt, matures.

Sector strategy

SBG's clients include utilities that own and operate coal-fired plants for purposes of electricity generation. Our primary focus is to work with our clients to support emissions reduction and enable a gradual transition away from dependence on coal-fired power generation, while ensuring security of energy supply and a just transition for the people and communities currently dependent on the coal value chain. Power sector clients generating power predominantly from coal are required to provide emissions reduction strategies in advance of financing.

Targets

- Reduce 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
- Finance the refurbishment of existing coal-fired power stations only for the specific purpose of improving efficiency and reducing carbon emissions as part of a decarbonisation plan aligned to net zero by 2050.

We will not finance

- The construction of new thermal coal-fired power plants, or the expansion of generating capacity of existing coal-fired power plants.

Agriculture

Context

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 markets[1]. Deforestation, fires, and forest degradation make agriculture, forestry, and other land use (AFOLU) sectors major contributors to carbon emissions in Africa, accounting for more than half of the continent's total emissions. However, the sector also plays a vital role in strengthening climate resilience and sequestering carbon through photosynthetic processes in plant production systems (crops, forests, and savannas) and through non photosynthetic mechanisms in soils and water.

TRANSITION RISKS	**Medium to long term, limited impact** The Carbon Border Adjustment Mechanism (CBAM) will impact farmers and agri-businesses exporting to the European Union (EU) and the United Kingdom (UK). Clients in this sector require support to understand and track their emissions and solutions to demonstrate mitigation. We expect limited impact in the short term. Over the medium to long term, clients will need to demonstrate alignment with compliance requirements, inclusive of carbon certificates and compliance reports. These requirements will need to be built into SBG client solutions and risk management, including credit assessments. Nature-related transition risks related to pesticide use may also impact clients in this sector.
PHYSICAL RISKS	**Short to medium-term, medium impact but risk management in place** While weather and production risks have always affected agriculture, climate change is amplifying their frequency, severity, and unpredictability. Rising temperatures, shifting rainfall patterns, and more frequent extreme events are creating systemic challenges, increasing volatility in yields, supply chains, and credit risk exposure. This has direct impacts on food security and job security within the sector. Agriculture is heavily dependent on nature and well-functioning ecosystems. Physical climate risks compound nature-related risks, including soil degradation and loss of pollinators. We are exploring solutions to geo-locate our clients, to improve our understanding of physical climate and nature-related risks.

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.

Sector strategy

Our ambition is to **lead the transition to climate smart agriculture[2] (CSA)** in the agriculture value chain, enabling our customers to build resilience to climate change and grow in a low carbon economy. We aim to substantially grow our lending exposure to the agriculture sector in Africa in the coming years, to solve for food security on the continent and support economic growth. We will simultaneously manage our climate risk and financed emissions through the large-scale rollout of climate-smart agriculture solutions.

Our CSA solutions include infrastructure, practices and equipment that support regenerative and conservation agriculture, water and energy efficiency technologies, soil management practices and interventions that reduce emissions while improving farm resilience and profitability. CSA eligibility is included in our updated SFFPF.

Agriculture comprises the largest sector of the BCB credit portfolio exposed to elevated climate risk. About 80% of SBG's credit exposure to the agriculture sector is in South Africa, with the remainder concentrated in Kenya, Malawi, Namibia, Nigeria, Uganda, Zambia and Zimbabwe. Our clients include farmers and agri-businesses and range from small- scale to large commercial operations, across sub-sectors. Emissions are primarily driven by the livestock and dairy sub-sectors.

We have expanded our sustainability team to further strengthen relevant expertise across the business, incorporate climate data (individual and aggregate) into business and credit systems, and mature climate analytics capabilities to inform the full value chain of client onboarding, servicing and maintenance.

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 CSA practices. Given that the livestock and dairy sub-sectors account for the largest proportion of SBG's agriculture-based financed emissions, our efforts to develop baseline emissions data are currently focused on these sub-sectors. Data challenges require reliance on proxy data.

Targets

- We aim to grow the proportion of clients adopting sustainable practices in the BCB portfolio from **10% in 2025 to 30% in 2030** and **60% in 2040**.
- We committed to mobilising **R7 billion** by 2030 for CSA solutions. We disbursed **R3.45 billion** in 2025, bringing our cumulative total since 2022 to **R7.3 billion**.
- We continue to develop opportunities to incentivise our clients to practice sustainable practices using carbon credit finance solutions.

We will not finance

- Deforestation of natural forests and indigenous trees (excluding bush clearing 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.

2 Climate smart agriculture refers to a set of sustainable practices that enhance agricultural productivity and incomes, build resilience to climate change and reduce GHG emissions through increased carbon sequestration.

Commercial real estate

Context

The real estate sector is a high emitter globally. Buildings account for around 37% to 40% of global energy-related CO_2 emissions when considering both operational and embodied emissions[1]. Operational emissions (energy use for heating, cooling, lighting) dominate. These are largely Scope 2 emissions for tenants and owners, arising from purchased electricity and heat. A significant source of Scope 3 emissions in the real estate sector arises from embodied carbon in construction materials such as concrete, steel, and glass. These emissions remain challenging to measure and quantify accurately.

SBG's lending exposure is predominantly in South Africa, where reliance on coal-fired power significantly contributes to emissions for buildings.

TRANSITION RISKS	**Medium-term, limited impact** Increasing regulation may raise compliance costs for clients. We are working to establish a framework that integrates climate risk into financing and investment decisions.
PHYSICAL RISKS	**Short to medium-term, limited impact** Risk in the form of extreme weather events may drive a decline in asset value in particular locations. There may be associated challenges insuring buildings in areas at high risk of physical climate impacts.

1 **https://www.unepfi.org/themes/climate-change/40-of-emissions-come-from-real-estate-heres-how-the-sector-can-decarbonize/**.

Sector strategy

We work closely with our commercial real estate clients to provide solutions to decarbonise their property portfolios. We aim to substantially increase our provision of sustainable financing for the sector. We are collaborating with industry partners to create solutions that encourage green development, retrofitting, adaptation, and risk mitigation. 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 are seeing an upward trend in the adoption of green energy solutions across the sector, as the long-term cost savings associated with renewable energy and the importance of a stable supply are increasingly recognised.

We continue to engage with our clients in the sector to develop mechanisms to improve the quality of our client emissions data, and to understand their plans to tackle physical risk and their financing needs to achieve this.

We have conducted climate risk assessments on our commercial real estate portfolio to determine physical risk exposure to acute events, such as floods, fires and extreme heat, and chronic conditions such as rising sea levels and temperatures. We are taking steps to understand the risks associated with our lending exposure and to develop strategies to support our clients to better manage their risk.

Targets

- We aim to mobilise **R30 billion** in sustainable finance solutions for the sector (2022 to 2026). Focus areas include supporting energy-efficient upgrades and retrofits of existing buildings, aligned with Green Building standards, supporting our clients to decarbonise their property portfolios and strengthen their resilience to physical climate risk.

Residential real estate

Context

Home loans makes up the group's largest sector-level credit exposure, representing about 30% of the group's total lending portfolio, which is predominantly in South Africa, where reliance on coal-fired power significantly contributes to emissions for buildings.

Major sources of Scope 3 emissions in this sector include the embedded emissions in construction materials, such as concrete, steel, and glass, which are difficult to quantify. Climate-related opportunities are driven by 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.

TRANSITION RISKS	**Medium-term, limited impact** Regulatory changes, carbon taxes, and shifts in consumer preferences may impact the desirability and value of high-emission residential properties, which may impact demand for non-green homes. These risks are difficult to quantify owing to limited data on energy efficiency and consumer preferences.
PHYSICAL RISKS	**Short to medium-term, medium impact** Increasing frequency and severity of floods, fires, storms pose a growing risk to the value of homes financed by the bank. This may lead to higher default rates, increased insurance costs, and reduced collateral value. We have undertaken physical risk modelling on our home services portfolio and validated this using third-party tools.

In South Africa, the International Finance Corporation (IFC) has provided a USD250 million loan to Standard Bank to finance real estate developers and homebuyers of green certified properties. The partnership prioritises affordable housing and women homebuyers. All financed properties must meet international energy and water efficiency standards such as IFC's EDGE[1] certification (or equivalent) and use sustainable construction materials. To help offset greening and certification costs, the initiative is supported by a performance based contribution from the Market Accelerator for Green Construction (MAGIC), a joint programme between IFC and the UK's Department for Energy Security and Net Zero.

Sector strategy

We 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. We disbursed R2.4 billion across various products for green aligned[1] financing in 2024 and grew this to R4.7 billion in 2025.

We have increased our engagement with clients on renewable energy solutions and green buildings. This helps to inform the evolution of our product offering. We aim to expand the provision of solutions to support customer mitigation strategies, including:

- Finance for renewable products for residential customers including rooftop solar installations, with an initial focus on Ghana, Kenya, South Africa, Zambia and Zimbabwe
- Finance for home efficiency solutions inclusive of energy production, reduction and storage across solar, heat pumps and geyser conversions
- Prequalified finance for solar home systems, initially focused on South Africa
- Incentives for customers to make climate friendly improvements to homes/ purchase green-aligned homes
- We are exploring Energy and Carbon Performance Certificates as an alternative to EDGE certification for existing homes. We have partnered with the South African National Energy Development Institute (SANEDI) to launch South Africa's first Energy and Carbon Performance certification programme for existing South African homes
- 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.

We continue to assess the resilience of our strategy under different climate scenarios aligned with the Network for Greening the Financial System (NGFS). Scenario analysis is conducted using pathways to test strategic resilience. Structured and integrated stress testing approach includes country level climate risk stress tests (CRST). We have implemented training for our in-country teams on the use of climate tools. We are refining climate-adjusted risk metrics, including for capital estimation purposes.

We apply loan to value ratios and scorecard cut-offs to maintain prudent credit risk exposure and are expanding our transition risk assessment to incorporate property level energy performance, regulatory exposure and potential retrofit requirements. As part of our engagement with the Banking Association of South Africa, we are monitoring potential changes to the National Building Regulations to enable timely strategic adjustments if required.

We will not finance

- 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.

1 EDGE (Excellence in Design for Greater Efficiencies) is a green building certification system focused on making buildings more resource efficient.

2 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.

Insurance

Context

The insurance sector is exposed to physical risks through underwriting and investment activities.

TRANSITION RISKS	**Long-term, limited impact** Risks potentially include declining values of carbon intensive investments, increasing difficulty and cost of underwriting high emitting sectors, rising reinsurance constraints and stricter regulatory requirements.
PHYSICAL RISKS	**Short to medium-term, medium impact** More frequent and intense weather events and other physical climate risks could increase claims volatility for our short-term insurance business, particularly homeowners. This could affect our claims ratios and reinsurance costs, but the risk is mitigated through the ability to reprice.

Sector strategy

SBG's **short-term insurance** business provides home and vehicle insurance and is the leading homeowners' insurance provider in South Africa. We have no exposure to carbon-intensive activities, which fall outside underwriter risk appetite.

We have expanded property insurance to cover renewable energy installations for homes and businesses. We are pursuing opportunities for insurance solutions to support the transition of our existing residential real estate portfolio towards the use of renewable energy, 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.

Our underwriting models use climate data and geocoding to improve risk selection and pricing for climate and weather-related perils. We are developing internal dashboards to integrate scenario outputs into pricing and underwriting. Strategic planning includes assessment of exposure to climate-related perils. Our financial planning incorporates climate risk through pricing adjustments and reinsurance strategy. No capital reallocation has occurred to date.

We are also enhancing risk selection through a next generation, location aware pricing engine with peril-specific models and strengthened validation governance, while actively monitoring affordability and potential insurability pressures in higher risk areas. We are expanding stress and reverse stress testing to reflect multi catastrophe event scenarios, shifts in reinsurer terms and deductibles, earthquake and contract wording risks, and concentration/urbanisation effects, with consideration of alternative risk transfer mechanisms where appropriate.

We do not anticipate a material impact on strategy or products, and do not plan any dedicated capital expenditure. Our focus is on improving risk assessment for existing offerings. Product evolution may include parametric insurance, subject to regulatory frameworks and licensing, and climate-linked coverage. Climate-related risks are managed within existing operational budgets.

Our **long-term insurance business** provides life, disability and health insurance. We participate in the Actuarial Society of South Africa's Climate Change Committee and the climate change impacts on mortality and morbidity working party and continue to monitor developments in the sector. We also monitor activities that could impact facilitated emissions in relation to the insurance sector.

Investment and asset management

Context

TRANSITION RISKS	**Long-term, limited impact** Asset values could be written down due to carbon pricing policies and shifts in market preferences. We manage this risk by actively assessing transition exposure across our investment and credit portfolios where IAM is the asset owner while embedding transition risk considerations into stress testing, investment mandates, and client engagement processes.
PHYSICAL RISKS	**Short to medium-term, low impact** Increased frequency and severity of extreme weather events may impact asset values and operational resilience.

Sector strategy

SBG's assets under management comprise assets where we are the asset owner, and assets where we are the asset manager or agent. Our climate strategy centres on client engagement and supporting decarbonisation strategies for borrowers, especially in carbon-intensive sectors.

Investment in the power sector is assessed in the context of South Africa's Just Energy Transition Strategy. New investments in power-related projects other than green energy are assessed in conjunction with government policies on climate adaptation and mitigation measures and nationally determined contributions (NDCs).

We are pursuing opportunities in renewable energy financing, sustainable infrastructure and green product innovation (e.g. Khanyisa Energy Transition Fund) , and opportunities to expand sustainable finance, responsible investing, new products and services tailored to climate adaptation and mitigation.

Asset owner

Where SBG is the **asset owner** (LibFin Credit Portfolio, R50 billion of assets), we limit new funding to high-risk sectors on an absolute basis. We dictate the investment mandate including decisions on investing or extending credit based on set emissions criteria. We actively pursue sustainable finance deals to support the decarbonisation strategies of our borrowers, particularly in carbon intensive sectors.

We will not fund

- Thermal coal power
- Thermal coal mining where it comprises most of the revenue mix and included as any part of the value chain
- O&G unless the client/project has a clear energy transition pathway to cleaner fuels or credible sustainability plan
- The cement sector, except in cases of ring-fenced finance to green or decarbonisation projects linked to cement sector companies e.g. captive power generation where power source is renewable, or green hydrogen projects

We require our investee companies to report key climate metrics. We identify investees' exposure to climate risk through third-party data and engagement with management and board committees. We require IAM's approved asset managers to have quantitative carbon targets or pathways by the end of 2026, and portfolios to report financed/facilitated emissions.

Climate-related capital allocation is not yet fully embedded in the annual budgeting process, but there is increasing integration of climate risk considerations in investment mandates, credit decisions, and product development. Scenario analysis is being developed to inform financial planning, with plans to use NGFS pathways and other science-based scenarios to test resilience and inform capital allocation.

Asset manager

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. These businesses include STANLIB as asset manager as well as Liberty Investments. STANLIB and Melville Douglas ESG Committees ensure investment processes and decisions are consistent with ESG policies and track engagements and proxy voting. ESG factors, including climate risk, are considered material investment considerations.

Our approach to responsible investing is active engagement. We undertake engagements to source emissions data and understand transition plans. STANLIB supports South Africa's just energy transition by allocating capital to climate-resilient and low-carbon infrastructure, including renewable energy and clean technology projects through vehicles such as the Infrastructure Fund of Funds and Khanyisa Energy Transition Fund. We have seeded the Khanyisa Energy Transition Fund with R5 billion in renewable energy assets.

STANLIB adopted the Climate Change Standard in 2024 (Stanlib **Responsible Investing Policy** Appendix G) which formalises the approach to integrating and managing climate risk across asset classes. The policy draws on global best practice, including the UN Principles for Responsible Investment (PRI) and Code for Responsible Investing in South Africa (CRISA), and affirms a commitment to continuous improvement.

Melville Douglas, acting within its fiduciary duty, considers all long-term investment drivers, including ESG factors in our clients' best interests. Melville Douglas invests based on investment mandates, but recognises our role as a responsible investor, and has embraced active engagement to assist to improve ESG performance of investee companies. When risk tolerance is exceeded as a result of ESG factors, divestment of positions in portfolios is considered.

Liberty balance sheet (through approved list of managers)	**Liberty solutions**
All managers must have a climate policy in place and must report emissions and set carbon targets by end of 2026.	We have undertaken engagements with all managers. 70% have policies or embedded strategies in place. 33% measure at investee level. Most take an engagement approach.

Transport

Context

The transportation sector's sub-sectors include land transport, transport via pipelines, water transport and air transport. In 2022, road vehicles accounted for 74% of global transportation CO_2 emissions, followed by shipping at 11%, and aviation at 10%. Rail and pipeline transport accounted for 1% and 4% respectively[1]. 95% of energy used in this sector is sourced from oil[2]. Demand for passenger and freight transport is expected to grow rapidly to 2050.

The IEA's Net Zero 2050 scenario requires a 20% emissions reduction for the sector by 2030, even as demand rises, to align to a net zero pathway. This requires rapid electrification of road vehicles, improved fuel efficiency of vehicles, scaling-up of low-carbon fuels and policies to encourage the shift to less carbon-intensive transport alternatives.

We are working with our clients in the sector to explore opportunities to reduce emissions and invest in sustainable and green technologies, including electric vehicles and related infrastructure, electrifying public transport and last-mile delivery, and alternative fuels and energy-efficient infrastructure to create supply chain resilience.

TRANSITION RISKS	**Medium-term, limited impact** Risks created by high reliance on non-renewable product sources, growing demand for cleaner alternatives and higher taxes on older technologies. Risk of increased compliance costs and operational challenges as government regulations evolve.
PHYSICAL RISKS	**Short to medium-term, medium impact** 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.

1 IEA, 2023
2 European Environment Agency, 2022, **https://www.unepfi.org/wordpress/wp-content/uploads/2024/05/Climate-Risks-in-the-Transportation-Sector-1.pdf**

Industrials

Context

The industrials sector accounts for 25% of global carbon emissions. The cement and steel sub-sectors account for approximately 54% of direct GHG emissions, which are largely driven by production activities[3]. These sub-sectors provide critical components of the infrastructure needed to drive Africa's growth and support 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 developing.
- The manufacture of steel has a high carbon intensity due to the use of coal in iron-ore smelting operations.

High levels of demand for cement and steel products, difficulties in changing their production process and the high cost of currently available alternatives make these hard-to-abate sectors. We continue to engage with our clients in these sectors to develop bankable solutions to support decarbonisation.

TRANSITION RISKS	**Long-term, limited impact** ▪ High transition risk given the dependence of manufacturing processes on fuel combustion to generate heat, which generates significant emissions ▪ 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
PHYSICAL RISKS	**Short to medium-term, medium impact** Increased frequency and intensity of storms 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.

3 **https://www.unepfi.org/themes/climate-change/climate-risks-in-the-industrials-sector**

Integration in performance management

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 employee, 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, aligned with commitments and targets defined in the SBG climate policy, are included in management scorecards and inform variable remuneration. These are tracked through dashboards, regular reporting, and performance management systems.

KPIs include:

- Mobilisation of sustainable finance
- Emissions reduction and limits on exposures to high-emissions sectors
- Reduction of SBG's operational emissions.

Stakeholder engagement

Client engagement

Client engagement is central to executing our strategy. We engage with clients across all segments and sectors on an ongoing basis. Engagement is driven by two primary objectives:

- To gain a deep understanding of our clients' sustainability goals, climate risks and key focus areas, to inform the development of financing solutions to support their sustainability ambitions and strengthen climate resilience. 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.
- To engage clients in carbon intensive sectors on their transition strategies, identify opportunities to support decarbonisation, and ensure lending and investment is fully aligned with the objectives, criteria and restrictions set out in the group's climate policy.

Our client-facing teams consistently record and monitor client meetings. These meetings may include discussions related to climate and sustainability topics as part of the broader agenda, but we have not yet implemented a formal process to track climate-specific client engagements. We aim to introduce more deliberate tracking methods for client engagements to enable us to quantify our outreach and identify where further engagement is needed.

In **CIB**, our sustainability champion model in Client Coverage supports improved sector-specific engagement and data sourcing.

We have held a series of engagements with clients in the energy and infrastructure sectors to develop a better understanding of their transition risks and plans, and to source emissions data. The completeness and accuracy of emissions data provided by clients remains uneven. To maintain consistency, we use an external Emission Benchmarking Tool as a standard reference point. Most upstream clients now publish some form of transition plan, although quality varies. Our engagements have helped us better understand client perspectives. In 2025, all upstream O&G clients provided emissions reduction strategies in advance of financing.

Our commercial real estate team is piloting a data collection initiative with listed clients to improve emissions tracking and PCAF data quality scores. Our objective is to create systems to collect actual electricity meter readings from our listed clients, and to use these readings for PCAF emission calculations. This approach will be tested with selected clients in 2026. These clients are already required to report on their own emissions and are likely to be collecting the relevant data. Client engagement during the review stage will help assess the extent of clients with documented transition plans.

BCB actively engages with clients on climate-related issues. Client-level emissions data is not yet systematically sourced.

Our SBG Sustainability Academy aims to help business clients build effective sustainability strategies, identify material sustainability risks and opportunities, and develop appropriate mitigation and adaptation strategies. Learning modules include sustainability and ESG, carbon markets, climate smart agriculture, renewable energy, and water and wastewater management. Our aim for the Academy is to reach 100 000 businesses by 2028. Over 4 100 businesses have registered on the academy portal since its launch in August 2025.

PPB actively engages customers and the general public and provides thought leadership content to educate individuals on the importance of or energy efficiency and reducing energy consumption.

IAM's climate engagements are conducted in accordance with its ESG Engagement Policy. During 2025, STANLIB held six climate-focused engagements. Our resources and financial sector investee companies are generally better prepared for climate change and many have transition plans. Within industrials, the focus tends to be on own emissions reduction, often without formal transition plans. Most investee companies report their Scope 1 and Scope 2 emissions. Scope 3 emissions remain more difficult to source, mainly due to complexity and limited usability at present.

STANLIB discloses emissions metrics across combined equity holdings in its **Stewardship Report**. Emissions are concentrated in a small number of issuers, underscoring the importance of targeted engagement.

Engaging 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. We continue to engage with Ministries of Energy and Finance in various countries regarding national energy transition programmes driven by government departments and multilateral institutions. Examples of engagements with regulators in 2025 included:

- Discussions with South Africa's Department of Forestry, Fisheries and the Environment (DFFE) on the just energy transition, climate loss and damage, and South Africa's priorities in relation to the SDGs and National Determined Contributions, including policy in relation to renewable energy, climate smart agriculture and electric vehicles and opportunities for business-government collaboration to drive climate commitments
- Ongoing engagements with South Africa's Financial Sector Conduct Authority (FSCA) and Prudential Authority (PA) on climate and sustainability policy development
- In Uganda we continue to lead sector-wide engagements with the Bank of Uganda in the implementation of the national banking sector ESG framework, toward enhancing risk management, improving transparency, and promoting long-term stability in the financial system.

Industry engagement

We participate in a variety of external forums and industry bodies. We seek to influence global standard-setting initiatives to ensure that the realities confronting banks in Africa are taken into consideration.

Organisation	Focus areas
UN Environment Programme Finance Initiative (UNEP FI) (SBG is co-chair of the Banking Board, a founding signatory of the PRB and active participant in working groups)	SBG is a member of the UNEP FI Banking Board, which is the governance body for the Principles for Responsible Banking and UNEP FI Banking Membership. The board's focus is on supporting member banks to embed sustainability into their core strategies, measure impact, set ambitious targets and report transparently, to create a positive, sustainable future. PRB priorities include climate, nature, human rights and healthy and inclusive economies.
Institute for International Finance (IIF) (SBG is a board member and active participant in working groups)	The IIF advocates to make climate-risk management more practical and proportionate, including through engaging on issues such as global supervisory proposals on integrating climate into existing risk frameworks, targeted amendments to global climate disclosure standards to ease Scope 3 complexity, and the EU's Pillar 3 ESG review to promote simplification, materiality and interoperability. As part of these engagements, SBG supported the IIF's positions on phased implementation for emerging and African markets, opposition to additional prudential climate-specific disclosures, and the promotion of clearer, decision-useful metrics and data practices to strengthen transition and physical risk management while helping direct capital toward real economy opportunities.
International Finance Corporation (IFC)	We engaged with the IFC and other financial institution representatives from across Africa on the IFC's Sustainable Buildings Finance Reference Guide. We are also part of the IFC's MAGC programme, which is supporting SBSA to expand and accelerate its on-lending to eligible borrowers.
Climate Action 100+	This global investor initiative aims to influence large corporate emitters and drive climate action. 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 joined in 2024. STANLIB's annual **Stewardship Report** provides details of STANLIB activities and initiatives in this area. Engagements include discussions with Eskom on its GHG emission reduction strategy.

We engaged on climate related matters through banking associations in various countries. We also engaged with renewable energy associations on issues of market development and finance mobilisation to support the expansion of renewable energy adoption.

- In **South Africa**, we are members of the **Green Building Council of South Africa** (GBCSA) and participate in their annual conference. Our IAM head of sustainability is a non-executive board member. We are engaging with GBCSA to explore how their products and solutions could support our commercial real estate clients in their climate transition.
- We have partnered with the South African Energy Development Institute (SANEDI) to pilot South Africa's first Energy and Carbon Performance certification programme.
- We continue to work with **Agri-SA** to explore collaboration on development of a sustainability dashboard for agriculture. This will inform how we embed sustainability metrics into credit processes to support climate smart agriculture, monitoring and building of data infrastructure. We are also working with **AgBiz** on collaboration with key government departments to develop a sectoral emission target for agriculture, which will inform our target setting for financed emissions in the sector.
- We continue to engage with local authorities in South Africa relating to the availability of energy and water resources, through industry bodies such as the South African Property Owners Association (SAPOA). STANLIB is part of South Africa's **municipal water working group**, a group of fixed income investors seeking to improve municipal water infrastructure governance, to enable investment-grade municipal debt instruments focused on water infrastructure.
- In **Nigeria**, we are partnering with the **Rural Electrification Agency (REA)** on the World Bank Distributed Access through Renewable Energy Scale-up Project (DARES) programme, which aims to drive the expansion of renewable energy, particularly solar.
- We are working with the **Development Bank of Ghana** to explore opportunities to finance carbon market opportunities.

Skills development

We have implemented a range of training programmes at executive and senior leadership level to strengthen the management of climate-related risk and opportunity.

We launched an ESG and Sustainability Learning Framework in 2022, to equip our employees with the knowledge and skills needed to embed sustainability principles and ESG risk management, including client-focused sustainability solutions and climate risk management, in our business practices. The programme:

- Builds awareness and understanding of SBG's sustainable development framework and objectives across the group
- Strengthens the capacity of client-facing 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.

The Learning Framework offers learning across four areas of focus: introductory, intermediary, advanced, and specialist.

Training type and target audience	Objective
Introductory ▪ Accessible to all employees ▪ Self-paced online learning hosted on the Learning Experience Platform	▪ Enhance awareness and understanding of sustainability and ESG risk management. Modules include climate risk, nature risk and sustainable finance
Intermediate ▪ Bespoke training for client-facing teams in different areas of the group	▪ Upskill employees on topics such as sustainable finance instruments, renewable energy solutions, climate smart agriculture, carbon markets to ensure effective engagement with clients
▪ Specialised training on PCAF methodology for individuals in sector teams	▪ Build the group's capability to assess and calculate financed emissions
▪ Scenario analysis and climate risk stress testing for country teams	▪ Build capacity to undertake climate risk stress testing and scenario analysis, and develop climate-adjusted risk metrics
▪ Insurance risk	▪ Training for underwriting and risk teams on climate risk and enhancing data collection on claims
Advanced ▪ ESG and sustainability advanced development programme, delivered in partnership with the University of Pretoria's GIBS and Cambridge Institute for Sustainable Leadership	▪ Targets senior employees in specific roles to develop their capacity to partner with clients, partners and other stakeholders to drive sustainable growth and develop solutions to address sustainability risks. Six month, interactive programme with several cohorts per year since launching in 2023.

3

RISK MANAGEMENT

Climate risk management | Scenario analysis and stress testing | Nature-related risks, dependencies and impacts

Climate 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 stand-alone risk type in the group risk taxonomy. It is managed 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 potential 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.

Business is responsible for identifying, assessing, managing and mitigating risk at sector and portfolio level. Our climate risk team in group risk is responsible for providing guidance and coordinating information across the group, aggregating and reporting on risk measurement results, including scenario analysis and stress testing. The group climate risk governance framework defines roles and responsibilities for the three lines of defence.

Our **climate risk management programme** focuses on four areas:

1. Governance, integration and embedding the operating model for effective aggregation and reporting of climate risks and strengthening integration of climate risk into existing risk decision-making frameworks
2. Scenario analysis and stress testing, including acquisition of models and tools, developing internal capability, incorporating qualitative climate risk drivers into portfolio-level risk appetite and developing a framework for future quantitative climate risk appetite statements
3. Data architecture for climate data sourcing, storing, refining and curating, including group-wide methodology for emissions measurement, appetite setting and scenario analysis
4. Climate risk metrics and reporting to support effective board oversight. Internal templates and processes include consideration of the IFRS S2 requirements and the evolution of related regulatory frameworks in our countries of operation.

<table>
<tr><td>GROUP OVERSIGHT</td><td colspan="4">The group climate risk steering committee coordinates implementation of climate risk management framework and related programmes of work across all BUs. Mandate includes development of operating models, defining metrics and disclosures, monitoring scenario analysis and stress testing activities and overseeing data architecture and financed emissions measurement. Advises senior risk governance bodies on climate-related matters and monitors alignment with the group's climate targets and regulatory requirements.</td></tr>
<tr><th>Business unit</th><th>CIB</th><th>BCB</th><th>PPB</th><th>IAM</th></tr>
<tr><td>OVERSIGHT</td><td colspan="4">BU sustainability forums meet monthly and report to BU strategy committees</td></tr>
<tr><td rowspan="4">INTEGRATION IN ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK</td><td colspan="2">Climate risk integrated in transaction assessments via the E&S screening tool. Enhanced due diligence for high-risk cases.</td><td colspan="2">Refining models for more enhanced physical risk measurement and exploring geospatial tools.</td></tr>
<tr><td rowspan="2">Credit decisions consider sectoral transition pathways, emissions criteria, climate risk exposure, criteria as per climate policy</td><td rowspan="2">Integration of climate indicators into credit decision-making is underway. Access to systematic client-level emissions data remains a challenge</td><td colspan="2">PPB and Insurance credit risk teams work together to assess the impacts of climate risk on the portfolio.</td></tr>
<tr><td>Integration of climate risk assessments into credit processes and property valuations is underway</td><td>Credit and investment decisions consider sectoral transition pathways, emissions criteria, climate risk exposure.</td></tr>
<tr><td colspan="4">BUs are responsible for determining KPIs and targets and integrating climate considerations into operational plans.
When material climate risks are identified in relation to clients or potential transactions, these are escalated to BU risk committees and the group climate risk steering committee.</td></tr>
<tr><td>INTERNAL REPORTING</td><td colspan="4">ESG and climate dashboard tracks sustainable finance mobilisation and financed emissions.</td></tr>
<tr><td>EXTERNAL REPORTING</td><td colspan="4">Financed emissions methodology and calculations, and sustainable finance mobilisation, are externally assured.</td></tr>
</table>

Integration of climate risk in enterprise risk management

SBG's risk governance structures support regular reporting, escalation of material issues, and coordination across functions. Our three lines of defence model sets out the responsibilities of individuals and teams to ensure that all risks are adequately considered and managed.

First line

Business units

BUs are responsible for:

- Assessing and managing climate risk relating to BU and sector level activities and ensuring activities align with SBG's climate policy and commitments
- Integrating climate-related risk into risk management policies, processes, and controls at BU and sector 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
- Developing sector and BU level climate commitments and targets and ensuring alignment with the group's climate commitments and regulatory requirements
- 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.

Legal entities/ countries

- Executives, sustainability heads and sector teams at country level engage with BU leadership and sector heads at group level to ensure effective implementation of the climate policy across the group and determine country-level metrics and targets to support achievement of group commitments.
- Country sustainability teams and risk functions engage regularly with group sustainability and group E&S risk teams to ensure effective assessment, management and reporting of climate-related risks and opportunities.

Second line

Risk management functions

Identify, measure, monitor and report risk on an enterprise-wide basis, independently from the first line.

- The group chief risk officer ensures climate risk is integrated into the enterprise-wide risk management framework.
- Chief risk officers in each BU ensure effective implementation of climate risk management framework within BUs.
- E&S risk teams ensure lending activities align with SBG E&S risk policies and international standards, and work with business and credit teams to assess and monitor climate risks.
- Country risk assesses and manages climate change in relation to sovereign risk.
- Group sustainability shapes the group's approach to climate-related risk management and KPIs, with oversight from GSESC; collates and reports progress on climate targets and climate risk management on a quarterly basis to GLC and relevant executive and board committees, and coordinates updates to the group climate policy, commitments and targets.
- Group legal and legal teams within BUs track trends in climate litigation and support business to manage legal risk in sustainable finance transactions.
- Group real estate delivers against the group's targets to achieve net zero for operational emissions by 2030 for new buildings and 2040 for existing building and reports progress to executive management.

Third line

Internal audit

Group internal audit (GIA) 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, GIA provided assurance over the group's strategic execution and reporting of environmental risk management, assessing the application of group policies, information and data management for internal decision-making, and controls to manage the integrity of public environmental disclosures. It also 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, GIA provided assurance over controls to identify, measure and manage a) climate risk impact on CIB's credit and equity exposures, and b) CIB's impact on environmental and social sustainability. Lessons learnt from this audit will be applied by the other BUs.

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

We manage ESG risk through our environmental and social management system (ESMS), which forms part of our enterprise-wide risk management framework. 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, as governed by our E&S governance standard and E&S risk policy, and embedded across key stages such as origination, client onboarding, credit and transaction approvals and periodic review
- 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.

IAM identifies climate risks through top-down (group risk taxonomy, emerging risk reviews) and bottom-up BU risk assessments. Risks are prioritised using sectoral heatmaps, materiality thresholds and alignment with group risk taxonomy. We assess investees' MSCI energy transition scores.

Dimension	Identification, assessment and management
Portfolio-level	**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 included further quantification of appetite for climate risk at portfolio level.
Client and transaction level	**Transaction screening** ▪ The E&S risk policy governs the screening of all clients and transactions for climate risk, particularly insofar as it presents as potential credit risk. The policy is also applicable to BCB commercial and premium clients, and business clients above a certain threshold. ▪ 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 EDD 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.

Scenario analysis and stress testing

SBG continues to advance our ability to assess climate-related financial risks using scenario analysis and stress testing. Scenario analysis supports our understanding of how transition and physical climate risk drivers could influence credit risk impacts at client, sector, regional and portfolio exposure level under varying economic, policy and hazard pathways in varied climate futures.

Climate scenario analysis is an evolving discipline. It helps the group explore how different combinations of climate risk drivers could influence portfolio vulnerability over time. It is not a forecast or prediction and associated outputs are subject to data limitations and methodological uncertainty. Results are thus interpreted as directional insights, improving our understanding of risk identification and measurement. Our capability continues to mature as data quality improves and methodological approaches are refined.

Group-wide climate scenario framework

BUs have made use of long term NGFS climate scenarios. Initial testing of the latest short term disorderly and physical risk variants has also been initiated. These scenarios provide structured views of potential climate-related macro-financial changes, including policy timing, technology shifts and changing physical hazard intensity.

To support climate-adjusted credit risk analysis, we apply an approach which combines baseline credit risk parameters with forward-looking climate sensitive adjustments derived from combined physical and transition risk measurements. These adjustments reflect how changes in climate conditions and transition pathways could influence borrower vulnerability, collateral sensitivity and long-term creditworthiness. The insights provide directional understanding of potential impacts on credit loss measures, including probability of default and loss severity.

Data and methodology challenges

Climate scenario analysis relies on datasets that are still developing across the financial sector. Common challenges include the completeness and consistency of location information for collateral and assets (relevant to physical risk), industry classification and counterparty activity mapping, proxy or modelled emissions estimates, and valuation and loan to value inputs. Further, scenario inputs and hazard data vary in granularity across markets. These factors limit precision and support the use of qualitative, directional insights rather than definitive impact estimates. SBG will continue to refine our approach as sector data standards, localisation and modelling practices improve.

Governance and application

Scenario definition, execution and results are reviewed at BU portfolio risk management committees, which oversee scenario selection, material exposures under review and the interpretation of scenario outputs for each portfolio. Regional teams review results to incorporate localised climate risk exposure patterns.

We continue to work on integrating the use of scenario analysis into risk appetite setting processes, including the future development of portfolio-level climate-risk indicators and the incorporation of scenario analysis insights into sector and geographic steering. This work is ongoing and is not yet embedded in formal risk appetite thresholds.

BU application of scenario analysis

CIB

- Focus is on testing for sector-level sensitivities to transition and physical climate risk drivers to better understand forward-looking analysis of sector vulnerabilities
- Work is underway to embed scenario insights into client monitoring and portfolio review processes.

BCB

- Focus is on assessing sectors most sensitive to physical risk, including agriculture
- Work plans are in place to refine methodologies for SME exposures.

PPB

- Focus is on assessing how potential physical climate risks, especially for flood, fire and acute weather risks, could affect credit quality across home loans portfolio
- Emerging approaches are being tested to measure emissions in the vehicle and asset finance portfolio and selected unsecured portfolios, informing estimates of potential transition risk
- Results have highlighted geographic areas with notable physical risk sensitivity. These insights are being evaluated to potentially inform product strategy, collateral monitoring and ongoing portfolio risk review
- Data coverage enhancements for more African specificity is a key objective for PPB.

IAM (short-term insurance)

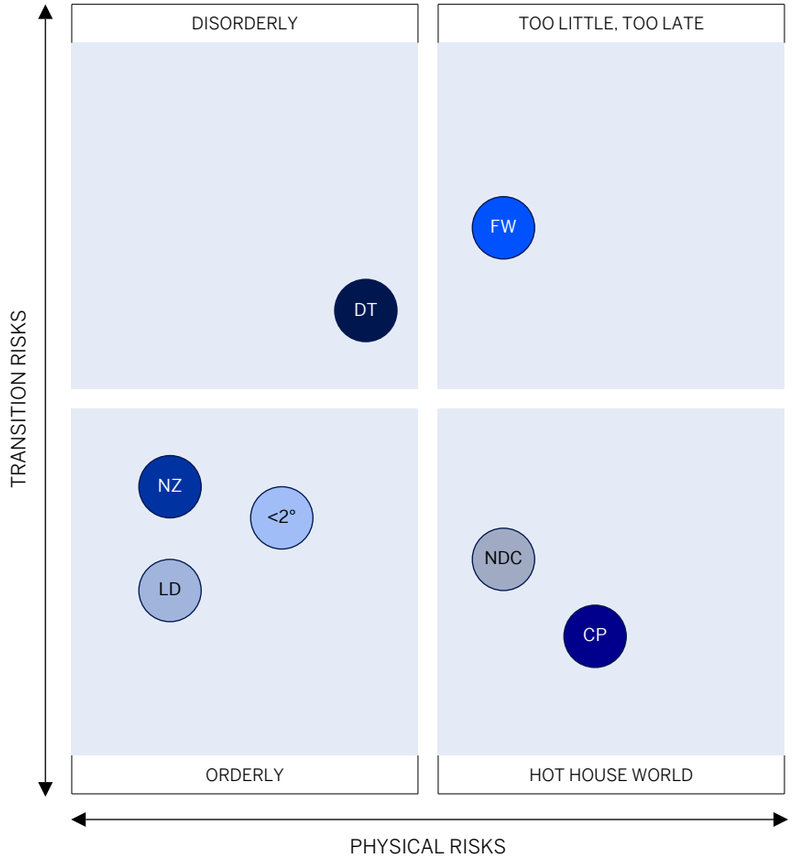
- Focus is on refining assessments of how physical climate hazards could influence underwriting risk, capital resilience and portfolio concentration, with a focus on high-priority perils, including flood, drought and fire
- The work supports actuarial review, capital management and portfolio steering
- Developing internal dashboards to integrate scenario outputs more consistently into pricing and underwriting processes.

Country analysis

We completed a climate risk stress test on the South African lending portfolio in 2024 as part of the SARB climate risk stress test exercise. We used the learning from that work to perform internal quantitative climate risk stress tests, using the NGFS scenarios, across various Africa Regions countries in 2025.

The table reflects a high-level, directional view of portfolio sensitivity across BUs, based on themes emerging from our climate scenario analysis and the Africa Regions climate risk stress tests. These insights are not forecasts or predictions and should be interpreted qualitatively, recognising that climate scenario analysis remains an evolving discipline and draws on data and modelling approaches that vary in completeness and granularity across markets, in line with international guidance. These insights are directional and support ongoing sector-level review and client engagement.

LD	**Low Demand** assumes that reduced energy demand mitigates the pressure on the economic system to reach global net zero CO_2 emissions around 2050.	–
NZ	**Net Zero 2050** limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050.	Tested
<2°	**Below 2°C** gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C.	–
DT	**Delayed Transition** assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.	Tested
NDC	**Nationally Determined Contributions (NDCs)** includes all pledged targets even if not yet backed up by implemented effective policies.	–
CP	**Current Policies** assumes that only currently implemented policies are preserved, leading to high physical risks.	Tested
FW	**Fragmented World** assumes a delayed and divergent climate policy response among countries globally, leading to high physical and transition risks.	–



	CURRENT POLICIES	DELAYED TRANSITION	NET ZERO 2050
CIB	Low	Moderate	Low–Moderate
BCB	Moderate	Moderate	Moderate
PPB	Moderate	Low–Moderate	Low–Moderate

Scale: Minimal | Low | Moderate | Notable | Heightened

- **CIB** portfolios may show moderately higher sensitivity under transition-focused pathways, reflecting their exposure to sectors that could be more affected by policy, technology and market shifts across different climate futures.
- **BCB** portfolios tend to show moderately higher sensitivity under both transition and physical risk pathways due to the diversity of underlying sectors and client involvement in activities influenced by transition risk and long-term physical risk.
- **PPB** portfolios, particularly secured retail exposures, show moderately higher sensitivity under pathways with higher residual physical risk, consistent with the broad directional themes seen in scenario analysis for property-backed lending in various markets.

Nature-related risks, dependencies and impacts

Nature and climate-related risks are closely interconnected and mutually reinforcing. Breaching planetary boundaries such as those for biosphere integrity, land-system change and freshwater use undermine the stability of Earth-system processes, which can contribute to climate risks, including increased droughts and floods, and associated impacts on food insecurity, livelihoods and social stability. For SBG, understanding these dependencies and impacts is important for anticipating how ecosystem changes may influence the sustainability of our business, including client resilience and credit risk.

The World Economic Forum's 2026 Global Risks Report[1] identifies extreme weather events and pollution as severe near term risks. Biodiversity loss and ecosystem collapse rank as the second highest global risk over the long term. In Africa, over one third of countries are already facing high or very high levels of water stress. By 2030, demand for water is projected to exceed supply by 40%[2]. About 65% of arable land in sub-Saharan Africa is degraded, and soil erosion, nutrient depletion and unsustainable farming practices further threaten long-term productivity and food security[3]. The continent loses over 3.9 million hectares of forest annually, with losses driven primarily by land conversion for agriculture, mining and infrastructure[4]. Biodiversity is also under threat, impacting pollinators, fish stocks and keystone species, further disrupting ecological balance and reducing resilience.

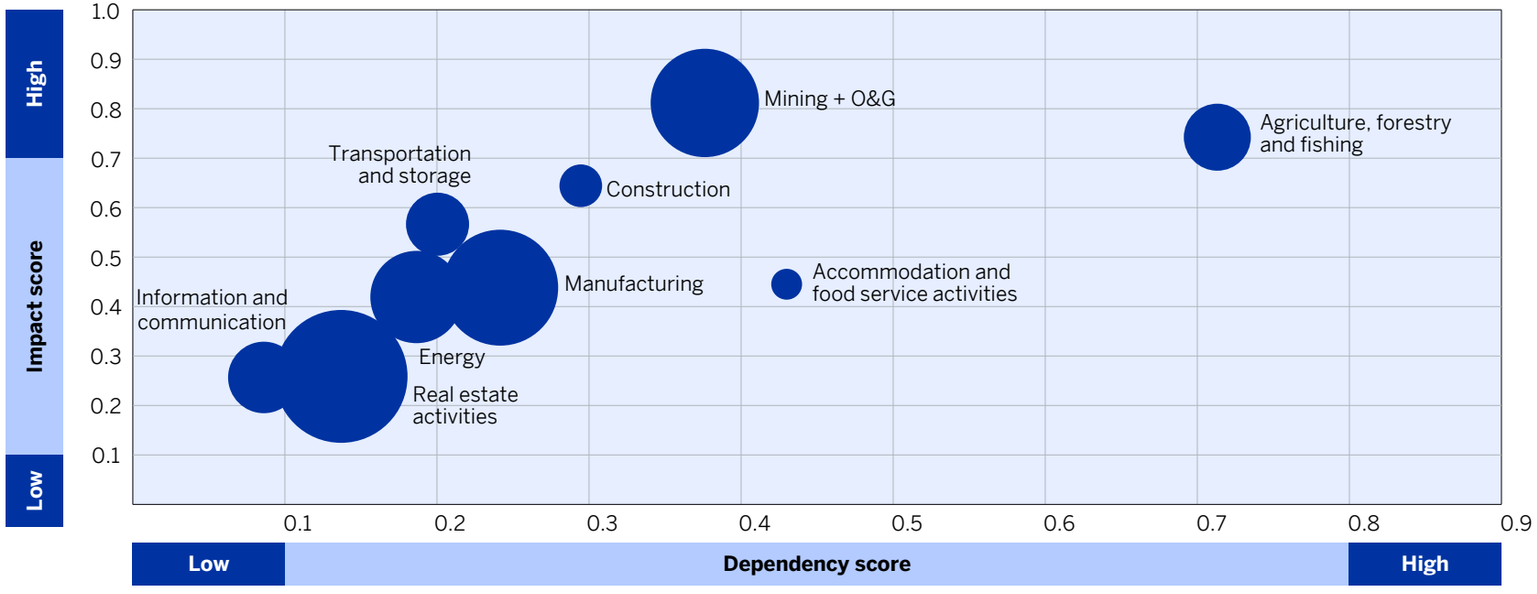
Nature-related risks can also manifest as transition risks. Tighter regulations on land and water use and stronger action to prevent pollution may increase compliance costs and render certain economic activities less viable, for example. At a systemic level, the degradation of critical ecosystem services, including water systems, soil fertility, and climate regulation, could trigger significant economic shocks.

Our approach to understanding these risks is guided by the Taskforce on Nature-related Financial Disclosures (TNFD). The LEAP (Locate, Evaluate, Assess, Prepare) framework provides a structured basis for identifying how ecosystem dependencies and impacts may translate into financial risks and opportunities over time.

Business activities depend on natural systems for water, soil, and climate regulation. These systems are increasingly under pressure. We recognise the importance of managing nature-related risks and impacts within our portfolio and creating positive impact by financing nature-positive transitions.

1 **https://reports.weforum.org/docs/WEF_Global_Risks_Report_2026.pdf**
2 **https://www.wri.org/insights/highest-water-stressed-countries**
3 Centre for Science and Environment. (2025). State of Africa's Environment Report
4 Food and Agriculture Organization (2020). Global Forest Resources Assessment (FRA) 2020
5 The ENCORE tool helps financial institutions to identify nature-related risks they are exposed to through their lending, underwriting and investment in high-risk industries and sub-industries.

In 2025, we undertook an assessment of nature-related dependencies and impacts across our lending portfolio, using the **ENCORE** tool[5]. The assessment covered approximately 60% of drawn exposures across the South African portfolio. The analysis applied ENCORE's sector-level impact and dependency and impact ratings to Standard Bank's internal ISIC classifications. This enabled us to identify sectors where ecosystem service dependencies are most acute and where client activities exert significant negative impacts on nature. The analysis highlighted sectors where our clients' activities have the greatest dependencies on ecosystem services and exert the most significant pressures on nature. The findings establish a baseline. The table and graph below show each sector's average impact score and dependency score. The size of the bubble represents the size of SBG's exposure to the sector. We used this information to determine priority sectors of focus.



Sector	Dependency score	Impact score
Accommodation and food service activities	0.44	0.45
Agriculture, forestry and fishing	0.72	0.75
Construction	0.29	0.65
Energy	0.2	0.4
Information and communication	0.08	0.27
Manufacturing	0.25	0.41
Mining & O+G	0.38	0.81
Real estate activities	0.14	0.26
Transportation and storage	0.2	0.55
Total	**2.7**	**4.55**

Assessment insights

- Agriculture and mining emerged as the sectors with the most material dependencies on ecosystem services and the most material environmental impacts.
- Agriculture, mining, energy, and manufacturing depend heavily on stable water availability and regulation, while also exerting significant pressure on water systems, creating potential credit risk for the group.
- Sectors such as energy, manufacturing and construction also have moderate to high impacts but somewhat lower dependencies. These sectors may still represent material transition risks for the group, particularly where land use, water stress and emissions intersect with policy and market expectations.
- Lower dependency service sectors such as ICT and real estate carry less direct risk exposure. However, given their size and strategic importance, further work will be undertaken to assess their indirect and systemic risk exposures more fully.

Agriculture

- **Impacts:** Significant pressures on nature through land conversion, water abstraction and nutrient runoff
- **Dependencies:** Vulnerable to water stress, soil degradation, pollinator decline and biodiversity loss
- **Risks:** Decline in yields, farm revenues and loan repayment capacity
- **SBG priorities:** Client engagement and climate-smart agricultural practices, including water efficiency, regenerative farming and soil health.

Mining

- **Impacts:** Waste generation, toxic pollution, land disturbance and GHG emissions
- **Dependencies:** Ecosystem services such as water availability, soil and land stability and flood regulation
- **Risks:** Ecosystem decline such as water shortages and land subsidence can increase operational costs and create the risk of stranded or underperforming assets
- **SBG priorities:** Further strengthen E&S due diligence for water and land-intensive operations, deepen our understanding of ecosystem dependencies and investigate opportunities to expand finance solutions for mine rehabilitation, water recycling and innovative practices that reduce environmental pressures.

Energy

- **Impacts:** Significant impacts in terms of emissions, land transformation and water use
- **Dependencies:** Moderate dependencies on ecosystems services such as water availability and land stability
- **Risks:** Transition risks include higher costs associated with stricter water abstraction regulations and emission controls
- **SBG priorities:** Transition finance to support clients to adopt renewable energy solutions and improve their operational efficiency.

Manufacturing and construction

- **Impacts:** Significant impacts include pollution, solid waste generation and land conversion
- **Dependencies:** Moderate dependencies on ecosystem services such as water regulation and soil stability
- **SBG priorities:** Support clients to advance circular economy finance solutions and increase use of sustainable materials.

Looking ahead

Insights from this assessment will help inform ongoing enhancements to internal risk frameworks and support strategic decision-making. Further work will be undertaken toward assessing financial materiality, location-specific risks and portfolio level risks and impacts. This will include work to:

- Enhance internal capabilities to interpret ecosystem-dependency insights and deepen understanding of nature-related considerations within relevant teams
- Enhance our existing internal processes and policies to ensure effective management of nature related risks and impacts
- Undertake client engagement in high dependency sectors, with a focus on water-related risks
- Strengthen support for clients to adopt more sustainable and nature-aligned practices, including in climate-smart and regenerative agriculture and improved water stewardship
- Monitor emerging regulatory and market expectations, including TNFD to progressively improve our understanding of how these risks may impact the group.

4

METRICS

Exposure metrics | Financed emissions

Exposure metrics

SBG BANKING BOOK EXPOSURES TO CLIMATE SENSITIVE SECTORS

as at 31 December 2025 (see notes on page 36)

		BANKING ACTIVITIES							
		2025				2024			
Rm	Notes	**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		**5 927**	**987**	**6 914**	**0.31**	**6 616**	**1 463**	**8 080**	**0.39**
Coal-fired power generation by utilities	1	**518**	**333**	**851**	**0.04**	1 003	–	1 003	0.05
Oil-fired power generation by utilities	2	**1 768**	**32**	**1 800**	**0.08**	1 552	48	1 600	0.07
Gas-fired power generation by utilities	3	**3 641**	**622**	**4 263**	**0.19**	4 061	1 415	5 476	0.26
Coal mining extractors	4	**1 096**	**6 333**	**7 429**	**0.33**	**1 816**	**5 276**	**7 092**	**0.33**
Total oil and natural gas		**87 739**	**53 515**	**141 254**	**6.30**	**77 397**	**38 009**	**115 406**	**5.37**
Oil and natural gas		**75 831**	**46 577**	**122 407**	**5.46**	63 998	34 043	98 041	4.57
Oil and gas (upstream)	5	**29 031**	**9 545**	**38 576**	**1.72**	25 205	5 781	30 986	1.44
Oil and gas (integrated)	6	**5 283**	**5 025**	**10 308**	**0.46**	5 566	2 062	7 628	0.36
Oil and gas (services)	7	**1 080**	**9 268**	**10 348**	**0.46**	493	10 318	10 811	0.50
Oil and gas (downstream)	8	**42 316**	**22 723**	**65 039**	**2.90**	32 734	15 882	48 616	2.26
Oil (midstream)	9	**1 938**	**1 883**	**3 821**	**0.17**	3 409	610	4 019	0.19
Gas (midstream)	10	**8 091**	**5 071**	**13 162**	**0.59**	9 990	3 356	13 346	0.62
Total exposure to high transition risk		**94 762**	**60 835**	**155 597**	**6.94**	**85 829**	**44 748**	**130 577**	**6.08**
SECTORS SENSITIVE TO ELEVATED TRANSITION RISK									
Manufacture of cement	11	**5 202**	**1 067**	**6 269**	**0.28**	4 142	270	4 413	0.21
Manufacture of steel	12	**891**	**437**	**1 328**	**0.06**	815	255	1 070	0.05
Manufacture of transportation vehicles	13	**668**	**3 021**	**3 689**	**0.16**	3 922	1 491	5 413	0.25
Real estate activities	14	**597 949**	**52 709**	**650 658**	**29.03**	587 579	50 973	638 553	29.74
Agriculture	15	**79 957**	**23 502**	**103 459**	**4.62**	74 999	18 873	93 871	4.37
Total exposure to elevated transition risk		**684 667**	**80 736**	**765 403**	**34.15**	**671 458**	**71 862**	**743 320**	**34.62**
OPPORTUNITIES									
Renewable energy activities	16	**59 657**	**12 478**	**72 135**	**3.22**	**46 455**	**4 068**	**50 523**	**2.35**

SBG IAM EXPOSURES TO CLIMATE SENSITIVE SECTORS

INSURANCE & ASSET MANAGEMENT ACTIVITIES

as at 31 December 2025 (see notes on page 36)

Rm	Notes	2025 On balance sheet	2025 Off balance sheet	2025 Total	2025 % of total SBG exposure	2024 On balance sheet	2024 Off balance sheet	2024 Total	2024 % of total SBG exposure
SECTORS SENSITIVE TO HIGH TRANSITION RISK									
Non renewable power generation		**4 017**	**–**	**4 017**	**0.18**	3 450	–	3 450	0.16
Coal-fired power generation by utilities[1]	1	**3 607**	**–**	**3 607**	**0.16**	2 973	–	2 973	0.14
Gas-fired power generation by utilities	3	**410**	**–**	**410**	**0.02**	477	–	477	0.02
Total oil and natural gas		**1 348**	**–**	**1 348**	**0.06**	1 565	–	1 565	0.07
Oil and gas (integrated)	6	**1 109**	**–**	**1 109**	**0.05**	1 235	–	1 235	0.06
Gas (midstream)	10	**239**	**–**	**239**	**0.01**	330	–	330	0.02
Total exposure to high transition risk		**5 365**		**5 365**	**0.24**	5 015	–	5 015	0.23
SECTORS SENSITIVE TO ELEVATED TRANSITION RISK									
Real estate activities	14	**2 901**	**–**	**2 901**	**0.13**	3 266	–	3 266	0.15
Agriculture	15	**1 682**	**53**	**1 735**	**0.08**	2 162	230	2 392	0.11
Manufacture of transportation vehicles		**3 799**	**–**	**3 799**	**0.17**	3 891	–	3 891	0.18
Cement		**40**	**–**	**40**	**0.00**	–	–	–	–
Total exposure to elevated transition risk		**8 422**	**53**	**8 475**	**0.38**	9 319	230	9 549	0.44
OPPORTUNITIES									
Renewable power generation	16	**8 577**	**528**	**9 105**	**0.41**	5 264	690	5 954	0.28

1 Coal-fired power generation by utilities for the year ended 31 December 2024 has been restated to include additional R206 million exposure to South African power utility bonds.

Definitions and notes to the tables

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 2025: R2 241 593 million (2024: R2 147 328 million).

Banking book[1]

Definitions and assumptions

- Sectors with high transition risk and opportunities are those we believe 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 are those we believe face indirect risk through supply chains or market changes but still have opportunities to innovate and adapt.
- 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.
- 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.

1 Banking book, excluding financial institutions.

Notes

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 O&G from underground reservoirs

6. Entities that operate across the entire O&G value chain, including exploration, production, refining, transportation, and retail.

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 LNG infrastructure

11. Entities that manufacture cement, lime, plaster and concrete materials

12. 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

13. Entities involved in the manufacture of vehicles used for transportation. Note that the decline in exposures to this sector is partially a result of original equipment manufacturers (OEMs) tending to raise funding centrally and deploy financing to subsidiaries via liquidity lines or equity.

14. 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:

		2025			2024		
Rm	Note	**On balance sheet**	**Off balance sheet**	**Total**	On balance sheet	Off balance sheet	Total
Residential real estate		**473 722**	**38 100**	**511 822**	470 738	41 561	512 299
Green-aligned mortgages	14.1	**43 748**	**7 811**	**51 559**	10 627	1 805	12 432
Other mortgages		**429 974**	**30 289**	**460 263**	460 111	39 756	499 867

14.1 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.

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

16. Entities, such as independent power producers, utilities, developers, manufacturers and network operators, engaged in producing and delivering energy from renewable sources (solar, wind, hydropower, geothermal, sustainably sourced biomass), including essential components and renewable-dedicated network infrastructure that connects and integrates this generation.

Financed emissions

The group continues to measure and disclose financed emissions for its priority sectors using the Partnership for Carbon Accounting Financials (PCAF) methodology. This enables consistent attribution of GHG emissions to our lending and investment activities, based on recognised industry practice. Sector selection is guided by the materiality of both our exposure and the emissions intensity of the underlying real-economy activities, ensuring that measurement efforts are focused where climate impact is most significant.

In 2024, we measured baseline Scope 1, 2 and 3 emissions for group exposures in the oil and gas sector (across upstream, mid stream and downstream) as well as for exposures to thermal coal mining activities. We also measured and reported Scope 1 and 2 financed emissions for CIB's South African commercial real estate portfolio and PPB's South African residential real estate mortgages portfolio.

In 2025 we expanded our measurement coverage to include Scope 1 and 2 estimates for BCB's South African agriculture sector, as well as certain segments of the BCB commercial asset finance portfolio within the transport sector.

Methodology and scope

We applied PCAF's asset class-specific methodologies across the following categories:

- Business loans, including on balance sheet loans and revolving facilities for general corporate purposes
- Unlisted equity, covering equity exposures to non-listed entities
- Project finance, where financing is linked to a clearly defined project with known use of proceeds
- Commercial real estate, including on-balance sheet for purchase and refinance of commercial real estate
- Mortgages, covering on-balance sheet loans for purchase and refinance of residential properties.

Financed emissions are reported as absolute CO_2e values (Scope 1, 2 and relevant Scope 3) and as economic emissions intensity, measured in tonnes of CO_2e per R1 million of on balance sheet funded exposures. These metrics enable year-on-year comparison of our portfolio's emissions profile and inform our sector-level transition planning work.

Data quality and assurance

We applied PCAF's data-quality scoring framework, as set out in the table below, across all sectors and asset classes measured. Sector level weighted average data quality scores reflect the use of different PCAF measurement options within a single sector, driven by the availability of relevant and reliable data and emissions factors, weighted by exposure.

All financed emissions metrics have undergone:

- Internal audit review of the methodologies, data inputs and assumptions applied
- PCAF technical review of methodology application
- Limited external assurance of the reported metrics and disclosures.

We continue to strengthen our internal data standards and processes, including use of third-party data where appropriate and structured engagement with clients to improve emissions data availability. Certain prior year financed emissions metrics have been restated to reflect methodological refinements and updated emissions factors, ensuring improved accuracy, consistency and comparability across reporting periods.

Disclosure approach

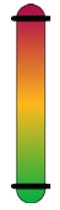
We aim to provide transparent, decision-useful information consistent with PCAF requirements and evolving stakeholder expectations. In limited cases where disclosure of granular details could reasonably affect competitive positioning or strategic initiatives, such information has been withheld and accompanied by an explanatory note.

Restatement of property portfolio estimations

We have applied the South African National Generation Grid Emission Factor (NGGEF) of 0.906 tCO_2e/MWh in Scope 2 calculations. We have also applied both the South African National Energy Development Institute (SANEDI) and South African National Standards (SANS) 10400 for energy consumption factors to provide a more accurate locally representative measure of financed emissions for South African property portfolios. This more accurately reflects electricity supplied through South Africa's national and municipal distribution networks and improves accuracy and comparability of Scope 2 emissions. This methodological change increases previously reported financed emissions values for commercial and residential real estate Scope 1 and 2 financed emissions, requiring a restatement of prior year values to ensure consistency and comparability across reporting periods:

- Residential real estate: 1,648,298 tCO2e to 4 230 192 tCO_2e
- Commercial real estate: 304 132 tCO_2e to 638 164 tCO_2e.

PCAF data quality hierarchy and scoring

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

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

	Note	On balance sheet gross loans and advances			Financed emissions				PCAF Data Quality	
					Scope 1 and 2		Scope 3		Scope 1 & 2	Scope 3
		Total sector portfolio (Rm)	Total of sector portfolio measured (Rm)	Total sector portfolio measured (%)	Absolute financed emissions (tCO_2e)	Economic emissions intensity (tCO_2e/Rm)	Absolute financed emissions (tCO_2e)	Economic emissions intensity (tCO_2e/Rm)	Score	Score
2025										
Group										
Thermal coal mining activities	1	**1 084**	**1 016**	**94**	**146 942[LA]**	**144.6[LA]**	**11 213 185[LA]**	**11 036.6[LA]**	**1.8**	**2.8**
Oil and gas (upstream)	2	**29 031**	**27 864**	**96**	**756 153[LA]**	**27.1[LA]**	**8 845 012[LA]**	**317.4[LA]**	**2.0**	**5.0**
Oil and gas (midstream and downstream)		**53 309**	**50 409**	**95**	**766 546[LA]**	**15.2[LA]**	**33 704 709[LA]**	**668.6[LA]**	**4.2**	**4.2**
Transport	6	**141 330**	**9 516**	**7**	**7 935 803[LA]**	**833.9[LA]**	**–**	**–**	**3.0**	**–**
CIB										
Commercial real estate (South Africa)	3			**70**	**556 268[LA]**	**7.0[LA]**	**–**	**–**	**3.3**	**–**
PPB										
Residential real estate (South Africa)	4	**452 232**	**400 522**	**89**	**4 517 875[LA]**	**11.3[LA]**	**–**	**–**	**4.0**	**–**
BCB										
Agriculture (South Africa)	5	**43 725**	**31 501**	**72**	**1 457 898[LA]**	**46.0[LA]**	**–**	**–**	**4.9**	**–**
2024										
Group										
Thermal coal mining activities[1]	1	1 816	1 754	97	655 105	373.5	11 195 181	6 382.7	1.7	2.6
Oil and gas (upstream)	2	24 675	19 442	79	587 043	30.2	8 402 893	432.2	2.0	5.0
Oil and gas (midstream and downstream)		52 521	37 414	71	1 326 586	35.5	22 470 497	600.6	4.3	4.3
CIB										
Commercial real estate (South Africa)[1]	3			68	638 164	7.8	–	–	3.7	–
PPB										
Residential real estate (South Africa)[1]	4	447 872	363 774	81	4 230 192	11.6	–	–	4.0	–

1 Restated.

Notes

1	**Thermal coal mining activities**	▪ Financed emissions have been calculated for business loans and unlisted equity exposures for thermal coal mining activities only. ▪ Scope 1 and 2 emissions were based on reported company data where available, with production-based methods and recognised emission factors (including UK DEFRA) applied where data was unavailable. ▪ Publicly available Scope 3 emissions were included as disclosed, with no further estimation undertaken. ▪ Prior year coal mining financed emissions have been restated to align outstanding exposure with the reporting year while retaining a one year lag for financial and production data. This update removes the previous full-year lag, aligns with PCAF guidance and incorporates shareholder and third party loans into the attribution factor.
2	**Oil and gas**	▪ Financed emissions were calculated across upstream, midstream and downstream O&G activities using PCAF-aligned methodologies for business loans, project finance, credit facilities and unlisted equity exposures. ▪ Emissions estimates were based primarily on reported company Scope 1, 2 and relevant Scope 3 data where available, supplemented by reputable third-party datasets. Where sub sector-specific reporting was unavailable, particularly in midstream, oilfield services and downstream activities, proxy emissions factors were applied in line with PCAF's data quality hierarchy. ▪ The resulting metrics incorporate Scope 1, Scope 2 and relevant Scope 3 emissions, with data quality scores reflecting variations in the availability and reliability of data across sub sectors.
3	**Commercial real estate**	▪ Financed emissions were assessed for CIB's South African commercial real estate finance business loans portfolio using PCAF-aligned methodologies. ▪ Building energy consumption was based on actual building data where available, with industry benchmarks applied where such data was not available. ▪ Electricity emissions were calculated using the DFFE NGGEF. We have applied the most recent NGGEF available at the reporting date to ensure methodological consistency across reporting periods. Prior-year disclosures have been restated to reflect the shift from PCAF electricity emission factors to the NGGEF.
4	**Residential real estate**	▪ Financed emissions have been calculated for PPB's South African residential mortgage portfolio using PCAF's mortgages asset class methodology and applying SANS 10400 residential energy consumption factors together with South Africa's NGGEF.
5	**Agriculture**	▪ Financed emissions are calculated for the BCB agribusiness portfolio in South Africa, covering primary agricultural activities in horticulture, field crops and livestock. ▪ Baseline results provide an initial estimate to establish a foundational view of the sector's emissions. ▪ The PCAF business loans and unlisted equity methodology has been applied for measurement. Data quality scores of between 4 and 5 reflect the nature and extent of available borrower-level primary data.
6	**Transport**	▪ Financed emissions were calculated for agricultural equipment and for buses and trucks within Commercial Asset Finance, using the PCAF Motor Vehicles methodology. ▪ Agricultural equipment emissions were estimated using engine capacity based fuel consumption modelling and standard diesel emission factors, applied only to motorised assets. ▪ Buses and trucks emissions were derived from OEM or industry fuel consumption factors and estimated annual distance travelled by vehicle class.

5

SBG’S OWN OPERATIONS

Reducing the environmental impact of SBG's own operations | Energy efficiency | Green buildings
Waste management | Water management | Resilience

Reducing the environmental impact of SBG's own operations

Standard Bank takes a holistic, data-driven approach to managing climate risk in relation to our operations. We focus on reducing our direct GHG emissions and municipal water use, and being proactive in future-proofing our operations. We prioritise countries where we have the largest environmental footprint and risk exposure to ensure optimal impact.

We aim to achieve net zero carbon emissions for all newly built facilities by 2030 and for existing facilities by 2040. This commitment guides our decarbonisation strategy across our whole operational footprint, including South Africa and Africa Regions. We align with science-based, sector-specific decarbonisation pathways. We focus on absolute emissions reductions rather than emissions intensity alone.

Reducing emissions

Our emissions reduction strategy prioritises:

- A data-driven approach
- Energy efficiency, including design and retrofitting of spaces with energy efficient technology and optimising building operations to minimise energy consumption
- Space optimisation to ensure efficient use of available real estate
- Investment in renewables and alternative energy solutions, on-site and off-site
- Reducing waste-to-landfill through raising awareness, source separation and recycling initiatives.

Targets

Our absolute emissions reduction target for 2025 was 15 212 tCO_2e for Scope 1 and 2 emissions, comprising 2 083 tCO_2e for Scope 1 and 13 129 tCO_2e for Scope 2. The target takes into account regional operating conditions including grid availability, energy resilience and infrastructure constraints.

We surpassed this annual target. This reflects the cumulative impact of sustained energy efficiency initiatives, changes in operational demand and increased deployment of renewable energy solutions.

As a result of sustained progress, we are approximately four years ahead of our 2040 target. This demonstrates the effectiveness our approach and provides confidence in our ability to meet long-term net zero commitments while maintaining operational resilience.

Building on this momentum, we have set an annual target of **11 270 tCO_2e for 2026** (421 tCO_2e for Scope 1 and 10 849 tCO_2e for Scope 2), supporting continued progress along our net zero trajectory[2].

Where residual emissions remain after operational measures have been implemented, the neutralisation of emissions through credible market-based instruments is considered as a last resort.

In South Africa, for electricity-related emissions we reference the NGGEF published by the Department of Forestry, Fisheries and the Environment. This provides a more accurate representation of emissions associated with electricity offtake from South Africa's grid and improves the reliability of reported Scope 2 emissions.

Composition of SBG's operational and upstream emissions

94%	South African operations	Head office buildings, data centres, retail branches and commercial and retail property assets under the management of Liberty Property Portfolio (LPP)
6%	Operations in Africa Regions[1]	Head office and retail spaces in 18 countries outside South Africa.

1 Africa Regions metrics exclude upstream Scope 3 emissions.

GROUP TARGETS AND EMISSIONS PERFORMANCE

Group emissions	South Africa emissions (tCO_2e)	Africa Regions emissions (tCO_2e)	Group emissions (tCO_2e)	Targeted emissions reduction (tCO_2e)	Group performance – year-on-year reduction %
Scope 1	7 235	3 161	10 396	2 083	25
Scope 2	137 463	12 174	149 637	13 129	19
Total operational emissions	144 698	15 335	160 033	15 212	19

EMISSIONS DISTRIBUTION AND INTENSITY	2024	2025
Scope 1 %	4	**4**
Scope 2 %	59	**58**
Scope 3%	37	**38**
Per employee	6.91	**5**

Includes South Africa and Africa Regions operations.

2 Our 2026 target is slightly lower than our 2025 target, due to our adoption in 2026 of the NGGEF, which reflects changes in the carbon intensity of South Africa's electricity mix. While our underlying electricity reduction targets remain broadly unchanged, the revised factor results in lower calculated Scope 2 emissions for the same level of consumption, affecting the reported target trajectory.

SOUTH AFRICA EMISSIONS	2023	2024	**2025**
Scope 1 GHG emissions[1]	**28 523**	**10 647**	**7 235**
Diesel generators	22 343	5 444	**2 693**
Fleet vehicles	1 591	1 297	**1 001**
Natural gas	1 430	1 654	**958**
Refrigerants	3 159	2 252	**2 583**
Scope 2 GHG emissions[2]	**184 132**	**170 797**	**137 463**
Total Scope 1 and 2	212 655	181 444	**144 698**
Scope 3 GHG emissions[3]	**108 320**	**110 061**	**98 003**
Waste disposed[4]	839	1 077	**1 736**
Paper[5]	824	462	**331**
Flights[6]	16 828	18 004	**9 342**
Rental cars[7]	2 916	316	**179**
Tenant operations[2]	86 913	90 202	**86 415**
Total Scope 1, Scope 2 and upstream Scope 3 operational emissions	320 975	291 505	**242 701**

1 Direct emissions from owned/controlled sources (2014 Baseline 15 246 tCO_2e)
2 Scope 2 emissions (indirect emissions from purchased electricity (2014 Baseline 283 314 tCO_2e)) and Scope 3 emissions from tenant operations have been restated to use the Department of Forestry, Fisheries and the Environment's NGGEF. The NGGEF reflects the emissions intensity of electricity supplied to the SA national grid, including Eskom and independent power producers, and is therefore considered more representative of electricity consumed through municipal and national distribution networks in SA, where the majority of SBG's electricity consumption occurs. The adoption of this nationally published factor improves the accuracy and comparability of reported emissions. As a result of the restatement, Scope 2 emissions for 2023 and 2024 are lower by 0.9% and 9.4% respectively. Metrics prior to 2023 have not been restated as the NGGEF was first published in 2023. Accordingly, the 2014 baseline remains unchanged. SBG uses the most recently published factor available at the reporting date to ensure consistency in methodology across reporting periods.
3 Indirect emissions from use of purchased materials and fuels and transport. Excluded from our net zero 2040 target.
4 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 UK's DEFRA.
5 We use invoiced data from suppliers. Activity data is converted to emission data through DEFRA emission factors.
6 Calculations are based on invoiced data from travel agents. We convert activity data to emission data using DEFRA emission factors.
7 Calculations are based on invoiced data from travel agents. We convert activity data to emission data using DEFRA emission factors.

AFRICA REGIONS EMISSIONS

	2024 Emissions (tCO_2e)			**2025 Emissions (tCO_2e)**		
AFRICA REGIONS	Scope 1	Scope 2	Total	**Scope 1**	**Scope 2**	**Total**
Angola	57	538	595	**71**	**814**	**885**
Botswana	–	1 832	1 832	**21**	**1 337**	**1 358**
Cote d'Ivoire	25	26	51	**23**	**49**	**72**
DRC	22	–	22	**13**		**13**
Eswatini	–	357	357	**1**	**173**	**174**
Ghana	243	1 555	1 798	**198**	**2 227**	**2 425**
Kenya	85	201	286	**133**	**224**	**357**
Lesotho	11	387	398	**22**	**578**	**600**
Malawi	216	2 801	3 017	**217**	**2 155**	**2 372**
Mauritius	1	303	304	**1**	**339**	**340**
Mozambique	39	454	493	**10**	**386**	**396**
Namibia	3	398	401	**2**	**118**	**120**
Nigeria	1 397	3 525	4 922	**1 685**	**2 900**	**4 585**
South Sudan	13	–	13	**12**	**–**	**12**
Tanzania	193	425	618	**169**	**385**	**554**
Uganda	344	33	377	**469**	**46**	**515**
Zambia	493	230	723	**38**	**27**	**65**
Zimbabwe	87	752	839	**76**	**416**	**492**
Total	3 229	13 817	17 046	**3 161**	**12 174**	**15 335**

SBG GHG emissions generated during the reporting period (metric tonnes of CO_2 equivalent) for Scope 1, Scope 2 and upstream Scope 3 operational emissions[8]

258 304 ✓

8 The group total carbon footprint excludes Liberty Africa Regions operations. It includes Offshore and International operations, which has an estimated carbon footprint of 268 tCO_2e. The total also takes into account power allocation agreements in which the green attribution of landlord-owned solar PV systems are ceded to group's real estate operations in two facilities. The impact of this mechanism is quantified as 1 524 tCO_2e. Without this mechanism in place, the group carbon footprint would be 259 828 tCO_2e.

Data quality

High-quality, consistent data forms the foundation of our climate risk minimisation and energy management strategy. Accurate and timely energy data enables transparency, supports informed decision-making and underpins the identification and prioritisation of actions to improve operational performance. We have a structured framework for energy data acquisition across geographies. This integrates data from a range of sources, including smart metering infrastructure, inverter portal access for on-site renewable energy systems, utility billing captured through billing systems and online monitoring platforms. Together, these sources provide comprehensive visibility into energy consumption patterns and asset performance.

In Standard Bank's **South African operations**, smart metering has been deployed across 100% of commercial buildings and approximately 80% of retail branches (in terms of floor area and energy consumption). Within the Liberty property portfolio, 100% of shopping centres are equipped with smart metering, enabling detailed, site-level energy monitoring and analysis.

Energy and operational data from these systems is consolidated into a unified reporting framework, ensuring consistency, comparability, and reliability across portfolios and regions. This centralised approach supports transparent reporting and enables action-oriented decision making, informing both strategic planning and targeted energy efficiency interventions

While South Africa represents the most material component of the group's operational emissions, SBG also tracks emissions across our **Africa Regions** operations, where electricity grid characteristics and decarbonisation pathways differ materially from those in South Africa.

Across Africa Regions, changes in reported emissions are influenced by a combination of underlying grid decarbonisation trends and management-led initiatives. Several markets have experienced declining grid emission factors over the reporting period as a result of increased renewable energy penetration, improved regional electricity trade, and diversification away from fossil fuel-based generation. These structural changes have contributed to a lower carbon intensity of purchased electricity consumed across parts of the group's Africa Regions portfolio.

In parallel, we have implemented targeted internal decarbonisation measures across Africa Regions operations, including the deployment of on-site renewable energy solutions, enhanced energy monitoring and load management, and the integration of net zero design principles into new developments. These initiatives complement national energy transitions by reducing operational demand, improving energy efficiency, and strengthening resilience to energy supply disruptions.

These underlying grid dynamics and SBG's internal actions have contributed to an average reduction in emissions metrics across Africa Regions.

Technology-related emissions

We are actively working to improve the sustainability of our technology use. Our cloud migration strategy has enabled us to reduce power consumption, water use and carbon emissions, resulting in a net decrease in Scope 1 and Scope 2 emissions.

Energy efficiency

Our energy efficiency strategy aligns with the Green Building Council's Net Zero standards and is designed to support sustainable operations across new and existing facilities. We systematically assess and improve the energy performance of our portfolio to reduce environmental impact and enhance long term resilience.

We have obtained Energy Performance Certificates (EPCs) for all commercial properties over 2 000m², providing transparency and consistency in energy performance management.

All new buildings are designed and constructed with energy efficiency embedded from the outset. This includes the integration of high performance building systems, renewable energy solutions and sustainable construction practices.

For existing buildings, we have implemented a range of energy efficiency measures, including:

- LED lighting and occupancy sensors to reduce unnecessary energy consumption
- Heating, ventilation and air conditioning (HVAC) upgrades and retrofits
- Optimisation of HVAC set points, supported by occupancy sensors and CO_2 monitoring to balance energy efficiency with occupant comfort and indoor air quality
- Use of occupancy and space-utilisation data to optimise office space use and reduce energy intensity
- Alarm-based monitoring and control of retail branch power demand.

Together, these initiatives contribute to lower energy consumption, improved asset performance and measurable reductions in environmental impact.

Renewable energy

SBG invests in on-site renewable energy generation, battery energy storage and off-site renewable energy procurement to reduce exposure to grid carbon intensity and strengthen energy security. In 2025, we exceeded our target to increase installed renewable energy capacity by 20% relative to the 2024 baseline, achieving an increase of 42% (2 591 kWp). This brings installed small-scale embedded generation solar PV capacity across our commercial offices and retail branches to 8.7 MWp, comprising rooftop and car park installations. In addition, LPP continues to deploy solar PV across its tenanted retail property portfolio, with installed capacity of 15.6 MWp. To ensure secure supply, we have installed 3 200 kWh of battery energy storage capacity. We also procure off-site renewable energy through wheeling arrangements. In 2025, we concluded a request for proposals for the solar component of a wheeled renewable energy solution for Sandton City, representing 8.7 MW of solar PV capacity under a power purchase agreement. Wheeled renewable energy is expected to complement on-site generation by enabling access to renewable energy at locations where on-site deployment is constrained.

RENEWABLE ENERGY PRODUCTION	2021	2022	2023	2024	**2025**
Total renewable energy purchased/ produced MWh	2 601	2 459	2 595	19 314[1]	**27 174** ✓

Investment in renewable energy and storage solutions (Standard Bank South Africa)

	2021	2022	2023	2024	**2025**
Expenditure	12.0	14.6	52.9	65.5	**41.5[2]**

1 The significant increase in renewable energy produced in 2024 reflects the inclusion of Liberty Holdings operations in South Africa, and SBG operations in Africa Regions. This total excludes Liberty Africa Regions operations.
2 In 2025 this includes investments in Africa Regions

Green buildings

SBG uses independent green building certification frameworks to embed energy efficiency, water stewardship and climate resilience into the design, refurbishment and operation of our buildings. These certifications provide objective third-party validation of building performance and support consistent environmental standards across our portfolio, while reducing exposure to climate risks.

In **South Africa**, we have 19 buildings rated 4 or 5-Star Green Star. Certified assets represent 23% of our footprint. These buildings incorporate enhanced controls for energy, water, and waste management and support improved operational efficiency and resilience. Several office buildings and branches have achieved Net Zero Carbon and Net Zero Waste certifications.

- The Global Leadership Centre has Green Star Existing Building Performance (EBP) certification, reflecting strong performance in energy efficiency, water management, waste diversion and indoor environmental quality within a high-use corporate facility.
- 3 Simmonds Street and our Nelspruit office have Green Star Interiors certifications, demonstrating the integration of sustainability principles including efficient lighting, material selection, indoor environmental quality and occupant wellbeing
- The Liberty Umhlanga Office has Net Zero Waste certification.
- Four retail branches have Net Zero Carbon certification. We are the first bank in Africa to achieve this certification at branch level under the GBCSA, demonstrating that decarbonisation strategies traditionally applied to large office buildings can be successfully implemented across smaller, high-traffic operational assets.
- All LPP retail buildings are Green Star certified under the Existing Building Performance (EBP) rating tool, with recertification completed in 2024. Several malls have 5 and 6 Star ratings, reflecting advanced performance in energy, water and waste management within high-intensity retail environments.
- LPP has achieved and maintained Net Zero Waste certification across its qualifying retail assets, demonstrating sustained diversion of waste from landfill at scale and the effective application of circular economy principles in tenant-driven environments.

In **Africa Regions**, we apply green building principles to existing and new facilities.

- The Stanbic IBTC Towers holds Nigeria's first 4-Star Best Practice design rating, while our head office in Namibia has a 5-Star Best Practice design rating. These certifications are supported by the deployment of hybrid solar systems across selected branches and ATMs.
- New head office buildings in Kenya and Zimbabwe have been designed in alignment with Green Star and Net Zero principles, incorporating energy-efficient systems, water recycling, and on-site renewable energy to reduce operational demand and enhance resilience to local infrastructure constraints.

Waste management

We actively manage waste across our operations to minimise environmental impacts, maintain hygiene and safety standards and reduce exposure to waste-related regulatory, cost and operational risks. Our waste management approach covers both general and hazardous waste streams, with a focus on reducing waste sent to landfill, increasing material recovery through recycling and improving data quality to support effective decision-making.

Waste performance is monitored using measured data from service providers, supported by defined reporting controls and ongoing improvements to data completeness and accuracy. This enables consistent tracking of waste volumes, diversion rates and performance trends over time, and supports the identification of priority sites and waste streams for targeted interventions. In 2025, we increased our reporting boundary to cover both commercial and retail facilities across all Standard Bank's South Africa operations, as well as Liberty operations. In South Africa, 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. Data excludes Africa Regions.

WASTE PERFORMANCE SUMMARY

Waste (tonnes)	2021	2022	2023	2024	**2025**
General waste	262.2	315.9	516.8	900.0	**1 193.0**
Hazardous waste	0.8	0.6	0.8	–	**–**
Waste to landfill	263.0	316.5	517.6	900.0	**1 193.0**
Recyclable waste	20.8	38.1	95.6	138.0	**–**
Total waste	283.8	354.6	613.2	1 038.0	**1 193.0**

2025 highlights

- Standard Bank office buildings recorded a material improvement in waste diversion performance, with several sites increasing diversion rates to approximately 80%, supported by improved source separation, contractor performance management and occupant engagement initiatives.
- The Global Leadership Centre in Johannesburg achieved peak waste diversion rates of 90%, reflecting well-established waste segregation practices, high levels of operational discipline, and consistent monitoring.
- LPP's retail assets achieved waste diversion rates greater than 90% at selected shopping centres, supported by mature recycling infrastructure and tenant participation.

Waste reduction practices

- **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.
- **Paper use reduction:** Since 2019, the digitisation of banking platforms and internal processes has led to a significant reduction in paper consumption.
- **Separation at source:** We encourage employees to separate waste using clearly labelled bins for specific waste types, ensuring effective recycling and disposal.
- We encourage all LPP tenants to separate waste at individual store level, to support our efforts to increase recycling and reduce waste to landfill.
- **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:** We implement food waste recycling as part of a collaborative effort between our building management, vendors and occupants. This is characterised by raising awareness, source separation, and organic waste handling. The food waste is processed off-site to produce compost, thereby supporting the circularity of our food waste management strategy.

Water management

We prioritise robust water management to address risks associated with water scarcity, municipal supply reliability and extreme weather events. We focus on reducing operational water demand, improving data quality and strengthening water security to ensure continuity of operations and cost resilience.

WATER PERFORMANCE SUMMARY (SOUTH AFRICA)

	2021	2022	2023	2024	**2025**	**Year on year reduction**
Actual consumption (kl)	284 659	259 045	264 561	688 533	**572 985.0**	**16.8%**

Water performance and consumption

The reporting boundary for 2025 together with the 2024 baseline was expanded to account for both SBSA and Liberty operations. Measured water consumption across our South African operations declined on a year-on-year basis, with a 16.8% reduction in 2025 compared to 2024. This reflects the cumulative impact of targeted efficiency interventions, improved monitoring and changes in space utilisation. Variations in reported consumption between prior years are partly attributable to expanded metering coverage and improved data accuracy, providing a more complete and reliable representation of water use.

Data integrity

All our commercial office facilities in South Africa, which account for about 70% of total water consumption, are equipped with smart meters. Consumption data is monitored via an online platform and reconciled with municipal billing data to analyse trends, benchmark performance, and identify anomalies. Water savings are calculated using a hybrid approach that combines direct measurement and modelling, supporting consistent and reliable reporting.

Water efficiency measures

We proactively address inefficiencies through leak detection, prompt repairs and targeted infrastructure upgrades. Space optimisation initiatives reduce water demand in under-used areas, while HVAC system upgrades, including the replacement of water-cooled chillers with air-cooled systems, have delivered measurable reductions in water consumption.

At selected sites, innovative technologies such as dry adiabatic cooling, aerator optimisation and cistern upgrades have further contributed to reduced demand.

Retail assets within the LPP recorded year-on-year reductions in water use during 2025, demonstrating the effectiveness of tailored interventions in higher-intensity environments.

Security of supply

In South Africa, our water strategy is informed by national risk assessments, including the Department of Water and Sanitation's Blue Drop Report, and ongoing monitoring of municipal supply performance. To mitigate the risk of municipal supply interruptions, all major commercial facilities in South Africa are equipped with on-site water storage systems capable of supporting an average of four days of operational demand.

In addition, we operate borehole and reverse osmosis infrastructure at selected sites, reducing reliance on municipal supply and enhancing resilience.

- At our provincial head office in Gqeberha, Eastern Cape Province, alternative water systems enabled the facility to operate without municipal water consumption during 2025.
- Borehole infrastructure at Constanta Valley Office Park in Johannesburg has also supported water supply continuity across Gauteng facilities during periods of municipal disruption.

Resilience

We conduct regular reviews of our business continuity and resilience frameworks to ensure our operations remain robust in the face of physical climate risk, including extreme weather events, water scarcity and energy supply disruptions. Using external climate risk tools and datasets, we identify areas where our buildings and operations may be exposed to natural hazards and assess the severity and likelihood of these risks as climate-related events increase in frequency and intensity. These insights inform how our facilities are designed, located and managed, ensuring they are appropriately equipped to withstand and respond to climate-related disruptions.

Our resilience approach is underpinned by clearly defined building uptime objectives, which guide capital investment decisions across critical infrastructure. This includes measures to strengthen security of energy and water supply, as well as backup power, water storage and alternative supply systems together with fire detection and suppression infrastructure. These measures are implemented in line with relevant international best practices and operational standards, taking into account the risk profiles of different asset types and locations.

Operational resilience is supported by infrastructure solutions designed to enhance security of supply across key facilities. These solutions combine grid-connected systems with on-site energy and water infrastructure, enabling facilities to maintain critical operations during periods of grid instability, municipal supply interruptions or extreme weather. Depending on site-specific risk profiles, capabilities may include combinations of uninterruptible power supply systems, on-site generation, energy storage, integrated solar PV and battery systems, water storage and alternative water supply infrastructure. By embedding uptime, continuity and supply security considerations into planning and investment processes, we proactively reduce exposure to operational disruptions and enhance the reliability of critical services during periods of external stress. This approach enables disciplined investment in resilience measures that protect our people, support safe and reliable operations, and strengthen preparedness for the physical impacts of climate change over the short, medium, and long term.

6

APPENDICES

Assurance report (financed emissions)

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

To the Directors of Standard Bank Group

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (key information), as described below, and presented in the Climate-Related Financial Disclosures Report 2025 ("the Report") of Standard Bank Group ("SBG") for the year ended 31 December 2025. 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 key information, marked with an "LA" on the relevant page in the Report. The selected key information described below has been prepared in accordance with SBG's internally defined criteria ("reporting criteria"). The reporting criteria is available on SBG's website here.

Key Performance Indicators	Unit of measurement	Boundary	Page
Financed Emissions - PPB Residential Real Estate			
▪ Scope 1 & 2 Absolute Financed Emissions	tCO_2e	South Africa	38
▪ Scope 1 &2 Economic Emissions Intensity	tCO_2e/Rm		
Financed Emissions - CIB Commercial Real Estate			
▪ Scope 1 & 2 Absolute Financed Emissions	tCO_2e	South Africa	38
▪ Scope 1 & 2 Economic Emissions Intensity	tCO_2e/Rm		
Financed Emissions - Oil and Gas (upstream, midstream and downstream)			
▪ Scope 1 & 2 Absolute Financed Emissions (Upstream)	tCO_2e	Group	38
▪ Scope 3 Absolute Financed Emissions (Upstream)	tCO_2e		
▪ Scope 1 & 2 Absolute Financed Emissions (Midstream and Downstream)	tCO_2e		
▪ Scope 3 Absolute Financed Emissions (Midstream and Downstream)	tCO_2e		
▪ Scope 1 & 2 Economic Emissions Intensity (Upstream)	tCO_2e/Rm		
▪ Scope 3 Economic Emissions Intensity (Upstream)	tCO_2e/Rm		
▪ Scope 1 & 2 Economic Emissions Intensity (Midstream and Downstream)	tCO_2e/Rm		
▪ Scope 3 Economic Emissions Intensity (Midstream and Downstream)	tCO_2e/Rm		
Financed Emissions - Coal Mining Activities			
▪ Scope 1 & 2 Absolute Financed Emissions	tCO_2e	Group	38
▪ Scope 3 Absolute Financed Emissions	tCO_2e		
▪ Scope 1 & 2 Economic Emissions Intensity	tCO_2e/Rm		
▪ Scope 3 Economic Emissions Intensity	tCO_2e/Rm		
Financed Emissions - Transport			
▪ Scope 1 & 2 Absolute Financed Emissions	tCO_2e	South Africa	38
▪ Scope 1 & 2 Economic Emissions Intensity	tCO_2e/Rm		
Financed Emissions - BCB Agriculture			
▪ Scope 1 & 2 Absolute Financed Emissions	tCO_2e	South Africa	38
▪ Scope 1 & 2 Economic Emissions Intensity	tCO_2e/Rm		

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected key information in accordance with SBG'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 key information 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 key information 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 require that we plan and perform our engagement to obtain limited assurance about whether the selected key information is 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 SBG's use of its reporting criteria as the basis of preparation for the selected key information, assessing the risks of material misstatement of the selected key information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected key information.

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 key information;
- 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 key information presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at SBG.

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 SBG's selected key information has been prepared, in all material respects, in accordance with the accompanying SBG reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected key information as set out in the Subject Matter paragraph above for the year ended 31 December 2025 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our report includes the provision of limited assurance on the selected key information listed below, and we were previously not required to provide assurance for the selected key information.

- Financed Emissions – BCB Agriculture
- Financed Emissions – Transport

The maintenance and integrity of the SBG's website is the responsibility of SBG's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on SBG's website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected key information to the Directors of SBG 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 SBG, for our work, for this report, or for the conclusion we have reached.

Deloitte & Touche
Registered Auditors

Per Jayne Mammatt
Chartered Accountant (SA)
Registered Auditor
Partner

30 March 2026
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