Standard Bank Group

Environmental, social and governance report 2022

Standard Bank

Also trading as Stanbic Bank

Contents

Navigating this report

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

- Refers readers to information within this report
- Refers readers to information in our online suite of reports
- Refers readers to other online information.

Our reporting suite

We produce a full suite of reports to cater for the diverse needs of our stakeholders.

Purpose of this report

As signatories to the Principles for Responsible Banking (PRB), we are committed to ensuring that our strategy is consistent with and contributes to society's needs and priorities, as expressed by the United Nations Sustainable Development Goals (UN SDGs), the Paris Agreement, the African Union's Agenda 2063, and sustainable banking frameworks in our countries of operation. We aim to continuously increase the positive social, economic and environmental (SEE) impacts arising from our business activities and reduce negative impacts.

Reporting boundary

The data in this report pertains to the Standard Bank Group excluding Liberty Holdings Limited, unless otherwise specified.

Our subsidiaries account to their stakeholders through their own annual and/or other reports and information, available on their respective websites.

Assurance statement

We have a series of internal policies, procedures and controls in place to ensure that accurate data is provided. Our group social and ethics committee provides oversight of this report.

PricewaterhouseCoopers Inc. (PwC) provided limited external assurance on selected performance data in this report, indicated by ✓ in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). PwC's limited assurance report can be found here.

ANNUAL INTEGRATED REPORT

Provides an outline of our ability to create and preserve value, and guard against value erosion in the short, medium and long term

THIS REPORT

Environmental, social and governance (ESG) report

Overview of our ESG governance structures and risk management, including information regarding ethics and conduct, people and culture, environmental and social risk management and CSI and tax practices

Report to society

An assessment of our SEE impacts in the seven areas in which we believe we have the greatest impact and opportunity

Climate-related financial disclosures report

Discusses how the group is managing the risks and responding to the opportunities presented by climate change, aligned to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

Risk and capital management report

Sets out the group's approach to risk management

Annual financial statements

Sets out the group's full audited annual financial statements, including the report of the group audit committee

Standard Bank of South Africa (SBSA) Report to society

Overview of SBSA SEE impacts and update on our transformation journey and performance against the pillars of the Financial Sector Code.

About Standard Bank Group

- We are an **African-focused** financial institution, offering financial and related services to individuals, businesses, institutions and corporations.
- Guided by our **purpose**, Africa is our home, we drive her growth, we exist to make life easier for our clients, helping them to save, transact, grow their wealth, grow their businesses, and protect the things that matter most to them.
- We have **three strategic** priorities that guide our medium strategic execution and **six strategic value drivers** against which we measure our progress.
- We deliver **SEE impact** by focusing on seven impact areas, aligned to the UN SDGs.

For more information: Annual Integrated Report

Our values

Our **values** are our shared beliefs about who we are, what we stand for, and what we want to achieve. They are the principles and ideals that help us decide what is most important.

- We commit to:
  - Serving our customers
  - Delivering to our shareholders
  - Respecting each other
  - Working in teams
  - Upholding the highest levels of integrity
  - Growing our people
  - Being proactive
  - Constantly raising the bar.

Our shareholders

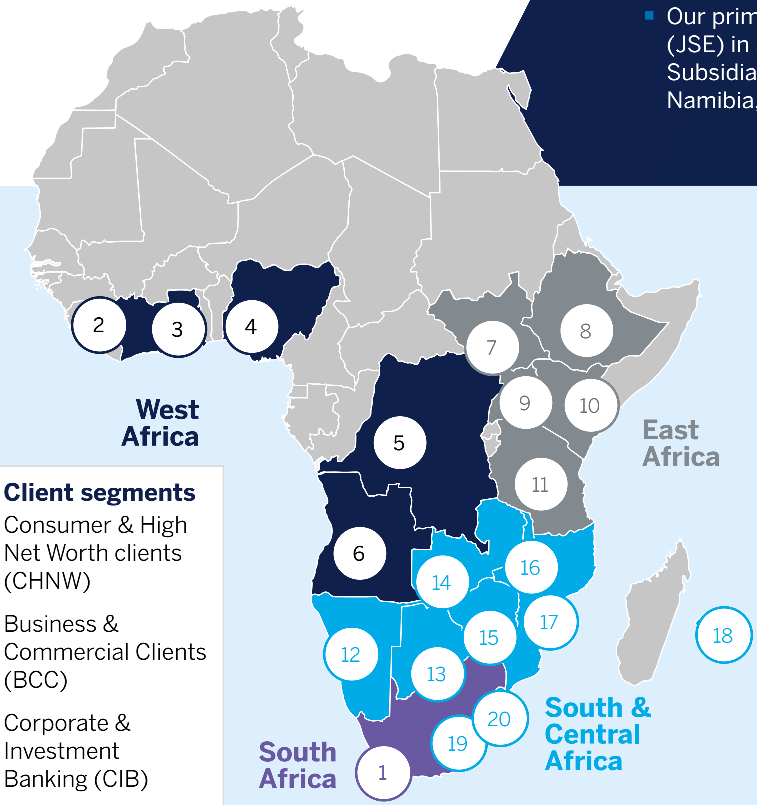
We are 50.7% owned by international investors and 49.3% owned by South Africans

- China (19.4%), USA (14.2%), UK (1.7%) and Singapore (1.7%) comprise our top investor regions
- Industrial and Commercial Bank of China Limited (ICBC), the world's largest bank by assets, is a 19.4% shareholder. Our strategic relationship with ICBC enables us to facilitate investment flows and commercial relationships between China and Africa, to the benefit of African countries
- The Government Employees Pension Fund of South Africa is our second largest shareholder, with 14.5% of shares
- On 31 December 2022, our market capitalisation was R283.6 billion.

We drive **inclusive growth** and **sustainable development**

Where we operate

- We operate in 20 African countries and offer international financial services from our offices in the Isle of Man, Jersey and Mauritius
- We are headquartered in Johannesburg
- Our primary listing is on the Johannesburg Stock Exchange (JSE) in South Africa. We have a secondary listing in Namibia. Subsidiary banks are listed on exchanges in Kenya, Malawi, Namibia, Nigeria and Uganda.



Client segments

Consumer & High Net Worth clients (CHNW)

Business & Commercial Clients (BCC)

Corporate & Investment Banking (CIB)

1 **South Africa (SA)**

Africa Regions (AR)

West Africa
2 Côte d'Ivoire
3 Ghana
4 Nigeria
5 Democratic Republic of Congo (DRC)
6 Angola

East Africa
7 South Sudan
8 Ethiopia (representative office)
9 Uganda
10 Kenya
11 Tanzania

South & Central Africa
12 Namibia
13 Botswana
14 Zambia
15 Zimbabwe
16 Malawi
17 Mozambique
18 Mauritius
19 Lesotho
20 Eswatini

ATMs
6 232
3 780 in SA, 2 452 in AR

Branches, kiosks and other points of access
1 163
619 in SA, 547 in AR

Presence in international markets:
- Beijing
- London
- Dubai
- New York

International financial services:
- Isle of Man
- Jersey
- Mauritius

Standard Bank is committed to driving sustainable and inclusive economic growth across Africa. This commitment is underpinned by our **purpose**, *Africa is our home, we drive her growth,* and by our **SEE value driver,** which requires us to ensure that our business activities create net positive social, economic and environmental (SEE) impact.

ESG issues are top of the global agenda, and Standard Bank is no exception. We are committed to listening to diverse views, understanding competing priorities, and working together with stakeholders to create relationships based on trust, mutual respect and shared value creation.

Nonkululeko Nyembezi, Chairman, SBG

Message from the Standard Bank Group chairman

As an African financial services institution operating in 20 countries on the continent and several international markets, we are committed to listening to diverse views, understanding competing priorities, and working together with stakeholders to create relationships based on trust, mutual respect and shared value creation.

We became a founding signatory to the UNEP FI Principles for Responsible Banking (PRB) in September 2019 and, subsequently, co-chair of the Banking Board, which is responsible for overseeing effective implementation of the Principles. As per the Principles, we commit to ensuring that we align our strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the UN sustainable development goals (SDGs), the Paris Agreement, and relevant national and regional frameworks, including the AU's Agenda 2063, and sustainable banking frameworks in our countries of operation. We have identified seven impact areas linked to our core business activities in which we believe we can make the greatest positive contribution.

By placing the interests of our customers and clients at the centre of our decision-making, we ensure that we act in accordance with what is good for these constituencies and what is good for the group. By ensuring that the economic value we generate for our shareholders is underpinned by the creation of value for society, we build trust and long-term relationships with our clients and motivate and inspire our employees. By contributing to the prosperity of African economies, we grow our client base and potential markets, and by thinking long-term, we ensure that our markets remain viable and prosperous into the future.

Our Report to Society provides information about our SEE impacts, and how we're working with our clients and other stakeholders to encourage sustainable business practices and create shared prosperity for current and future generations.

This report focuses on our approach to ESG management, and the material issues that have the potential to impact our ability to deliver our strategic priorities and create value for our stakeholders. It describes the work we've done over the past few years to strengthen ESG risk management, and the associated systems, policies, processes and oversight capacity we've put in place.

We are delighted that our employee engagement scores continue to reflect very high levels of engagement, motivation, support and empowerment across the group. This report provides information about ongoing initiatives to ensure that our workforce reflects and celebrates the diversity of our African continent and our progress against targets. We also cover the training and skills development programmes that are helping our people remain competitive in a rapidly changing, rapidly digitising world of work.

This report discusses our approach to conduct and notes the refresh of our group code of ethics and conduct in 2022 to better reflect our commitment to creating positive social, economic and environmental impacts. It also covers the measures we have in place to ensure the protection of information and privacy and guard against cybercrime and all forms of financial crime.

It includes information about challenges experienced by the group during 2022, including lapses in the reliability of our digital channels and isolated incidents of misconduct. These challenges received urgent and extensive attention from the board and executive management during 2022, and we are satisfied that appropriate and effective action has been taken to address gaps and strengthen controls.

The group is very clear that, if we are to successfully drive Africa's growth, we need to tackle economic and environmental risks and impacts in an holistic and integrated manner. Understanding the costs and benefits associated with each of these risks and impacts is crucial to enable decision-making that creates a net positive impact. The report provides information on how we're managing environmental and social risks in respect of who we do business with and how we do business, including in relation to our client relationships, the projects we finance, and our suppliers and service providers. Our progress against our climate policy and targets, and the work we're doing to better understand our risk exposure and our financed emissions, is reported in our **Climate-related financial disclosures.**

Effective engagement with our diverse stakeholders is critical to identify and understand our material risks and impacts, and to ensure our strategy is aligned to deliver against the expectations of our clients, regulators and shareholders. We welcome your feedback.

Nonkululeko Nyembezi
Chairman, SBG

OUR APPROACH TO SUSTAINABILITY

Africa is our home, we drive her growth

Our commitment to creating positive SEE impact and ensuring effective ESG risk management supports responsible business citizenship, underpins our code of ethics and conduct, and creates shared value for the group and society. We depend on effective ESG risk management to achieve SEE impact, and deliver our purpose of driving sustainable and inclusive growth in Africa.

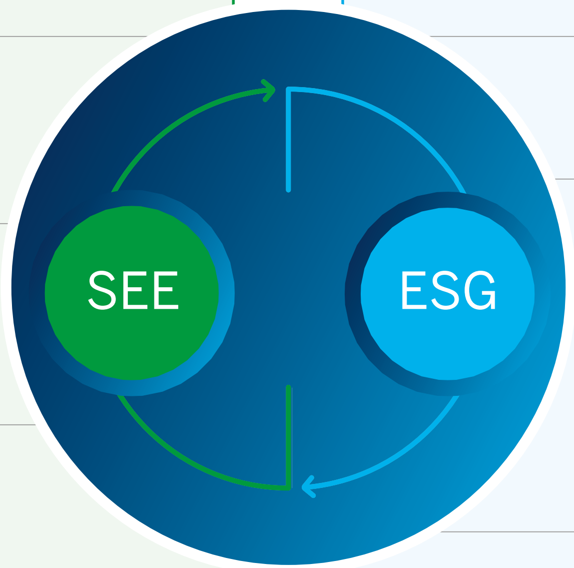
Social, economic and environmental (SEE) impacts

We aim to **maximise positive SEE impacts** of our business activities and minimise negative impact

Our **adoption of SEE as a strategic value driver** reflects the commercial opportunity to grow earnings and market share by providing products and services that meet the development needs of Africa and Africa's people

Our SEE commitments align with the **UN Principles for Responsible Banking (PRB), Paris Agreement, UN Sustainable Development Goals (SDGs), Agenda 2063, and Nationally Determined Contributions** in our countries of operation

MAXIMISE POSITIVE IMPACT



ESG risk management

We have **robust governance frameworks and controls in place** to manage the environmental, social and governance risks associated with our business

We **recognise effective ESG risk management** as a competitive and strategic differentiator

ESG risk management helps us to **minimise and mitigate potential negative impacts** to society and the environment arising from our operations, who we do business with and what we finance

Our ESG risk management is informed by regulatory requirements in our countries of operation, and voluntary frameworks such as the **UN Guiding Principles on Business and Human Rights**, and **global standards governing environmental and social (E&S) risk management** including the International Finance Corporation (IFC) Performance Standards and Equator Principles.

EFFECTIVE GOVERNANCE AND RISK MANAGEMENT

Engaging our stakeholders and understanding our material issues

Value created for stakeholders during 2022

We strive to create and distribute wealth by investing responsibly and sustainably in ways that create value for all our stakeholders.

Employees
We paid
R41 billion
to our employees in salaries and other incentives

Suppliers
We paid
R52 billion
to our suppliers and service providers

Governments
We paid/incurred
R15.2 billion
in tax

Shareholders
We paid
R21 billion
to shareholders as dividends

Communities
We provided
R177 million
in CSI funding

Standard Bank Group
We reinvested
R18 billion

Understanding our material issues

Our material issues are those that matter most to our stakeholders and providers of capital; and that impact on our ability to create value in the short, medium and long term. We measure ourselves and our ability to achieve our strategic aspirations against **six strategic value drivers**. We have identified the material issues with the potential to impact these value drivers, and we have strategies and performance indicators in place to ensure we manage these effectively.

We use the concept of double materiality to ensure we understand both how material issues may impact on our business, across our **six value drivers**, and how our business materially impacts society. This approach is crucial to ensure we deliver both attractive financial outcomes and positive SEE impacts. To identify and interrogate our material issues, we consider:

- The economic, social and environmental context in which we operate
- Risks, threats and opportunities facing our business as identified through our enterprise risks process
- Assessment of priority ESG risks as identified by internal stakeholders.
- The expectations and concerns of our diverse stakeholders, as identified through various engagement mechanisms
- How we impact on society and the environment, with a focus on our **seven SEE impact areas.**

Engaging our stakeholders

Our stakeholders

Our stakeholders are those individuals, groups, and organisations that materially affect or could be materially affected by our business activities, products, services and performance. They include

- Our clients
- Our employees
- Our regulators
- Our shareholders
- Our partners and service providers
- The communities in which we operate.

Why we engage

Our stakeholders provide us with the resources and capital we need to achieve our strategy and purpose; influence the environment in which we operate our business; and confer legitimacy on our activities. Proactive engagement provides us with insights that help shape our strategy and inform identification of our material issues and enables us to manage and respond to stakeholder concerns and minimise reputational risk.

How we engage

We are committed to listening to and constructively engaging with all legitimate stakeholders. Given the scale of our operations and the diversity of our stakeholders, we have adopted a de-centralised stakeholder engagement approach. Executives and managers engage regularly with diverse stakeholders on relevant issues. The group corporate citizenship team (GCC) supports effective stakeholder engagement across the group, including through direct engagement with stakeholder groups, and raising awareness of the need for consistent application of our stakeholder engagement principles.

How we monitor and oversee stakeholder engagement

Executives and managers report material stakeholder priorities and concerns to GCC. GCC presents a quarterly report to the social and ethics management committee, and the social and ethics board committee. These committees provide oversight of engagements and emerging issues. The group social and ethics board committee approves the identification of the group's material issues, taking into account stakeholder engagements, and ensures that these are incorporated into annual reporting.

We assess the quality of our relationships and engagements with our stakeholders based on the nature of the relationship, how constructive our dialogues are and the outcomes of our relationship metrics over time. The complexity and scale of our relationships mean that the overall relationship quality for each stakeholder group fluctuates over time and with each engagement. Our reported outcomes are therefore only indicative of a point-in-time assessment.

Stakeholder engagement principles

Stakeholder engagement is governed by our group stakeholder engagement principles. The principles provide a guideline for our operations across geographical areas, while recognising the need to accommodate local contexts. We developed the principles in consultation with our regional and country chief executive officers across Africa. We are committed to:

- Constructive engagement, listening to concerns and suggestions with an open mind
- Being transparent in our engagements
- Responding appropriately to legitimate concerns
- Being accessible
- Ensuring that our code of ethics and conduct and our values underpin and inform our engagements.

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

Stakeholder engagement in 2022

Clients

+ 17.7 million
active clients

How we engage

Client surveys, online communication channels, call centres, social media and in-person.

How we measure the quality of the relationship

- Net promoter score (NPS) and client satisfaction index (CSI).

Priorities and concerns

- Personalised solutions relevant for individuals and businesses
- Omnichannel options, speed, and straight-through-processing
- Digital convenience and human interaction when needed
- Accessibility, affordability and relevance of services
- System stability and reliability, data security protection from fraud and cybercrime.

Our response

- Truly digital, truly human approach
- Differentiated personalised offers for retail clients on our digital channels informed by data analytics
- Expansion and enhancement of mobile app functionality and introduction of additional financial and beyond solutions
- Implementation of SME scoring capability drawing on non-traditional data sources to assess credit worthiness and enable loan disbursements for small-scale traders
- Improved system stability and resilience, and significantly improved response and recovery times
- Increased client awareness of cyber and fraud risks through targeted campaigns
- Improved cyber incident detection and response times and use of DigiME to reduce digital fraud
- Further strengthened anti-financial crime controls.

Related material matters

- Client experience
- Competitiveness and changing client expectations
- Fair outcomes for clients
- Reliability of digital transaction channels.

Employees

+ 47 400 Standard Bank employees*

How we engage

Employee surveys, online communication channels and in-person engagement.

How we measure the quality of the relationship

- Employee Net Promoter Score (eNPS)
- Emotional promoter score
- Organisational alignment score
- Engagement dimensions score (work satisfaction)
- Diversity and inclusion
- Average learning hours per person
- Workforce return on investment.

Priorities and concerns

- Digital skills development, career growth
- Work-life balance
- Flexibility/hybrid working (where applicable)
- Recognition, appreciation, good communication
- Compensation and benefits
- Diversity and inclusion.

* Permanent and non-permanent, excluding Liberty.

Our response

- Invested over R868 million in employee development across the group, with a focus on digital and technology skills
- Further improved diversity metrics at senior and executive levels, including through targeted leadership development initiatives
- Continued to engage employees and managers regarding hybrid working options for different teams.

Related material matters

- Employee engagement, health and wellbeing
- Workforce diversity
- Digital skills.

Governments and regulators

Including Central Banks and relevant government departments and regulators in the jurisdictions in which we operate

How we engage

Engagements and discussions on the regulatory environment and emerging policy issues

How we measure the quality of the relationship

- Constructive and positive engagements with our regulators across Africa.

Priorities and concerns

- Financial crime controls, anti-money laundering and combatting the financing of terrorism (AML/CFT)
- Foreign exchange controls
- Cybersecurity and data protection
- Fintech, regulation of cryptocurrencies, digital platforms, open banking, cloud computing
- Climate related risk
- Financial inclusion and affordability
- Conduct
- Pace of transformation at sector level (South Africa).

Our response

- Engagement on issues to ensure understanding of expectations, challenges
- Enhanced client due diligence, record keeping, suspicious and unusual transaction reporting (STR) and risk management
- Strengthened internal reporting on conduct risk and metrics
- Automation and machine learning to improve risk management.

Related material matters

- Culture of responsible risk-taking
- Integration of ESG risk management, with a focus on climate risk and opportunity
- Information security, data privacy, cybersecurity
- Third-party risk as we transform to a platform and ecosystem business.

Shareholders and investors

51% International

49% South African.

Moody's and Fitch credit ratings agencies

How we engage

Investor and market participant feedback. AGM, SENS announcements, presentations and roadshows.

How we measure the quality of the relationship

- Shareholder value created – ROE, earnings growth, net asset value growth and dividends
- Investor and other market participant feedback
- AGM voting outcomes
- ESG ratings.

Priorities and concerns

- Delivery of 2025 targets
- Competitiveness of offering
- Access to appropriate skills
- Governance, ethics, market conduct, internal controls
- System stability
- SEE metrics and target setting
- Strength of ESG risk management and link to reward
- Climate risk management and ability to measure financed emissions.

Our response

- Regular engagements with investors and sell-side analysts
- Tabling of shareholder resolution relating to SBG climate policy at 2022 AGM
- Engagement with credit and ratings agencies.

Related material matters

- Delivering sustainable value to shareholders.

Communities and civil society

Non-governmental organisations (NGOs), community representatives

How we engage

Various communication channels including in-person discussions.

How we measure the quality of the relationship

- Constructive engagements, media monitoring.

Priorities and concerns

- Social and environmental impacts of business activities, especially non-renewable energy projects
- Information on financed emissions and related targets.

Our response

- Robust screening, due diligence and engagement to assess social, economic and environmental risks and opportunities associated with our business activities
- Commitment to calculate and report on financed emissions for oil and gas portfolio by 2024 and publish targets to reduce these emissions by 2025.

Related material matters

- Delivery of positive SEE impacts, with a focus on sustainable finance solutions and supporting a just energy transition.

Our material issues

While our material issues evolve over time, the broad themes are relatively stable. We undertook an in-depth review of our material issues in 2020, a period of substantial upheaval and uncertainty owing to the onset of the Covid-19 pandemic. This included engagement with diverse stakeholders, internally and externally, to identify new and emerging priorities.

Since then, we have made minor adjustments to our material issues, to reflect changes in the global operating environment, the growing urgency of the climate crisis, evolving stakeholder priorities, and industry developments. These updates were reviewed and approved by the group social and ethics committee and, subsequently, the group board. Based on our understanding of group and stakeholder priorities, we defined our material issues in 2022 as follows:

Value drivers	Material issues	Measures and targets
Strategic priority: Transform client experience		
Client focus	▪ Client experience ▪ Competitiveness in face of new forms of competition and changing client expectations ▪ Fair outcomes for clients	▪ Grew CHNW client numbers by 8% against a target of >20 million client base by 2025 ▪ CHNW NPS in SA declined from 76 to 74, CHNW NPS in AR improved from 32 to 37 ▪ BCC NPS declined to 69 in SA and 20 in AR, from 71 and 29 respectively ▪ CIB client satisfaction index stable at 8.2
Employee engagement	▪ Employee engagement, health and wellbeing ▪ Workforce diversity ▪ Digital skills	▪ eNPS **+42** ▪ **40.8%** women in executive & senior management ▪ **28%** Black Africans in senior management SA against a target of 29.7% ▪ Regrettable turnover **3.4%** ▪ Average learning hours per person **63 hours** ▪ Workforce return on investment **2.5**
Strategic priority: Execute with excellence		
Risk and conduct	▪ Culture of responsible banking ▪ Integration of ESG risk management, with a focus on climate risk and opportunity ▪ Information security, data privacy, cybersecurity ▪ Third-party risk as we transform to a platform and ecosystem business	▪ **33%** decline in cases referred to Ombud for Banking Services ▪ **189** complaints to whistleblowing hotline found to be valid and actions taken, including **213** dismissals ▪ **5%** decline in number of information incidents ▪ **Zero** material cyber incidents ▪ **6 500** third parties read and acknowledged the requirements in the group's third-party code of conduct
Operational excellence	▪ Reliability of digital transaction channels	▪ Improved response time to system outages by 60%
Strategic priority: Drive sustainable growth and value		
Financial outcome	▪ Delivering sustainable value to shareholders	▪ Group headline earnings up 37% to R34.2 billion ▪ Group ROE 16.4% against a target of between 17% and 20% by 2025
SEE impact	▪ Delivery of positive SEE impacts, with a focus on sustainable finance solutions and supporting a just energy transition	▪ Mobilised **R54.5 billion**✓ of sustainable finance against a target of >R250 billion by 2026 ▪ Financed **R18.2 billion**✓ of renewable energy infrastructure against a target of R50 billion by 2024

Managing our ESG risks and opportunities

2022 highlights

We implemented a **new ESG learning framework** available to all employees. Over **400 employees completed** introductory learning modules in 2022.

We ran **ESG, climate and SEE workshops with our subsidiary boards** in Côte d'Ivoire, Kenya, Lesotho, Mauritius, Namibia, Uganda and Zimbabwe. The Standard Bank Insurance (SIL) board and management undertook ESG training including climate risk training.

We **achieved significant improvement** in our **S&P Global corporate sustainability assessment score** and steady performance across other key ESG indices.

We ranked **1st among financial institutions** in Southern Africa in the World Benchmarking Alliance's new Financial System Benchmark, 42nd globally and 21st out of 155 assessed banks.

We published our **group climate policy** and updated relevant group policies and processes to align with the climate policy,

For more information: Climate-related financial disclosures report

ESG rating agencies and index providers provide various types of ESG performance information on publicly listed companies. Standard Bank Group aims to improve our score on selected ESG indices. We have included such improvements as a performance metric under our SEE value driver. Our priority ratings include:

Standard Bank Group Limited
Banks

Sustainability Yearbook Member
S&P Global ESG Score 2022

66 /100

As of February 7, 2023.
Position and Score are industry specific and reflect exclusion screening criteria. Learn more at spglobal.com/esg/yearbook

S&P Global | Sustainable1

FTSE4Good	MSCI	SUSTAINALYTICS	Bloomberg Gender-Equality Index 2023
Included (3.9)	**AA**	**24.7 (med risk)**	**67.87**
0 to 5, higher is better	AAA to CCC	Out of 100, lower is better	Out of 100, higher is better

ESG governance

Board's role

Our board is responsible for guiding the group's strategy, overseeing our progress against our strategic priorities and value drivers, including the delivery of positive SEE impact, and assessing the effectiveness of our risk management processes, including ESG risk. It sets the tone from the top, and monitors our adherence to our code of ethics and conduct, applicable laws and regulations and relevant non-binding rules and standards. Board committees meet quarterly and provide feedback to the full board. Responsibilities in respect of ESG risk management are delegated to several board sub-committees.

We continue to improve the depth and breadth of ESG skills on the board and available to the board. During 2022, our boards in Côte d'Ivoire, Kenya, Lesotho, Mauritius, Namibia, Uganda and Zimbabwe, together with the Standard Bank Insurance (SIL) board and management, participated in ESG training, including climate risk training.

Board committees

Oversight and guidance

Group social and ethics committee

- Oversees alignment between group strategy and SEE value driver
- Monitors SEE impact metrics and targets in line with PRB commitments
- Monitors adherence to code of ethics and conduct, including quarterly conduct dashboards and progress on diversity targets
- Monitors material stakeholder issues, and ensures they receive appropriate attention from board and management
- Guides alignment between group strategy and climate commitments and monitors progress against climate commitments and targets

Group risk and capital management committee

- Considers enterprise-wide risks, emerging risks and events, including ESG risks, that may directly/indirectly impact on the group's risk profile
- Oversees adherence to group E&S risk management system and policies
- Assesses risks and opportunities associated with operating environment
- Monitors risk appetite and considers risk associated with allocation of capital
- Approves updates to E&S risk standard and policy
- Monitors climate risk exposures

Group information technology committee

- Oversees digital and physical infrastructure
- Approves relevant standards and policies and monitors compliance
- Reviews progress against digitisation strategy
- Reviews maturity of technology governance
- Reviews group response to infrastructure, user support, information security and technology resilience requirements
- Reviews results of independent assessments of client digital experience

Group remuneration committee

- Develops remuneration philosophy and policy statement to enable stakeholders to assess reward practices and governance processes, and considers and recommends for approval the remuneration report
- Considers shareholder feedback and recommendations in respect of the group's remuneration policy and implementation
- Assesses executive performance against SEE and ESG metrics.

Management's role

Executive oversight

Our ESG risk governance framework provides executive management with an integrated view of our ESG risks. It defines structures and accountability for the oversight, governance and execution of ESG risk management, including:

- Governance issues, including ethics and conduct, prevention of financial crime, information security and cybersecurity, and engagement with diverse stakeholders
- Social issues, including respect for human rights, labour practices, health and safety, financial inclusion and our impacts on communities
- Environmental issues, including impacts on natural resources, biodiversity, and climate-related risks and opportunities.

Our three lines of management model sets out the responsibilities of individuals and teams to ensure that risks are adequately considered and managed.

1. **First line:** Business is responsible for analysing, acknowledging and managing the risk it incurs in conducting its activities.
2. **Second line:** Risk management functions identify, measure, monitor and report risk on an enterprise-wide basis, independently from the first line.
3. **Third line:** Internal audit conducts risk-based and general audits to provide assurance to the board that the overall governance framework, including the risk governance framework, is effective and that policies and processes are in place and consistently applied.

Group risk committees oversee the implementation of the ESG risk governance framework, and report to the relevant board committees. ESG risk management is integrated into the group's risk management framework. All identified material risks are prioritised and monitored through indicators or other qualitative measures. We continue to leverage data and develop intuitive risk management processes, supported by digitisation. Breaches of risk thresholds are escalated to the appropriate governance structures.

Group leadership council (GLC)

- Constituted by the group chief executive, highest management structure
- Ensures appropriate governance structures, policies, processes are in place to identify and resolve risks and strengthen risk culture
- Approves group policies and standards
- Monitors adherence to group policies and standards, including code of ethics and conduct, and climate policy
- Drives business alignment with ESG risk management and ensures business ownership and accountability
- Oversees conduct dashboards
- Oversees implementation of climate policy and targets
- Reports to SBG board on progress
- Meets monthly

GLC sub-committees

Social and ethics management committee

- Reports to group social and ethics committee
- Chaired by SBSA CEO
- Oversees group's SEE impacts, including climate related impacts
- Monitors stakeholder issues and concerns based on group-wide input
- Ensures alignment with code of ethics and conduct, human rights statement, E&S risk management framework, climate policy and targets
- Meets quarterly

Group risk oversight committee (GROC)

- Reports to group risk and capital management committee
- Chaired by group chief risk and corporate affairs officer
- Oversees financial and operational related risk, including ESG risk management by risk committees and mandated forums, including client and transaction screening and due diligence to assess potential social/human rights and environmental impact
- Approves relevant risk governance policies
- Promotes risk management culture
- Reviews and recommends group risk appetite
- Ensures effective E&S risk management in line with group risk appetite
- Ensures climate-related risk identification, classification, analysis, monitoring and reporting is embedded in enterprise-wide risk management system, including client and transaction screening and due diligence
- Meets quarterly

Group non-financial risk committee

- Oversees non-financial risks and governance. Includes 17 risk type heads and second line business unit risk heads

Group compliance committee

- Promotes a compliance culture and ensures the effective management of compliance risk across the group

Business responsibilities

Relevant executives, teams and committees are responsible for ensuring that ESG considerations are incorporated across the group's business activities.

Chief risk officer (CRO)

Reports to the board and GRCMC

- Accountable for management of ESG risks and opportunities, including climate
- Monitors compliance with the E&S risk governance standard and policy and climate policy

Group corporate citizenship

Reports to CRO

- Develop and oversee ESG risk management framework and reporting, including climate, in partnership with business
- Monitor and report on conduct dashboards, reputational risk, stakeholder issues, and implementation of climate policy and targets

Heads of legal entities, client segments and sectors and corporate functions (including compliance, legal, people and culture, procurement, third-party risk management)

- Promote a culture in which all employees take accountability for ESG risk management and understand and comply with requirements
- Integrate ESG risk management, including climate risk, in enterprise-wide systems and frameworks, including client onboarding and review, transaction screening and monitoring, portfolio management, third-party risk management and procurement
- Prepare conduct dashboards for quarterly reporting
- Assess, manage, control and report on E&S risk and ensure risk is within appetite
- Integrate climate risk management into existing enterprise-wide systems and frameworks and implement sector-specific climate commitments and targets
- Partner with clients to develop solutions that promote positive ESG impacts, support clients to mitigate and adapt to climate-related risk and deliver group sustainable finance targets

Client risk committees

- Assess issues related to ESG, ethics and conduct in relation to onboarding new clients, new client mandates, and existing client relationships, including conflicts of interest, anti-competitive behaviour and financial crime
- Assess new and existing clients in relation to ESG risk level and proposed activities with a focus on sanctions, terrorist financing, bribery and corruption, money laundering and fraud

Group E&S risk (GESR)

- Execute the E&S risk governance standard and policy and monitor compliance across group and ensure E&S risks are correctly identified, evaluated and managed at transactional level
- Ensure alignment with international best practice including Equator Principles, IFC Performance Standards and Sustainable Banking Principles
- Review all project-related transactions and medium and high-risk non-project related transactions to identify, screen and manage transactional-level E&S impacts associated with the group's lending activities
- Work with business and credit teams to assess and mitigate risks

Supplier risk committees

- Review issues related to ESG, ethics and conduct in relation to suppliers and third parties, including conflicts of interest, anti-competitive behaviour, human rights, conduct and environmental impacts.

Principles and frameworks

Our ESG risk management framework is supported by our code of ethics and conduct and related policies and standards, our third-party code of conduct, our human rights statement, our exceptions list, our E&S risk governance standard and policy, and our whistleblowing policy.

Code of ethics and conduct

Our group code of ethics and conduct guides our decision-making, behaviours and interactions with our diverse stakeholders. It informs how we conduct ourselves in terms of how we treat one another, our clients and other stakeholders and how we manage our impacts on society and the environment. It informs group policies, standards and risk management controls. We updated the code in 2022 to ensure that our focus on achieving positive SEE impacts is effectively reflected.
Ethics and Conduct for more information.

Third-party code of conduct

We require all third parties contracted to provide services to the group to attest to the group's third-party code of conduct, which is based on the group code of ethics and conduct. Failure to comply with the third-party code of conduct is regarded as a violation of the terms of contract and may result in termination of the contract.
Procurement and Third-Party Risk Management for more information

Human rights statement

We are committed to respecting the human rights of people involved in and impacted by our business. This commitment includes our employees, our suppliers and service providers, and the people impacted by the projects and businesses we finance. We define human rights as the basic and universal rights that underpin each person's inherent freedom, dignity, and equality, as outlined in the UN Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. We align with the UN Principles for Business and Human Rights in terms of understanding our role in ensuring that human rights are respected.

We integrate respect for human rights into our day-to-day operations and in the way we do business. This includes:

- Providing a work environment for our people that respects their human rights. This commitment is reflected in our people policies and practices, including our code of ethics and conduct, our human rights statement, and policies governing diversity and inclusion, harassment in the workplace, discrimination in the workplace, sexual harassment in the workplace, occupational health and safety and whistleblowing.
- Exercising due diligence in deciding who we do business with and understanding the potential human rights impacts of our business relationships, purchasing, lending and investing.
- Combating financial crime and corruption in all its forms, including extortion, bribery, and money laundering
- Adhering to the Equator Principles in project financing
- Monitoring ESG risk in our supply chain
- Encouraging our clients, suppliers and business partners to avoid human rights infringements in their businesses.

We seek to avoid causing human rights infringements and being complicit in the human rights infringements of other parties. We do not tolerate slavery, forced labour or human trafficking in any form and will never knowingly be party to any activity that would violate the modern slavery laws, rules and requirements that apply to us.

We require all employees to report any alleged or suspected human rights violations to the appropriate leadership structures or via the group's **whistleblowing hotline**. We take appropriate steps where we discover, or are made aware, that we have caused or contributed to actual or perceived human rights abuses. This may include disciplinary action, exiting a business relationship, or constructive engagement to promote better practice.

Exceptions list

Our **exceptions list** specifies activities for which no entity within Standard Bank Group will provide banking or lending facilities.

E&S risk governance standard and policy

Our E&S risk governance standard sets out the group's **E&S risk management framework**, which provides for the governance, identification, measurement, management and reporting of E&S risks associated with the group's activities. The standard is supported by the group E&S risk policy, which details how the framework should be implemented. The standard and policy apply to the group's banking business[1], in relation to our business, commercial and corporate clients. They also apply to products such as loans, trade finance, project finance, debt and equity market services.

Group environmental and social risk (GESR) is responsible for reviewing, updating and ensuring the effective implementation of the standard and policy. Our E&S risk management processes are based on international good practice and align with the requirements of the Equator Principles, the IFC Performance Standards, and the Principles for Responsible Banking. As a member of the Equator Principles Association, Standard Bank commits to evaluate and actively avoid and mitigate any negative social or environmental impacts when we lend or provide advisory services to a project.

Group climate policy

Our **climate policy** commits the group to achieving net zero for financed emissions by 2050, and for scope 1 and 2 emissions for our own operations by 2030 for newly built facilities and 2040 for existing facilities. Our climate policy takes the African environmental, social, and economic context as its starting point. We aim to support a just energy transition to a lower carbon economy, to support efforts to mitigate the impact of climate change and to improve access to reliable and sustainable energy sources, a critical factor in Africa's economic growth and poverty alleviation.

We are working with our clients to support their climate transitions and enable the adoption of mitigation and adaptation strategies.

For more information: Report to Society

For more information: Climate-related financial disclosures report

[1] Excluding wealth, asset management and insurance.

Whistleblowing

We have a comprehensive process in place to enable employees and external stakeholders, including service providers and impacted communities, to raise concerns if they become aware of behaviours or actions that they believe are not in line with the group's values and code of ethics and conduct.

If an employee has any concerns about a behaviour or incident that they believe deviates from the group's values or code of ethics and conduct, they are required to report these. Employees and external stakeholders should report any actual and/or suspected acts of unlawful, irregular or unethical behaviour by the group, our employees, suppliers or third parties, under the provisions of the group's whistleblowing policy. We encourage our stakeholders to raise concerns and make disclosures in good faith, and in a transparent manner, without fear of victimisation or prejudice.

A whistleblower is not expected to prove the truth of an allegation but will need to show that there are enough grounds of concern that it is reasonable to suspect unlawful, irregular or unethical conduct.

Whistleblowers are encouraged to use available reporting channels and provide sufficient information to enable an investigation to take place. No whistleblower shall be disadvantaged when reporting legitimate concerns in good faith or on the basis of a reasonable belief. Our whistleblowing policy provides for the protected disclosure of any attempted, suspected or actual unlawful, irregular or unethical behaviour that employees come across in the group in terms of South Africa's Protected Disclosures Act, 2014.

Our policy includes the process to follow if the whistleblower encounters adverse reaction on making a disclosure. The group is not obliged to protect a whistleblower who makes a false disclosure in bad faith or maliciously, or who unfairly or unjustly discredits another person. Appropriate disciplinary action will be taken in these cases.

The group provides various **reporting channels** for employees and other stakeholders to report concerns about unethical or unlawful behaviour.

- **Employees**: Information on our whistleblowing policy and processes is readily available to all employees. Through regular email communications and training interventions, we actively encourage employees to use these channels if they have any concerns. All internal reports and disclosures are treated on a case-by-case basis. We offer different levels of confidentiality and anonymity depending on the whistleblower's preference. If the whistleblower requests that their identity be kept confidential or anonymous, this request will be respected. The group will always protect the whistleblower's identity. Employees may raise concerns or report issues via:
  - Group investigation and fraud risk (GIFR) or the head of investigations and fraud risk in-country
  - People and culture
  - Line managers
  - The group's independent, confidential **whistleblowing hotline**
  - Persons or bodies external to the group, as defined by the policy.
- **External stakeholders:** External stakeholders are encouraged to use the whistleblowing hotline. Emails can be sent to: **whistleblowingline@tip-offs.com.** External stakeholders may also make a report to a legal representative, with the object of and while obtaining legal advice; to relevant regulatory bodies, or a prescribed person or body that the whistleblower reasonably believes would usually deal with these matters.

Issues which may be reported to the whistleblowing hotline include:

- Behaviour that is likely to cause financial harm or reputational damage to the group, including breaches of group policies and procedures
- Failure to comply with the applicable country domiciled law
- Abuse of human rights
- Any instance or suspected instance of injustice
- Discrimination, harassment, victimisation, bullying or sexual misconduct
- Danger to the health and safety of an individual
- Environmental damage
- Abuse of power or authority
- Fraud, theft, bribery or corruption
- Abuse of group or client resources and assets
- Misrepresentation of information
- Mismanagement or maladministration
- Deliberately concealing information about any of the above.

Investigations

All reports received via the whistleblowing hotline are referred to GIFR, who assesses the reports and determines appropriate action. Where appropriate and where cases fall outside GIFR mandate, cases may be referred to other corporate functions, such as people and culture, or the relevant head of business unit or country.

GIFR acknowledges receipt of disclosures made via the whistleblowing hotline in writing and informs the whistleblower (or the whistleblowing hotline if the matter was raised anonymously) whether or not the matter will be investigated. A decision not to investigate may be taken if insufficient information is provided by the whistleblower, or the allegations do not impact the group or our employees, for example.

If a decision to investigate is made, GIFR will also communicate, where possible, the timeframe in which investigations will be completed or updates provided. Feedback timelines as provided by the Protected Disclosures Amendment Act 2017 are applied and adhered to. GIFR conducts investigations in an independent and objective manner. All reasonable steps are taken to ensure that all aspects of the matter and associated evidence are examined.

When investigations are concluded, feedback is provided to the whistleblower or to the whistleblowing hotline. Findings of matters that were referred to other business units for assessment are also reviewed by GIFR, and GIFR provides feedback on these matters to the whistleblower or the whistleblowing hotline. Due to confidentiality, details of the investigation outcome are not provided but rather feedback that confirms the necessary action in accordance with the group's policies.

Ethics, conduct and fair outcomes for clients

2022 highlights

We published **the group's revised group code of ethics and conduct**, which reflects **the three pillars of our approach to ethics** in action.

97% of group employees completed training based on the group code of ethics and conduct.

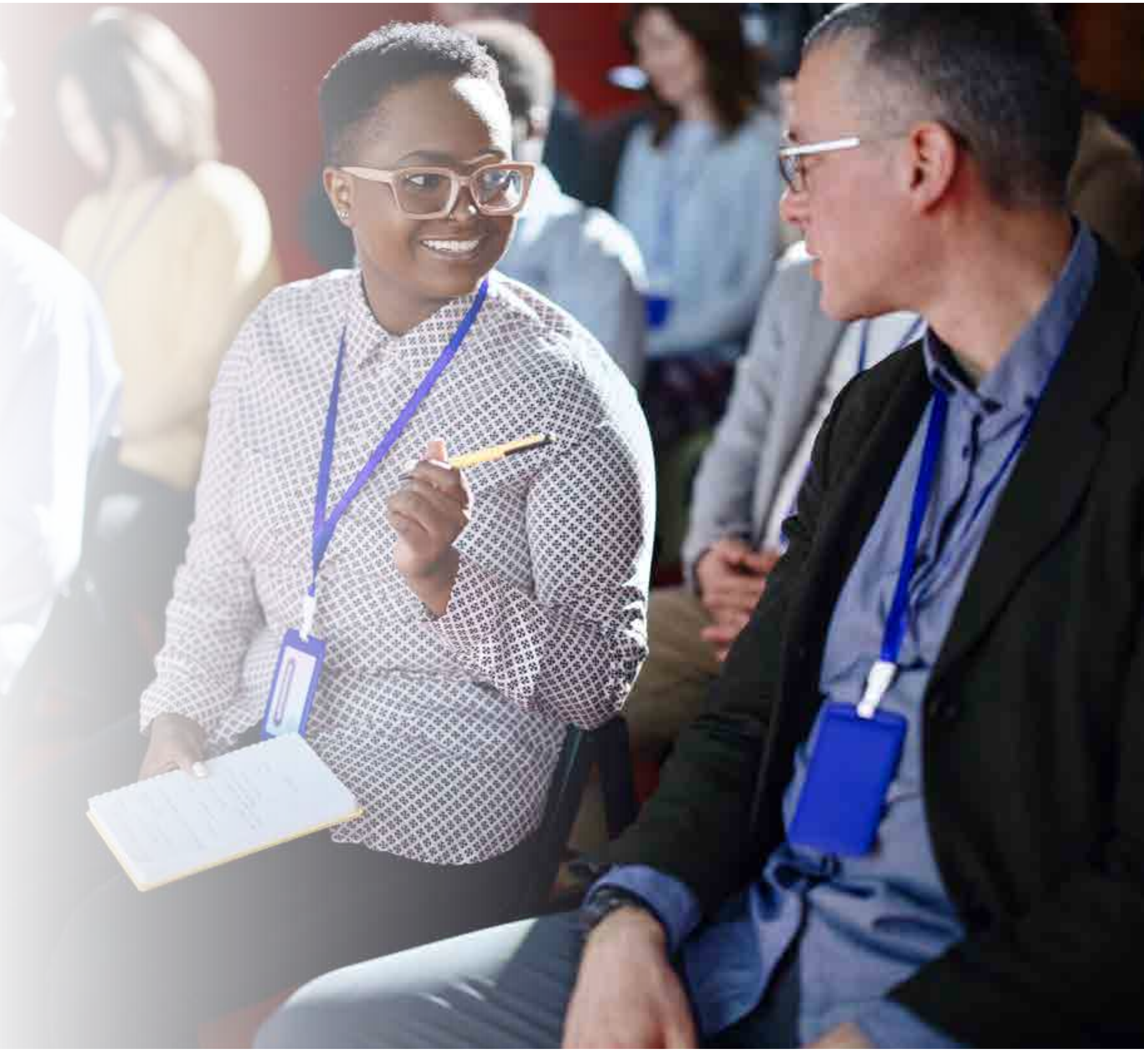
We adopted a **new approach to conduct risk reporting** to enable stronger oversight by board and executive committees.

We undertook an **initial assessment to identify our material human rights risks and impacts** in respect of our employees, our clients, our supply chain and the communities impacted by our **services.**

Conduct risk remained within risk appetite, as assessed by the various lines of business. Conduct-related breaches were addressed within specific business areas.

We **revised the complaints management framework and standards** to align to client expectations and the Conduct Standard for Banks, established a dedicated complaints management team, streamlined our systems and strengthened ownership and accountability, and enhanced reporting and **monitoring**.

We achieved a **43% improvement** in the **resolution** of complaints, increased the proportion of complaints resolved within 72 hours by 43% and improved the average turnaround time to handle complaints by 78%.



Our ethics and conduct pillars

Personal conduct

Our responsibilities to one another and the group

1. We promote diversity and inclusion.
2. We do not tolerate unfair discrimination, bullying or harassment.
3. We support our employees to develop their skills and careers.
4. We ensure performance management processes enable constructive feedback and employee development.
5. We recognise and reward our people fairly, and we incentivise ethical behaviour.
6. We encourage innovation and collaboration to achieve better client outcomes.
7. We take responsibility for how we represent the group in public.
8. We ensure that gift and entertainment giving or receiving is carefully managed and declared to prevent impropriety.
9. We take all reasonable steps to prevent or fairly manage potential conflicts of interest.
10. We protect the group's physical and information assets.
11. We maintain a healthy and safe work environment.
12. We enjoy freedom of association and collective organisation.

Societal conduct

Our impact on society and the environment

1. We understand and manage our SEE impacts.
2. We strive to create shared value for our stakeholders, including shareholders, clients, employees and the societies in which we operate in line with our SEE value driver.
3. We respect human rights.
4. We promote financial inclusion.
5. We engage constructively with our stakeholders.
6. We are responsible in our procurement practices and third-party relationships.
7. We commit to reducing our operational and financed carbon emissions in line with the group's climate policy and the Paris Agreement.
8. We have clear rules that govern corporate political action and funding of political parties.
9. We undertake corporate social investment that creates sustainable benefits for our communities.

Conduct in the market

How we do business

1. We treat our clients fairly.
2. We communicate effectively and proactively with our clients.
3. We are responsive to client complaints.
4. We value the right to privacy and take all reasonable steps to ensure we process personal information lawfully.
5. We use data and artificial intelligence responsibly.
6. We proactively detect and prevent financial crime.
7. We support the orderly, fair and transparent functioning of financial markets and do not engage in anti-competitive behaviour.
8. We ensure commission payments are legitimate and legal.
9. We keep appropriate records.
10. We ensure the accurate public reporting of our financial statements and transparency on tax matters.

Principles and frameworks

Our **code of ethics and conduct** guides our decision-making, behaviours and interactions with our diverse stakeholders, and how we manage our impacts on society and the environment. It provides the benchmark against which we assess our performance, as individuals and a group. It is based on three pillars, linked to our purpose and values.

It aligns with global and national regulatory and governance standards across our countries of operation. It helps us ensure that we conduct ourselves lawfully and within the legal frameworks of the countries in which we operate. It aims to empower us to make principle-based decisions, and to encourage honest and robust discussion to determine the appropriate course of action in any situation.

Our code is applicable to all Standard Bank employees (full-time and part-time) and consultants. It applies to our board members, including non-executives, and to employees of our subsidiaries, except where the subsidiary has its own code of ethics which aligns with Standard Bank's code. The code informs our group policies, standards and risk management controls.

Adherence to the values, principles and behaviours described in the code is an integral part of the group's performance management process. We ensure our incentives and reward structures are balanced and promote employee behaviour that creates fair client outcomes and maintains market integrity.

Employee responsibilities

- All employees are required to read, understand and attest to follow the code on joining the Standard Bank Group.
- All employees must complete mandatory online training on the code and related policies, and attest to having done so. Training uses case studies and includes practical scenarios designed to deepen employee understanding.
- Employees are required to undertake training to understand and manage relevant conduct risks within the context of their business units/roles and responsibilities.
- FAIS[1] representatives and key individuals are required to obtain accreditation to ensure appropriate awareness and management of conduct risk.
- Employees are encouraged to participate in online training seminars on ethics and conduct.
- In 2022, 97% of group employees. completed training based on the group code of ethics and conduct.
- Executives are responsible for monitoring and interrogating conduct dashboards and implementing mitigating and remedial actions when material conduct issues or concerns arise.
- Effective consequence. management practices are in place for unethical behaviour.

[1] Financial Advisory and Intermediary Services.

Managing risk incidents and breaches

Every area of the business is required to identify any behaviour that is contrary to the group's culture and ethics and to take disciplinary action in line with conduct risk management standards, in conjunction with relevant people and culture partners.

Any breach of the group's code of ethics and conduct can be a failure to comply with the code is a violation of terms of employment, which may be subject to disciplinary action, up to and including dismissal.

COMPLAINTS RECEIVED VIA WHISTLEBLOWING HOTLINE

	2022
Total complaints received	360
Whistleblowing hotline cases investigated	314
Complaints found to be valid	189
Whistleblowing hotline cases still under investigation	46

TYPES OF COMPLAINTS INVESTIGATED (%)[2]

	2022 %
Unethical behaviour	40
Misconduct	33
Retail fraud	19
Bribery and corruption	3
Theft	3
Other fraud (card issuing, cyber etc)	2

[2] All whistleblowing complaints received, via the hotline and other channels.

OUTCOME OF INVESTIGATIONS[3]

	2022
Dismissals	213
Warnings	203
Suspension	33
Not guilty	28
Resignation	7
Counseling	5
Demotion	3

[3] Outcomes of all cases investigated, via whistleblowing and other channels.

In 2022, a small number of employees (0.2% of group employees) were involved in the inappropriate activation of MyMo accounts in South Africa. The group acted quickly to investigate the matter and implement internal disciplinary processes. As at 8 March 2023, 89 employees had been dismissed. There was no disadvantage to customers. Following a thorough investigation, the group is satisfied that this was an isolated incident that it is not indicative of any wider issue related to conduct, sales practices or incentive structures. The large majority of group employees continue to show deep understanding of and adherence to the group's code of ethics and conduct. We have reviewed our conduct training to identify opportunities for improvement and have received positive feedback from employees to the revisions we have implemented.

Fair outcomes for clients

Conduct risk is the risk of inappropriate execution of business activities resulting in adverse impacts to our clients, markets or the group itself.

The includes governance arrangements, business models, product development, sales practices, treating clients fairly outcomes, and remuneration and incentive structures. Our approach to conduct aims to ensure that the group maintains a client centric culture focused on achieving fair client outcomes.

Conduct risk management

We place our clients at the centre of our business activities and aim to ensure that our decisions support the delivery of fair client outcomes. We are committed to treating all clients objectively and fairly and applying policies equitably to all, regardless of individual differences. We do not tolerate unfair discrimination on any grounds. The group has no appetite for unfair client outcomes arising from inappropriate judgement and conduct in the execution of our business activities, or wilful breaches of regulatory requirements.

Our code of ethics and conduct is supported by our comprehensive approach to conduct risk management. We have adopted a culture-led approach to managing conduct. Conduct risk management is integrated into all relevant group policies and processes and managed as part of the group's non-financial risk management framework. Our conduct risk policy sets out the requirements for timely identification, reporting, escalation, and remediation when conduct risk is identified.

Conduct risk is governed by conduct oversight committees within client segments and corporate functions, together with the social and ethics management committee and group social and ethics committee. Conduct oversight committees are responsible for:

- Promoting sound culture and conduct standards
- Identifying emerging trends in conduct and behaviour
- Aligning conduct risk management with regulatory requirements and business objectives
- Monitoring and interrogating conduct risk management information and indicators
- Identifying conduct risk specific to their business and taking appropriate risk mitigating actions
- Reporting conduct risk management information and material control issues to enable the board and executive management to exercise oversight and management.

All areas of the business submit quarterly conduct dashboards to executive management. The dashboards include information about risks, complaints and grievances received via various channels, investigations, breaches and remedial actions taken. The dashboards are reviewed by the social and ethics management committee and group social and ethics board committee.

All client segments and corporate functions must regularly assess the impact of changes on conduct risk exposure arising from new product development, third-party relationships, regulatory trends, business models and material system and process changes.

Product design and delivery

The group is committed to providing our products and services honestly, fairly, with due skill, care and diligence, and in the interest of clients. We provide clients with clear, transparent and appropriate product information, including information on features and risks. We provide all relevant disclosures before, during and at final contract for the product or service. We ensure information provided to clients is factually correct, in plain language and not misleading, and adequate and appropriate in the circumstances, taking account of the established or reasonably assumed level of knowledge of the client. We provide information timeously to give the client reasonably sufficient time to make an informed decision. We ensure client needs and eligibility of products are identified through a robust and objective evaluation process and consider clients' individual circumstances and ability to bear associated costs or risks when providing products and services.

Products are subject to ongoing review, monitoring and reporting of product performance and suitability, including at monthly product risk and compliance committees and the product governance committee. We identify and implement product changes and enhancements based on ongoing and regular feedback from employees, including frontline employees, and customers. We analyse client satisfaction index (CSI) results, net promoter scores (NPS) and complaint data regularly to identify potential areas for improvement. We provide specific product training for sales employees and third-party suppliers within authorised roles.

Fair pricing

We provide our customers with clear information regarding fees and costs payable. Relevant committees oversee pricing considerations, annual pricing reviews and other business as usual reviews. Pricing reviews take into account customer insights obtained through surveys, complaints and feedback received through relationship managers, together with information regarding the competitive environment, regulatory guidance, and cost to serve. Group compliance participates in pricing approval processes, to ensure that customers are treated fairly.

Advertising and marketing

The marketing and communication (MC) risk and conduct committee oversees that group's MC operating model and is responsible for the management of risk within MC, including ensuring adherence to the group code of ethics and conduct. The committee meets quarterly.

Material advertising and communications campaigns or initiatives are presented at a weekly campaign council forum. The forum provides feedback on issues such as regulatory compliance, customer relevance, brand alignment and clarity. The forum, together with business, group legal and group compliance, all play a part in the advertising approval process, helping to ensure the achievement of fair customer outcomes and compliance with all disclosure requirements. While the development of advertising is outsourced, no outsourced supplier is mandated to place advertisements on our behalf and advertisements may not be placed without the group's approval process being followed.

We subscribe to South Africa's Advertising Regulatory Board's (ARB) code of advertising practice. The ARB is an independent body set up and paid for by the marketing communication industry to ensure that its system of self-regulation works in the public interest. The code is based on the international code of advertising practice, prepared by the International Chamber of Commerce. The ARB code is amended from time to time to meet the changing needs the industry and society.

Customers may opt out of any and all forms of digital and direct marketing. We differentiate between marketing material and critical operational communication. For example, should our banking systems experience an outage, we will still communicate relevant information to clients such as the status of the outage, alternative means of banking, and progress on resolving the issue.

Responding to client complaints

Our complaints management system is modelled on the principles of fairness, accessibility, responsiveness and efficiency. Our complaints management policy is designed to comply with applicable regulatory obligations across the group, ensuring that the roles and responsibilities of all stakeholders are clearly set out and the requirements for complaints management procedures are documented. The policy applies to all employees of the group, regardless of location or business unit. It reflects the group's minimum requirements. It may be supplemented by additional requirements in a local jurisdiction, or by a business policy or procedure.

Each business area has a complaints management framework, underpinned by standards for the effective resolution of complaints. Each area also has a complaint resolution system (CRS) that enables the capturing and management of complaints. All employees responsible for the capturing, management and resolution of complaints receive relevant training. Each business area's complaints management procedure is publicly available. Business areas maintain management information in respect of all complaints and use this for root cause analysis to ensure appropriate action is taken to address areas of concern. When compensating a client, the principles of treating customers fairly and all other relevant legislation are considered.

Complaints process

1. **Complaint is logged** at nearest branch, suite, voice branch or with the Complaints Resolution Centre
2. Employee who logged the complaint will provide a **reference number within 24 hours**
3. Employee **advises the customer** of the expected **timeline to resolution** and if any additional information is required
4. **Regular progress reports** (verbal or written) are provided to the complainant
5. Complaint is **resolved** within the expected timeline communicated to the customer
6. **Customer is notified** of the complaint investigation outcome using their preferred method of communication
7. If a complainant is not satisfied with the resolution of a complaint, there is an **escalation process** which allows for escalation through the various levels of management
8. If after escalation the complainant is still not satisfied the matter may be logged with the relevant **Ombudsman.**

CHNW has a dedicated team responsible for monitoring and oversight of adherence to the complaints management framework and a dedicated complaints management team responsible for complaints management, detection and prevention. The executive complaints management team deals with complaints and disputes referred to them internally as well as informal referrals from the Ombudsman for Banking Services (OBS), while the complaints resolution centre deals with complaints logged directly by customers.

We implemented several measures to strengthen our complaints management framework in 2022. They included:

Governance

- Established complaints management council to oversee adherence to complaints management framework and address any issues arising to ensure effective complaint management and improved client experience
- Revised complaints management framework and standards to align to client expectations and the Conduct Standard for Banks
- Introduced minimum standards and disciplines for managing complaints
- Increased ownership, accountability and focus on governance forums and executive committees
- Ensured appropriate mandates and empowerment for complaints handling employees
- Enhanced reporting and monitoring.

Execution

- Reorganised complaint management capability, including establishment of a dedicated complaints management team with relevant skills to optimise complaints management process
- Strengthened complaints management capabilities within complaints resolution centre and increased resources
- Streamlined complaints management systems in CHNW from 11 to four systems
- Revised complaints management categorisation and service level agreements to reduce turnaround times
- Reduced number of hand offs and strengthened accountability by increasing visibility and accessibility of complaints logging capabilities and automating escalation processes
- Implemented training to support the revised framework for all relevant employees.

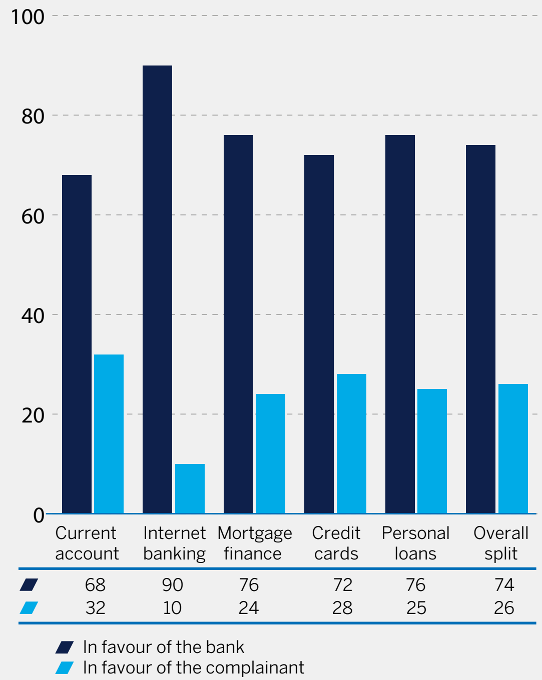
- We achieved a **43% improvement** in the **resolution** of complaints by year end.
- We increased the proportion of complaints **resolved within 72 hours by 43%**.
- We improved the average **turnaround time** to handle complaints by **78%**.
- Our complaint resolution centre improved **average time to answer and respond** to customers to **28 seconds**.

SBSA's retail business has an independent and impartial internal **Customer Dispute Adjudicator (CDA)**, mandated to resolve disputes between the bank and customers by means of adjudication, taking into account the law, equity, industry codes and good banking practice.

Disputes that may be escalated to the office of the CDA include those referred by relevant OBS, FAIS Ombud, the Financial Sector Conduct Authority (FSCA), and other regulatory bodies, consumer bodies and Ombud's offices, which SBSA's Complaints Resolution Centre (CRC) cannot resolve.

The CDA does not have jurisdiction in respect of decisions to grant credit (commercial discretion); pricing (fees and charges unless the complaint relates to the incorrect application of SBSA's fee structure); material disputes of fact that cannot be resolved on a balance of probabilities; disputes best suited to an alternative forum (such as a court of law due to complexity); corporate and investment banking related disputes; and offshore banking services and solutions unless the dispute is escalated by the FAIS Ombud's office.

Resolutions per category (%)



Formal OBS complaints closed in favour of clients include complaints where there was no liability, negligence or maladministration on the part of SBSA however the bank settled these matters as a gesture of goodwill.

2022 Accolades

The CDA team was nominated for the OBS annual awards, for the Big Bank category, demonstrating the team's commitment to embodying Standard Bank's values, ethics and commitment to clients and client experience. The awards are based on the quality of a bank team's written responses to all OBS complaints, response times and the overall fairness of their responses. One of our adjudicators was nominated, and won in the individual awards category. This award celebrates individual efforts in dispute resolution to ensure complaints are quickly and appropriately resolved.

OBS disputes

SBSA paid customers R12.06 million as a result of OBS disputes. 24% of complaints were about current accounts, and mainly related to fraud issues.

Implementation of the CHNW complaints framework and capability, and rigorous complaints governance oversight, resulted in the following improvements:

2021	2022
2 071 disputes	1 385 disputes, ▼33%
Highest complaint numbers, absolute and normalised, among top five banks	Third highest absolute complaint numbers, highest decrease in absolute numbers
Contributed 28% to overall complaints for top five banks	Contributed 19% to overall complaints for top 5 banks
67% of complaints closed by the OBS in favour of SBSA	74% of complaints closed by the OBS in favour of SBSA, demonstrating our commitment to treating customers fairly before complaints are escalated to the OBS

Other disputes

- The CDA also dealt with 92 formal complaints via the FAIS Ombud, and 342 complaints via other regulators and customers.
- SBSA paid customers R2.95 million as a result of these disputes.

Reliability of digital transaction channels

2022 highlights

We made structural and process changes in response to material system outages in the first half of 2022, enabling us to improve system stability and resilience. We experienced no material incidents in the second half of the year.

No client impacting cyber incidents or cyber related losses were experienced in 2022.

Our **response and recovery times** significantly improved in the second half of the year. We can successfully failover (switch to a standby system) in the event of near misses, mitigating the risk of outages and impacts to the client.

In South Africa, our **customer NPS scores across all digital channels showed improvement** in the second half of 2022.

We improved our **communications approach** in the event of outages experienced, to ensure that we can effectively and timeously engage impacted customers.

Group technology had positive **engagements** with the group board, regulators and investors, to ensure clear understanding of what caused the outages in early 2022, and what we have done to improve system resilience.

2022 Accolades

In 2022, Standard Bank's Enterprise Architecture (EA) team was one of three recipients of Forrester's 2022 EA award, for excellence in executing an enterprise wide, outcomes-driven EA practice that puts customers at the centre. The team was recognised for developing a model that evolves our business towards a platform organisation, enabling integrated teams to deliver client-centred solutions aligned to our technology strategy. Business structures and capabilities have been configured to meet future customer and employee needs with adaptivity, creativity, and resilience, while our architecture community forums enable continuous collaboration to leverage best EA practices.

Principles and frameworks

Back to Basics

The stability, security and speed of our IT systems is central to our ability to deliver against our purpose and strategy. Our priorities include:

- Improving the reliability of the group's critical business processes and services
- Implementing advanced level observability (the ability to measure a system's current state based on the data it generates)
- Streamlining processes for real-time decision-making and production oversight
- Using a risk sensitive approach to change management, baseline service availability and performance levels
- Fully understanding the root causes of incidents, implementing effective mitigation and ensuring no repeat causes
- Working with our strategic third-party partners on system health reviews.

Employee responsibilities

Core elements of our approach to strengthening system stability and security include recognition that we are one united team, bringing together a wealth of diverse experience and skills; a focus on transparency and open communication; a commitment to escalate any issues rapidly to ensure fast recovery; and a strong sense of accountability and pride in our work.

Risk incidents and breaches

In the first half of 2022, we experienced six material outages. Four of these incidents took place during April and May in South Africa.

While the security and confidentiality of our clients' information was never at risk, these outages caused significant inconvenience and frustration for our customers, and impacted negatively on our brand and reputation.

We identified and fixed the root causes of these incidents and implemented corrective actions to strengthen system stability and resilience. While it is not possible to totally avoid outages, we have implemented changes to systems, processes and culture to ensure that incidents are escalated quickly and effectively, and that services can be restored quickly, thereby minimising the impact on clients.

In the second half of 2022, we experienced **no significant incidents** with seven successive months of month-end technology stability.

We improved our communications approach in the event of outages, to ensure that communications are effectively directed to impacted customers. This includes two-way communication on SBG mobile, in-platform communications via internet banking and the mobile app, clear communication of alternative channels should one or more channels experience difficulties, and information about available helplines.

Information security, data privacy and cybersecurity

2022 highlights

We increased **client awareness** of cyber risks through programmes on social media, email and SMS communications and posters in branches, and conducted **cyber risk masterclasses** and board sessions for corporate clients.

We **improved the mean-time-to-detect and mean-time-to-respond** to cyber incidents across all legal entities.

We introduced DigiME to **reduce digital fraud** and impersonation and minimise client losses and achieved over 2.1 million registrations.

In South Africa, we matured the SA data privacy and protection office to ensure **compliance with new regulatory frameworks.**

We launched an online **information risk masterclass series** as part of our non-financial risk (NFR) skills development programme.

We detected and successfully mitigated several attempted cyber threats, leading to **zero material incidents** for the year.

Principles and frameworks

Our ability to do business depends on the integrity of the group's data and information assets and the protection of client privacy. We have zero-tolerance for the misuse and misplacement of personal information.

- Information is a valuable asset to the group and must be protected according to its value, sensitivity and purpose. We do not share confidential or sensitive information with unauthorised people or competitors. We promote a culture of accountability, where all employees are encouraged and committed to their information risk responsibilities and ensure that third parties acknowledge and comply with group minimum requirements.
- We are committed to protecting the personal information of clients, third parties and employees. We prioritise data privacy rights as a fundamental human right and apply robust processes to give effect to the right to privacy. This requires constant vigilance in respect of information risk, cyber risk, client privacy, technology risk and third-party risk.
- We are committed to safeguarding clients' data and money from cyber threats. Cyber risk receives extensive focus from the board and executives.

We manage data privacy, information security and cybersecurity within the framework of the following policies and standards:

- **The code of ethics and conduct** requires all employees to protect the confidentiality of client information, protect group intellectual property and disclose information on intellectual property to relevant parties on a need-to-know basis only.
- **The enterprise-wide risk management framework** incorporates cyber and information risk types as material risks to be managed.
- **The information risk governance standard** sets out minimum requirements for information risk management and the philosophy of information risk, including data privacy risk, to be adopted across the group. It ensures alignment between interconnected risk types, such as cyber risk and technology risk.
- **The information risk policy** sets out principles and minimum requirements to manage risk to all types of information assets, in all formats, owned by or entrusted to the group throughout the information lifecycle, including information in motion, information in use and information at rest. It applies to all employees and third parties, including independent service providers.
- **The data privacy operating standard** applies to the processing of all personal information relating to prospective, existing and former data subjects, including clients, employees, third parties, natural persons or juristic persons. It deals with the protection of personal information throughout its lifecycle, from originate through to use, retain and dispose.
- **The cyber resilience standard** defines roles and responsibilities for managing cyber risk and enables accurate measurement and reporting of the status of cybersecurity controls.

Information risk is the risk of accidental or intentional unauthorised use, access, modification, disclosure, dissemination or destruction of information resources, which would compromise the confidentiality, integrity and availability of information and which would potentially harm the business.

- **Data privacy risk** is the accidental or intentional compromise and/or unlawful processing of Personally Identifiable Information at any point during its lifecycle, which would potentially cause harm to the business and/or data subject.

Cyber risk is the risk of a digital attack on the bank's systems for financial gain, either directly through attacks on payment systems, or indirectly through stolen data or extortion.

The group information risk governance standard and cybersecurity resilience standard are aligned with international best practice, including the International Organization for Standardization (ISO) 27000 series; ISO 27018 and 29100; National Institute of Standards and Technology (NIST) Privacy Framework; King IV Report on Corporate Governance; Information Security Forum (ISF) Standard of Good Practice (SoGP) for Information Security; Payment Card Industry Data Security Standard; Data Administration Management Association Data Management Body Of Knowledge; The Bank for International Settlements' Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions (CPMI-IOSCO) Guidelines for Cyber Resilience.

Information security

- Information assets must be identified and documented in the formal information asset register.
- Formal ownership of information assets must be assigned and accountability taken for protecting confidentiality, integrity and availability.
- Information must be protected throughout its lifecycle and retained and destroyed in accordance with legal, regulatory and industry requirements where applicable.
- Information must be classified into levels of sensitivity and protected accordingly, throughout its footprint (wherever it exists and whatever the form) and the footprint must be documented.
- Access to information assets must be managed on a need-to-know and need-to have basis. Logical and physical access will be granted only to ensure the effective execution of official responsibilities and accordance with the role.
- Full accountability must be implemented for all identified high risk profiles and roles.
- Risks to our information are reported at various governance and risk committees.

Data privacy

We are committed to protecting the personal information of clients, third parties and employees. We apply robust processes to give effect to the right to privacy. Our data privacy approach incorporates the requirements of all relevant privacy legislation and regulation and industry standards and codes, across our countries of operation. This includes General Data Protection Regulation (GDPR), and South Africa's Protection of Personal Information Act (POPIA), Data Privacy and Promotion of Access to Information Act (PAIA) and Code of Banking Practice. Legislative and regulative requirements per jurisdiction are identified and embedded into applicable risk management processes.

We adhere to the following principles when processing personal information:

- Privacy is top of mind in all our business activities and projects and remains our responsibility.
- We only collect the personal information that we need, we collect it lawfully and process it based on the lawful grounds provided by legislation.
- We always keep our customers informed and ensure they know what personal information we need, and why we need it.
- We empower and enable our customers to access and update their personal information at any time. Requests from data subjects to amend or delete their personal information may be made via our customer service channels or directly to the information officer.
- We do not process customers' personal information beyond the purpose for which we originally collected it.
- We treat the personal information we collect through our various channels as private and confidential. Our privacy statement and cookie notice apply when using these channels.
- **The Standard Bank Group privacy statement** addresses the requirements of the various jurisdictions in which we operate.
- **The SBSA privacy statement** incorporates national legislative and regulatory requirements.
- Both statements provide clarity for data subjects (including clients, prospective clients and third parties) in terms of how we use, respect and treat personal information; and how they may exercise their rights in relation to their personal information.

Cybersecurity

Cyber risk is governed by the group chief information security officer (CISO), who is responsible for creating, measuring and monitoring the cybersecurity strategy and programme. The CISO provides regular updates to the board on the group's cyber risk posture. The board gets independent assurance through internal and external audits of the cyber resilience controls. The board also mandates bi-annual assessments of the cyber strategy by global cybersecurity experts. The most recent assessment was conducted by Arete Advisors, a US based cyber incident response firm.

The group information security function is responsible for upholding a culture of security across the group, fulfilling regulatory requirements and providing a robust control environment, all centred on maintaining our clients' trust in our digital platforms. We continue to invest in improved capabilities to predict, prevent, detect and respond to cyber incidents. We gather cyber threat intelligence, which is shared across the group to enable risk mitigation and inform improvements to the cyber resilience programme.

Cyber risk issues and trends are reported monthly to relevant management and risk forums:

- The CISO provides updates on information security matters to the board via the group information technology committee and the group non-financial risk committee, on a quarterly basis.
- The cyber resilience programme employs a continuous testing/continuous monitoring strategy to ensure the security profile is maintained. Testing includes technology testing (vulnerability scanning, penetration testing), people testing (mandatory training, security awareness and mock phishing campaigns) and response testing (cyber incident simulations, disaster recovery testing) to stress test security capabilities. Monitoring includes using machine learning and data analytics to continuously measure the effectiveness of controls across the group.
- These measures provide a near real-time view of the cyber risk profile and have been incorporated into the group value metrics.
- We run monthly awareness campaigns on the latest threats and risks. As part of the continuous testing approach, mock phishing campaigns are run against every employee at least once a year.

Standard Bank employs nearly 300 dedicated cybersecurity experts across the group, one of the largest corporate security teams on the continent. Security skills are continuously developed to keep up with the latest technology trends, tools and techniques used by attackers. We contribute to the larger security community by participating in industry cyber risk forums, extending our cyber risk management experience to our partners, service providers and third parties, and supporting internal and industry-led security skills development initiatives to improve the shortfall of cybersecurity skills across the continent.

Employee responsibilities

All employees are required to:

- Protect information and comply with relevant policies, including the information risk policy, acceptable use of information assets policy, cyber-resilience standard
- Lawfully process personal information as documented in country-specific privacy statements
- Complete mandatory compliance training, including mandatory information security and mandatory biannual cybersecurity awareness training
- Use group information assets, including mobile devices, appropriately and responsibly
- Ensure data privacy is incorporated into how we design and run our core business processes
- Attest to having read and understood the group acceptable use of information assets policy and other applicable policies every time they log in to their Standard Bank computer. Attestation includes confirmation that non-compliance with group policies may result in disciplinary action, including termination of employment.
- Report security violations and non-compliance with group policies
- Report any information risk or cybersecurity concerns.

Specific responsibilities are assigned to committees and areas of business:

Committee/role	Responsibility
Group architecture governance committee	▪ Ensures minimum standards for architectural decisions for external, internal and end-user computing design and solutions
Group information risk management committee	▪ Provides governance and oversight on all matters relating to information risk, including data privacy risk
Group non-financial risk committee	▪ Reviews submitted reports and escalates material exposures and trends to group risk oversight committee and group risk and capital management committee
Group CISCO	▪ Creates and measures cybersecurity strategy and programmes and reports to the board
Group information risk	▪ Provides subject matter guidance, oversight, assurance and reporting on policy implementation and oversees compliance ▪ Supports awareness and training on information risk
Information security officers	▪ Ensure consistent implementation of cyber resilience and data protection capabilities across the technology landscape
Group data privacy officer	▪ Sets group's approach, strategy and implementation regarding data privacy ▪ Monitors implementation of group data privacy compliance framework and data privacy operating standard in alignment with regulatory frameworks ▪ Ensures data privacy-by-design and data privacy-by-default are considered and incorporated into products, services and technology ▪ Provides awareness and training on data privacy
Data privacy officers in jurisdictions	▪ Ensure alignment to group approach to data privacy ▪ Support and maintain the data regulatory universe ▪ Identify compliance obligations and integrate into existing frameworks, policies, and procedures ▪ Report data privacy breaches in line with regulatory requirements ▪ Engage with data privacy relevant regulators and industry bodies ▪ Ensure implementation of group consent management and data subject rights management methodology
Group data and analytics	▪ Ensure alignment between data and information governance and management principles and provide governance and guidance on the use and integration of the enterprise data environment.

Committee/role	Responsibility
Data and analytics	▪ Ensures all information is processed and stored in accordance with compliance requirements ▪ Develops and maintains of information retention schedules ▪ Manages and reports on significant information risk and control weaknesses and process information requests from data subjects and regulators in accordance with regulatory requirements and internal procedures.
Group technology	▪ Ensures policy principles are embedded in technology and technical solutions and infrastructure for internal and external systems and associated security controls enable and give effect to these principles
Group procurement	▪ Ensures protection of information is included in all aspects of the procurement value chain
Third-party risk management	▪ Ensures protection of information is included in all aspects of the third-party risk management framework and drives implementation of the third-party risk management framework
Group internal audit	▪ Provides independent assessment of the adequacy and effectiveness of the information and cyber risk management control environment
Group legal	▪ Monitors legislative developments, ensures appropriate clauses for information, data privacy and cyber risk are included in contracts
Group compliance	▪ Monitors and reviews compliance policies to ensure adherence to legal and regulatory obligations following a risk-based approach
Non-financial risk managers (NFRM)	▪ Provide oversight and guidance to managing risks to information and implementation of the policy
All employees	▪ Protect information, comply with the policy principles, use information assets responsibly and report security violations.

The information risk management toolbox and the group intranet provide direct links to relevant policies. Employees can also access support via the risk chatbot, AskNala, which is able to answer various questions related to information risk and data privacy. All employees have access to a 'report phishing' function in Microsoft Outlook, which they are regularly reminded to use if they receive a suspicious email. We conduct regular awareness raising and training. Communication channels include email, video clips, and masterclasses and workshops in which we address specific business needs. Courses on topics such as information risk management, data privacy and card payment data protection are available to all employees on our employee training platform and are required training for specific roles. Information and cyber related learning paths are also available to employees.

Group employees completing information privacy and cybersecurity training in 2022

Mock phishing simulations
100%

Data privacy 101
99%

Data privacy awareness
97%

KnowBe4 privacy edition: Keep it secret keep it safe
97%

Cyber risk training
89%

Privacy series: Protection of personal information
92%

Risk incidents and breaches

The group non-financial risk management policy requires that all operational risk incidents must be identified and reported within stipulated time frames and recorded in the RMP (risk marketplace). All employees are responsible for reporting level 1 and 2 operational risk incidents as soon as possible and at least within 48 hours after the incident has been identified. Other incidents must be reported within 30 days of discovery. Incidents are centrally recorded in the RMP system to enable root cause analysis, reporting and appropriate closure.

All information risk incidents must be reported, escalated and handled in accordance with relevant group policies. The group differentiates between information incidents and data privacy breaches to support our external regulatory reporting obligations. The impact of incidents and breaches are assessed against a materiality matrix as part of our broader non-financial risk management framework.

We investigate all reported incidents of privacy infringements and loss of client data. Data privacy officers are responsible for ensuring that data privacy breaches are reported to regulators in a timely manner and in accordance with regulatory requirements (in South Africa breaches are reported in line with POPIA). The Information Regulator (or similar regulating body) and data subjects are notified in instances where there are reasonable grounds to believe that the personal information of a data subject has been accessed or acquired by an unauthorised person. Client complaints are addressed swiftly, with a focus on giving the best possible service to our clients. If an information incident or data privacy breach occurs at a third-party supplier or service provider, Standard Bank will act to ensure that the impact on our clients is mitigated.

Cyber incidents are coordinated by a central cybersecurity team. As part of the response, a cybersecurity incident response team (CSIRT) is convened, including representatives from business, risk and technology. The group maintains dedicated cyber insurance cover for additional protection against common cyber threats.

Disciplinary or legal action may be taken against any employees or third parties who do not comply with group information risk and cyber risk policies. Where such non-compliance constitutes gross misconduct by an employee, it may result in dismissal.

Metrics

- Detected and successfully mitigated several attempted cyber threats, **with zero material incidents.** Learnings from these incidents are incorporated into the cyber resilience strategy.
- **Four significant data privacy breaches** over the past two years, all of which occurred via third parties. We worked with the relevant third parties to mitigate risks and address the root causes of the incidents. No fines or penalties were imposed against the group.
- **276 privacy complaints**, most of which related to correction of information or correspondence sent to incorrect recipient.

Third-party responsibilities

The group proactively manages third-party risk. Third parties are onboarded through a rigorous process designed to assess the third party across various risk dimensions. The group has created an **external party information risk management policy** that outlines the minimum expectations from our third parties in protecting our information. It applies to all third parties, including independent service providers and is aligned to the group information risk policy and principles. All third parties processing or accessing group information are required to read and attest to the policy as part of the procurement onboarding process. Data protection and data privacy clauses are also included in contract agreements with third parties. Where third parties provide digital solutions, the third party must ensure security requirements are met, in line with the cyber resilience standard. Contracts also include a 'right to audit' clause, allowing for periodic assessments of the third parties.

Validation and audit

Internal audit conducts information and cyber risk related reviews annually to test security and vulnerability of systems and processes affecting user data. Standard Bank positively attested to the 2021 SWIFT Customer Security Programme (CSP) requirements, validated through an external audit. Internal audit reviewed compliance with the 2022 CSP requirements. Security controls are reviewed annually as part of the combined assurance audit of the group's financial results. Cyber risk management is also part of the scope of this external audit.

The group has pursued certification of specific technology infrastructure where it is regulated:

- ISO27000 certification for the Shared Africa Regions Core Banking Platform
- ISO27000 certifications for Core Banking for Uganda, Nigeria and Ghana
- PCI-DSS certifications for Ghana, Nigeria, Namibia.

These are re-audited periodically to maintain the certification.

Combating financial crime

2022 highlights

We successfully **enhanced transaction monitoring and screening systems,** resulting in improved AML/CFT and sanctions detection capabilities across multiple jurisdictions.

We partnered with an artificial intelligence solution service provider to complement existing detection and investigation systems and platforms.

98% of group employees successfully completed mandatory compliance training on AML/CTF and anti-bribery and corruption.

98% of employees successfully completed role-specific mandatory compliance training on AML.

99.5% of employees completed role-specific tax evasion training.

We submitted our first **six-month action plan and progress report** to the South African Reserve Bank Prudential Authority in June 2022, and our updated progress in September 2022, as part of South Africa's response to the Financial Action Task Force (FATF) Mutual Evaluation Report.

About **8 000 independent service providers undertook training** using the Standard Bank Independent Service provider training portal.

Principles and frameworks

The group's programmes to combat financial crime are designed and managed by group anti-financial crime (GAFC) and are implemented in all jurisdictions where the group has business operations. The functions of GAFC include oversight of the group's measures in respect of anti-money laundering (AML), counter-terrorist financing (CTF), counter proliferation financing (CPF), anti-bribery and corruption (ABC), prevention of the facilitation of tax evasion and fraud detection and risk mitigation.

Employees take individual responsibility for acting to combat financial crime in all its forms. Employees are required to report concerns or incidents internally using appropriate channels, including the independent and confidential whistleblowing hotline. We report suspicious and unusual transactions to the relevant authorities in accordance with local regulatory requirements.

The group requires all employees, board members and contractors to undertake mandatory compliance training to ensure awareness of our anti-financial crime policies and processes. These courses must be completed annually. Training ensures that our employees are aware of and sensitive to risks and are informed about the reporting processes they must follow if they become aware of any suspicious activity. We use behavioural science and scenarios in our training, to support appropriate behaviours.

The assessments are designed to meet regulatory requirements and are supplemented by an evaluation form for continuous improvement feedback and analysis of question-level data to identify areas where additional reinforcement may be necessary. Where necessary, we may deploy targeted training in specific areas or on specific issues, to address any emerging issues or concerns and support any required behaviour change. Our objective is to ensure that our employees are able to use the knowledge gained from compliance training to make informed decisions in their daily work. In addition to the core mandatory compliance training, employees in roles that are assessed as being exposed to a higher risk from money laundering and terrorist financing are required to complete role-specific training. These courses must be also completed annually.

Our inclusive training strategy ensures that visually impaired employees are provided with appropriate training solutions.

Our **board members** at group and country level receive specialised training, online or in-person.

We require specific categories of **third parties** to undergo relevant mandatory compliance training and, where applicable, role-specific training courses according to the service they provide and the potential associated compliance risks. We track completion to ensure the relevant training is undertaken. In 2022, approximately **8 000** independent service providers used the Standard Bank Independent Service provider training portal.

We use a reporting dashboard for compliance training to track real-time completion status across all business lines. Completion rates provide a group-wide risk and conduct value driver metric. We expect the group to maintain a completion rate of 95% for all mandatory compliance training at any given time. We track the outcomes of regulatory inspections and interaction, to ensure that required enhancements to our compliance management and control frameworks are implemented.

Group money laundering control policy and group financial sanctions and counter-terrorist financing (CTF) policy

Our AML and CTF frameworks and policies are informed by the FATF Recommendations and are designed to comply with statutory and regulatory obligations in all our countries of operation. AML/CTF legislation is continually evolving, and our operations align their AML/CTF risk management and compliance programmes to these changes as they occur. Our policies and processes ensure that:

Risks arising from money laundering, terrorist financing and contravention of financial sanctions are well understood, mitigated, and proactively managed

Appropriate levels of client due diligence are applied to mitigate risks effectively

We protect the group's reputation and integrity by taking all reasonable measures to prevent the use of its products and services for money laundering and terrorist financing purposes, or for the circumvention of financial sanctions

We detect, investigate and report suspicious activity and all other reportable transactions to the competent authorities. Employees within the financial crime management unit (FCMU) report suspicious transactions to the Financial Intelligence Centre (FIC) via the goAML platform.

Each jurisdiction/business unit is responsible for the drafting and maintenance of a risk management and compliance programme (RMCP) in accordance with the group's policies and standards. In South Africa, the Financial Intelligence Centre Act (FIC Act) takes a risk-based approach to compliance in respect of the AML/CTF regulatory framework. As per the requirements of the Act, the group has developed, documented, implemented and maintains an RMCP that demonstrates our ability to effectively identify and mitigate money laundering and terrorist financing risk.

Following the publication of the Financial Action Task Force (FATF) Mutual Evaluation Report (MER) in October 2021, South Africa was placed in a one-year observation period. The country submitted its post observation follow-up report to the FATF in October 2022. The report sought to demonstrate progress against the MER recommendations, in order to avoid identification as a jurisdiction "placed under increased monitoring" (FATF greylisting). Supervisory bodies engaged private sector stakeholders during this period to identify and execute actions that could contribute to the progress report. Standard Bank submitted its first six-month action plan and progress report to the South African Reserve Bank Prudential Authority in June 2022, and our updated progress in September 2022.

In February 2023, the FATF announced that South Africa had been grey-listed, despite the 67 Recommended Actions being reduced to eight strategic deficiencies where more progress is required. The country continues to work towards resolving the shortcomings identified by FATF. The general expectation is for countries to have addressed most (if not all) of the deficiencies that are identified in their mutual evaluation reports within a three-year period.

Board responsibilities

The group board is accountable for ensuring compliance with the group RMCP. The board of directors in each jurisdiction in which the group operates is accountable for ensuring compliance with the country RMCP.

Industry initiatives

- Standard Bank Group is a member of the South African Anti-Money Laundering Taskforce (SAMLIT), a public private partnership between accountable institutions, the FIC and law enforcement authorities. Representation is at three levels, namely:
  - SAMLIT steering committee, a decision-making body of SAMLIT. Standard Bank is a member.
  - The Expert Working Group (EWG), a collaboration of SAMLIT members focused on advancing the understanding of certain money laundering/terrorist financing matters of interest. Standard Bank contributes to the expert working groups on Illegal Wildlife Trafficking, Modern Slavery and Human Trafficking, Terrorist Financing and Corruption, and chairs the EWG on Narcotics.
  - Targeted Operations Group, a collaboration of impacted members, focusing on specific operational matters commonly identified as important and urgent. We contribute operationally to several targeted operations groups.

Employee responsibilities

- All group board members, employees and contractors are required to complete AML/CTF training and comply with AML/CTF requirements. All employees, board members, and third-party service providers have access to the group's training platform, to enable completion of mandatory training.
- Specialised training is provided to areas that are assessed as being higher risk from an AML/CTF perspective. Examples include AML/CTF risks inherent to trade finance activity, and training in relation to the vulnerabilities of non-profit organisations from a terrorist financing perspective.
- All employees must report suspicious or unusual transactions, using the reporting processes and tools that the group makes available.

Third-party responsibilities

- Third-party agents and service providers are required to complete AML/CTF training and comply with all AML/CTF requirements. Any external third-party performing services on the group's behalf is required to comply with the group's anti-financial crime policies.

Account closures

Banks are required by national and international laws to take steps to prevent themselves from being used for the purposes of money laundering, terrorist financing or other unlawful activities. This requires banks to take a risk-based approach to customer due diligence prior to establishing a new relationship with a customer, to conduct enhanced due diligence on high-risk customers such as politically exposed persons, to conduct ongoing monitoring of these customers' transactions to understand the source and application of funds and to report suspicious transactions to the Financial Intelligence Centre. Banks are required to have policies, procedures and risk assessment tools in place to govern the closing of a customer's bank account or exiting a customer relationship.

In South Africa, the Report of the Judicial Commission of Inquiry into State Capture recommended that relevant existing legislation governing banks be amended to introduce the principle of affording the customer an opportunity to be heard into the process of the banks' termination of accounts, or if warranted, a new piece of legislation be enacted to introduce the requirement of fairness.

Anti-bribery and corruption policy

We manage our bribery and corruption risk in accordance with local and international statutory and regulatory requirements, while benchmarking our frameworks against global best-practice guidance such as the OECD's Guidance for Multinational Enterprises, the ISO 37001 International Standard, and guidance issued by the Wolfsberg Group, the United Nations and the World Bank. **The group has a zero-tolerance approach to bribery and corruption.**

Our anti-bribery and corruption (ABC) policy commits us to:

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

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

Conduct business with integrity, transparency and openness, and in compliance with applicable laws and Standard Bank's values and code of ethics and conduct.

The policy applies to all entities and employees of the group, and third parties acting on behalf of the group. It emphasises that **the group prohibits the giving or receiving of bribes, and the making of facilitation payments by any associated person.** (Facilitation payments are usually relatively small payments made to facilitate or expedite routine action by public officials, to which the payer of the facilitation payment has a legal or other entitlement for example, the issuing of a required permit or licence). It also provides guidance to employees regarding the appropriate response to payments extorted under duress.

The policy reflects the group's minimum requirements in respect of ABC controls, including but not limited to aspects such as gifts, entertainment, donations and procurement. It may be supplemented in a local jurisdiction or business area where more stringent legislative or regulatory requirements apply.

The group conducts periodic ABC risk assessments. All client segments and subsidiaries of the group are within scope, with a focus on areas that are perceived to be higher risk. The outcomes of this risk assessment, which include the action plan detailing areas and controls that need to be enhanced, are shared with the relevant board committees that take overall responsibility for the ABC compliance programme. The group monitors the effectiveness of the ABC controls on an ongoing basis, and continually improves the effectiveness of the ABC compliance programme.

Employee responsibilities

All employees are required to adhere to group policies and procedures, and all regulatory requirements to prevent bribery and corruption. Employees are required to detect, report, monitor and respond appropriately to any incidents that may occur.

- Pre-employment screening is conducted prior to the appointment of any employee.
- All employees must complete mandatory ABC general awareness training annually.
- Employees in roles that are considered higher risk also receive specialised, role-specific training on an annual basis.
- Every employee must attest to the fact that they understand how the ABC policy applies to their roles and responsibilities.
- Employees are required to report any requests for bribes or facilitation payments. Reporting channels include line managers, the group investigations and fraud risk team (GIFR) and the whistleblowing hotline. We allow for anonymous reporting. We prohibit victimisation and protect anyone who makes a report in good faith from suffering prejudice.

Third-party responsibilities

- Risk-based due diligence is conducted prior to the appointment of any third party.
- The group's ABC policy requirements are made available to our third parties as required.
- ABC training and communication is made available to third parties, following a risk-based approach.
- Specific contractual clauses regulate adherence to relevant anti-corruption legislation by third parties of the group and provide the group with contractual remedies should such activity be detected.
- Reporting channels made available to third parties include relationship managers and the whistleblowing hotline.

Incidents

The group has not been subjected to any kind of legislative or regulatory sanction for bribery and corruption infringements during the last five years.

Anti-fraud policy

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

The group has policies and processes in place to mitigate fraud risk and is committed to continuous improvement of these measures. In 2020 we implemented a centralised fraud risk management capability, strengthening our proactive, preventative and responsive approach to fraud risk management and ensuring a consistent client experience across the group. GIFR investigates all fraud events (internally and externally reported) and provides recommendations on fraud controls to remediate gaps identified.

We continue to invest in raising customer and employee awareness of fraud risk, using channels which include email, internet banking pop-ups, updates on our websites and social media, and onsite fraud awareness presentations to our corporate clients. Our initiatives educate customers and employees on current scams and tactics, warn them on what to look for, and provide information on how to protect themselves.

Employee responsibilities

- All employees, associated persons and third parties must raise concerns and report all attempted, suspected, and actual fraud. Reporting channels include line managers, GIFR, the whistleblowing hotline or the FraudStop process. We allow for anonymous reporting. We prohibit victimisation and protect anyone who makes a report in good faith from suffering prejudice.
- Employees are subject to mandatory anti-fraud training every two years. The board is provided with annual refresher training on the principles of the anti-fraud policy.

Third-party responsibilities

- Third parties are subject to a change risk management process that incorporates their anti-fraud posture, amongst other aspects.

Industry initiatives

We continue to work closely with law enforcement, The South African Banking Risk Information Centre (SABRIC), The South African Fraud Prevention Services (SAFPS), The Insurance Crime Bureau (ICB) and the banking industry to collaborate in the fight against fraud. These collaborative efforts have led to several arrests and convictions.

Incidents

- Incidents of fraud are on the rise due to the increased adoption of digital channels, higher volumes of online shopping and the emergence of non-bank distribution channels, and the difficult economic environment.
- Clients remain susceptible to fraud due to the sophistication of scams introduced by fraudsters, that lure clients into divulging sensitive banking information. E-commerce fraud is largely driven by vishing and phishing scams, whereby customers are tricked into compromising their card details.
- We have strengthened the authentication security protocols for card-based e-commerce transactions and have implemented the 3DSecure 2.0 industry protocols to improve fraud prevention and detection capability on card transactions. This resulted in a year-on-year reduction in card fraud losses.
- We have also implemented stronger authentication controls to reduce digital fraud. This incorporates the use of biometrics to log onto the digital channels.

Market abuse framework

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

Market abuse includes insider trading, unlawful publication of inside information, prohibited trading practices and publishing of false, misleading or deceptive statements, promises and/or market forecasts.

Incidents of non-compliance with the market abuse policy are investigated by the group market abuse surveillance compliance function with the assistance of the relevant local group investigations, operational risk and other relevant functions. Failure to adhere to the policy may lead to disciplinary action and possible dismissal.

Employee responsibilities

- When undertaking financial market transactions, communicating with market participants or handling confidential information, employees must consider whether their conduct, or the conduct of other parties, could amount to any actual or potential instances of market abuse.
- Employees must be aware of and adhere to all market abuse related laws and regulations that apply within the jurisdictions in which they are located, act or transact or where they facilitate transactions on behalf of others
- Any employee who reasonably suspects that any conduct could lead to or has led to possible market abuse or non-compliance with this policy, must timeously notify the Group Market Abuse Surveillance Compliance function, or the independent anonymous ethics and fraud hotline.
- Employees must complete mandatory training on the market abuse policy and related policies.

Incidents

- In South Africa, the group is a party to an ongoing case lodged by the Competition Commission. The group remains of the view that there is no wrongdoing on our part. The parties argued their various technical dismissal and exception applications before the Competition Tribunal in December 2021.

Prevention of the facilitation of tax evasion policy

The group has a zero-tolerance approach to the facilitation of tax evasion. Our prevention of the facilitation of tax evasion policy ensures that reasonable procedures to prevent the facilitation of tax evasion are in place. All allegations of facilitation of tax evasion are investigated and actioned. We raise awareness of our facilitation of tax evasion policy and processes with our clients, suppliers and service providers through explicit clauses in relevant agreements.

Employee responsibilities

- All employees must annually complete the group's personal conduct course, which includes a section on tax evasion.
- The bank's employees are not permitted to provide tax advice.
- Areas of the bank that are perceived as being higher risk, receive specialised training.

All employees are required to:

- Identify transactions considered as higher risk for tax evasion and refer these to the corporate offences advisory team (within group financial crime compliance) and group tax for consideration.
- Report suspicion of the facilitation of tax evasion to GIFR. Concerns can also be reported via the whistleblowing hotline.
- File a suspicious transaction report (or suspicious activity report) where tax evasion or the facilitation of tax evasion is suspected or identified.

Third-party responsibilities

- Risk-based due diligence is conducted prior to the appointment of any third party.
- Specific contractual clauses regulate adherence to relevant tax legislation by third parties of the group, and provide the group with contractual remedies should such activity be detected.

Incidents

- The group has not been subjected to any investigation or regulatory sanction for facilitation of tax evasion during the past five years.

Conflicts of interest framework

A conflict of interest arises in any activity or transaction to which any group entity is a party, or for which any group entity provides services, where:

- The interests of the group and our client conflict/are incompatible
- The personal interests of an employee or agent of the group conflict/are incompatible with those of our client
- The personal interests of an employee or agent of the group conflict/are incompatible with those of the group.

Our **conflicts of interest control framework** ensures that conflict of interest risk is adequately managed. The framework provides for processes, procedures and mechanisms to identify, prevent and manage conflicts of interest to:

- Ensure the **fair treatment** of clients
- Ensure that **conflicts of interest** are managed fairly
- Maintain a sound financial environment
- Prevent the misuse of need-to-know information
- Protect the good reputation of Standard Bank Group and the industry.

We take all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of clients. Measures include appropriate and prior disclosure to our clients, subject to applicable confidentiality constraints, and disclosure of the steps taken to mitigate such conflicts.

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

Employee responsibilities

- All employees, consultants, contractors, suppliers, other associated persons and other third parties must always act honestly and with integrity, must be alert to potential conflicts of interest and must manage fairly all conflicts of interest.
- All employees must comply with the group outside business interests (OBI) policy. Employees must obtain approval before entering into an OBI, and declare any OBI held by themselves or their related parties.
- Employees must promptly report any concerns about a potential conflict of interest to the relevant compliance functions.
- Employees must complete annual mandatory training on the conflicts of interest policy and related policies.

We require all employees, board members, and designated independent service providers to report their outside business interests and personal account trading details every year. This information is tracked and reported along with compliance training data. We require a 100% completion rate for declaration of outside business interests and personal account trading.

Procurement and third-party relationships

The group engages with a range of third parties. These include suppliers of goods and services, technology partners, BigTechs, fintechs, software providers, hardware providers and professional services. Significant outsourcing engagements include cash handling services, premises-related services and mobile network providers. The group's strategic ambition to become a platform business will increase the number of third-party relationships.

Procurement policy

Standard Bank's procurement policy is based on the group's code of ethics and conduct, and the principles of value optimisation, fair and effective competition, accountability, sustainability and risk management. It provides guidance on the sourcing and selection of suppliers and ensures that procurement processes are conducted in line with sound corporate governance principles.

The group encourages and promotes procurement from local suppliers while ensuring alignment with group standards of quality, sustainability and commerciality. We strive to procure goods and services that minimise negative impacts on the environment and communities and protect the health and safety of workers.

Third-party risk framework and policy

Our third-party risk management framework incorporates regulatory requirements, internal policies and the group code of ethics and conduct. It ensures a consistent standardised approach to third-party risk management across the group.

The risk assessment process includes determination of whether a third party will provide a service that potentially risks harming the health and safety of persons; or causing direct impacts/harm to the natural environment. If such risks may be present, the third party must complete a detailed risk assessment and due diligence process, which assesses potential social and environmental risks and impacts. Third parties may also be asked to provide evidence of the policies and practices they have in place to mitigate these risks. The nature of information required is dependent on the nature of the risk, the type of product or service being contracted, and the type of relationship being entered . We engage third parties on an ongoing basis to actively manage potential risks.

All third parties are required to comply with our anti-financial crime policies and to complete training related to AML/CTF, anti-bribery and corruption, fraud and tax evasion.

Protection of information is included in all aspects of our third-party risk management framework. Our **external party information risk management policy** outlines minimum expectations from our third parties in protecting our information. All third parties processing or accessing group information are required to read and attest to the policy as part of the procurement onboarding process. Data protection and data privacy clauses are also included in contract agreements with third parties. Where third parties provide digital solutions, they must ensure security requirements are met, in line with the cyber resilience standard. Contracts also include a 'Right to Audit' clause, allowing for periodic assessments of the third parties. Disciplinary or legal action may be taken against any third parties who do not comply with group information risk and cyber risk policies.

Our third-party contracts specify that Standard Bank may, by notice, immediately terminate an agreement if we determine that the third-party has acted dishonestly or in bad faith in respect of the agreement; has engaged in any activity which may negatively affect our reputation; has offered, promised or made any gift or bribe to solicit any favour; is involved with any prohibited activity; or has made any intentional or negligent misrepresentation to Standard Bank.

Third-party due diligence

The group **supplier risk committee** reviews third-party reputational risk matters relating to ethics, conduct, conflicts of interest, anticompetitive behaviour, human rights, and bribery and corruption. In 2021, we launched a digital solution, which includes automated real time due diligence on third parties. The solution has been implemented across the group. Relevant employees have received training on the system, including the onboarding process for third parties.

We undertake daily screening of third parties for adverse matters, with a focus on human rights, environmental issues, corruption, fraud and money laundering.

Third-party code of conduct

We require third parties to attest to the group's third-party code of conduct, which is based on the group code of ethics and conduct, or to attest that their company has a code of conduct aligned to the SBG requirements.

The code aims to ensure that all third parties who engage with the group are aware of our minimum requirements and governing principles in relation to ethical conduct.

Approximately **6 500 third parties** have read and acknowledged the requirements in the code of conduct.

The code requires all our third parties to respect basic human rights and establish a clean and safe working environment. This includes:

- Not allowing forced labour, child labour or discrimination
- Paying appropriate wages
- Regulating working hours
- Respecting everyone's freedom of association.

All suppliers, consultants and contractors to the group are required to comply with all applicable environmental and social legislation and to follow internationally accepted environmental and social practices as these apply to their sector and to the goods or services supplied. This should include prudent management of the risks arising from climate change, as they relate to third parties' operational activities.

OUR PEOPLE

Standard Bank employs over 47 000[1] people across the group. We assess our performance against the employee engagement value driver using five sets of metrics.

Workforce diversity

Women in leadership

Executives
34.8%
Target: 40%

Senior management
43.3%

Executive and senior management
40.8%

African representation at senior management level in South Africa

28%
Target: 29.7%

Employee engagement

Employee net promoter score
+42
Target: positive movement

Employee retention

Regrettable turnover rate
3.4%
Target: below 5% threshold

Future ready skills development

Average learning hours per person (FTE) per year
63 hours
Target: 80 hours

Learning hours invested in future ready skills
50%
Target: 40%

Workforce productivity

Workforce return on investment
2.5
Target: 2.3

[1] Standard Bank Group permanent and non-permanent employees, excluding Liberty.

Workforce diversity

2022 highlights

Nonkululeko Nyembezi became the **first woman to chair** the SBG board.

Four of the board's subcommittees are chaired by female board members and three of our group leadership council members are women.

Margaret Nienaber was promoted to take on the expanded portfolio of Chief operating officer.

34.8% of our executives are women, against our target of **40%** by the end of 2023. Measured against the 2022 McKinsey Women in the Workplace study, we compare favourably to global averages for representation of women in executive and senior management positions.

Our flagship group leadership programmes reflected a **57% female participation ratio** across all managerial levels

Across our countries of operation, **local population groups constitute 98.2%** of our employee base, with only 1.8% foreign national representation across the group.

In South Africa, **representation of African men and women** at senior and middle management levels has improved. Targets at middle management level have been achieved.

	2022	2021	2020	2019	2018
Employees by type of employment contract	**47 419**	46 633	47 460	48 614	52 147
Permanent	**44 002**	43 608	44 450	44 996	47 419
	92.8%	93.5%	93.7%	92.6%	90.9%
Non-permanent	**3 417**	3 025	3 010	3 618	4 728
	7.2%	6.5%	6.3%	7.4%	9.1%
Employees by gender (permanent)	**44 002**	43 608	44 450	44 996	47 419
Male	**18 775**	18 515	18 895	19 155	20 032
	42.7%	42.5%	42.5%	42.6%	42.2%
Female	**25 227**	25 093	25 555	25 841	27 387
	57.3%	57.5%	57.5%	57.4%	57.8%
Employees by region (permanent)	**44 002**	43 608	44 450	44 996	47 419
South Africa	**28 871**	28 956	29 581	30 102	32 162
	65.6%	66.4%	66.5%	66.9%	67.8%
Africa Regions	**14 486**	14 035	14 247	14 274	14 618
	32.9%	32.3%	32.1%	31.7%	30.8%
International	**645**	617	622	620	639
	1.5%	1.4%	1.4%	1.4%	1.4%

	2022	2021	2020	2019	2018
Employees by population group	**44 002**	43 608	44 450	44 996	47 419
African	**26 834**	25 839	25 916	25 714	26 302
	61.0%	59.3%	58.3%	57.1%	55.5%
Coloured	**4 602**	4 788	4 990	5 214	5 740
	10.5%	11.0%	11.2%	11.6%	12.1%
Indian	**4 129**	4 182	4 254	4 353	4 699
	9.4%	9.6%	9.6%	9.7%	9.9%
White	**4 538**	4 797	5 057	5 288	5 926
	10.3%	11.0%	11.4%	11.8%	12.5%
Uncategorised/other	**3 899**	4 002	4 233	4 427	4 752
	8.8%	9.1%	9.5%	9.8%	10.0%
Employees by age (%)					
20–29	**12.8**	13.7	16.5	19.2	22.1
30–39	**46.7**	47.5	47.0	46.6	45.3
40–49	**28.0**	26.7	25.0	23.7	22.3
50–59	**11.2**	10.8	10.3	9.5	9.3
60 +	**1.3**	1.3	1.2	1.0	1.0
Employees who declared disabilities (%) (SBSA)	**0.92**	0.82	0.83	0.85	0.91

Principles and frameworks

The group's philosophy with respect to diversity and inclusion is based on creating an environment where all our people feel a strong sense of psychological safety, belonging and are able to bring their full selves to work. When our employees feel safe to voice their views, ideas, and suggestions for improvement, we are able to leverage divergent perspectives to innovate and provide better solutions for our customers.

Each of our countries of operation has a diversity and inclusion plan that builds on the group's foundational framework and is tailored for country context. All countries focus on gender. In South Africa, emphasis is also placed on promoting diversity across population groups, those who are differently abled and from a LGBTQI+ perspective.

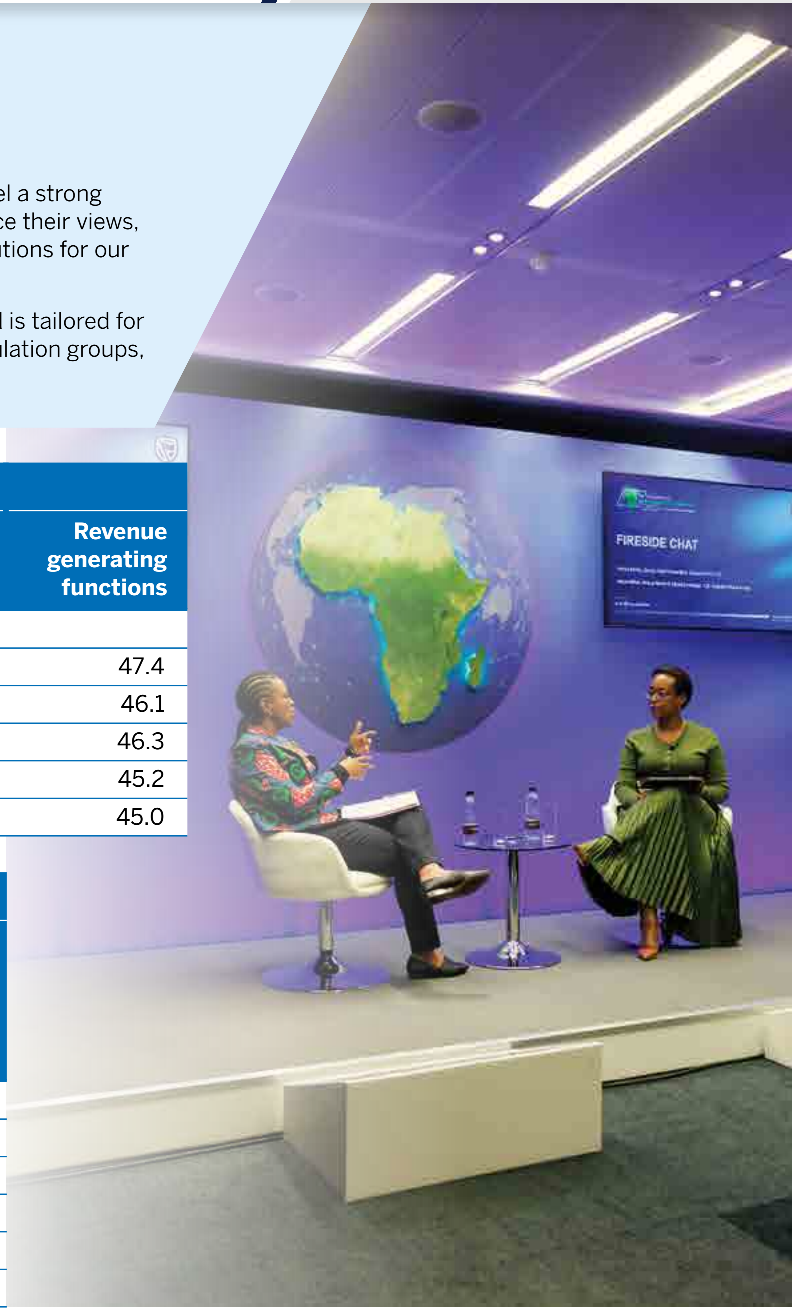
Gender

We support UN SDG 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. We are committed to advancing the empowerment of women in the group and in our marketplaces. This commitment is reflected in our targets for representation of women, on our boards and in executive and senior management positions.

We remain a signatory to the UN Women Empowerment Principles (WEPs) and align to the various lead initiatives, including the promotion of education, training and professional development for women, and measurement and public reporting on progress to achieve gender equality.

	Women in management positions SBG (excluding Liberty) (%)				
	Executive management	**Senior management**	**Middle management**	**Junior management**	**Revenue generating functions**
Target	**40 (2023)**				
2022	34.8✓	43.3✓	46.2	52.5	47.4
2021	34.1	41.8	45.6	52.2	46.1
2020	33.6	40.7	45.3	52.0	46.3
2019	32.3	40.3	44.6	51.8	45.2
2018	32.2	39.4	44.9	50.9	45.0

	Women in leadership positions SBG (%)			SBSA (%)
	Women on SBG board	**Women in SBG executive management**	**Women chief executives in Africa Regions**	**Women SBSA executive management**
Target	**40 (2025)**	**40 (2023)**	**20 (2025)**	**40 (2023)**
2022	31.3✓	34.8	8.7✓	36.4
2021	33.3	34.1	9.1	36.4
2020	35.3	33.6	13.6	36.3
2019	29.4	32.3	10.5	35.0
2018	22.0	32.0	10.0	34.5



Developing women

While progress has been made in increasing female representation at executive and senior management levels across the continent, we place special emphasis on the driving female participation in leadership programmes, to ensure readiness to take on C-suite roles, build talent pipelines of women at middle management level and ensure successor readiness for more senior positions.

We continue to engage, develop, and provide opportunities for women to excel in all areas of our business, particularly those where they are underrepresented. Women in leadership are role models for women in more junior positions and are key to ensuring that diverse views are represented at senior levels. Our flagship group leadership programmes reflected a **57% female participation** ratio across all management levels.

We also offer tailored development programmes for women that are group-wide, business unit or country specific to meet specific needs.

An example is Breaking Headwinds, a bespoke development programme to support the development of our female talent as ready successors for CE roles in Africa Regions. Selected individuals receive development support aligned to role-based gaps identified through a competency assessment. Through exposure to critical business themes, exchange of ideas, networking, coaching, mentoring and learning interventions, they grow their capacity to assume CE roles or other executive functions. Eight women from various African countries are currently participating in the programme.

We also provide women with opportunities to gain global exposure through participation in global business and leadership development programmes. For example, in 2022, Simone Cooper, the head of Business & Commercial Clients in South Africa participated in the Institute of International Finance (IIF) Future Leaders Programme. The programme targets individuals who are under the age of 40 and demonstrate strong leadership capability, and exposes them to the big ideas and topics that will drive the future of the industry.

We celebrate the achievements of women through various initiatives and sponsorships in the communities we serve. Our annual Standard Bank Top Women Awards recognises outstanding leadership, vision and innovation among organisations that seek to advance the role of women in businesses of all sizes across all sectors of the economy. To create awareness about gender empowerment and showcase the themes of the Standard Bank Top Women Conference and Awards, we ran a Top Women video series, in which women in leadership positions at SBG shared their experiences of the working environment, anecdotes about the support that enables them to #RiseAboveTheNoise and the realities of gender diversity and leadership. The series became a catalyst for other conversations.

For the first time, we included an award category to recognise women within SBG. We received over 700 nominations. The Standard Bank Top Woman Employee Award was awarded to Rose Kamene Gichuki from Stanbic Bank Kenya.

In 2022, Ms Nonkululeko Nyembezi was appointed as the **first woman to chair** the SBG board. Four of the board's subcommittees, namely the group directors' affairs committee, the group audit committee, the group remuneration committee and the group social and ethics committee are chaired by female board members. The board continues to pursue its **target of 40% female representation on the board by 2025** in the implementation of its succession plans.

34.8% of our executives are women, against our target of 40% by the end of 2023. Measured against the 2022 McKinsey Women in the Workplace study, we compare favourably to global averages for the representation of women in executive and senior management positions. In 2023, we will set new targets for the group, based on progress made together with local and international benchmarks.

Pay equity

We believe strongly in the principle of equal pay for work of equal value. Our policy framework ensures that employees doing similar jobs at the same level are paid equitably. Our focus on pay equity is an entrenched business practice and is a factor influencing remuneration decisions during the annual remuneration review and when appointments and promotions take place.

We perform a multivariate regression analysis annually across the group's employee population to identify gaps between the remuneration of female versus male employees on a like-for-like basis. This analysis includes both fixed and variable remuneration. **Analyses in 2022 reaffirmed that there are no systemic issues of gender pay discrimination at a group or country level.**

For South African employees an analysis of income differentials by race and gender is submitted annually to the Department of Employment and Labour. We are confident that our holistic approach to pay equity produces fair outcomes, and we will continue to robustly address any risk of unconscious bias in this regard.

Engaging men on gender equality

In South Africa, we continued to engage our male colleagues in promoting gender equity, by conducting Barbershop refresher training, to build enough capacity for Barbershop conversations to be scalable where required. This initiative focuses on engaging groups of men in challenging conversations about masculinity, the role of men in society, and men as allies in the gender equality endeavour. The men who participate in this deep personal journey go on to facilitate Barbershop sessions, in which similar conversations are held with wider groups of men. In 2022, we held a Barbershop conversation session to engage men on issues of gender equality, empowerment of women, and the importance of authentic masculinity. We also engaged employees on gender equality through conversations and webinars.

Under-represented population groups

We believe that the extent to which our employees at all levels are representative of diverse local populations is a competitive advantage. We endeavour to ensure that our employee base reflects the local population in each country in which we operate.

The diversity of our geographic footprint and our approach to talent development focuses on mobility of key people to build knowledge, skill, and alignment to SBG culture.

We support and actively drive employment equity and have employment equity targets and plans in place in countries where this is a regulatory requirement. However, we see diversity and inclusion as going well beyond numbers and legislative compliance.

Our employment equity plans in South Africa and Namibia continue to shape our efforts to ensure that we improve the representation of under-represented population groups.

Namibia has achieved equitable representation against the targets that have been set for previously disadvantaged senior managers.

In **South Africa**, our Employment Equity Plan 2022-2024 guides our actions to improve the representation of under-represented groups across all management levels. While we have employment equity targets and plans in place as required by legislation, we see diversity and inclusion as going well beyond numbers and legislative compliance.

For more information: SBSA Report to Society

2022 Accolades

Stanbic Bank Uganda was awarded a Gold Gender Equity Seal by the UNDP. The Gender Equity Seal aims to strengthen the capacity of institutions to integrate gender responsive strategies in their businesses. Stanbic Bank Uganda successfully completed all the assessment stages, which were externally audited, and achieved a score of 81.6%.

Disability

Our disability strategy supports our efforts to ensure that employees with disabilities have equal opportunities in the workplace, that we offer a safe and accessible workplace, and maximise the contribution of every employee.

In South Africa, we include **targets for the representation of persons with disabilities** in our employment equity plans across all business areas. The representation of persons with disabilities improved to **0.92%** in 2022 against a target of **1.1%**

While our employees are not obliged to declare a disability if they have one, we actively encourage disclosure to ensure we can provide reasonable accommodation if required. We raise awareness of disability declaration and reasonable accommodation application processes through internal communications to all employees. Employees can apply for reasonable accommodation to address specific workplace requirements. This may include assistive equipment, specialised software, or time off for medical consultations, for example. In 2022, we introduced an initiative to improve the accessibility of all our learning platforms for employees with visual impairments.

We commit to ensuring that we remove attitudinal barriers that may prevent the full inclusion of people with disabilities in our workplaces. In 2022, we hosted a disability masterclass to engage our people and culture teams, and the leaders of business units, to raise awareness of processes to address barriers and encourage the adoption of best practices to create an inclusive environment for people with disabilities. In South Africa, we encouraged employees to sign up for an online learning module on disability and inclusion in the SBSA context.

During National Disability Awareness Month in December, we communicated our commitment towards the inclusion of persons with disabilities and ran weekly disability awareness campaigns. We also hosted a special event on International Day of Persons with Disabilities at our Simmonds campus in Johannesburg. The awareness drive resulted in more disability declarations in the bank.

As part of our overall Diversity, Equity, Inclusion and Belonging (DEIB) strategic focus and commitment, we work with our Africa Regions teams to explore the appropriate approach to disability declaration and support to align to an overall group minimum standard for this practice.

LGBTQI+

We are equally committed to inclusivity of members of the LGBTQI+ community. We have made excellent progress in this regard in South Africa. The fact that some of our countries of operation on the African continent have anti-homosexuality legislation in place makes this a difficult conversation outside of South Africa. We continue to grapple with the issue to ensure an approach that is sensitive to context, but which also supports our DEIB commitments.

In South Africa, we participated in the SA Workplace Equality Index in 2021, which provides us an opportunity to benchmark our policies and practices in respect of LGBTQI+. In 2022 we continued with our LGBTQI+ awareness programme and held Pride events at office campuses during Pride Month. We have incorporated LGBTQI+ on the agenda of our diversity and inclusion forums to ensure a deliberate focus on the inclusivity of our LGBTQI+ employees.

Employee responsibilities

We respect the rights of our employees and endeavour to offer a safe and fair work environment for all. We have group policies on **harassment**, **sexual harassment** and **unfair discrimination** in place. These policies establish non-negotiable principles and standards on these issues, while allowing for in-country adaptations for dealing with complaints. **We have a zero-tolerance approach to harassment and unfair discrimination.**

All employees, including all managers, are required to complete compulsory online sexual harassment training, with more than 98.2% of employees completing this training during the last cycle. Unconscious bias training is offered to managers and employees to raise self-awareness and includes tools and strategies to counter bias.

Employees can report any incidences of discrimination, harassment, sexual harassment or bullying to their line manager or people and culture representative, or to the group's confidential whistleblowing hotline. All reported cases are taken seriously and dealt with promptly and respectfully.

Victims of harassment and discrimination are provided with the necessary support, and we ensure that they are not in any way prejudiced or disadvantaged for laying a bona fide complaint. We do, however, view malicious and frivolous complaints in an extremely serious light.

All employee grievances, regardless of their nature, are viewed in a serious light and are dealt with in a fair and consistent manner. The group's grievance process allows employees to select whether they would prefer to approach their grievance informally or through a formal process. The formal process comprises multiple stages, beginning with the line manager of the employee whom the grievance is against, and offering points of escalation thereafter.

Where serious concerns are raised involving allegations of discrimination, sexual harassment or bullying and intimidation, the group will examine whether the matter warrants external intervention. In these instances, we would engage one of a number of trusted and respected independent external investigators to assist with investigating and resolving the concerns in an objective, fair and unbiased manner.

We have robust disciplinary processes in place for employee transgressions with a preference, where possible, for corrective discipline. While the group views misconduct in the most serious light, we are committed to running our disciplinary processes in a fair and consistent manner which respects the dignity and humanity of all employees involved.

In 2022, four incidents of alleged discrimination were reported through the group's formal grievance processes. These were addressed in accordance with group policies and procedures.

Employee engagement

2022 highlights

We want our people to feel connected to our purpose and to understand their contribution to achieving it, to find meaning and satisfaction in their work, and to take ownership of growing their skillsets and developing their careers. Our steady employee engagement scores over the past three years are testimony to our efforts.

Employee net promoter score (eNPS) score remains healthy at **+42** (**Target:** positive movement)

Organisational alignment score (pride in being associated with Standard Bank and understanding one's contribution to the group's purpose) is steady at **92%**

Emotional promotor score (how employees feel about working at Standard Bank) remains high at **+73**

Engagement dimensions score (work satisfaction as measured across various dimensions) is steady at **82%**

3.4% regrettable turnover rate, below the 5% threshold.

2022 Accolades

- LinkedIn 2022 Top Companies: We ranked first in South Africa, third in Nigeria, and 11th in Kenya

Principles and frameworks

We aim to ensure that our people are fully engaged to perform at their best, feel a strong sense of pride and belonging in the organisation, are engaged in meaningful work and have opportunities to develop their skills and grow their careers.

Performance management

Our performance management framework is designed to guide our people to perform at their best and to recognise them for their contribution. It is based on our performance engagement philosophy, '**perform to grow**', which is an integral part of all our business practices. Living our values through recognised behaviours emphasises not just what we do but how we do it.

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

Our performance engagement approach runs annually in a four-phase annual cycle:

1. Individuals and teams set **annual goals** aligned to our strategy and based on our strategic value drivers.
2. **Goal tracking and alignment** is a continuous process throughout the year. We encourage team members to have regular, informal performance conversations with their leaders and team members to track and review progress while taking responsibility for their learning and growth. We emphasise the importance of behaviour and how we live our values.
3. Business areas apply an informal or formal **mid-year performance conversation** where team members discuss progress against expectations and deliverables, reaffirm priorities and identify development areas.

   In the last quarter of the year, we hold integrated people days where leaders discuss team members' overall performance and ratings, strengths and development opportunities and undertake performance ratings moderation to ensure a fair and equitable process and avoid bias.
4. Leaders hold **year-end performance conversations** with team members and confirm final performance ratings for the year.

Our performance management system supports our people through their performance journey in an intuitive and agile way. It enables seamless alignment of the goals across the group, real-time feedback and the tracking of team and individual progress throughout the year.

We have access to real-time data, analysis, and trends as input to meaningful discussions. This enables insights and decisions on what "good looks like" across all work levels and peer groups and the performance of the business in all segments.

Our **remuneration committee** governs our remuneration policy and its application and ensures that reward and remuneration decisions and processes consider and promote desired behaviours and conduct, as a direct outcome of the performance review cycle. In 2023, we will continue to emphasise business alignment, multi-source feedback and maturing our performance data and insights.

Employee engagement insights

We have been running a group-wide annual employee engagement survey since 2017. In 2022, 85% of employees participated (86% in 2021). We use the **Employee Net Promoter Score (eNPS)** as our headline engagement measure. The score ranges from -100 to +100. It is calculated by subtracting the percentage of detractors (scoring 0 to 6) from the percentage of promoters (scoring 9 to 10).

While individual responses are anonymised, we share the full survey results with employees, executives and the board. All leaders with more than ten respondents receive a full dashboard of their results. We use the results to shape our people plans and future initiatives to continuously improve employees' experience of their work environment.

In 2022, the top scoring questions reflected employee pride in the group, a deep connection to our purpose, our ability to work in teams to achieve common goals, the adaptability of our teams and that we trust our immediate leaders to act with integrity. Areas for improvement included appreciating one another's efforts, and the need to continue to work on creating an environment that is safe for people to share their views and make sure they feel heard.

Top emotions expressed by employees included gratitude, optimism, and feeling productive. Some employees also expressed feelings of being overwhelmed, burnt out, and stressed, and we have taken action to explore this further. Employees who have been able to adopt the hybrid work model in 2022 (based on job requirements) expressed appreciation of the flexibility this offers and its positive impact on wellbeing and productivity.

Are You a Fan survey	2022 (%)	2021 (%)
Employee net promoter score: I would recommend SBG as a good place to work	**+42**	**+47**
Emotional promoter score: How I feel about working for SBG	+73	+77
Organisational alignment	**92**	**92**
I am proud to be associated with SBG	90	91
I understand my contribution to the broader SBG purpose	94	94
Engagement dimensions	**82**	**83**
I am satisfied with the work that I do	84	85
I have opportunities to grow and advance my career	76	76
I have opportunities for development	82	82
I feel empowered to shape the way I deliver my work	80	83
I feel energised and effective when delivering my current work demands	81	82
Mutual trust exists between myself and my colleagues	85	86
The teams I am part of are adaptable when priorities change	86	88
The teams I am part of work well together to achieve common goals	87	88
I trust my immediate leader to act with integrity	86	87
I have a caring immediate leader	85	86
I feel like a valued member of the team	81	83
I feel appreciated for the contribution I make	74	75
The feedback I receive from my leader enables me to do my job better	85	85
In conversations my leader listens and understands my perspective	84	85
I manage my personal wellbeing effectively	80	81
I feel heard when I voice my views	76	78
In my work I have the opportunity to promote and try new ideas or new ways of doing things	79	80

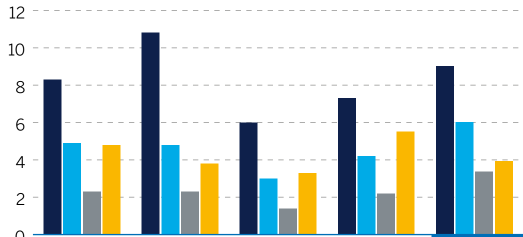
While slight decreases are evident since 2021, this can be ascribed to the normalising of our operating environment as we came out of the pandemic. It is also influenced by the prevailing macro-economic environment in certain countries.

We analyse the results by various dimensions to determine if specific trends or insights are applicable to specific employee groupings. Our analysis includes variables such as geography, business segment, group function, gender, age group, workforce level, performance rating, whether employees work from home, the office or on a hybrid basis, and, in South Africa, population group.

Turnover

Although an increase in employee turnover is evident, our overall (7.8%) and voluntary (3.9%) turnover remain well below local financial services industry benchmarks, of 15% and 10% respectively (REMChannel, June 2022) and global banking sector benchmarks (12% voluntary turnover rate, Visier 2022).

Turnover trends



	2018	2019	2020	2021	**2022**
	8.3	10.8	6.0	7.3	**9.0**
	4.9	4.8	3.0	4.2	**6.0**✓
	2.3	2.3	1.4	2.2	**3.4**
	4.8	3.8	3.3	5.4	**4.0**

- SBG Turnover (%)
- Voluntary turnover
- Voluntary regrettable turnover*
- Voluntary turnover at executive level

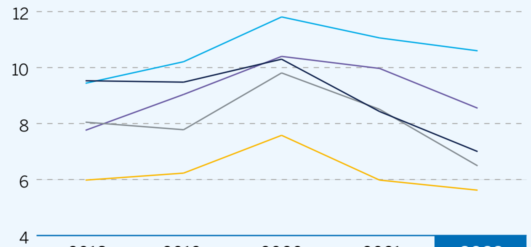
* High-performing permanent employees leaving the group on a voluntary basis

TURNOVER BY GENDER

	SBG turnover (%)		SBG voluntary turnover (%)	
	Male	**Female**	**Male**	**Female**
2022	**10.4**	**8.0**	**7.5**	**5.0**
2021	8.6	6.4	5	3.5
2020	7.1	5.1	3.7	2.5
2019	11	10.6	5.6	4.2
2018	8.8	7	5.1	4.3

TURNOVER BY WORKFORCE LEVEL

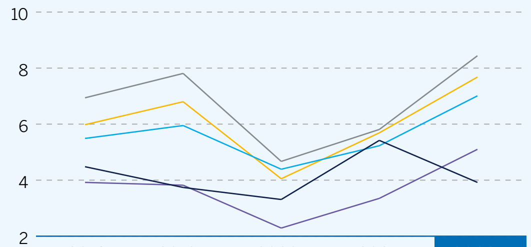
SBG total turnover (%)



	2018	2019	2020	2021	**2022**
	9.5	9.4	6.0	8.0	**7.8**
	9.5	10.2	6.2	7.8	**9.0**
	10.3	11.8	7.6	9.8	**10.4**
	8.4	11.1	6.0	8.5	**10.0**
	7.0	10.6	5.6	6.5	**8.6**

- Executive
- Senior manager
- Middle manager
- Junior manager
- General staff

SBG voluntary turnover (%)



	2018	2019	2020	2021	**2022**
	4.5	3.7	3.3	5.4	**4.0**
	5.5	6.0	4.4	5.2	**7.0**
	6.9	7.8	4.7	5.8	**8.4**
	6.0	6.8	4.1	5.7	**7.8**
	3.9	3.8	2.3	3.4	**5.1**

- Executive
- Senior manager
- Middle manager
- Junior manager
- General staff

In 2022, our turnover trends normalised to pre-pandemic levels. Increased competition for talent in our countries of operation resulted in higher turnover trends and loss of talent in specific areas. Our group-wide response included tracking turnover trends to discern where we are losing talent, initiating tailored retention programmes to counter potential loss in these areas, talent acquisition to address capability gaps and an ongoing focus on skills development, to enable our people to capitalise on career growth opportunities.

Future-ready skills development

2022 highlights

We invested over **R868 million** on employee development across the group. This equates to **2.1%** of staff cost, and to an average learning spend of **R18 573 per employee.**

Employees spent an average of **63 hours** on learning.

50% of total learning hours were spent on future skills, up from **41%** in 2021.

Over **44 000 employees** were active on the My Learning platform.

More than **4.3 million** learning items were completed.

We gave **1 711 employees** bursaries to further their studies, to the value of **R60 million.**

9 205 employees took part in leadership development programmes.

We celebrated 25 years of our graduate development programme and 15 years of our learnership programme. We have played a part in igniting the careers of more than **8 800 young people.**

Our approach to learning

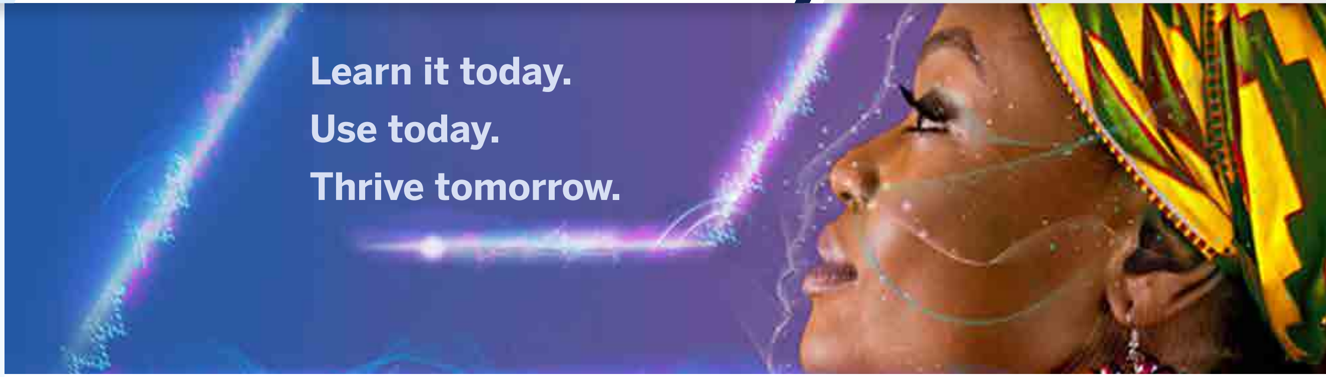
Self-directed learning to develop our people in the flow of work

We encourage our people to take ownership of their own learning and development journeys. All our employees have access to the My Learning platform, which is designed to enable them to acquire the skills needed to meet the demands of a rapidly changing and increasingly digital world of work. Topics range from general to highly specialised and include internally developed content and access to external resources. The platform uses machine learning to gather information about employees' interests and personalises development pathways based on their roles and learning goals. My Learning offers our people a single point of entry for all learning, a place to share learning and make skills visible, and a way to rate and improve skills on an ongoing basis. To ensure meaningful return on investment in self-directed learning, emphasis has been placed on guiding our people on what and how to learn, as critical success factors in creating the ideal conditions for learning.

Building essential foundational future-ready skills

Over and above the always-on, relevant, simple, and accessible learning we offer, at the heart of learning for work are skills and jobs. Based on ongoing research on global skills trends and our own business requirements, we have identified a list of critical foundational future skills, to ensure that all our people have the ability to grow and thrive in a changing work environment that requires a truly digital focus. This includes becoming more data driven, learning digital skills, understanding ecosystems and embracing a platform mindset coupled with a truly human focus to embrace a growth mindset and enable quality conversations.

To enable our people to learn these skills, we offer an online future ready skills curriculum. This proved to be the most consumed content on our My Learning platform in 2022. We will continue to create meaningful opportunities for our people to go beyond just gaining knowledge to practically applying newly learned skills in the flow of work.



Building skills for hard-to-fill jobs through tailored programmes and academies

We identified certain areas of skills deficiencies and “hotspot” jobs that required specific focus. We offer 13 tailored academies to provide our people with the opportunity to learn specific skills, resulting in formal certifications to take on new roles.

Average number of hours spent on learning per employee by gender

Male employees	Female employees
57	67

Average number of hours spent on learning per employee by population group in SA

Overall	63
White	49
African	66
Indian	59
Coloured	64

Average number of hours spent on learning per employee by workforce level

Overall	63
Executive	46
Senior manager	45
Middle manager	48
Junior manager	57
General staff	71

Average number of hours spent on learning per employee by age (years)

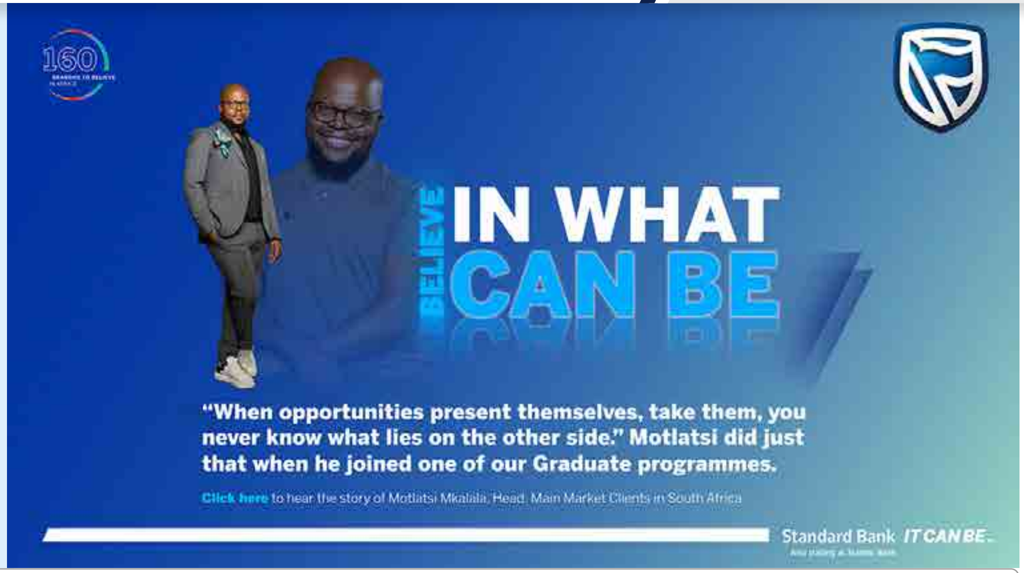
0–20	20–25	25–30	30–35	35–40	40–45	45–50	50–55	55–60	60–65
35	128	71	61	62	60	58	61	51	40

Youth development

We believe in the limitless potential of Africa's youth and are proud to have played a part in helping more than **8 800 young people ignite their careers** over the past 25 years through our **graduate and learnership programmes**.

Our graduate programme, learnerships and internships provide opportunities for young people to gain work experience and develop critical skills.

- **Over the past 25 years, 2 361 individuals have completed our graduate programmes.** Half are still working for us. Others have gone on to do well in other industries and many have become partners and clients. Our objective is to provide talented youngsters with their first opportunity to break into the job market, while building our own talent pipeline.
- **Over the past 15 years, we have given over 6 500 unemployed young people their first career break** through our learnership programme, and have offered full time employment to over half. Our objective is to help unemployed young people gain skills and first-time work experience.



2022 Accolades

The South African Graduate Employers Association Employer Awards are decided by successful graduate job seekers who have received confirmed job offers across 23 sectors.
In 2022, Standard Bank won three awards:

- **Overall Aspirational Employer of Choice award:** The organisation graduates most aspire to work for, across all industries
- **Employer of Choice in commercial and retail banking** (Best graduate programme). Standard Bank has won in this category for 12 of the 13 years since the inception of the awards. We were also named second runner-up in the investment banking category
- **Best Recruitment Service award:** Graduates vote for best recruitment process.

Skills development programmes for young people	Number of employees benefitting in 2022
Our **graduate programme** offers individual learning journeys, action learning projects, executive sponsorship and accelerated work experience. The programmes are run across different business segments and in areas such as engineering, data science, behavioural economics and people and culture.	■ **117** from SA, **150** from AR ■ **In SA, 68%** of our graduates were African and **53%** were female
In South Africa, we offer **internships and learnership programmes** for unemployed young people from disadvantaged backgrounds. Entry requirements vary from matric to a degree, depending on the programme. ■ Individuals that complete our unemployed learnership obtain an NQF 5 or 6 qualification in banking, insurance and financial instruments. ■ Our internship programme includes CA (SA), behavioural economics, platform enablement, cybersecurity, legal, technology, insurance and Salesforce.	■ **432** young people completed an unemployed learnership or internship ■ **70%** were offered employment opportunities at SBG ■ **97%** of unemployed learnership participants and **84%** of interns were black African ■ **64%** of unemployed learnership participants and **56%** of interns were women
In South Africa, we offer **employed learnerships** to current employees seeking to build skills. Qualifications include banking, insurance, paralegal, IT systems development and management, at NQF 5, 6 and 7 level.	■ **871** employees ■ **65%** were black African ■ **77%** were female.

Leadership development

We have designed our leadership and management programmes to equip our people for the future and provide our leaders with pragmatic ways of leading in different operating environments. **9 205** employees took part in leadership development programmes in 2022, **57%** of whom were women.

We offer a range of flagship core group-wide and bespoke leadership and management programmes every year. We ensure effective succession planning by focusing on the skills and experiences our leaders need to ensure their readiness for critical roles.

Examples of bespoke leadership programmes	Number of employees benefitting in 2022
The **accelerated leadership programme** is a joint initiative between CHNW and BCC, aimed at building capability to accelerate succession pipelines for senior leadership roles. Return on investment: 33% of the delegates who completed the programme in 2021 were promoted to more senior roles in 2022. 40% of the promotions were black females.	**33** participants from **15** AR countries and **six** delegates from South Africa **33%** female
The **lead programme** focuses on building bench strength, transversal capabilities and career paths and advancement in CHNW and BCC SA.	**47** people completed the programme (2021: 47) **55%** female
The **apex programme** builds leaders at all levels in CIB and aims to enable an easy transition to more complex and senior roles.	**287** (2021: 82) **52%** female
The **last mile programme** supports our chief executive successor pipeline and focuses on the non-negotiable experiences future chief executives need to succeed in the role.	**25** executives have completed the programme, **7** have been promoted into CEO roles, of whom **2** are women.

2022 Accolades

- Silver award at the Excellence in Practice awards presented by the European Foundation for Management Development (EFMD), in recognition of our Acceleration leadership programme.
- Gold award in the category Best Advancement in Leadership Development, by the Brandon Hall Group in their annual Excellence Awards Programme, for our Junior Manager Programme delivered in partnership with BTS.

Examples of core group-wide leadership and management programmes in 2022	Number of employees benefitting in 2022
The **Adaptive Leadership Experience** is a virtual programme delivered in partnership with GIBS and Henley Business School. It aims to enable mindset and behavioural shifts to support leadership in an ecosystem and platform environment.	**183** (2021: 142) **54%** female
Our **senior manager programme** focuses on the role of the leader in embracing change, creating a shared purpose, innovating for the future, and making courageous decisions.	**130** (2021: 118) **49%** female
Our **middle manager programme** encourages mindset and skill development in line with the group leadership identity.	**278** (2021: 226) **56%** female
Our **junior manager programme** develops leadership and management capabilities and empowers participants to tackle their roles with confidence.	**333** (2021: 224) **56%** female
The **team leader programme** assists team leaders to build their confidence and leadership abilities and learn to manage self and others effectively, developing people and building service-oriented teams.	**360** (2021: 301) **54%** female
The **MIT@SBG2022 programme** aims to develop an understanding of concepts and capabilities crucial to success in the digital era. Topics include data monetisation, artificial intelligence and blockchain. Delivered in partnership with the Massachusetts Institute of Technology.	**734** **42%** female (2021: 212, 42% female)

Talent management and succession planning

We are strengthening our leadership and scarce skills pipeline in line with the capabilities we need to succeed. We remain committed to accelerating the development of black talent in South Africa, ensuring greater depth of local talent in our Africa Regions countries, and increasing female representation at senior leadership levels.

Our robust talent management framework and process ensures effective succession planning for key roles across business lines, corporate functions and geographies. Our People Days run throughout the year, covering all levels of the business. Specific emphasis is placed on succession for leadership roles that we believe are business critical. We identify and review critical roles, succession bench strength and successor readiness across the group on an annual basis and address any identified gaps.

Leaders provide input on suitable internal candidates for progression and the appropriate development actions to support development ('build' strategy). Where no successors are identified, we engage a 'buy' strategy and undertake external market mapping to identify suitable talent.

At a senior leadership level, we have a robust process to review succession pipelines for group leadership council roles, which includes formal sessions on succession with the board directors affairs committee and the group board on an annual basis. In 2022, the chairman hosted a special board people day to assess the depth and breadth of the succession pipelines. We are confident that we have healthy succession pipelines in place across most parts of our business and every leader has specific plans to address any gaps identified, through build and buy strategies. Our **internal hire ratio of 63%** bears testimony to our strong succession pipelines and career progression opportunities for our people.

Talent acquisition

Our talent acquisition strategy is to find the best people for the right roles. We use targeted acquisition approaches that leverage external talent mapping, LinkedIn campaigns, industry networking platforms, and specialised search companies where required, as well as employee referral programmes. Where necessary we may use consultants, outsourcing or contingent workforce to access needed skills. In 2022 we deployed a cloud-based talent acquisition solution which offers a sophisticated source-to-hire functionality on any device. This improves candidate experience, provides meaningful data and insights to inform hiring decisions, and uses AI to aid effective screening and volume-management, reducing time-to-hire. The solution enables us to track data such as new and internal hires by age group, gender, management level, and population group in South Africa.

We also enhanced our careers website to create a world class candidate experience that combines intuitive user journeys, engaging content and visuals, and smart interactivity.

We saw an increase in new hires in 2022 as demand for specific capabilities increased, coupled with a higher turnover rate.

Hiring activity in 2022	
Total number of new employee hires (external hires)	**4 134**[1]
Open positions filled by internal candidates (internal hires)	63%
Employees across all levels who were promoted	13%

[1] 2 328 (2021); 2 244 (2020); 2 546 (2019); 2 859 (2018)

International mobility

We value multi-country experience and offer international assignments and secondments to ensure that our people get multi-jurisdictional exposure and broaden their skills. This builds deeper understanding of our local markets, cross-cultural awareness and supports succession planning for key roles. Talent mobility enables us to align our workforce to strategic business needs. It provides an opportunity to develop employees' career paths, drive engagement and build future capability. Assignments include short-term assignments, long-term assignments, virtual assignments and the ICBC-SBG staff exchange programme.

ICBC is our single largest shareholder and a strategic partner. To deepen the long-term and mutually beneficial strategic partnership between our banks, we developed a staff exchange programme in 2016. The programme helps to build relationships between employees, build understanding of one another's cultures and business, share knowledge and resources, build Africa-China client relationships, and develop talent. Since the inception of the programme, 45 assignees have participated, 22 of whom were from Standard Bank and 23 from ICBC.

In 2022, 59 long-term, 16 short-term and four virtual assignments were facilitated across the group.

Workforce insights and planning

We strive to ensure data-driven people decision-making, by providing useful data analytics and insights to our leaders to help them manage and plan for the workforce of both today and tomorrow. We have deployed a suite of integrated people management systems across the group, which supports data tracking and analysis to inform decision-making in areas such as performance management, talent attraction, reward and remuneration, talent management, payroll and data analytics systems. These systems are cloud-based and fully integrated to provide a single view of the employee and enable advanced people analytics.

Our Meaningful Workforce Insights (MWI) platform allows us to integrate and share all people related insights with our leaders and our people and culture community in real time. MWI enables us to plan for the right mix of talent in the right roles, at the right time. We use the MWI platform as an integration tool across our people data, enabling us to extract insights and inform approaches to priority issues. We aim to move away from people analytics as a service to a people analytics platform, enabling informed, forward-looking people management decision-making and processes and better connecting workforce decisions to business results.

The MWI solution is actively used by more than 5 000 people leaders in SBG (50% of the line manager population), together with the people and culture team, finance and compliance. Over 7 000 employees use the solution for people data and analytics.

We use MWI to inform and track our employee engagement metrics against our 2025 targets. We also use MWI for scenario modelling and to determine the drivers for key metrics such as the workforce ROI.

We can model various scenarios to plan for potential headcount movements and the associated cost of this across the group or in specific business areas.

We use Strategic Workforce Planning (SWP) at organisational level and at business unit level, to predict or model scenarios with regards changes to workforce size, shape and cost over time. The MWI planning solution and headcount planning also supports diversity planning.

We use our MWI platform to monitor and analyse data such as:

- **Recruiting and hiring:**
  Employee turnover trends, drivers of attrition and hiring analytics provided by our recruitment solution
- **Recognition:**
  Trends of recognition awards per business area, employee level, gender. We use workforce planning modules to predict future outcomes if current patterns persist
- **Performance:**
  Drivers of high performance, distribution curves per business area, and turnover of high performers
- **Position management:**
  Variables such as unoccupied positions, variance between position grade and employee grade, and job cluster analysis
- **Talent management and succession:**
  Successor coverage for critical roles, readiness levels, diversity of successors, and successors due to retire
- **Learning activity:**
  Average learning time per employee and learning trends and skills gaps in different parts of the organisation. We have developed a model to classify certain skills and learning activities as future skills and we track the extent to which employee learning encompasses these skills, and which future skills are getting most and least attention
- **Return on investment in learning:**
  Impact on performance and impact of leadership development programmes on progression
- **Compliance training:**
  Compliance certification status per business area and employee, and compliance certifications due to expire. We provide line managers with detailed analysis on employees who are not compliant or at risk of becoming non-compliant
- **Engagement:**
  Employee engagement scores and the correlation between employee wellbeing and employee engagement
- **Onboarding and exit interview survey data:**
  What drives attrition, identify areas with elevated risk of exit and assess reasons for higher attrition levels in certain countries or business units
- **Employee turnover:**
  New hires, voluntary, involuntary and regrettable turnover, monthly turnover against thresholds and trend analysis to identify risk
- **Annual leave:**
  Areas/roles with large balances of accumulated leave, enabling us to target communications to encourage leave in relevant areas
- **Organisational network analysis:**
  Employee collaboration, internally and externally, work patterns and areas at risk of possible burn-out.

2022 Accolades

We were awarded the Insightful Leadership Award by Visier at their Outsmart 2022 annual conference, in recognition for the best use of the Visier platform, across their global client base, to deliver business insights via our Meaningful Workforce Insights solution.

Working conditions and benefits

2022 highlights

We implemented a new **hybrid work group framework** that was applied by each country to suit their context and operational requirements.

We implemented a comprehensive range of **wellbeing programmes** and initiatives to address the wellbeing needs of our people.

The average **sick absence rate** for permanent employees and contractors was **1.6%.**✓

Principles and frameworks

Our employees have the right to enjoy fair and just conditions of work. **We value and respect the rights of employees and aim to create a work environment that is free of any discrimination.** Fair labour practices are at the core of our organisation's value proposition. We provide exceptional benefits to our employees and ensure that we are in line with or above local market standards.

Working conditions

The group employee relations governance framework provides for constructive employer-employee relationship practices in Standard Bank. The framework is founded on our international and national regulations and obligations, our values and code of ethics and conduct and our commitment to maintaining and developing fair employment practices in all our countries of operation. The framework provides a general set of employee relations operating principles, which are incorporated into the policies and procedures of group entities as applicable in their country of operation. It includes our commitment to ensuring, in respect of all our employees:

- **Protection of human rights, fair employment practices, and the principles of non-discrimination**
- **Freedom to express concerns arising in the workplace** through established whistleblowing procedures without fear of retaliation or victimisation
- **The right to a safe and healthy working environment** and the expectation of decent work that is productive and delivers a fair income

- **Protection against discrimination** in employment and occupation, including recognition of the principle of equal remuneration for work of equal value
- **The right to fair labour practices** in the employment of employees and throughout the duration of their employment with the group
- **Freedom of association** and the freedom not to associate, including the right to collective organisation and representation. The observance of freedom of association provides for, among others:
  - Recognition of collective organisation for employees to form and join unions of their choice, (or the right not to), and to exercise organisational rights (or the right not to) as provided for in terms of the relevant laws
  - Collective bargaining through representatives of choice for the purposes of reaching agreement on terms and conditions of employment in terms of the relevant laws and country level agreements. The structure and form of collective bargaining is determined by labour market factors within the country and the bank and requires agreement between the bank and the recognised union. Collective bargaining by custom and agreement is restricted to general employees.
    - **In South Africa, 43.9% of our people belong to a trade union.** Of our general staff complement of 16 970, 61.3% are recognised for the purposes of collective bargaining.
    - **In Africa Regions, 27% of our employee complement of 14 486 belong to a trade union,** recognised by the bank for the purposes of collective bargaining.

Employee benefits

We provide a range of market-competitive benefits that help us to attract, motivate and retain employees by creating an exceptional benefits experience that is digitised, integrated and personalised. Our group benefits governance framework ensures a consistent approach across the group while factoring in local market practices and legislation.

- Benefits are market-competitive and relevant to local markets, customs, practices and/or culture.
- Core benefits coverage is consistent across the group, even if local market conditions, collective bargaining arrangements and/or legislative requirements may demand differences in benefit offerings by country.
- We ensure full regulatory and tax compliance in the establishment and delivery of benefits in every jurisdiction.
- Fairness and equity prevail across employee groups e.g. consistent treatment between general staff, managers and executives.

Benefits are provided in addition to remuneration and include some allowances, for example for transport or meals. However, allowances for shift, overtime, standby and call-outs form part of remuneration and are not regarded as benefits for the purpose of benefits governance.

We aim to enhance our employees' lives with meaningful, personalised benefits that make them feel connected, empowered and recognised by offering benefits customised to employees' needs and country nuances. We launched a MyBenefits digital portal in 2019, which has been implemented in 19 countries. It delivers a digital, integrated and personalised benefits experience and is available in multiple languages.

We offer a range of benefits to employees, with some as core compulsory benefits and others as non-core benefits that are applicable to specific employee groupings, or can be taken up by employees based on their personal needs and circumstances.

We offer medical aid through a number of service providers in our various countries of operation to ensure fit-for-purpose benefits in line with country legislation. Each medical aid offers varied benefits relating to before, during and after pregnancy. Through our independent counselling and advisory services contracted in specific countries, we provide additional support such as advice to ensure wellbeing during pregnancy, psycho-social support and postnatal medical advice (breastfeeding, neonatal care, etc.). Through our wellbeing providers, employees have telephonic access to nurses who are able to provide guidance, education and support to lactating mothers. We provide breast-feeding/lactation facilities in our wellbeing centres and some of our office spaces, but these are not available in all our facilities.

Core benefits (compulsory)
Retirement benefits
Medical cover/medical aid scheme
Benefits for temporary incapacity, permanent incapacity and/or income replacement
Death benefit/group life assurance cover
Vacation leave, sick leave and family responsibility/compassionate leave
Parental leave (includes maternity and/or paternity leave i.e. leave for the primary and/or secondary caregiver).

Non-core benefits (optional non-compulsory or applicable to specific employee populations)
Short-term incapacity leave
Life cover for spouses/partners, dread disease cover, funeral cover for parents, parents-in-law
Sabbatical leave, study leave, additional vacation, recognition leave and unpaid leave
Funeral cover for parents and parents-in-laws
Time off in lieu of overtime
Long-service awards
Special rates on banking and insurance products
Funeral cover (Africa-specific)
Study reimbursement/study assistance.

Flexible working arrangements

Worldwide, organisations have been grappling with the challenge of the best way to manage flexible ways of working. Most of our people worked remotely from home in 2020 and 2021. In 2022, we experimented with fully onsite, hybrid (a mix of onsite and work from home) and fully remote work. Our Tell Us How You Are survey in 2022 focused on how our employees in South Africa felt about the trial adoption of new ways of working. This allowed us to evaluate the impact these options have on our productivity, employee engagement and our service to our clients.

We are clear that there is no 'one-size fits all' solution. We aim to balance the needs and interests of various stakeholders. In considering the options, we take into account employee health and safety at home and at work, client engagement needs, the nature of work that our people do, socioeconomic conditions, access to technology and reliable power, generational needs and more. We recognise that in-person engagements have many benefits, like helping us to build and maintain diverse relationships, improving mental health and wellbeing, and solving for complex problems.

We seek to embrace workplace agility through mutual trust and commitment, serving our clients with excellence, ensuring operational effectiveness, and providing a positive experience for our employees and teams. We have developed a group framework within which each country can consider the best approach for their context. We offer flexible working arrangements, tailored to regulatory frameworks at country level and role requirements. In 2023, we aim to shift the focus from work location, to how we work together for effectiveness and delivery of high-quality outcomes.

In **South Africa**, which accounts for 64% of our employees, we have implemented a hybrid model of working which entails employees working according to any one of the following arrangements:

- **Flexible hybrid** – Employees work on-site or in the office for a certain number of days in the month and work remotely for the remaining time. Employees will not have a dedicated desk in the office and may be required to book a hot desk when on-site/in the office.
- **Fully on-site/office based** – Employees should be on-site for all working hours, with some flexibility where the role allows. The employee is a full-time office worker with a designated office space and seating.
- **Remote** – Employees work fully remotely but may be expected on site/in the office for specific activities during the year. Employees will need to book a hot desk when on-site/in the office.
- **Part-time working options** – In SBSA, where feasible, employees may switch from permanent full-time to part-time employment, with an applicable reduction in their package.

Parental leave

We provide employees with leave allowances to be there in the moments that matter, be it during the birth or adoption of a child or when something unforeseen happens. We aim to support all employees to manage the often-conflicting demands of work and home life as best as we can. Leave categories include parental leave for the birth of a child, adoption of a child, surrogacy or guardianship, and family responsibility leave.

In South Africa, China, Isle of Man, Jersey, Tanzania, UAE, and the UK we provide primary caregiver parental leave of 16+ weeks on full pay for the primary caregiver, and two weeks for the secondary caregiver, for births and adoptions. The Isle of Man and Jersey provide the same benefit for surrogacy and the UK provides the same benefit for surrogacy and guardianship. This covers 68% of our employee base.

Arrangements in other countries differ according to local regulations. Up to 16 weeks of paid maternity leave is offered in Angola, DRC, Eswatini, Ethiopia, Ivory Coast, Kenya, Malawi, Mauritius, Namibia, USA, Zambia, Zimbabwe, representing 13% of our employee base. Up to 12 weeks of paid primary caregiver leave is offered in Botswana, Ghana, Lesotho, Mozambique, Nigeria, and Uganda, covering 18% of our employee base.

When an employee returns to work following parental leave, they must return on the same terms and conditions of employment they had previously. We recognise that employees may require time to balance the demands of a new baby/child and the demands in their work environment. Where possible, we encourage flexible work arrangements to ensure that employees have a satisfactory work-life balance to adjust to their new responsibilities.

Employee health and wellness

We support a holistic approach to employee wellbeing. We recognise that our people's sense of wellbeing plays a key role in how they feel about their jobs, how well they perform and how they interact with colleagues, customers and clients. The Covid-19 pandemic had a significant impact on the emotional and psychological wellbeing of our people and was associated with an increased incidence of mental wellbeing issues, such as feelings of stress, depression and post-traumatic stress.

Our wellbeing focus in 2022 sought to address these and related issues identified by our people who, in the Tell Us How You Are survey, identified managing stress, multiple demands, work-life balance and mental wellbeing, as their most significant wellbeing needs.

We implemented a range of wellbeing programmes and initiatives in response. These included:

- Group-wide webinars on issues such as the psychological and personal impact of transitioning to the hybrid way of working, becoming complexity fit, and a brain-based approach to combating burnout and optimising your functioning
- Covid-19 support, information and guidance through our Covid-19 information hub, vaccination information hub, Covid-19 helpline which provided guidance on workplace measures and practices, a clinical pathway to assess and support employees with post-Covid syndrome, webinars on Covid-19 and vaccines, and a dedicated support line in South Africa for queries about the vaccination policy. We also continued to provide Covid-19 support to line managers, employees and their immediate family members
- Mental health and wellbeing awareness sessions to provide our people with the tools to maintain mental wellbeing, destigmatise mental health issues in the workplace, and raise awareness about mental health including the role of psychosocial support, treatment, and reasonable workplace accommodation
- Emotional impact sessions for employees, providing a safe space to reflect on the emotional and psychological impact of the pandemic
- Webinars on topics such as work-life balance, mental health, managing multiple demands, managing stress and preventing burn-out, and financial wellbeing
- The Wellbeing Wednesdays communications series on our internal social media platform achieved over 236 000 views. Themes included mental, social, financial and physical wellbeing

Our Employee Assistance Programme (EAP) continues to provide confidential, personal support and information to our employees and their immediate dependants, at no cost to the employee. Services are provided through independent and external employee wellbeing providers in each country.

We continued to position empathy as a leadership practice and incorporated empathy into some our leadership conversations.

Sick absence management

Wellbeing matters have the potential to impact not only the individual but also productivity and performance of the organisation more broadly. In addition to wellbeing initiatives to support individuals, we have a sick absence management framework to identify and support employees with wellbeing matters that have the potential to impact their performance and productivity.

Metrics to help us appropriately identify and support our employees include average sick absence days per employee and average number of sick absence days per incident.

- Average sick absence days per employee: 2.7 down from 3.3 in 2021
- Average number of sick days per incident: 2.9, down from 3.5 in 2021
- The absence rate for permanent employees and contractors was 1.6%,✓ down from 1.8% in 2021.

The decrease in metrics could indicate that employees are taking sick leave for acute health issues, a shift away from the trend during the pandemic, where Covid-19 and related conditions may have impacted the number of sick days taken.

In 2022, we become the first company in Africa to sign up for **Well at Scale**, a commitment to improve employee wellbeing across the group. We are working toward achieving a Health and Safety seal on our commercial facilities. This includes commitments in respect of air quality, water quality and light quality, movement, thermal comfort, sound, materials and sense of community.

Occupational health and safety

2022 highlights

The implementation of a hybrid working model required the **reconstitution of OHS committees**. We nominated and appointed new emergency officials and re-established OHS committees across business areas.

In South Africa, we conducted **full evacuation exercises at six of our nine provincial offices**. We also **supported evacuation walk-through exercises as an interim measure to practise emergency management** capability in head office buildings, where different groups of employees are in the office on different days.

54 injuries on duty were reported. We had **zero** on duty fatalities.

Principles and frameworks

Standard Bank's occupational health and safety (OHS) policy seeks to achieve high standards of care and provide a healthy and safe workplace for employees, contractors, clients, visitors, and other relevant individuals and groups. The policy is aligned to the requirements of South Africa's Occupational Health and Safety Act, Compensation for Occupational Injuries and Diseases Act and other relevant legislation and regulations.

Our offices and operations in all geographies are required to comply with national OHS standards and legal requirements, or the group's minimum standards, whichever is more stringent. We use multiple channels to proactively monitor regulatory developments across our countries of operation. We develop and implement risk management plans on an ongoing basis to ensure that our OHS management systems are in line with emerging requirements.

OHS management system

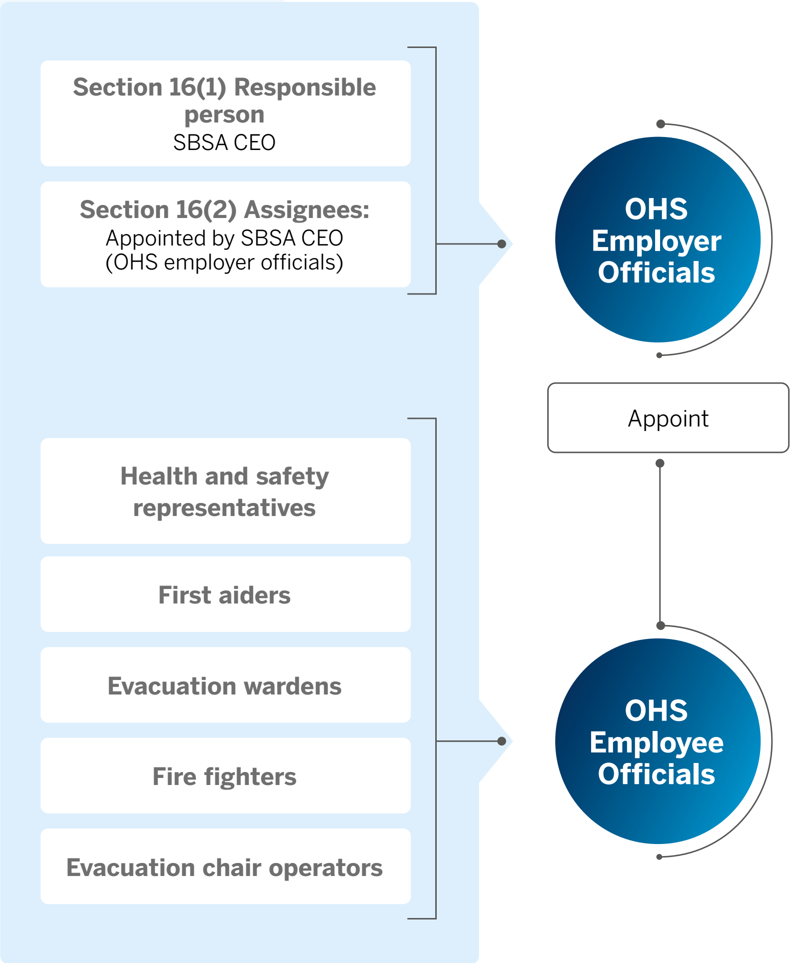
Our OHS management system aligns to the principles of the international OHSAS 18001 and the tenets of ISO 45001 standard. Each country has its own governance structure and policy, based on national regulatory requirements.

Below is an example of our governance structure in South Africa.

Governance

Executive committee	Governance and oversight of OHS ESG risk
Group social and ethics board committee	▪ Ensures that an effective framework for managing OHS risk is in place
Social and ethics management committee	▪ Monitors implementation and compliance of policy and management system, including via review of bi-annual reports from group SHEROC on OHS performance, trends, outlook
Group compliance committee	▪ Approves OHS policy and management framework and governs OHS operational activities
Group safety, health and environmental risk oversight committee (Group SHEROC)	▪ Provides guidance to the business regarding OHS risk management ▪ Reports to social and ethics management committee and group compliance committee ▪ Includes group safety, health and environmental (SHE) risk management team, supported by group real estate services, group compliance, group business resilience, group physical security, group procurement and people and culture
SBSA CEO Section 16(1) Responsible person	▪ Accountable person for successful implementation of OHS in the workplace in SA.

SBSA OHS management structure



The group SHE risk team is responsible for:

- Developing, implementing and maintaining an effective OHS framework and risk management plan
- Assisting client segments to comply with the SBSA policy and in-country health and safety legislation
- Monitoring levels of OHS emergency preparedness, including emergency evacuation exercises
- Ensuring that risk and hazard assessments are undertaken, risks are identified, and control measures are developed and implemented. Offices and branches are provided with a risk assessment template for office environments, which must be customised by the site to be appropriate for the relevant need and submitted to group SHE risk management. Risk assessments must be updated on an ongoing basis to take into account any activity that could result in harm to persons or property, including work projects and workplace social activities
- Undertaking inspections across our operations to ensure policy compliance and support a positive health and safety culture. Inspections are undertaken on an ongoing basis, to conduct routine OHS compliance checks, and as triggered by risks or potential OHS risks. Where applicable, inspections are initiated by business to address identified risks and ensure compliance with applicable OHS provisions.

Section 16.2 appointees are responsible for creating OHS management structures in their areas of responsibility. This includes:

- Appointing OHS employee officials (health and safety representatives, first aiders, fire fighters, evacuation wardens, evacuation chair operators) and ensuring required training is provided
- Ensuring formation and operation of health and safety committees
- Ensuring a culture that promotes health and safety at work
- Establishing and maintaining appropriate controls to ensure compliance with the OHS policy
- Ensuring awareness of hazards, risks, precautions and requirements in the workplace
- Ensuring OHS risk assessments and identification of hazards and possible environmental impacts are undertaken by project teams, relevant resources and contractors for projects and activities in the workplace, and mitigation and control measures are implemented before commencement of a project or programme of work
- Maintaining a high level of emergency preparedness, including bi-annual evacuation drills
- Ensuring reporting of concerns regarding project management OHS and effective contractor management
- Reporting OHS metrics for their area using the group's reporting tools and submitting OHS management reports to relevant oversight committees
- Taking corrective actions where non-compliance issues are raised
- Ensuring all injuries, occupational diseases or damage to property or the environment, and incidents leading thereto, are reported and investigated to determine root causes and to implement corrective action.

Inspections and support visits

Our evacuation management and preparedness initiative includes OHS site inspections and support visits by the SHE risk team, together with the physical security team where appropriate. Emergency evacuation management support visits are conducted in accordance with industry best practice and the group's emergency management framework and evacuation management procedures. The SHE risk team reports on these visits to management in the relevant business area, and includes insights from these visits in reports to group SHEROC and group compliance committee.

Over the past six years, inspections have been conducted at 423 points of representation, including provincial offices, branches and service centers. In 2022, we visited 34 points of representation (visit frequency remains lower than during the pre-Covid period, as many employees continue to work from home or to work on a hybrid basis). Sites are also regularly inspected by government officials, to assess compliance with legal requirements.

Evacuation drills are generally conducted at least twice a year. This includes walkthroughs and virtual engagements where applicable. Fire-fighting equipment is serviced and maintained by the relevant appointed service provider, and first aid boxes are provided at conspicuous places unless otherwise indicated. OHS officials receive training at regular intervals, and all employees are required to watch an online educational evacuation training video as part of compulsory compliance training.

Employee responsibilities

Health and safety is everyone's responsibility. We require all group employees to:

- Be aware of and understand the hazards and risks associated with their jobs and their work areas
- Take reasonable care for the health and safety of themselves and other persons who may be affected by their acts or omissions at the workplace and while working remotely
- Comply with all applicable health and safety policies and procedures and follow safe work procedures as defined for any hazardous task
- Comply with all instructions issued to prevent OHS risks and incidents, including participation in OHS programmes and initiatives and emergency evacuation exercises
- Complete mandatory OHS compliance training on our online learning platform every two years. 99.7% of SA employees completed this training successfully in 2022
- Promptly report any OHS hazards in their workplace
- Report any work-related injuries sustained or diseases contracted in the working environment to their supervisors or line management.

In South Africa, a formal health and safety committee is a legal requirement under the country's OHS Act. SBSA has an agreement with SASBO, the primary trade union for South Africa's financial sector, on how OHS employee officials will be engaged around terms of office and removal from office, and related matters. We hold quarterly committee meetings at all our sites. These meetings provide a platform to discuss OHS matters, and upcoming projects or events that may impact on OHS. Appointed health and safety representatives receive targeted training from external service providers. Health and safety representatives provide feedback to management and OHS committee members at mandatory quarterly and in some cases monthly meetings.

Third-party responsibilities

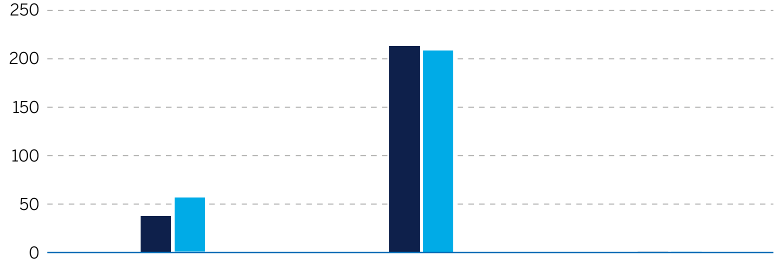
- The procurement function is responsible for assessing OHS risks as part of our third-party risk assessment processes.
- We provide our service providers and contractors with information on their health and safety responsibilities and how their activities may impact the group's operations.
- OHS clauses are incorporated into contractual agreements as and when required.

Incident reporting

Each area of the business is required to report OHS metrics for their area using the group's reporting tools. This information is collated by group SHE risk management and reviewed at the quarterly group SHEROC meeting, together with risk mitigation strategies.

We have seen a significant reduction in the number of workplace injuries reported since 2019 (when 162 incidents were reported). This is in part a result of the large proportion of our employees who worked from home during the Covid pandemic, and the introduction of a hybrid working model since April 2022, which results in fewer employees being in the office overall.

Record of OHS incidents: SBSA employees



	Injuries on duty	Person days lost due to injuries	Fatality
2021	37	218	0
2022	54	215	0

Breaches

Non-compliance with the OHS policy must be reported to line management and group SHE Risk. Failure to adhere to the OHS policy may lead to disciplinary action and possible dismissal. Employees and the group may be held liable for civil or criminal penalties.

In 2022, the group did not incur any civil or criminal penalties in relation to non-compliance with OHS.

Sustainable finance solutions

2022 highlights

Facilitated **32 sustainable finance transactions** and mobilised **R54.5 billion**✓ of sustainable finance solutions for our clients

Provided 29 sustainable finance lending facilities[1] across six sectors to the value of **R51.7 billion**

Arranged three sustainable finance bonds for external clients to **the value of R2.8 billion**

Raised **three treasury transactions to the value of R14.8 billion**

Won the **EMEA Finance Best ESG Bond House** and Best Financial Institution Green Bond in EMEA awards

Melville Douglas ESG policy published, ESG Committee provided oversight and investment recommendations

Facilitated **547 solar PV installations** for clients via PowerPulse, representing approximately **140 GWh of green energy per annum**, and **helped 365 green energy solution providers grow their businesses.**

Standard Bank Group is a leader in sustainable finance, having arranged innovative sustainable and sustainability-linked instruments for clients across Africa. We partner with our clients to encourage the adoption of socially and environmentally sustainable practices. We provide expertise, tools and resources to support these efforts and develop innovative sustainable finance products according to clients' unique needs and ambitions. We offer both performance-based and specific purpose use of proceeds sustainable finance solutions.

We are focused on providing financial products and services that support positive ESG outcomes. This includes green and social bonds and loans, sustainability-linked loans and bonds, sustainable trade and working capital solutions, and impact investing.

1 Lending incorporates term loans, revolving credit facilities, project finance, working capital facilities and overdrafts in investment banking. Derivatives and deposit instruments are excluded.

Sustainable Finance Mobilisation	2022
Total sustainable finance mobilisation	**R54.5 billion** ✓
Lending arranged[1]	
Number of green, social and sustainable transactions (use of proceeds)	11
Number of sustainability linked transactions (performance based)	18
Total quantum of sustainable finance lending arranged	R51.7 billion
Bonds arranged[1]	
Number of green, social and sustainable transactions (use of proceeds)	1
Number of sustainability linked transactions (performance based)	2
Total quantum of sustainable finance bonds arranged	R2.8 billion

[1] Bonds/lending arranged excludes any transactions where SBG or our subsidiaries raise sustainable finance bonds or loans as these are covered in the below Treasury section.

Sustainable Finance Treasury 2022	
Total sustainable finance treasury transactions raised	**R14.8 billion**
Borrowing	
Number of green, social and sustainable transactions (use of proceeds)	0
Number of sustainability linked transactions (performance based)	1
Total quantum of sustainable finance treasury loans executed	R12.8 billion (USD750 million)
Bonds issued	
Number of green, social and sustainable transactions (use of proceeds)	2
Number of sustainability linked transactions (performance based)	0
Total quantum of sustainable finance treasury loans bonds issued	R2 billion

Renewable energy financing 2022	
Quantum of new renewable energy power plants financed	R18.2 billion ✓

Social projects financing 2022	
Quantum of social projects financed	R2 billion ✓

Sustainable Bond Framework

Standard Bank's **Sustainable Bond Framework** is aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and the Sustainability Bond Guidelines. In 2020, Sustainalytics evaluated the Framework. The **Second Party Opinion** issued by Sustainalytics confirmed the Framework to be credible and impactful and aligned with the four core components of the GBP, SBP and Sustainability Bond Guidelines. In November 2021, IBIS Consulting provided an updated **Second Party Opinion** confirming alignment of the Framework with the latest 2021 updates of the ICMA GBP and SBP.

Our Sustainable Bond Framework will be updated in 2023 and an updated Second Party Opinion will be obtained to confirm alignment with the latest ICMA GBP and SBP.

Sustainable Bond Framework

Green Bonds | Sustainable Bonds | Social Bonds

ICMA Green Bond Principle Categories

- Renewable energy
- Energy efficiency
- Pollution prevention and control
- Environmentally sustainable management of living natural resources and land use
- Terrestrial and aquatic biodiversity conservation
- Clean transportation
- Sustainable water and wastewater management
- Climate change adaptation
- Circular economy adapted products, production technologies and processes and/or certified eco-efficient products
- Green buildings

ICMA Social Bond Principle Categories

- Affordable basic infrastructure
- Access to essential services
- Affordable housing
- Employment generation including the potential effect of SME financing and microfinance
- Socioeconomic advancement and empowerment

SDGs

Standard Bank Impact Areas

- Financial inclusion
- Job creation and enterprise growth
- Infrastructure
- African trade and investment
- Education
- Climate change and sustainable finance
- Health

The Framework covers key pillars of:

1. Definition and use of proceeds
2. Process for selection and evaluation of projects
3. Management of proceeds
4. Impact reporting.

GREEN ISSUANCES

Title	Issuer	Issuance date	Maturity date	Assets allocated/ category	Bond value[1]	Allocations[2]	New renewable energy capacity (MW)	Annual CO_2e reduction/ avoidance[3]	Jobs created[4]	No. of projects
IFC green bond	SBSA	02/03/2020	02/03/2030	Renewable Energy	USD200 000 000 (R2 934 700 000)	Fully allocated as at 31 Dec 2021✓	358	903 932	7 556	5
T2 green bond	SBG	07/12/2021	08/12/2026	Renewable Energy	R1 444 000 000	Fully allocated as at 31 Dec 2022✓	1 160 (combination of wind, solar PV and CSP)	3 157 328	18 723	9✓
T2 green bond	SBG	30/08/2022	31/08/2027	Renewable Energy	R1 639 000 000					
Namibia green bond	SBN	05/07/2022	05/07/2025	Renewable Energy	NAD200 000 000 (R200 000 000)	10.21% Partially allocated as at 31 Dec 2022✓	3	2 426	44	1✓
			05/07/2027	Renewable Energy	NAD200 000 000 (R200 000 000)					
Total					R6 417 700 000		1 521	4 063 686	26 323	15

1 Exchange rate ZAR/USD 14.6735 as at Dec 2021. ZAR/NAD 1 as at Dec 2022.
2 Fully allocated: All funds received from investors (total funding pool) have been fully allocated to green transactions that meet the eligibility criteria. Not allocated/partially allocated: Funds received have not yet been fully allocated to green transactions.
3 Based on grid emissions factors for South Africa, Kenya and Namibia from https://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies, and capacity factors for solar PV, CSP and Wind from https://www.csir.co.za/sites/default/files/Documents/20220503-Statistics%20of%20power%20in%20SA%20H2-2021-CSIR-%5BFINAL%5D%20%281%29.pdf
4 Based on Job factors from https://www.energy.gov.za/files/IEP/2016/IEP-AnnexureB-Macroeconomic-Assumptions.pdf

SOCIAL ISSUANCES

Title	Issuer	Issuance date	Maturity date	Assets allocated/ category	Bond value[1]	Allocations[2]	Number of home loans	Number of women borrowers	Percentage women borrowers
Social bond	SBSA	2021/08/19	2026/08/19	Affordable Housing	ZAR1 676 000 000	Fully allocated 2021✓	5 787✓	3 438	59,4%
				Affordable Housing	ZAR1 824 000 000				
Total					ZAR3 500 000 000				

TREASURY, GREEN AND SOCIAL BONDS

The group has raised five green bonds and a social bond under our Sustainable Bond Framework since 2020.

- In August 2022, Standard Bank Group issued a Tier 2 capital-qualifying green bond. The 10-year, R1.6 billion bond is listed on the JSE's sustainability segment. Capital was used to finance renewable energy assets.
- In July 2022, Standard Bank Namibia issued a senior unsecured green bond. The three and five-year bonds are listed on the Namibian Stock Exchange. Proceeds will be used to finance renewable energy assets in Namibia.

Sustainable investing

Melville Douglas ESG policy

As asset managers and fiduciaries, Melville Douglas Investment Management is committed to achieving sustainable, above-average returns on client investments. To achieve this, investment decisions include the assessment of material financial and non-financial factors, including ESG risks and opportunities. At present, ESG considerations are incorporated in the listed equity investment process. Melville Douglas is committed to expanding the scope of integration to include other asset classes and securities.

Melville Douglas' focus on ESG is motivated by:

- Commitment to support the long-term sustainability of the economies, communities and natural environment in which they operate
- Their belief that companies that focus on ESG issues as part of their overall strategy tend to offer lower investment risk and better investment returns.

Integrating ESG considerations into their investment and decision-making process allows Melville Douglas to better understand and quantify how the companies in which they invest are dependent upon, and impact, economic, human, and natural capital. This helps them to appropriately manage emergent risks and to leverage emerging investment opportunities.

They create competitive advantage by identifying responsible investment opportunities and support their clients by developing investment solutions in alignment with their ESG-related targets and goals. They hold themselves to the same ESG best practice standards they expect of investee companies.

Due diligence

The ESG risk management framework for assets under management ensures that due diligence is included for every investee company as part of the core research process, to assess material ESG factors which may exclude companies from the investible universe of listed equities.

- First, companies are screened against the Melville Douglas excluded and sensitive activities policy statements (which are guided by global norms and best practice standards and conventions, and include activities in contravention with national or international laws and treaties, sectors that do not align to Melville Douglas' investment philosophy, and activities that deliver materially negative ESG impacts)
- Thereafter, detailed company-level due diligence is undertaken as part of the fundamental research process, to develop an ESG assessment and recommendations. This draws on companies' public reporting, verified third-party reports, AGMs, media reports and sector specific sustainability assessments. Their proprietary ESG assessment is based on the Sustainable Accounting Standards Board (SASB) materiality map, which looks at material ESG disclosure topics across industries and sectors and identifies 26 sustainability-related issues known as 'general issue categories'. These are grouped under five themes: Environment, social capital, human capital, business model & innovation, and leadership & governance. Sector-level and industry-level mapping identifies how likely an issue is to be classified as material for companies. A score is applied to each material category, based on how well the company deals with each issue and evaluation of the risk posed by the issue. A weighted ESG score is then calculated, reflected as a percentage.
- The ESG Committee provides oversight and investment recommendations, while the investment committees provide final approvals.
- A monitored list and a buy list is selected.
- Analysts prepare annual ESG reports and company guidelines to monitor investee companies' progress on ESG issues.
- The trend of the company's ESG score is monitored over time. Deterioration in the score prompts engagement with the company. For companies on the monitored list, ESG assessments are conducted at least once a year.
- Should a material contravention become apparent post the investment process, Melville Douglas will engage as necessary with the investee company to rectify the issue.

Active ownership and engagement

Melville Douglas engages in active ownership and engagement to positively influence the adoption of progressive ESG practices in the companies which they invest. They exercise their rights and obligations as shareholders to vote in a manner that promotes ESG aligned business practices. They also engage directly with investee companies as appropriate to ensure the ongoing alignment of their ESG strategy with those of the companies in which they invest. They will divest from active positions in their portfolios where unmanaged ESG factors exceed risk tolerance and ongoing engagement with the company is deemed unsuccessful.

The **Melville Douglas ESG policy**, includes their active engagement process. Internally they have a detailed ESG policy and a domestic proxy voting policy. This guides investment teams on how to exercise shareholder rights in the best interest of clients, establishes their position on various issues and provides information about their engagement and active ownership approach. All proxy votes are presented to their ESG committee for approval prior to submission. They actively engage investee companies to support, encourage, and catalyse sustainable business operations.

They:

- Participate in mandatory governance and proxy voting requirements of investee companies
- Conduct proxy voting in alignment with the ESG strategy and associated policies. Investment teams are guided by their research and the support of the ESG Committee to cast votes in a manner that aims to achieve the best ESG aligned outcome for the investee companies
- Communicate in a constructive and clear manner that promotes improved ESG performance
- Expect investee companies to provide timeous feedback to ESG-related correspondence. Where appropriate, matters are addressed through the company secretary to ensure the board is informed about material issues that are being raised.

Governance

The independent ESG committee oversees ESG policies, due diligence, engagement, and proxy voting processes. It reports to the Melville Douglas Fund Boards, the Melville Douglas Investment Management Board of Directors, and investment committees, summarising voting results, policies, procedures, and other noteworthy items. It also works with the various asset class committees to support the establishment of frameworks for:

- Assessing ESG issues for their asset class
- Maintaining an appropriate set of proxy voting guidelines
- Overseeing and approving exclusions lists for use in various investment capacities
- Implementing the responsible investment strategy.

Liberty's responsible investment policy

Liberty Holdings Limited (LHL) recognise ESG as a material investment consideration, forming a material element in driving risk-adjusted returns for clients. As stewards of client funds and to deliver on client financial outcomes, they believe that the consideration of sustainability in investment decisions is essential to value creation and capital protection.

Liberty Holdings finds value in incorporating relevant and material ESG issues that can meaningfully affect investment performance in their research, decision-making, reporting and ongoing monitoring processes. This enables them to better identify investments that will provide sustainable and superior risk-adjusted returns. As an active asset owner, they can influence corporates and entities to incorporate ESG factors, thereby promoting sustainable businesses. Their policy commits them to:

- Promoting integration of ESG factors into the investment process
- Active engagement in considering ESG factors
- Exercising ownership rights
- Collaborating to drive desired outcomes
- Communicating their responsible investing activities
- Applying ESG oversight to their investment capabilities.

Their investment teams outsource the asset management function to third-party asset managers, the majority of which is managed by STANLIB. They review and analyse relevant ESG data to build as complete a picture as possible of ESG risks embedded in the shares of their portfolios. Investment teams are periodically engaged on their evolving ESG approaches and report to the group client experience and fairness committee (GCxFC) on progress made.

They are guided by industry standards as defined by the United Nations Principles for Responsible Investment (UN PRI) and demonstrate their commitment annually by responding to the PRI Transparency Report. They also comply with the Principles of the second Code for Responsible Investing in South Africa (CRISA 2) and other responsible investment-focused policies and legislation in South Africa (including Regulation 28 of the Pension Funds Act, the Financial Sector Charter (FSC) and the King IV Report on Corporate Governance for South Africa (King IV™) (principle 17).

Liberty's **responsible investment policy** forms part of the overall risk management framework and specifies a set of principles employed across investment activities within Liberty to ensure that all relevant stakeholder interests are protected. It aims to ensure:

- Integration of material ESG criteria into investment decisions with the objective of improving the long-term sustainable financial outcomes of clients' portfolios
- Consideration of ESG criteria is integrated across all active portfolios (in both public and private markets) and seeks to enhance risk-adjusted returns
- Related material ESG investment risks and opportunities are addressed in a consistent manner through clear identification, measurement, management, reporting and ongoing monitoring across investment management processes
- Principles of good corporate governance are applied in the investment decision-making process
- Compliance with relevant legislation and adoption of best practice voluntary standards
- Ethical investing allowing for the exclusion of certain stocks or industries, in line with Liberty's code of ethics
- Sustainable and impactful investing through comprehensive assessment and valuation of companies or industries, which incorporates ESG risks and opportunities, where applicable, and
- Promotion of ESG management practices within companies through active engagement, where feasible.

STANLIB endorses CRISA 2 and is a signatory to the PRI. Their responsible investment policy incorporates ESG principles. The policy guides investment teams as they integrate ESG into investment processes.
For more information, refer to **STANLIB's stewardship report.**

Governance

The responsible investment management policy governs Liberty's investment activities and criteria and applies to all persons within Liberty. The GCxFC is responsible for approving and monitoring the implementation of the policy.

The client funds control committee is responsible for exercising oversight over how policyholder portfolios are mandated, constructed and delivered against investment objectives.

Each business unit responsible for the investment of shareholder, policyholder and/or third-party investments is required to implement policies, standards and controls to ensure that investment activities are undertaken in accordance with the principles set out in the policy.

Managing our social and environmental risks and impacts

2022 highlights

4 890 transactions were screened for E&S risk.

1 908 current clients were screened for E&S client risk during the annual credit review process.

90% of clients and **93%** of transactions were rated as low risk.

No deals were declined due to E&S risk indicators.

359 employees completed specialised E&S classroom training.

147 employees completed specialised training on the use of the digital E&S screening tool.

We **reduced our electricity consumption by 45%** across our South African operations, and **produced more than 18 085 MWh of renewable energy** through our 2 MW tri-generation plant and solar PV rooftop and carport installations.

Environmental and social (E&S) risk refers to the risk of adverse impacts on people and the natural environment arising from our business activities. Such impacts may include risks to the environment, including impacts on climate and biodiversity, and social risks such as impacts on local communities' livelihoods and adverse impacts on human rights (understood at a minimum as those expressed in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work). Such risks may arise from our direct business activities, or from the activities of the clients or projects we finance, and may impact on our employees, our clients, the individuals and enterprises in our supply chain, and the communities impacted directly or indirectly by our business activities. E&S risk creates potential credit risk, operational risk, business risk and reputational risk.

Principles and frameworks

Standard Bank's overarching **environmental and social management system (ESMS)** comprises various risk management policies, procedures, processes and tools. The ESMS seeks to guide all relevant stakeholders within the bank through the implementation of E&S risk management.
Our **E&S risk governance standard** sets out the group's E&S risk management framework, which provides for the governance, identification, measurement, management and reporting of E&S risks associated with the group's financing and investment activities. The standard is supported by the group **E&S risk policy**, which details how the framework should be implemented. Group environmental and social risk (GESR) is responsible for reviewing, updating and ensuring the effective implementation of the standard and policy.

Our E&S risk management processes are based on international good practice and align with the requirements of the Equator Principles, the IFC Performance Standards, and the Principles for Responsible Banking. Further, as an Equator Principles Financial Institution (EPFI), Standard Bank commits to implementing the Equator Principles in our internal environmental and social policies, procedures and standards for financing projects, and to evaluating and actively avoiding and mitigating any negative social or environmental impacts when we lend or provide advisory services to a project.

The standard and policy are supported by the **group human rights statement** our **exceptions list**, the **group climate policy** and related policies.

- The standard and policy apply to all the group's banking entities. They are primarily applicable in relation to our business, commercial and corporate clients. They also apply to products such as corporate loans, trade finance, project finance, debt and equity market services.
- We assess the E&S performance of our clients and partners before entering a transaction, investment or business relationship with them.
- **E&S risk management is integrated into our lending and investment processes**. Our credit management policies and processes include assessment of E&S risks and associated mitigation measures and opportunities.
- **Development of new products and services incorporates E&S risk assessment.** Opportunities to create positive E&S outcomes are actively identified and pursued.
- Investment governance includes E&S risk assessment and monitoring. **E&S due diligence must be undertaken for investee companies in high-risk industries or transactions**. This includes assessment of the quality of the investee company's monitoring and reporting regarding long-term sustainability of strategy and operations.
- Certain trading proposals are screened from an E&S risk perspective based on potential E&S risks related to the sector and the specific client. GESR is currently working with the Trade Finance team to develop a more formalised E&S screening and review process for trade finance deals.

E&S risk governance

Structured transactions committee and structured transactions pre-screening committees

- Review and assess transactions which, in addition to credit and country risks, include potential exposure to reputational, social or environmental risks.

Group portfolio risk management committee

- Review results of portfolio reviews, stress testing, appetite and strategy assessments for all risk types, including E&S risk
- Set concentration limits or thresholds of portfolios and risk appetite indicator guidelines for group
- Assess portfolio composition and implications of climate stress testing.

New business approval committee

- Review recommendations from relevant committees and business processes, including E&S risk assessment processes.

Credit risk committees

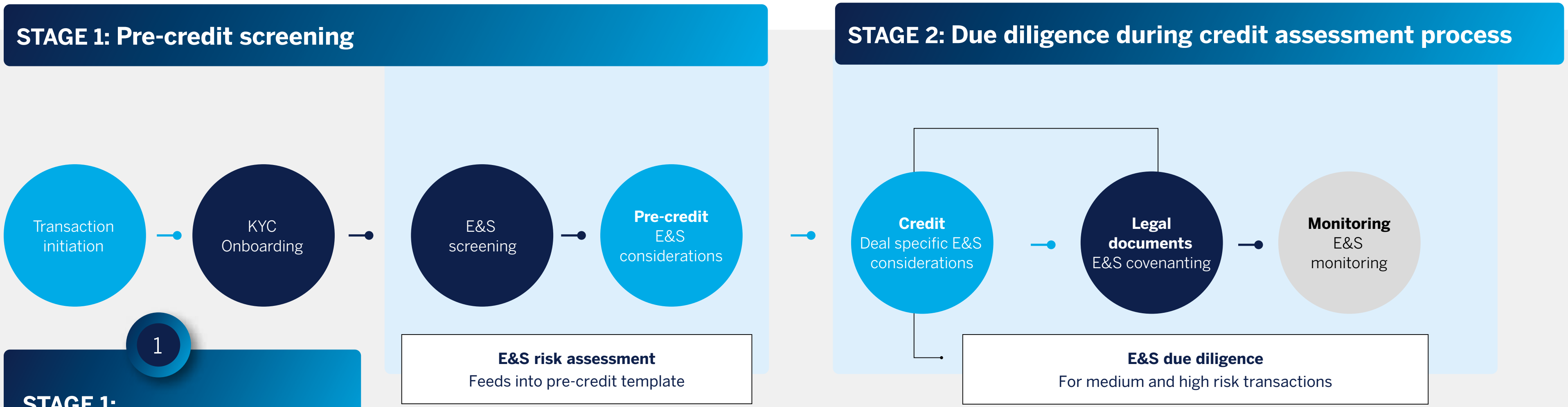
- Decide on client onboarding and offboarding, including for reasons of environmental or social counterparty risk.

Country risk committees

- Monitor and ensure compliance with E&S contractual obligations in lending and funding agreements
- Ensure integration of appropriate E&S risk processes and mitigations across business
- Ensure relevant E&S clauses included in contracts
- Report regulatory non-compliance, directives or fines to GESR so policy gaps can be closed and performance improved.

E&S risk screening

We assess the E&S performance of our clients and partners before entering a transaction, investment or business relationship with them. The E&S risk process is shown in the figure below.



STAGE 1: Pre-credit screening

- All new lending applications, excluding personal banking, are screened by pre-credit committees for E&S risks using the group's digital E&S screening tool.
- The E&S screening process checks for compliance with national laws and standards, our exceptions list and relevant group policies including the E&S risk standard and policy. Where applicable, we also apply the IFC Performance Standards and the Equator Principles. Screening provides an initial indication of possible risks associated with a client's ability to manage E&S issues and with the transaction itself.
- We use three levels of screening according to the type of financial product, the quantum and tenor of the transaction and the potential E&S risks involved. Each level includes likely E&S risk, sector and client considerations, the client's ability to manage E&S risk and historical track record. Risks are rated low, medium or high.
- E&S screening includes client and transaction risk:
  - Client Risk Assessment (CRA): Risks associated with a client due to labour issues, negative media attention, NGO or activist focus, community issues or reputational risk to the group, and client's ability to manage E&S risks
  - Transactional Risk Assessment (TRA): Risks associated with a transaction due to sector, activities to be undertaken and nature of finance and risks associated with security over assets, for example, contamination of land.
- Screening determines:
  - Whether to proceed with a transaction
  - Whether further E&S assessment of the client and/or transaction is required
  - The level of E&S risk review required.

- **4 890** transactions screened for E&S risk (half each in CIB and BCC), including 2 982 new transactions.
- **1 908** current clients screened during annual credit review process (80% CIB, 20% BCC)
- No deals were declined due to E&S risk indicators.

	Low risk	Medium risk	High risk
Client risk	90	7	3
Transaction risk	93	5	2

Risks we screen for

Screening includes assessment of the following issues, taking account of potential risks associated with the business, sector, transaction, or project:

Social risks, including human rights risks

- Workers' rights are protected. Workers are treated fairly and provided with safe and healthy working conditions. Vulnerable categories of workers, such as migrant workers, are protected. (For Equator Principles transactions, this incudes gender equity, risks of discrimination, and freedom of association)
- Child labour, and forced and compulsory labour, are prohibited.
- Risks to communities, including health and safety, have been/will be assessed, avoided or minimised.
- Security assessment
- Safeguarding of personnel and property will be carried out in accordance with relevant human rights principles and will avoid/minimise risks to affected communities.
- Adverse impacts on communities and people from land acquisition, restrictions on land use, resettlement and livelihood changes, displacement or forced eviction will be anticipated and avoided where possible. Where avoidance is not possible, impacts on affected communities will be minimised and livelihoods and standards of living of displaced persons improved or restored.
- Cultural heritage and/or archaeological resources is/will be protected.
- Potential adverse impacts on indigenous people are identified and avoided where possible. If unavoidable, engagement has taken/will take place with the impacted community and actions taken to minimise, restore and/or compensate for adverse impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts.

Environmental risks

- Impacts on landscapes, biodiversity and ecosystems will be avoided and/or minimised.
- Impacts on surface water and groundwater, as well as air quality, will be avoided and/or minimised.
- Pollution from business and/or project activities is minimised.
- Hazardous substances will be stored and managed properly.
- Sustainable use of resources, including energy and water, and minimisation of GHG emissions, is promoted.
- Direct and indirect impacts on biodiversity and ecosystem services are identified and avoided or mitigated. Practices that integrate conservation needs and development priorities will be adopted to promote the sustainable management of living natural resources.

We undertake careful analysis of the relative E&S related risks and costs associated with managing these factors to identify the most appropriate course of action and optimal mitigation actions. While trade-offs may be necessary, they must not compromise the group's commitment to human rights and must always adhere to all applicable laws and regulations. By embedding E&S risk assessment processes into lending practices at an early stage, we ensure E&S consideration and accountability in decision-making and monitoring.

Governance risks

- Governance around E&S risk management, including whether the client has appropriate E&S policies and ESMS
- Negative E&S media attention.

Advice and approvals

- The responsible deal team or client relationship manager ensures the completeness, accuracy and consistency of E&S screening and other relevant information contained in pre-credit or new business applications.
- The responsible business area and credit officer ensure that relevant E&S risks are reported timeously to GESR for further analysis and decision-making.
- GESR evaluates all project-related transactions and all medium and high-risk non-project related transactions, provides commentary in the pre-credit approval paper and more detailed commentary in the credit paper, and works with the business and credit teams, and our clients, to assess and mitigate risks.
- Transactions rated as high E&S risk require approval from the head of GESR prior to credit approval.
- Prior to financial close on transactions, GESR reviews and provides input into loan agreements. Post financial close, GESR undertakes annual reviews of clients to make sure that E&S risks are being managed appropriately over time.

2

STAGE 2:
Due diligence during credit assessment process

- We work with our clients to ensure that their E&S risk-related functions are appropriately resourced, and that they can effectively manage their material health and safety and E&S related risks and impacts.
- GESR determines the required scale and scope of E&S due diligence per transaction, commensurate with the potential level of E&S risk (low, medium or high) as guided by the E&S screening tool. GESR applies the Equator Principles and associated IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) to all relevant project-related financing or transactions. As per the Equator Principles requirements, we, or our independent E&S consultants, categorise relevant projects proposed for financing based on the magnitude of potential E&S risks and impacts as Category A, B or C. GESR provides the categorisation for Equator Principles transactions and is involved in ongoing due diligence for all Category A and B projects.
- For medium or high-risk clients/transactions that are not Project Financing or Equator Principles related transactions, GESR undertakes an internal desk-top E&S review of the client, its operations and the transaction.
- GESR works with business and credit teams to undertake enhanced due diligence for all project-related transactions and transactions identified as medium or high-risk. This may include sector or issue specific questions, direct client engagement and site visits, and/or the use of independent external E&S consultants.
- For all Equator Principles transactions, GESR works with the client to develop the scope of work for the undertaking of an environmental and social due diligence (ESDD) by an independent E&S consultant. The consultant is selected by the borrower and lenders and contracted by the borrower to undertake a detailed independent environmental and social due diligence (ESDD) of the project. This identifies any issues or gaps from an E&S risk management perspective, including gaps in meeting Equator Principles or IFC Performance Standard requirements. Based on any gaps identified, the consultant develops an environmental and social action plan (ESAP). The ESAP notes any actions and associated time frames that need to be implemented by the client. The ESAP or key actions from the E&S review are included as clauses in the facility agreement with the client. This may include requirements in respect of mitigating actions, monitoring and reporting by clients to address E&S risks.
- We engage our clients to encourage them to apply the Precautionary Principle to their operations and activities, where applicable.

Assessment of human rights risks is integral to E&S due diligence

- For Category A and where appropriate, Category B project finance, human rights due diligence is part of the ESDD completed by the independent E&S consultant on behalf of the lenders.
- For non-project financing, GESR identifies potential human rights issues based on general monitoring of negative media and campaigns against clients.
- Where human rights risks can be mitigated, we include controls in client legal agreements. This may include client labour policies to address human rights issues and/or provide for collective bargaining, supply chain management and monitoring, compliance with IFC Performance Standards and ILO conventions. Where necessary, we commission independent specialist reviews/audits to confirm implementation of mitigation plans.
- Where relevant, clients implement independently verified monitoring of supply chain or certification processes that address human rights. Examples include the Roundtable on Sustainable Palm Oil (RSPO) and the Better Cotton Initiative.
- In some instances, we require human rights assessment and monitoring by specialist consultants and annual feedback from clients on progress with action plans and mitigation processes.

- **Grievance mechanisms for employees:** We require all our corporate clients to have in place grievance mechanisms for their employees to raise workplace concerns, and to inform employees of these mechanisms.
- **Community grievance mechanisms:** Where it is anticipated that a new project or existing company operations will involve ongoing risk and adverse impacts on surrounding communities, we require the client to establish/provide evidence of a community grievance mechanism to receive and facilitate resolution of the affected communities' concerns and complaints about the client's E&S performance (as per the IFC Performance Standards on Social and Environmental Sustainability). The grievance mechanism should be scaled to risks and adverse impacts of the project, address concerns promptly, use an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, and do so at no cost to communities and without retribution. The client is responsible for informing affected communities about the mechanism through its community engagement process.

High-risk sector guidelines

The group has identified high-risk industries, sectors and areas of high environmental sensitivity that require additional due diligence before a transaction or investment may be approved. Activities in these sectors must also align with the commitments and targets set out in the group's **climate policy.**

AT SECTOR LEVEL, THESE INCLUDE:

Mining and metals	prohibitions as per exceptions list, restrictions as per group policies, enhanced due diligence for uranium mining and where site decommissioning and remediation are not adequately addressed.
Oil and Gas	prohibitions as per exceptions list and climate policy, enhanced due diligence for shale gas and shale oil, including hydraulic fracturing and transnational pipelines enhanced due diligence for transactions where site decommissioning and remediation and/or response for oil spills/ gas leaks are not adequately addressed.
Thermal coal power	enhanced due diligence for companies operating coal-fired power plants; transactions directly related to large dams; construction of new or upgrading of existing nuclear power plants; transactions where site decommissioning and remediation and/or response for oil spills/gas leaks are not adequately addressed no finance for construction of new coal-fired power plants nor the expansion in generating capacity of existing coal-fired power plants.
Infrastructure	enhanced due diligence for linear infrastructure (roads, railway, electricity transmission lines, bulk water supply pipelines); transnational developments; ports, harbours and ship-loading terminals enhanced due diligence for transactions directly related to large dams; construction of new or upgrading of existing nuclear power plants.
Industrial	prohibitions as per exceptions list enhanced due diligence for iron and steel foundries and smelters; petrochemical refineries and downstream industries; manufacture of hazardous materials; manufacture of toxic materials.
Agriculture, animal husbandry and fishing	prohibitions as per exceptions list and group climate policy; enhanced due diligence for activities in high conservation value forests or primary tropical forests; commercial logging; activities relating to palm oil or soy production; excessive fertilisation/runoff.

Exceptions list

Our exceptions list specifies activities for which no entity within Standard Bank Group will provide banking or lending facilities.

These group-wide exclusions include:

- Production or activities involving harmful or exploitative forms of forced labour or harmful child labour
- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, including ozone depleting substances, polychlorinated biphenyls, and specific hazardous pharmaceuticals, pesticides and herbicides or chemicals; wildlife or products regulated under CITES; unsustainable fishing methods and commercial whaling; use of unbonded asbestos fibres; narcotic drugs
- Production or trade in radioactive materials, excluding uranium mining, medical equipment, quality control equipment or equipment where the radioactive source is understood to be trivial and/or adequately shielded
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations
- Production or trade in weapons or munitions, excluding hunting and sports equipment
- Production and distribution of racist and/or neo-Nazi media
- Illegal logging or purchase of illegally harvested timber
- Arctic oil and gas exploration and development
- Mountaintop removal
- Mining or trading of diamonds not certified under the Kimberley Process Certification Scheme.

Ongoing monitoring

- Credit managers apply the digital E&S screening tool as part of the process of regular (at least annual) review of existing transactions and clients. E&S risks that emerge after financial close are flagged and assessed through this process.
- Business is responsible for ongoing monitoring of their portfolios. Frequency and type of monitoring is determined by the type of transaction and the level of risk.
- GESR annually reviews all Equator Principles transactions categorised as Category A or B, other transactions identified as high E&S risk, and clients identified as high and medium risk, as part of the annual credit review process. These reviews require completion of the digital E&S screening tool to determine a CRA rating and assess whether the client is meeting their E&S commitments.
- Where necessary, GESR undertakes site visits to ensure that E&S performance is being managed appropriately. Independent external E&S consultants may be used to monitor implementation and progress if required for Equator Principles deals.
- The group undertakes portfolio-wide reviews of high-risk sectors. These reviews enhance the group's decision-making during transaction approval processes and provide a mechanism for proactive client engagement.

Employee training

Targeted business areas (business, credit, legal, coverage) across the group undergo mandatory training on E&S risk awareness, Standard Bank's E&S risk management process, the E&S screening tool and relevant environmental and social guidelines, standards and requirements.

Training includes interactive 'classroom' training and online training courses on the group's in-house training platform.

We are deploying ESG tools to assist credit managers, country risk and portfolio risk teams with ESG risk information relevant to our portfolio.

E&S coordinators at country level receive in-country training.

Specialised E&S training in 2022

Classroom training: **359** employees

Digital E&S screening tool: **147** employees

Controls

Where E&S risk is deemed significant, it must be included in risk and control self-assessments, to ensure appropriate controls are identified and mitigation plans developed. Actual or potential losses associated with E&S risk incidents may impact the amount of advanced measurement approach (AMA) regulatory capital held for operational risk. As the group holds capital for E&S risk, scenarios must consider the impact of E&S risks.

GESR is responsible for ensuring that appropriate systems and processes are maintained to collect, and store required E&S risk data, and that there is reasonable assurance of data integrity and completeness. Where external data or analysis is used, the E&S risk team relies on the source to provide assurance for data accuracy.

E&S incident reporting to the bank is included as a condition in loan agreements with clients. GESR ensures that any significant E&S (or health and safety) risk incident is recorded in the operational risk management system and reported in line with the operational risk materiality matrix, so that appropriate actions can be taken to prevent recurrence. GESR is also responsible for ensuring that any breaches of the E&S standard or policy, and/or any material E&S counterparty risk, is promptly reported to the relevant decision-making bodies within the group.

If clients are not compliant with the group's E&S requirements, we work with them to close the gaps and achieve the necessary standards over time. If there is no progress toward meeting requirements within agreed timeframes, remedies may include additional monitoring and revised action plans; specialist or independent intervention; or re-evaluation of the loan.

We are committed to taking appropriate steps where we discover, or are made aware, that we have contributed to or caused actual or perceived human rights abuses or environmental damage. This may include constructive engagement to promote better practice, or termination of the business relationship.

Equator Principles projects

Transactions screened against Equator Principles in 2022

CATEGORY A
High risk
LOW MEDIUM HIGH
2

CATEGORY B
Medium risk
LOW MEDIUM HIGH
4

CATEGORY C
Low risk
LOW MEDIUM HIGH
0

Total number of projects financed
6✓

EQUATOR PRINCIPLES TRANSACTIONS THAT REACHED FINANCIAL CLOSE IN 2022

	Project finance (number)			Project-related corporate loans (number)		
	Category			Category		
Sector	**A**	**B**	**C**	**A**	**B**	**C**
Oil and gas				2		
Mining						
Power and infastructure		1			3	
Region: Africa						
SA					3	
AR		1		2		
Independent review		Y		Y	Y	
Country designation	non-designated					
Total		**1**		**2**	**3**	

Examples of some of our Equator Principles deals in 2022

San Kraal Wind Farm Project

CATEGORY B
Medium risk
LOW MEDIUM HIGH

The project

- San Kraal Wind Power, a subsidiary of EDF Renewables, will construct a 140MW Wind Energy Facility (WEF) near Noupoort and Middelburg on the borders of the Northern Cape and Eastern Cape provinces in South Africa
- The project is being developed as part of a cluster of five onshore wind projects
- It is designed to export energy to the national grid via a new 132kV overhead line (shared with a neighboring project) and 400/132kV main transmission substation. The maximum height of the overhead line will be 45 metres. Internal powerlines/cables will follow internal access roads where technically feasible and all powerlines linking turbines to the on-site substation will be buried where technically feasible.

Stakeholder engagement

- All comments received during stakeholder engagement processes were considered in the final EIA decision-making process. Compliance with the EIA regulations was confirmed by the competent authorities.
- The EMPr public review process ran from late February to late March 2022. No objections were received.
- EDF Renewables is developing a project stakeholder engagement plan. A stakeholder monitoring forum will be set up and a community liaison officer will ensure regular meetings with local councilors, ward councilors, traditional leaders, community leaders, and relevant government departments to address any community concerns and to educate the community on project progress, employment and business opportunities and complaints mechanisms.

E&S risk management

- An environmental impact assessment (EIA) with associated specialist studies was undertaken in 2017. Further updated specialist inputs were provided during 2018 to 2022. Revised specialist reports were undertaken in support of the Revised Amendment Application made in 2021.
- The impact assessment process included ecological studies, cultural heritage studies and visual studies.
- The draft environmental management program (EMPr) includes requirements in respect of decommissioning, including items related to avifauna and erosion control and monitoring for two years post decommissioning.
- The client is developing a site specific environmental and social management system (ESMS) and associated policies, plans and procedures.
- The company appointed to provide lenders technical advisory services to Standard Bank completed an independent environmental and social due diligence review of the project in line with the Equator Principles, IFC and World Bank Environmental, Health and Safety guidelines. It also developed an environmental and social action plan, which identifies actions that EDF Renewables is required to implement to meet the required international standards.
- The same company has been appointed to act as the lenders independent E&S Advisor and will undertake ongoing E&S monitoring during construction and operations.

Monitoring

- The project requires regular monitoring of project activities, as noted in the EMPr. Inspections should be carried out by assigned and trained employees and cover the broad area of influence of all contractors' activities. The project has the necessary E&S and health and safety team members in place to undertake the necessary monitoring on site.
- The lenders technical advisor will monitor the project during construction and operations.

Scatec Kenhardt Solar PV Project

CATEGORY B
Medium risk
LOW MEDIUM HIGH

The project

- Located in Kenhardt, Northern Cape, South Africa
- Developed by Scatec ASA (51%) and H1 Holdings (49%)
- Three greenfield PV plus storage power plants, 50 MW net contracted capacity each, comprising a 100 MW solar PV facility (installed capacity) and 75 MW/400 MWh battery energy storage system. Solar PV comprises 545 Wp bifacial modules mounted on single axis trackers
- Scatec Kenhardt 1: 497 ha; Scatec Kenhardt 2: 499 ha; Scatec Kenhardt 3: 500 ha.

Stakeholder engagement

- An integrated public participation process was undertaken for each of the three PV facilities.
- Scatec has completed a comprehensive stakeholder engagement plan (SEP) for the project and recruited an experienced community liaison officer who will be responsible for stakeholder engagement and for implementing the SEP.
- An employee grievance mechanism and a community grievance mechanism have been established.

E&S risk management

- Each PV power plant underwent its own EIA process. Two impact assessments per PV power plant, six overall for the project.
- CSIR undertook the original EIAs/BAs. Cape EAPrac undertook the amendment processes.
- Phase I PV power plants were subject to a full EIA (2016), and Phase II to a Basic Assessment (BA) process (2020-2021), in terms of South African legislation (the shift to BA process resulted from the gazetting of the Renewable Energy Development Zone (REDZ) in 2018).
- Impact assessment included multiple specialist studies (desktop and field), including ecological, cultural heritage, geohydrological, soil and agriculture, traffic impact and palaeontological studies.
- Scatec has developed a corporate environmental and social management system (ESMS), which includes policies, procedures and tools to identify and manage exposure to E&S risks associated with the projects and contractor and sub-contractor activities. The ESMS commits Scatec to carry out all its business activities in accordance with international standards including the IFC Performance Standards, the Equator Principles and World Bank Group EHS Guidelines.
- IBIS Consulting undertook environmental and social due diligence (ESDD) for the project, including development of the environmental and social action plan (ESAP). IBIS was also appointed as the lender's E&S advisor and will undertake on-going E&S monitoring during construction and operations.

Monitoring

- The Scatec corporate ESMS defines monitoring and review requirements, including regular monitoring of project activities and E&S management plans. Inspections should be carried out by assigned and trained employees and cover the broad area of influence of all contractors' activities. Scatec has the necessary E&S and H&S team members to undertake the necessary monitoring on site.
- From the lenders' perspective, IBIS is acting as the independent E&S advisor and will monitor the project from an E&S management perspective during construction and operations.

TIPSP San Pedro Port Project

CATEGORY A
High risk

LOW MEDIUM HIGH

The project

Terminal Industriel Polyvalent de San Pedro (TIPSP) is the concessionaire involved in the development of the San Pedro Multipurpose Industrial Terminal Project in Cote d' Ivoire. As part of San Pedro Port extension, a 35-year concession was granted by the Autonomous Port of San Pedro (the Authority) to TIPSP in December 2016. The project encompasses the design, construction, financing, operation and maintenance of a 13.8 ha port platform comprising two berths. Construction started in 2019 and was completed in 2022. The port extension is now operational.

Stakeholder engagement

A public participation process was completed during the ESIA, as per national requirements. Several rounds of public consultations have been carried out since then by the concessionaire with key stakeholders, including local elected officials, civil servants, stakeholders in the artisanal fisheries at the fishing port of San Pedro (fishermen, wholesalers and retailers) and the Blowa Toro Association, which represents landowners claiming customary rights over port land. The project has a community grievance mechanism in place.

E&S risk management

The TIPSP San Pedro Multipurpose Industrial Terminal Project environmental and social impact assessment (ESIA) was completed in 2019. On this basis, the government issued the environmental authorisation. At the end of 2019, CPCS - Norda Stelo was appointed as the Lender's Technical and Financial Adviser (LTFA) and was subsequently commissioned to undertake an independent ESDD in alignment with Equator Principles requirements and the IFC Performance Standards. The ESDD report was completed in May 2020 and included an ESAP.

Monitoring

The lenders have retained the same LTFA to conduct independent E&S monitoring of the project during construction and operations. Monitoring of implementation progress across the project ESAP has been factored into the legal documentation and will be followed accordingly.

TIPSP has an ESMS in place for the project and has appointed an E&S consult as their E&S advisor on the project, which is undertaking various actions as identified by the ESAP.

Reducing the group's operational footprint

We continue to prioritise decreasing our carbon footprint in line with international best practices. We have committed to achieving net zero carbon emissions from our own operations for newly built facilities by 2030, and for existing facilities by 2040, using the absolute contraction approach, and aligned to the science-based target methodology. To achieve this target, we aim to achieve an annual reduction of 4.2% of Standard Bank's 2014 baseline emissions. We have already reached a number of milestones, including reducing electricity consumption by 45%, and producing more than 18 085MWh of renewable energy through our 2MW tri-generation plant and solar PV rooftop and carport installations.

Our direct environmental impacts arise mainly from energy use at our office and branch infrastructure, cash and data centres, and to a lesser extent, from waste generation at these buildings and employee travel.

Our primary focus for the reduction of direct emissions is in South Africa, which accounts for our largest physical presence. We estimate that our South African operations constitute approximately 72% of our real estate physical footprint and about 88% of our scope 1 and 2 operational emissions.

The collection and analysis of accurate and comprehensive scope 1 and 2 data across our multiple countries of operation remains a challenge for the group. We have identified the need to improve metering, data capture and analysis systems in our countries outside South Africa. This will enable us to better track usage and determine appropriate yearly reduction targets for each of our countries of operation.

As a starting point, we have selected five additional African countries for immediate focus, based on the materiality of their emissions to the group total. Materiality was determined based on the physical size of the portfolio in-country and the grid emission factor per country. We have started the process of installing meters in these countries, but are currently collecting data manually at key facilities, to enable us to model a baseline for setting targets and monitoring progress.

Split of carbon emissions (tCO_2e)	**2022**	2021	2020	2019	2018
Scope 1 (%)	**7**	5	4	4	4
Scope 2 (%)	**85**	94	93	86	83
Scope 3 (operations) (%)	**8**	1	3	10	13
Emmisions per m² of office space[1]	**0.26**	0.22	0.23	0.28	0.28
Emissions per employee[2]	**5.6**	5.6	6.12	–	–
CDP Score	**C**	C	C	B-	B-

GHG emissions tCO_2e	**2022**	**2021**	**2020**	**2019**	**2018**
Scope 1[3]	**12 083**	7 660	8 463	9 224	10 215
Diesel generators	**6 655**	1 769	1 491	1 900	1 153
Fleet vehicles	**880**	868	802	1 600	1 969
Natural gas	**1 877**	2 433	3 633	3 829	3 742
Refrigerants	**2 671**	2 590	2 537	1 895	3 350
Scope 2[4]	**137 644**	154 513	172 648	197 771	202 586
Total scope 1 & 2	**149 727**	162 173	181 111	206 995	212 801
Scope 3[5]	**12 358**	1 540	5 104	22 897	30 684
Waste disposed[6]	**148**	123	259	782	802
Paper[7]	**391**	397	395	698	337
Flights[8]	**11 754**	995	4 334	21 066	29 107
Rental cars[9]	**65**	25	116	351	422
Total scope 1, 2, 3 operational emissions	**162 085**✓	163 713	186 215	229 892	243 485

1 Square meters (635 148m²) pertains to South African operations and includes offices and retail space, but excludes data centres, warehouses and other. While the number increased in 2022, it remains lower than it was pre-pandemic.
2 Calculation of emissions intensity per employee is based on scope 1 and 2 emissions in our South African operations in metric tonnes CO_2e, divided by total South African operations permanent employees.
3 Direct emissions from owned/ controlled sources (2014 Baseline 15 000 tCO_2e).
4 Indirect emissions from purchased electricity (2014 Baseline 283 314 tCO_2e).
5 Indirect emissions from use of purchased materials and fuels and transport. These Scope 3 figures do not contribute to our net-zero 2040 target.
6 Data is collected from the waste management companies servicing the group in South Africa. We convert activity data to emission data using emission factors available from international databases.
7 We use invoiced data from suppliers. Activity data is converted to emission data through Department for Environment, Food and Rural Affairs published emission factors.
8 Calculations are based on invoiced data from travel agents. We convert activity data to emission data using emission factors available from international databases. Emissions from airline travel increased significantly in 2022 as Covid-related travel restrictions eased.
9 Calculations are based on invoiced data from travel agents. We convert activity data to emission data using emission factors available from international databases.

Energy

Electricity comprises the major contributor to the group's direct carbon footprint (scope 2 location-based emissions). The energy used to keep our infrastructure operational is mainly sourced from the national electricity grids of the countries in which the group operates. In consequence, our carbon emissions reflect these countries' current reliance on coal-fired power. In South Africa, we purchase our electricity from the national utility, Eskom. Additionally, the group uses diesel generators to provide emergency power with an associated impact on scope 1 emissions. In 2022, our scope 1 emissions from the use of diesel generations increased substantially owing to high rates of load shedding across the country. Scope 2 emissions arising from purchased electricity declined as a result of efficiency gains and reduced availability owing to load shedding.

All of our commercial sites are metered. In 2022, we improved metering of branches from 58% to 67%. Electricity consumption data for these facilities is collected directly from our meters. Consumption from unmetered data is extrapolated using a verified method which is documented for auditing purposes. The total consumption data is converted to CO_2 equivalent using a factor obtained from Eskom. We use our metered data to develop business cases to ensure investment is targeted to priority areas which offer attractive paybacks and return on investment.

Our energy management system aligns with ISO 50001, an international standard designed to improve energy performance and consequently conserve resources, tackle climate change and save money.

We have invested in

- Replacing fluorescent lighting systems with LED lighting systems. We aim to extend our LED rollout from 72% of properties to 100% of properties by 2025
- Installing presence sensors in selected head office buildings to support our intelligent building strategy
- Efficient heating and air conditioning systems, including heat pumps, solar water heaters
- Optimisation of the portfolio size (offices and branch space)
- Renewable energy (solar PV rooftop and carport installations)
- Indoor air quality sensors to ensure the flow of outside air into our facilities is energy efficient
- Electric vehicle car chargers at our main HQ facilities, which are interconnected to solar to promote green transportation.

At our head office building in Rosebank, Johannesburg, we operate a 2MW tri-generation plant to produce electricity from natural gas and use the waste heat to supplement our need for building heating and cooling. This is equivalent to powering 3 952 South African households per year. The system helps reduce strain on the electricity grid and improve resilience to loadshedding, by using natural gas as a primary source. It can supply up to 60% of the building's electrical needs.

We have installed 2MW small-scale embedded generational rooftop solar PV plants at ten of our head office buildings (nine in Johannesburg and our Durban head office), covering an area of approximately 13466sqm. We have plans to expand our solar PV installations to additional head office buildings and branches, adding another 1.8MW of renewable energy to our portfolio by 2025, and to expand rooftop solar PV to retail sites at bank-owned sites. Our group leadership training centre in Johannesburg is certified as ISO50001.

Investment to increase energy efficiency, energy security, and environmental sustainability in South Africa

2020	2021	2022	2023–2025 (Estimated)
R12 million	R14.6 million	R52.9 million[1]	R45 million operational expenditure; R266 million capital-based project improvements

[1] Energy efficiency R14.5 million; energy security (commercial) R17.4 million; energy security (retail) R18.9 million; environmental sustainability R2 million.

	2020	2021	2022
Total non-renewable energy consumption MWh	189 341	161 633	166 379[2]
Total renewable energy consumption MWh	2 686 (1.4%)	2 601 (1.6%)	2 459✓ (1.4%)

[2] Total non-renewable energy includes purchased electricity, natural gas and diesel. The increase from 2021 is due to increased diesel use as a result of load shedding and increased energy use as employees returned to the office. Because diesel and gas have lower carbon emissions compared to purchased electricity, the carbon impact is lower than 2021.

Reduction in purchased electricity consumption in SA

2020	2021	2022
20.6GWh, 11% reduction compared to 2019	22.9GWh, 14% reduction compared to 2020	10.7GWh, 7.5% reduction compared to 2021

We aim to reduce our Scope 1 and 2 emissions by 4.2% per year against 2014 baseline year (based on the Eskom grid emission factor 1.04kgCO_2e).

2020	2021	2022	2025 Target	2030 Target	2035 Target
25 884 tCO_2, 12.5% reduction compared to 2019	17 938 tCO_2, 11% reduction compared to 2020	12 446 tCO_2, 7.7% reduction compared to 2021	We are 10 897tCO_2e above target for 2025 compared to 2022	Target of 51 799 tCO_2e against 2022 emissions	Target of 114 497tCO_2 against 2022 emissions

In 2022, we achieved reduction targets that had been set for 2026, placing us five years ahead of schedule as a result of energy and operational efficiencies.

In South Africa, our new buildings are aligned with the Green Building Council of South Africa's (GBCSA) sustainability rules. Our head offices in Rosebank, Johannesburg have a 5-star Green Star rating, and 18 of our buildings 4 or 5 are Green Star-rated (including our head office in Namibia). We're working to introduce more efficient energy and water solutions across all our newly built facilities.

We aim to increase our use of renewable energy to meet our own energy needs, with further on-site solar PV installations at offices and branches, and the implementation of renewable power purchase agreements for offsite renewables.

We are expanding our electric vehicle charging stations at selected office locations and integrating these stations with roof-top solar to promote green transportation for employees with electric vehicles. We currently have facilities in Gauteng and Kwazulu-Natal.

In the longer term, we will explore carbon sequestration options and purchase of carbon credits.

Other countries of operation are in the process of developing local strategies and developing carbon budgets to be used for solar and energy efficiency projects.

Across the group, we actively encourage our employees to conserve energy, at the office and at home. Our commercial portfolio and all our country head office buildings participate in international Earth Hour every year and use the event to encourage our employees to be energy conscious.

Water

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

- Since 2016, we've installed water meters in our strategic facilities to enable accurate monitoring of water usage and benchmarking across locations and against industry benchmarks.
- In 2019, we identified sites displaying high-use, and implemented water efficiency projects, including low-flow bathroom taps and showers.
- We identified sites at significant water risk, and installed back-up water storage tanks.
- All HVAC systems at our main facilities have been standardised to accommodate air cooled chillers and reduce our need for water. In some cases, we make use of combination systems like dry adiabatic coolers to achieve a balance between energy efficiency and water conservation.
  - Our dry adiabatic cooler has reduced water consumption at our head office building in Rosebank, Johannesburg, by 25 000kl (the equivalent of 500 average sized swimming pools).
- In 2022, we initiated a portfolio wide replacement of taps to a single touch solution, to support our Covid-19 response.
- We have installed rainwater harvesting solutions at Kingsmead head office building in Durban, reducing water consumption by 4 600kl (92 swimming pools) in 2022.
- We test and monitor the quality of our drinking water to International Well Building Institute standards.

We review our business continuity plans annually. This includes assessment of physical risk, including rising temperatures, severe drought, flood and fire risk.

Our data centres are located in a temperature controlled environment. The potential risk of loss of power is managed with multiple tiers of back-up power.

Total water consumption (kl) (100% of use if municipal water)	
2022	**239 024**
2021	264 638
2020	495 829
2019	627 632
2018	680 559

Year	2019	2020	2021	2022
Targeted savings (kl)	10 697	10 698	10 699	**10 700**
Actual savings (kl)	52 927	131 803	231 191	**25 614**
% progress to savings target	395%	1 132%	2 061%	**139%**

Waste

Our waste includes general waste and wet waste from our canteens and restaurants, which are mostly sent to landfill, and hazardous waste. In 2019, we introduced a 'follow me' printing initiative in our offices, which has significantly reduced office paper usage. We actively encourage staff to be paper-wise when they print. We are actively exploring ways to further reduce our waste to landfill.

Total waste
354.7 tonnes

Waste (tonnes)	2022	2021	2020	2019	2018
General waste	**315.9**	262.2	565	1 332	1 365
Hazardous waste	**0.6**	0.81	1.05	1.57	1.37
Waste to landfill	**316.5**	262.97	566	1 334	1 367
Recyclable waste	**38.1**	20.77	51	227	170
Total waste	**354.7**	284	616	1 560	536

Air quality

Since 2002, we have significantly enhanced the indoor air quality (IAQ) in our buildings, contributing to the wellbeing of our people and greatly reducing the risk of airborne infections.

In 2022, 17 of our commercial facilities and six retail facilities received GreenFlag certification. The GreenFlag Association is a third-party validation body approved by the South African National Accreditation System (SANAS) to assess and issue certification to facilities that meet stringent air quality standards, using the levels of carbon dioxide (CO_2) as an indicator of IAQ. This means that these facilities are continuously monitored for CO_2 and can operate better than the acceptable levels of 800 parts per million (ppm).

Initiatives in Africa Regions

In 2020, Stanbic IBTC deployed hybrid solar systems in some of its branches and off-site ATMs across **Nigeria**, reducing its total carbon emission by 1.67 tonnes. We deployed hybrid solar systems in various branches and off-site ATMs. We also reduced paper usage from printing and photocopies by 30% across branch locations on the Go-Green branch initiative. We have held webinars for employees to promote awareness of the impact of climate change and provide practical methods to enable individuals to reduce their own carbon footprints and help contribute to net zero emissions achievement. We also have an EDGE certified facility and power purchase agreements in place.

Our head office in Windhoek, **Namibia** has a 5-star Green Star rating and solar PV. In Botswana we have installed a 99KW system. In Zambia, we have implemented energy efficiency initiatives and savings.

Responsible corporate citizenship

2022 highlights

We engaged with our regulators on issues including AML, conduct, sustainable finance taxonomies, climate related risk, cybersecurity and fintech regulation.

We engaged with **civil society organisations** regarding our position on the financing of non-renewable energy infrastructure.

We spent **R125.4 million** on **CSI initiatives** in South Africa, focused primarily on education, and **R52 million** on CSI initiatives in Africa Regions, focused on education, health, enterprise development and biodiversity.

In South Africa, we donated **R2.5 million** to the multi-party democracy fund overseen by the Independent Electoral Commission (IEC) and **R10 million** on sponsorship of the arts.

We provided **R4 million** in funding to eight civil society organisations.

Principles and frameworks

The group has guidelines in place that govern the provision of funding to specific categories of external stakeholders. Membership contributions and charitable donations on behalf of the group may only be offered or given in accordance with the principles set out in various policies and/or guidelines relevant to the offering or giving of such payments.

Civil society organisations/NGOs

- Funding policies are determined at country level.
- In South Africa, the expanded democracy support programme guidelines govern the assessment of funding requests and the provision of financial support to civil society organisations. They ensure consistency in the assessment, management and outcomes of funding requests and compliance with applicable statutory and regulatory obligations and the group values and code of ethics and conduct, while guarding against the risk that such contributions be used inappropriately to obtain business advantage. Organisations are funded for a three-year period.
- In 2022, we provided **R4 million in funding to eight organisations (R500 000 each)**.

Political parties

- **We do not fund political campaigns.**
- **We do not fund political parties outside of South Africa.**
- **In South Africa, we provide funding for political parties under our democracy support programme (DSP).** This board-approved funding policy is reviewed every five years. As of 2022, donations are made directly to the Independent Electoral Commission (IEC), in line with arrangements provided for in the Political Party Act 6 of 2018. Guidelines are in place to guard against the risk that such contributions be used inappropriately, by the bank, our employees or third parties, to obtain business advantage. Political parties receive no other financial support from the group.
- In 2022, we donated **R2.5 million** to the multi-party democracy fund overseen by the IEC.

Civil society organisations/ NGOs funded in 2022	Primary purpose
Centre for Development and Enterprise (CDE)	Influence policy choices to stimulate economic growth. Engages directly with policy makers, publishes reports and policy recommendations, arranges thought leadership events with international experts on relevant policy issues
Helen Suzman Foundation (HSF)	Tackle corruption and impunity in government and strengthen the rule of law, with a focus on ensuring the integrity of the judiciary
Institute for Global Dialogue (IGD)	Research, dialogue on global political and economic developments across Africa
Inclusive Society Institute (ISI)	Research and advocacy on social and economic interventions aimed at advancing social justice
Institute for Security Studies (ISS)	Build knowledge and skills to support peace, development and prosperity in Africa though research, policy analysis, technical assistance and training
Mapungubwe Institute for Strategic Reflection (MISTRA)	Provide long-term, strategic and transdisciplinary research to support understanding of critical issues facing South Africa and Africa
Southern African Liaison Office (SALO)	Advocacy on human rights issues in countries experiencing conflict and acute human rights violations, in partnership with the European Union
South African National Editors' Forum (SANEF)	Representative body for journalism in SA, promoting diversity in newsrooms and reporting and free and independent journalism, and defending media freedom.

Sponsorships

The group sponsorship policy governs all sponsorships undertaken by the group.

- We define sponsorship as a commercially viable investment of cash, product or in-kind support with a rights holder, for which the bank receives quantifiable commercial rights in return.
- Due diligence is carried out on rights holders prior to contracting, to ensure entities are of impeccable integrity and are reputationally sound.
- **In South Africa, we spent R10 million on sponsorships** in 2022, including support of the National Arts Festival, the Wits Art Museum and exhibitions at the Standard Bank Gallery.

Engagement with regulators

We continued to monitor policy and regulatory developments across the group and provide evidence-based submissions to support the policy making process. We have seen a notable shift in several of our countries of operation toward forward-looking regulatory supervision, as embodied in stress testing requirements and recovery and resolution planning, particularly in respect of climate risk. A challenge for the group, operating as we do across multiple countries and regions, is that different countries are adopting global standards and good practice at different times, and that some countries have taken different regulatory approaches to issues (such as adoption of cloud and cryptocurrencies, for example), with implications for our group strategy and operations.

In South Africa, we maintain a schedule of policy and regulatory developments, which is shared with relevant internal stakeholders across the group to ensure awareness and readiness for new regulatory requirements. In 2022, we assessed 104 new regulatory issues and completed 51 submissions on behalf of the bank to Parliament, regulators, government departments and trade associations.

Engagement with civil society

Standard Bank's climate-related risk exposure, and our finance for fossil-fuel related projects, remained a priority concern for civil society organisations. Our role as an advisor, and potential funder, for the East African crude oil pipeline, was the primary focus.

Stakeholder concerns include the potential risk to local communities and livelihoods, biodiversity and wildlife, together with negative climate impacts. We engaged with a range of organisations on these issues throughout the year and included their feedback and research reports into our due diligence processes. We continue to engage with the asset owner/project lead on issues related to communication, community consultation and social and environmental risk management.

Issues on which we engaged with regulators in 2022

AML/financial crime regulation	▪ Supervisory attention remained focused on enhancing AML and CFT to avoid 'grey-listing' by Financial Action Task Force (FATF). ▪ We engaged with National Treasury, bilaterally and through the Banking Association, and submitted action plans and progress reports to the PA as required.
Conduct, customer fairness, market integrity	▪ Engagements with the Financial Sector Conduct Authority (FSCA) were led by the group CEO, SBSA CEO and business heads. Additional engagements on specific issues were led by the relevant executive teams. ▪ FSCA commended the bank for the constructive and efficient nature of the engagements, while identifying specific areas for improvement. ▪ Account closures received considerable attention. FSCA noted areas for improvement including the content and manner of communication with clients when termination takes place, and the process of escalation should the client disagree with the decision. ▪ Other areas of engagement included the inappropriate activation of a small number of MyMo accounts, and the measures we have implemented to protect against such practices, and problems experienced in system stability in the first half of the year, and how we have addressed the issues and improved resilience.
Climate-related risk identification and management	▪ We engaged with government and industry regarding the country's climate change policy, and with the SARB regarding climate risk management and stress-testing.
Sustainable finance, green taxonomy	▪ We continued to engage with National Treasury regarding the development of a national green taxonomy. The taxonomy is currently voluntary. Regulatory guidance is planned. ▪ We have included elements of the taxonomy in revisions to our sustainable finance frameworks. ▪ Together with National Treasury, we hosted a webinar with group employees to familiarise them with the taxonomy.
Digital/fintech regulation	▪ We engaged with regulators regarding the policy and regulatory environment for fintechs, the development of a platform business and how this will impact our clients, and regulatory positions on Cloud in our different countries of operation. ▪ We engaged with the inter-governmental fintech working group of financial sector regulators on crypto assets development. ▪ We presented our API trajectory to SARB and FSCA. ▪ We engaged with officials about cross-border data transfer, to support cloud computing.

Engagement with industry bodies

We participate in a variety of industry bodies at country and global level. We are active members of banking and/or insurance associations in our countries of operation. We also engage in broader business associations and industry work groups set up by regulators or government. These memberships enable us to contribute to public policy debates, support evidence-based policy making, and contribute to processes such as the development of global standards and frameworks. We do not provide funding for lobbying on specific issues.

Global association/ initiative	Priority issues in 2022
Institute of International Finance (IIF) board member, and participant in IIF Sustainable Finance Working Group	▪ The need for a principles-based global framework for disclosures of climate and ESG-related information, to enable comparability and guard against greenwashing. ▪ Support for ISSB's IFRS S1 and IFRS S2 while recognising challenges and concerns, including maturity of scenario testing and scope 3 emissions measurement. ▪ Risks associated with use of regulatory capital framework to address climate-related risks ▪ Developing and implementing climate transition plans, integrating transition priorities into products, services, advisory and engagement, developing relevant disclosures, and addressing emerging policy and regulatory requirements ▪ Importance of blended finance to support emerging and developing countries respond to climate risk.
UN Environment Programme Finance Initiative (UNEP FI) Founding PRB and Banking board co-chair	▪ Improving member action and reporting on priority issues of climate, financial health and inclusion, biodiversity, and associated human rights and social implications ▪ Monitoring of and support for implementation of the Principles for Responsible Banking ▪ Development of impact measurement tools and methodologies ▪ Development of a new regulatory strategy to engage global regulators.
Equator Principles Association	▪ Maintaining standards of implementation of Equator Principles among members, including through the development and issuance of guidance documents and training ▪ Publication of new due diligence tools to enhance access to grievance mechanisms and enable effective remedy.
United for Wildlife Financial Taskforce (member of expert working group on Illegal Wildlife Trafficking)	▪ Identify and report suspicious financial transactions to counter illegal wildlife trade using AML mechanisms.

National Trade Association	Priority issues in 2022
Banking Association South Africa (BASA) (board member)	▪ Financial crime and greylisting by FATF ▪ Account closures and balancing rights of client versus AML controls ▪ Support for BIS guide on effective management of climate-related risks.
SA Insurance Association (SAIA) (board member)	▪ Climate change, including impact of the KZN floods on insurance sector,
SA Banking Risk Information Centre (SABRIC)	▪ Financial crime reduction through public-private partnerships, including cybersecurity, AML, cash-in transit heists.
Payments Association SA	▪ Payments system modernisation ▪ Fraud prevention ▪ API standards, QR standardisation and interoperability ▪ Digitisation and cybersecurity.
SA Anti-Money Laundering Taskforce (SAMLIT) (steering committee member)	▪ Strengthening anti-money laundering controls across the sector.
Trade associations across Africa Regions	▪ AML, financial crime, cybersecurity, data protection, exchange control ▪ Climate-related risk, disaster recovery preparedness, sustainable finance and finance for renewable energy, risk-based pricing ▪ Conduct, financial inclusion, mobile payments ▪ De-risking/ correspondent banking ▪ Cloud.

Corporate social investment (CSI)

2022 highlights

Our CSI spending totalled **R177.4 million**

In South Africa, we invested **R125.4 million**, including:

- **R78 million on education programmes** (62% of total)
- **R34 million** on humanitarian relief and programmes combatting gender-based violence (26%)
- **R11 million** on employee volunteering and donation matching (9%).

In Africa Regions, we invested **R52 million,** including:

- **R14 million** on education programmes (27% of total)
- **R9 million** on health programmes (17%)
- **R29 million** on enterprise development programmes (56%).

Principles and frameworks

Standard Bank Group's CSI framework aligns to the group's sustainability strategy and SEE value driver, with a focus on four of our **seven SEE impact areas.**

Our countries of operation are responsible for developing their CSI policies and plans on the basis of this framework, prioritising areas according to local need and priorities. In all cases, we work closely with government departments and other social partners to understand priorities at the national and local level, and partner with local agencies and community organisations to ensure effective and sustainable delivery of our programmes. Each country is responsible for articulating a clear business rationale for CSI which ensures that CSI delivers shared value to the group and the communities within which we operate, and for developing appropriate governance structures, management structures and reporting processes.

Our CSI strategy incorporates:

- Strategic projects/community investments, in which we contract with NGO partners to undertake longer term interventions in line with our three selected impact areas
  - In SA, R78 million in 2022, comprising 62% of total CSI spending
- Charitable donations on an ad hoc and responsive basis, including disaster relief and humanitarian relief
  - In SA, R34 million in 2022, comprising 26% of total CSI spending
- Employee community involvement and contributions, including donations and volunteering of time and skills to community outreach projects and disaster/humanitarian relief. We encourage our employees to get involved in meaningful, sustainable volunteer work in the communities, including donations and volunteering of time and skills to community outreach projects and disaster/humanitarian relief.
  - In SA, R11 million comprising 9% of total CSI spending[1]

Countries are required to report twice a year to group on their CSI programmes and spending. These reports are collated and submitted to the group social and ethics committee. Our CSI budget is calculated by each country of operation as 1% of net profit after tax (NPAT) of the previous year.

[1] 3% of CSI funding in South Africa is spent on operational costs.

Employee volunteering

In South Africa, **we have partnered with ForGood, an online platform that connects volunteers with organisations in need of assistance.** ForGood vets and monitors all beneficiary organisations. Platform users can choose an organisation or cause that resonates with them, and donate money, goods or skills. A dedicated portal enables Standard Bank employees to connect with organisations to make a real difference.

Over 3 000 of our employees have registered on the ForGood platform, with over 1 200 new registrations in 2022. Our employees supported 108 different causes in 2022, with a focus on humanitarian relief and support for children in need. 552 employees participated in in-person events, and 113 contributed their skills and time. Popular in-person events included participation in reading events for national literacy month, and the packing of 'boxes of joy' for people in need.

Several of our countries provide for the **matching of employee donations** by the bank. In South Africa, for example, we match all employee donations to registered charitable organisations thus doubling the funds received by the beneficiary organisation. **In SA, 343 employees made monetary donations to various causes amounting to almost R540 000, which was matched by SBSA.** The top three causes for employee donations were Salaam Foundation, Gift of the Givers and Rise Against Hunger. In total, we matched donations to 85 different organisations. Employees also participated in hands-on activities at head office and provincial level.

Tax

2022 highlights

Total taxes paid/incurred and collected by the group: **R35.9 billion** (2021: 27.1 billion)

Taxes paid/incurred **R15.2 billion** (2021: R9.4 billion)

Taxes collected on behalf of the government (e.g. employees' tax) **R20.7 billion** (2021: R17.7 billion)

South Africa **R20.8 billion** (2021: R16.6 billion)

Africa Regions **R14.3 billion** (2021: 9.8 billion)

Standard Bank International **R0.8 billion** (2021: R0.7 billion)

Standard Bank Namibia was the first entity in Namibia to obtain formal approval from the Namibia Revenue Agency for the use of electronic invoicing for VAT purposes.

Stanbic Bank Zimbabwe, through a mandate from the Banker's Association, actively engaged the revenue authority to reduce the intermediated money transfer tax rate from 4% to 2%. This was adopted with effect from 1 January 2023.

Governance of tax matters

Standard Bank is committed to full compliance with tax laws and full disclosure to tax authorities in terms of our statutory obligations.

Board accountability

Standard Bank's board is ultimately responsible for the group's tax matters and governance, including oversight of reporting on income, tax expenses, the management of tax risk and setting the group's tax risk profile. This responsibility is delegated to the group audit committee, who is responsible for approving the group's tax strategy which directs our approach to tax matters.

Executive responsibility

The group chief finance and value management officer (CFVO), and the group head of tax are responsible for executing on the mandate from the board. The tax governance standard sets out the roles and responsibilities of the tax function and other business and support areas in the group to ensure that corporate governance, compliance and tax risk management requirements are met.

Principles and frameworks

The group tax governance standard and group tax policies are localised and approved at the various subsidiary boards and/or the internal financial control (IFC) committees across the group.

- Specific policies deal with aspects of tax risk such as transfer pricing, indirect taxes, withholding taxes, remuneration-related taxes and client tax reporting.
- The group's tax approach and governance standard, together with all other tax policies/standards, are updated at least every second year to ensure alignment with our strategy.
- Standard operating procedures (SOPs) ensure that our approach to tax is well embedded and compliance obligations are effectively monitored. The SOPs are continuously updated to respond to changes in the business or applicable legislation. They are approved and attested by the CFVO of each country, on a quarterly, bi-annual and/or annual basis, to ensure compliance.
- All tax governance documents are available through a central repository to relevant employees.

We commit to the following fundamental principles, as contained in our tax strategy:

- **Compliance:** We are committed to ethical outcomes and accurate, transparent and timely compliance with the tax laws of the countries where we operate.
- **Shareholder value:** We maximise sustainable shareholder value by undertaking legitimate and responsible tax optimisation in line with the spirit and purpose of, and complying with all relevant laws, rules and regulations.
- **Tax planning:** We only engage in transactions that have commercial and economic substance and do not carry the prospect of material reputational risk.
- **Cross-border related party transactions:** We apply the OECD transfer pricing guidelines for purposes of ensuring compliance with the arm's length principle. This requires that related parties agree to transact under the same terms and conditions which would have been agreed between non-related entities for comparable uncontrolled transactions.
- **Tax advice:** We do not provide tax advice to clients or counterparties.
- **Prevention of the facilitation of tax evasion:** The group has no tolerance for any of our employees or any person or entity acting on our behalf to be involved in or implicated in any way in bribery or any corrupt practice, including the facilitation of tax evasion.
- **Tax havens:** The group operates in jurisdictions that may be defined as tax havens for commercial and not tax reasons.

Identifying, managing and monitoring tax risks

We manage our tax risks by

- Evaluating compliance with our tax risk control framework by performing tax risk self-assessments every second year, following a risk-based approach. Any material shortcomings and required actions are reported to the group audit committee
- Tax compliance reviews also form part of all internal audit reviews where appropriate. Any material operational tax risk is tracked at the relevant IFC committee and/or managed as part of the non-financial risk taxonomy under the enterprise risk management framework to ensure shortcomings are timeously resolved
- Providing continuous tax and VAT training and guidance to business
- Ensuring employees in the tax function have the required skills and qualifications
- Obtaining external tax opinions from senior counsel or an external tax adviser where the tax treatment of a transaction is uncertain or applying for an advanced tax ruling from the tax authorities
- Monitoring the adherence to the SOPs and relevant CFVO attestations and reporting any shortcomings to the internal financial control committee and other relevant risk committees
- Ensuring tax team review of any new product, business venture, process or procedure, or significant changes thereto, and of any transaction affecting the legal entity structure of the group to ensure compliance with all tax regulations
- Continuously reviewing and enhancing our tax systems and processes

Engaging with tax and regulatory authorities

We are committed to fostering transparent, constructive and cooperative relationships based on open and honest disclosure and building mutual trust wherever possible.

- **We engage in full, open and early dialogue with tax authorities** on a regular basis to discuss relevant tax matters and to achieve certainty, where possible, over tax positions.
- **We attend tax authority and treasury/regulator workshops** to engage on policy and technical amendments
- **We submit comments** and recommend tax proposals and/or policy changes aimed at enabling conducive tax environments via in-country banking associations and other relevant industry forums
- **Where disputes occur**, we manage these professionally.
- **We support the fundamental principles underlying multilateral moves** toward greater transparency.

Insights into our groupwide tax contributions

The group contributes significantly to government revenues by way of corporate income taxes and indirect taxes such as VAT.

We also collect other taxes such as withholding tax and employees' tax on behalf of revenue authorities and assist tax authorities with tax administration, collection processes and by obtaining independent verification of third-party data.

Break-down of taxes paid/incurred and collected per region and tax type

Regions comprise:

- South Africa
- West Africa: Angola, DRC, Ghana, Côte d'Ivoire and Nigeria
- East Africa: Kenya, Rwanda, South Sudan, Tanzania, Uganda and Ethiopia
- South & Central: Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe
- International: Jersey, Isle of Man, UK, USA, China, Brazil and UAE

Taxes paid/incurred (taxes that are charged to the company's profit and loss account)

Tax paid/incurred by region (Rm)

Total value R15 236 million

	2022
South Africa	7 865 (52%)
West Africa	2 363 (15%)
East Africa	1 777 (12%)
South and Central Africa	2 941 (19%)
International	290 (2%)

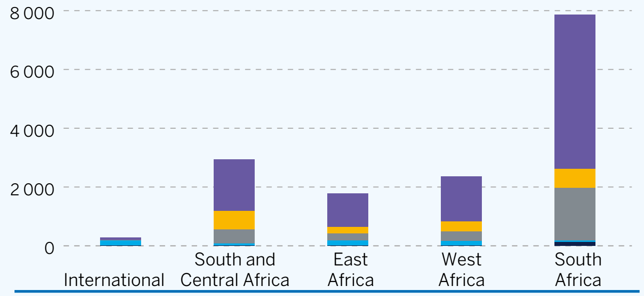
Tax paid/incurred by tax type (Rm)

Total value R15 236 million

	2022
Corporate tax*	9 785 (64%)
Withholding tax*	1 802 (12%)
Indirect tax**	2 863 (19%)
Payroll tax**	619 (4%)
Other tax**	167 (1%)

Tax paid/incurred by region by tax type (Rm)

Total value R15 236 million



	International	South and Central Africa	East Africa	West Africa	South Africa
	7	12	16	5	127
	172	60	159	166	62
	14	494	252	318	1 785
	0	621	208	333	640
	97	1 754	1 142	1 541	5 251

Other tax / Payroll tax / Indirect tax / Withholding tax / Corporate tax

* These taxes are reflected on a cash basis and include cash payments made to revenue authorities set-off by refunds received during the period presented.
** These taxes are presented on an accrual basis.

Taxes collected (taxes that the company collects and administers on behalf of the government that do not impact profit and loss)

Tax collected (Rm)

Total value R20 742 million

	2022
South Africa	12 943 (62%)
West Africa	2 063 (10%)
East Africa	1 248 (6%)
South and Central Africa	3 908 (19%)
International	580 (3%)

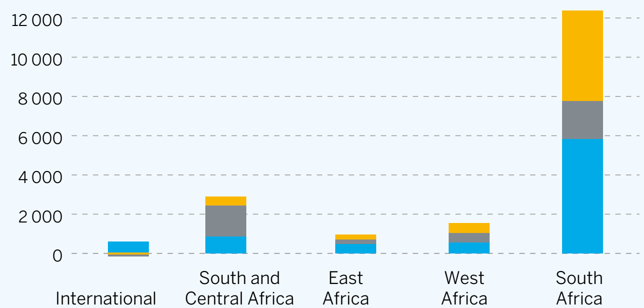
Tax collected (Rm)

Total value R20 742 million

	2022
Withholding tax	5 986 (29%)
Indirect tax	5 191 (25%)
Payroll tax	9 559 (46%)
Other tax	6 (0%)

Tax collected by region by tax type (Rm)

Total value R20 742 million



	International	South and Central Africa	East Africa	West Africa	South Africa
	609	1 026	602	686	6 636
	(29)	2 160	310	575	2 175
	0	716	336	802	4 132

Payroll tax / Indirect tax / Withholding tax

Country-by-Country Reporting information

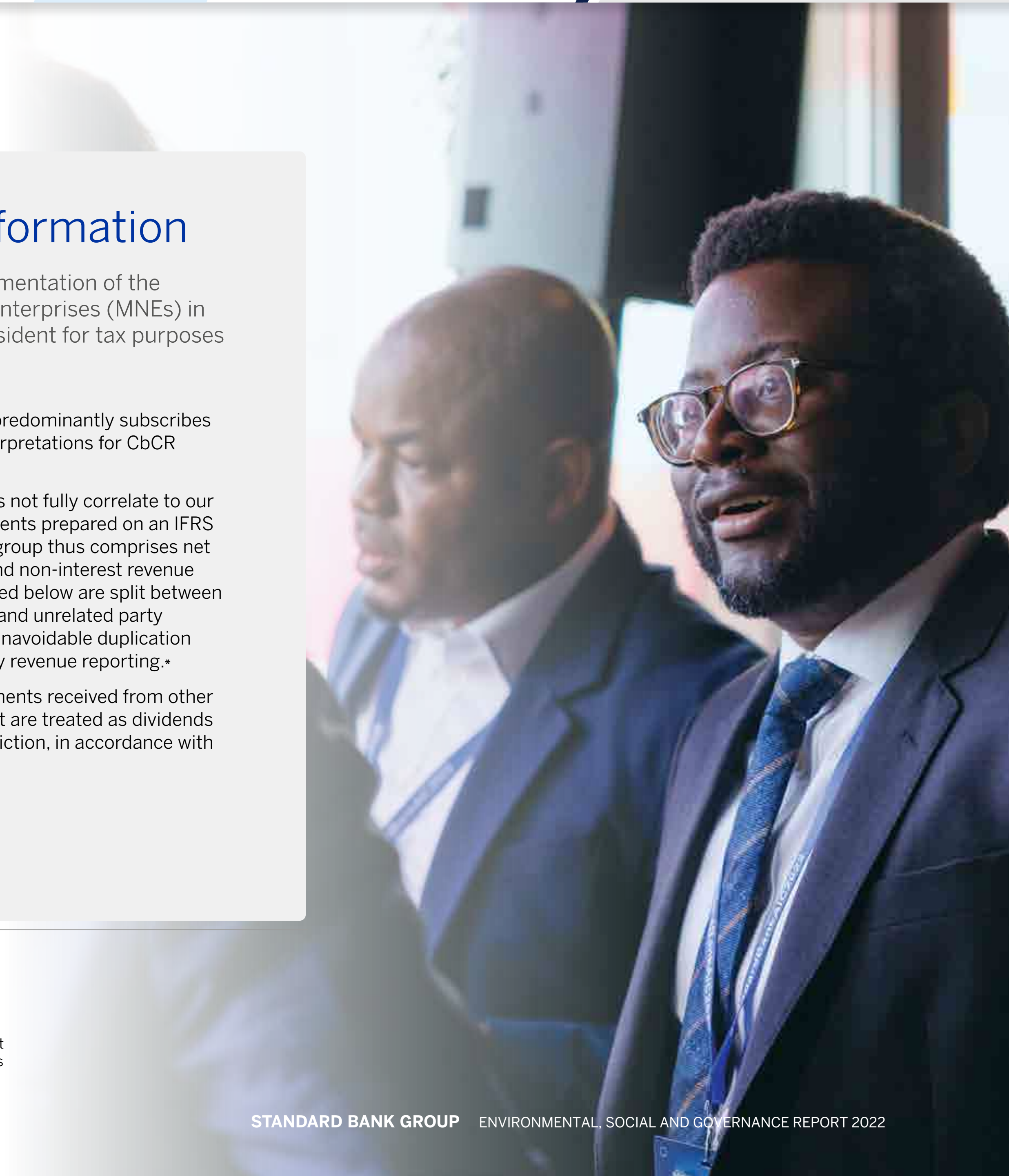
The South African Revenue Service (SARS) is responsible for implementation of the Country-by-Country Reporting (CbCR) Standard for Multinational Enterprises (MNEs) in South Africa. Each 'ultimate parent entity' of a MNE group that is resident for tax purposes in South Africa must file a CbCR return with SARS.

Standard Bank Group Limited is the ultimate holding company of the Standard Bank Group and has filed an annual CbCR return since 2016. We are fully compliant and transparent in our annual CbCR obligations. In the 2021 financial year return, the group provided relevant CbCR information pertaining to 139 legal entities (excluding Liberty). Due to the large number of entities in the group, a pragmatic approach is followed in terms of our disclosure in this report to provide stakeholders with relevant subsidiary information at a regional level. Our commercial operations in low tax jurisdictions (Isle of Man, Jersey and Mauritius) have substance and are subject to controlled foreign company legislation that is applicable in South Africa.

Standard Bank Group predominantly subscribes to the OECD based interpretations for CbCR metrics

Accordingly, CbCR does not fully correlate to our annual financial statements prepared on an IFRS basis. Revenue for the group thus comprises net interest income (NII) and non-interest revenue (NIR). Revenues reflected below are split between related party revenues and unrelated party revenues, implying an unavoidable duplication relevant to related party revenue reporting.*

Revenue excludes payments received from other constituent entities that are treated as dividends in the payor's tax jurisdiction, in accordance with OECD guidance.



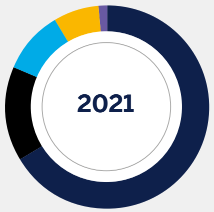
* This metric provides a useful insight into the movement of money between legal entities within a particular jurisdiction. However revenues earned from a third-party in one jurisdiction (classified as unrelated party revenues) may in turn be used to make a payment in the form of a 'revenue-share' to a related party in another jurisdiction. Such revenues will in turn, be reported within the classification of related party revenues in the recipient jurisdiction. This related party revenue is not incremental but represents the same flow that has already been accounted for in the first country's unrelated party revenue. Further information can be provided on request.

The information that follows reflects our 2021 financial year information, which is aligned to the latest submission made to SARS.

Primary activities in relation to unrelated party revenues (Rm)

	2021	
Regulated Financial Services	108 965	(95.2%)
Other	3 121	(2.7%)
Insurance	2 369	(2.1%)

Number of employees by region[1]

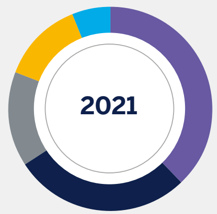


	2021	
South Africa	28 956	(67%)
South and Central Africa	6 449	(15%)
West Africa	4 550	(10%)
East Africa	3 078	(7%)
International	574	(1%)

Third-party revenues by region (Rm)

	2021	
South Africa	72 963	(64%)
South and Central Africa	17 022	(15%)
West Africa	13 160	(12%)
East Africa	7 688	(7%)
International	2 765	(2%)

Intra-group transactions by region[2]

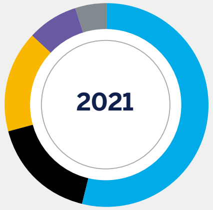


	2021	
South Africa	2 496	(48%)
International	1 986	(38%)
East Africa	388	(8%)
South and Central Africa	259	(5%)
West Africa	60	(1%)

[1] The number of employees include the number of full-time equivalent employees at the end of the year and excludes all non-permanent contractors, brokers, agents and financial advisers.

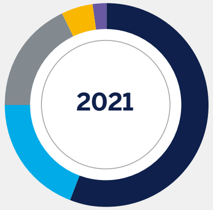
[2] Owing to the reporting of revenue being based on NII and NIR, in some cases it is possible that revenue from related parties may reflect a negative number (i.e. the interest expense/non-interest expense from transactions with related parties may have been greater than the interest income/non-interest income from transactions with such related parties). In order to accurately depict the level of related party activity, absolute values have been used for the regions with a negative total related party revenue. As a result, the total related party revenue depicted here will not be the same as that reported in the CbCR return.

Profit (loss) before income tax by region (Rm)



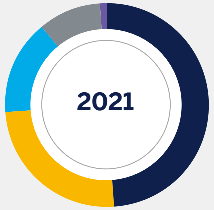
	2021	
South Africa	21 322	(54%)
South and Central Africa	6 515	(17%)
West Africa	6 426	(16%)
East Africa	3 167	(8%)
International	1 947	(5%)

Tangible assets other than cash and cash equivalents by region (Rm)



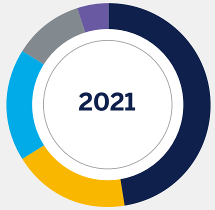
	2021	
South Africa	11 251	(56%)
West Africa	3 743	(19%)
South and Central Africa	3 632	(18%)
East Africa	947	(5%)
International	446	(2%)

Income tax paid on a cash basis by region (Rm)



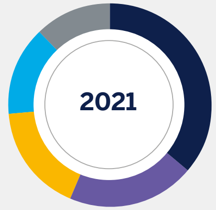
	2021	
South Africa	3 131	(49%)
South and Central Africa	1 613	(25%)
West Africa	973	(15%)
East Africa	647	(10%)
International	81	(1%)

Income tax accrued by region (Rm)



	2021	
South Africa	3 935	(48%)
South and Central Africa	1 554	(19%)
West Africa	1 472	(18%)
East Africa	867	(10%)
International	388	(5%)

Number of legal entities by region



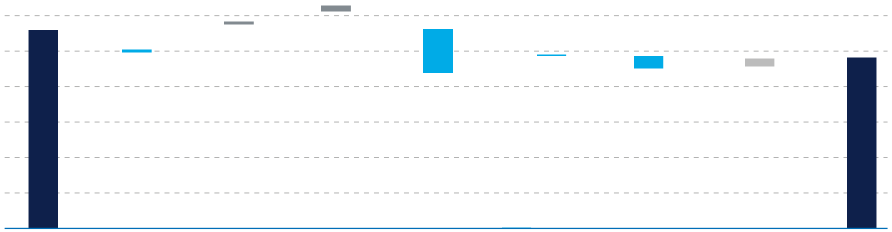
	2021	
South Africa	50	(37%)
International	28	(20%)
South and Central Africa	24	(17%)
West Africa	20	(14%)
East Africa	17	(12%)

Effective tax rate reconciliation

The graphs below represent the reconciliation between the corporate income tax accrued on profit/loss and the tax due if the statutory* tax rate is applied to profit/loss before tax.

Effective tax rate reconciliation

South Africa (%)

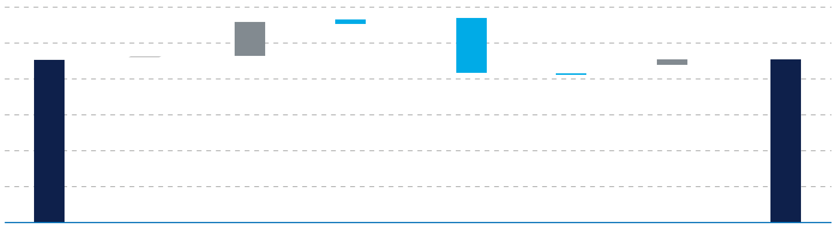


Statutory tax rate	Prior year tax	Foreign tax and withholding tax	Change in tax rate	Non-taxable Dividend income	Non-taxable interest – Government Bonds and other	Other non-taxable income	Non-deductible expense and other	Effective tax rate
28.0	0.4	2.6	0.8	6.2	0.1	1.7	1.3	24.3

The effective tax rate represents the total direct tax accrued in the income statement as a percentage of net profit before direct tax. The total direct tax accrued in the income statement comprises current and deferred tax and as a result cash taxes paid is not a representation of the total direct tax expense. The effective tax rate will differ from the statutory tax rate when tax legislation deems certain income and expenses non-taxable or non-deductible when calculating the tax expense or credit for the entity.

Effective tax rate reconciliation

South and Central Africa (%)

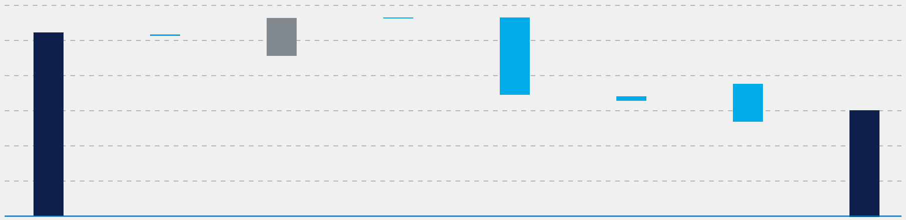


Statutory tax rate	Prior year tax	Foreign tax and withholding tax	Non-taxable Dividend income	Non-taxable interest – Government Bonds and other	Other non-taxable income	Non-deductible expense and other	Effective tax rate
27.0	0.3	5	0.4	8.4	0.2	0.7	24.0

* Weighted corporate income tax rate for the region.

Effective tax rate reconciliation

West Africa (%)

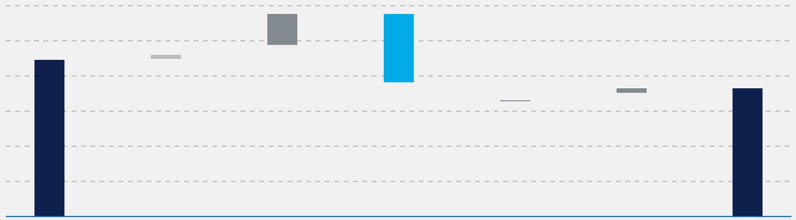


Statutory tax rate	Prior year tax	Foreign tax and withholding tax	Non-taxable Dividend income	Non-taxable interest – Government Bonds and other	Other non-taxable income	Other*	Effective tax rate
31.7	0.2	6.3	0.2	13.4	0.7	6.3	17.2

* Comprising mainly of the recognition of previously unrecognised deferred tax asset on tax losses within Nigeria.

Effective tax rate reconciliation

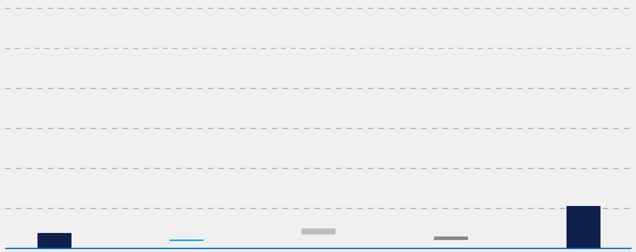
East Africa (%)



Statutory tax rate	Prior Year tax	Foreign tax and withholding tax	Non-taxable interest – Government Bonds and other	Other taxable income	Non-deductible expense and other	Effective tax rate
30.0	0.9	4.9	9.0	0.5	0.8	28.1

Effective tax rate reconciliation

International (%)



Statutory tax rate	Change in tax rate	Other non-taxable income	Other non-deductible expenses	Effective tax rate
1.9	0.3	0.9	0.4	5.2

Selected policy summaries

Corporate citizenship
- Code of Ethics and Conduct
- Human rights statement
- Stakeholder engagement policy
- Expanded democracy support programme policy
- Sponsorship policy
- Corporate social investment policy

Compliance
- Anti-bribery and corruption policy
- FAIS conflict of interest management policy
- Financial sanctions and counter-terrorist financing policy
- Money laundering and terrorist financing control policy
- Facilitation of tax evasion prevention policy
- Occupational health and safety policy

People and culture
- Harassment in the workplace policy
- Discrimination in the workplace policy
- Sexual harassment in the workplace policy
- Transformation policy

Investigations and fraud risk
- **Whistleblowing policy**

Conduct risk
- Conduct policy

Environmental and social risk
- Climate policy

Information risk
- Information risk policy

Assurance statement

Independent Auditor's limited Assurance Report on the Selected Sustainability Information in Standard Bank Group Limited's Report to Society 2022, Environmental, Social and Governance Report 2022 and The Standard Bank of South Africa Limited's Report to Society 2022.

To the Directors of Standard Bank Group Limited and The Standard Bank of South Africa Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the Report to Society, Environmental, Social and Governance Report of Standard Bank Group Limited (the "Group", "SBG excluding Liberty Holdings Limited" or "you") for the year ended 31 December 2022 and the Report to Society of The Standard Bank of South Africa Limited (the "Company" or "SBSA") for the year ended 31 December 2022 (the "Reports"). This engagement was conducted by a multidisciplinary team including social, 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 sustainability information, marked with a '✓" on the relevant pages in the Reports. The selected sustainability information described below have been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Reports (the accompanying reporting criteria).

Nr	Selected Sustainability Information	Unit of measurement	Boundary	Report and pages
	Employment			
1	Percentage of black employees in: ▪ Top management ▪ Senior management	%	SBSA	SBSA RTS Page 13
2	Percentage of black women in ▪ Senior management	%	SBSA	SBSA RTS Page 13
3	Percentage of women in: ▪ Executive management ▪ Senior management	%	SBG excluding Liberty Holdings Limited	SBG ESG Page 50
4	Employee voluntary turnover rate	%	SBG excluding Liberty Holdings Limited	SBG ESG Page 58
	Human Capital			
5	Percentage of women on the SBG board	%	SBG excluding Liberty Holdings Limited	SBG ESG Page 50
6	Percentage of women Chief Executive Officers in African Regions	%	SBG excluding Liberty Holdings Limited	SBG ESG Page 50
7	Absenteeism ratio - The percentage of expected workdays that are lost to total absence days.	%	SBG excluding Liberty Holdings Limited	SBG ESG Page 65 SBG ESG Page 68

Nr	Selected Sustainability Information	Unit of measurement	Boundary	Report and pages
	Education, Learning and Development			
8	Percentage of black staff who completed SBSA leadership training	%	SBSA	SBSA RTS Page 40
	Financial Inclusion			
9	Number of affordable housing clients where the bank restructured accounts within the reporting period	#	SBSA	SBG RTS Page 18 SBSA RTS Page 18
10	Total number of students who received funding from FEENIX in 2022	#	SBSA	SBG RTS Page 10 SBG RTS Page 56 SBG RTS Page 58 SBSA RTS Page 5 SBSA RTS Page 38
	Environmental, Sustainability and Climate Change mitigation and adoption			
11	Total number of Equator Principle projects that reached financial close within 2022	#	SBG excluding Liberty Holdings Limited	SBG ESG Page 88
12	Total carbon footprint for 2022	tCO_2e	SBSA	SBG ESG Page 92
13	Energy produced through SBSA renewable energy systems	MWh	SBSA	SBG ESG Page 94

Nr	Selected Sustainability Information	Unit of measurement	Boundary	Report and pages
	Issuances under the SBG Sustainable Bond Framework (SBF)			
14	Alignment with the Use of Proceeds Eligibility Criteria and Commitments outlined in the Standard Bank Sustainability Bond Framework	Management assertion	SBG excluding Liberty Holdings Limited	SBG ESG Page 76
15	Mobilisation of Sustainable Finance	ZAR	SBG excluding Liberty Holdings Limited	SBG ESG Page 14 SBG ESG Page 73 SBG ESG Page 74 SBG RTS Page 9 SBG RTS Page 35
16	Committed Financing of Renewable Energy Power Plants	ZAR	SBG excluding Liberty Holdings Limited	SBG ESG Page 14 SBG ESG Page 74 SBG RTS Page 9 SBG RTS Page 35
17	Committed financing of Social Projects	ZAR/Annum	SBG excluding Liberty Holdings Limited	SBG ESG Page 74

We refer to this information as the “selected sustainability information”.

Your responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the accompanying reporting criteria set out at
https://www.standardbank.com/static_file/StandardBankGroup/filedownloads/RTS/2022/SBGSelectednonFinancialIndicators2022.pdf

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation, and maintenance of internal control relevant to the preparation of the Reports 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 sustainability information and for ensuring that those criteria are publicly available to the users of the Reports.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling, and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality, and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work will not include an examination of the derivation of those factors and other third-party or laboratory information.

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).*

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, 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.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability 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 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) 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 sustainability 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 the Company's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected sustainability 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 sustainability 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, an 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;
- Tested the processes and systems to generate, collate, aggregate, monitor, and report the selected sustainability information;
- Performed a controls walkthrough of identified key controls;

- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability information; and
- Evaluated whether the selected sustainability information presented in the Reports are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the Subject Matter paragraph above for the year ended 31 December 2022 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our report includes the provision of limited assurance on:

- Mobilisation of Sustainable Finance;
- Committed Financing of Renewable Energy Plants;
- Committed Financing of Social Projects; and
- Absenteeism ratio

We were previously not required to provide assurance on this selected sustainability information.

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

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the directors of the Group and Company 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 the Group and Company, for our work, for this report, or for the conclusion we have reached.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Oswald Wentworth

Registered Auditor

4 Lisbon Lane, Waterfall City, 2090

31 March 2022

Standard Bank

standardbank.com