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| Type: | <i>Policy Summary</i> |
| Name: | <i>Transformation</i> |
| Key search terms: | <i>Inclusion/ Social Impact/ B-BBEE/Economic Transformation</i> |

Policy Statement

- Standard Bank South Africa (SBSA) has made a specific commitment to socio-economic transformation, as expressed in the Group’s purpose: 'Africa is our home, we drive her growth'. As a socially responsible corporate citizen, we are committed to supporting inclusive economic growth and wealth creation in economies within which we operate.
- SBSA recognises that the transformation of South Africa’s economy is a multi-faceted and long-term undertaking, and we commit to playing a role in supporting this transformation.
- Broad-based black economic empowerment (B-BBEE) is a crucial component of this transformation, recognised as a moral, legal and commercial imperative, crucial to securing a more sustainable growth path for South Africa.
- Whilst the Financial Sector Code (FSC) Scorecard is an important tool to measure outcomes, it is not the primary way in which SBSA drives transformation activities.
- We continuously work to identify opportunities within the Standard Bank ecosystem to accelerate transformation, leveraging our skills and expertise to enable us to be a catalyst for societal transformation.
- We reflect our commitment to improving societies in the Social, Economic and Environmental (“SEE”) value driver, which is a component of our strategy, helping us to deliver value through our core business.

Policy Scope

This policy summary applies to all SBG operations in South Africa (including Liberty Holdings Limited and its subsidiaries.) All staff and management are bound by the provisions of this policy summary. Legal entities outside South Africa should abide by local and domestic regulatory requirements relating to empowerment and economic transformation. The policy summary reflects SBSA minimum requirements in respect of transformation.

Standard Bank Group, including SBSA, strives to have a positive impact on financial inclusion, job creation and enterprise growth, including through enterprise and supplier development, preferential procurement, infrastructure development, the facilitation of Africa trade and investment, education and skills development, health, and climate change as well as sustainable finance. It (the policy summary) outlines the governance of Transformation in support of economic transformation and broad-based black economic empowerment. It may be supplemented with other policies and/ or related governance documents.

Purpose of this policy summary

The policy summary provides the minimum requirements to accelerate positive impact and the rate of economic transformation related to the way we do business.

The objectives of the policy summary are to:

- Clarify roles and responsibilities for economic transformation across SBSA;
- Clarify principles underpinning initiatives to drive economic transformation in and by SBSA;
- Promote adherence to the requirements of the Broad-Based Black Economic Empowerment Act, Act No. 53 of 2003 as amended by Act 46 of 2013, the Amended Financial Sector Code of 2017 and the draft Conduct of Financial Institutions Bill, as well as other transformative legislation;
- Provide guidelines for transformation in general, as well as for specific types of initiatives, projects and strategies;
- Establish a framework for managing economic transformation and all associated risks and opportunities, in a consistent manner across SBSA;
- Promote transformation that aligns with the Group Strategy and SEE Value Drivers, other relevant governance standards and policies, as well as enhance the Group's reputation, and the achievement of our group strategy and purpose.

SBSA's key Transformation Principles to be adhered to:

- Transformation is an inherent part of SBSA's growth strategy and the way we do business
- Transformation is led and owned by all business lines and corporate functions
- Transformation is founded on sound Environmental, Social and Governance (ESG) risk management principles and doing the right business the right way
- Transformation includes aligning to the FSC but is much broader than the FSC
- Transformation requires a conscious and deliberate approach to generating positive impact

- Transformation should be a vital element of employee engagement
- Transformation is a core component of our brand promise
- Transformation progress will be reported to our regulators and stakeholders.
- Exceptions must be approved by Head of Transformation and B-BBEE Reporting for reporting to the Group Social, Ethics and Sustainability Committee. All exceptions must have a clear action plan and timelines for closure.

Roles and Responsibilities

The **Group Social, Ethics and Sustainability Committee** is responsible for monitoring compliance with the policy and assessing progress against related plans and targets.

Group Social, Ethics and Sustainability Management Committee is responsible for:

- Approving SBSA's transformation strategy and plan,
- Approving policies and processes to promote transformation; BBBEE and any related matters,
- Considering and overseeing SBSA's responses to and compliance with requirements of the Financial Sector Codes.

Standard Bank South Africa Executive Committee (SA Exco) is responsible for the approval of overall goals, plans and targets, and for managing performance against these. Each Exco member is accountable for the transformation plans of their respective Business Unit or Corporate Functions.

Heads of Business Units and Corporate Functions are responsible for:

- developing and implementing transformation plans for their areas, in line with the SBSA transformation strategy and plan,
- accountability for transformation as it pertains to their respective areas,
- measuring, assessing and reporting on progress against transformation plans,
- ensuring consequence management for failure to achieve agreed goals and targets,
- encourage a culture that celebrates and promotes transformation, beyond statutory compliance.

The **Head of Transformation and B-BBEE Reporting** is responsible for:

- developing an integrated transformation and B-BBEE strategy that ensures SBSA contributes to the socio-economic transformation of South Africa and scores maximum possible points on the FSC scorecard.
- driving implementation of the SBSA transformation strategy and policy
- managing related legislative and regulatory reporting requirements
- providing strategic advice and guidance in line with SBSA's strategy and legislative requirements with a view to positioning the bank as a leader in transformation
- facilitate the development of transformation plans and targets to achieve the FSC and other agreed transformation goals.

Policy Requirements

All employees are expected to behave in a manner that supports employment equity, affirmative action and inclusion. Action may be taken against any associated persons who do not comply with this policy. Where such non-compliance constitutes gross misconduct, it may result in dismissal of an employee.