Standard Bank

STANDARD BANK GROUP

SUSTAINABILITY DISCLOSURES REPORT 2023

South Africa
Slangkop

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ESG Datasheet

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

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INTRODUCTION

Our reporting suite

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

Integrated reporting

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

Annual integrated report

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

Sustainability reporting

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

Report to society (RTS)

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

Sustainability disclosures report

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

Climate-related financial disclosures (CRFD) report

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

Shareholder reporting

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

Annual financial statements

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

Risk and capital management report

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

Governance report

Discusses the group's governance approach and priorities.

Remuneration report

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

Subsidiary annual reports

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

Assurance Statement

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

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

Our reporting portal

All our reports, latest results, presentations and SENS announcements along with a glossary of financial terms, other definitions, acronyms and abbreviations used in our reports are available **here**.

WHO WE ARE

PURPOSE DRIVEN

Africa is our home, we drive her growth

FOCUSED

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

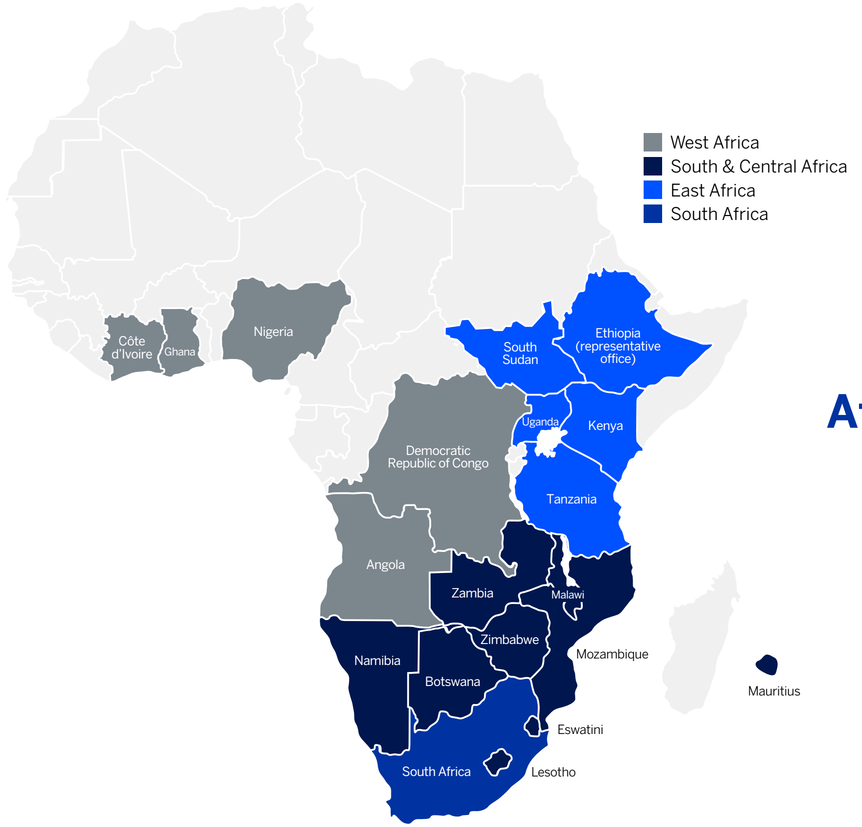
Comprehensive financial services offering

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

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

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

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



A leader on the African continent

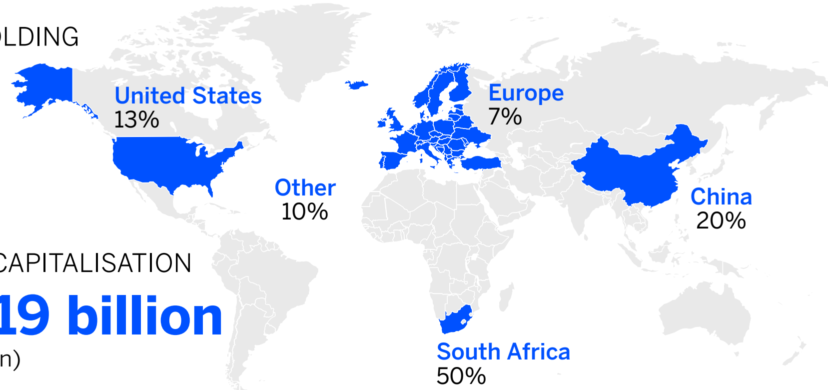
20 sub-Saharan African countries

4 global centres[1]

2 offshore hubs[2]

#1 bank by assets	#1 banking brand[3]	#1 Global Market franchise[4]	#1 Sustainable Finance mandated lead arranger[5]	#3 asset manager[6]	Strategic co-operation with ICBC

SHAREHOLDING



MARKET CAPITALISATION

USD19 billion

(R349 billion)

Headquartered in Johannesburg, South Africa, with a primary listing on the Johannesburg Stock Exchange (JSE) in South Africa

Secondary listing in Namibia and A2X in South Africa

Subsidiary banks listed on exchanges in Kenya, Malawi, Namibia, Nigeria and Uganda

1 GLOBAL CENTRES: Beijing, Dubai, London, New York.
2 OFFSHORE HUBS: Isle of Man, Jersey.
3 Most valuable banking brand in Africa and South Africa by Brand Finance for the second year in a row.
4 Global Markets foreign exchange in Angola, Kenya, South Africa, and Uganda.
5 Dealogic data.
6 By assets under management/administration (AUM/AUA).

A MESSAGE FROM THE SBG CHAIRMAN

Nonkululeko Nyembezi, Chairman

Standard Bank defines our purpose as: Africa is our home, we drive her growth. The group is committed to driving sustainable and inclusive economic growth across the continent, thereby generating attractive financial outcomes for our shareholders, and positive social, economic and environmental impact for communities, through our core business activities.

Achievement of these outcomes requires the ongoing and conscientious management of environmental, social and governance (ESG) risks across every aspect of the business. ESG matters received significant attention at board level in 2023, with emphasis on ethics and conduct, diversity and inclusion, system resilience, climate-related risks and opportunities and social risks.

Executive management kept the board informed of the implementation and impact of conduct programmes across the group, particularly in retail banking, following weaknesses identified in 2022. Management engaged extensively with the group's regulators on these issues, particularly in South Africa. The board is satisfied with the progress made.

Diversity and inclusion remain a priority at board and organisational level. Action plans and progress against targets are overseen by the group social, ethics and sustainability committee. We are satisfied that we are making good progress and have the relevant frameworks, development programmes and targets in place. We have set ambitious targets at senior manager, executive and board level and we have clear plans in place to achieve these.

We are delighted with the results of our annual employee engagement survey, which demonstrates strong levels of employee engagement, clear identification with our purpose, and high levels of appreciation of the learning and career development opportunities available to our people.

Organisational resilience was a focus area. The group's processes and controls are well established, and we have seen a strongly positive improvement in system stability over the past 18 months. We also reviewed broader technology-related matters, including digitalisation, anti-money laundering and combatting financial terrorism (AML/CFT) controls, and the risks and opportunities posed by artificial intelligence (AI) in the financial sector context. In support of the responses and actions taken by various governments following grey-listing by the Financial Action Task Force (FATF), we continue to monitor FATF activities across SBG jurisdictions and implement applicable remedial actions.

The group made good progress on expanding our climate commitments and targets to encompass additional priority sectors. The board received comprehensive updates on progress against the climate policy commitments and targets and on the integration of climate risk into group-wide risk management frameworks and processes. Information regarding the group's progress to date is available in our **Climate-related financial disclosures report**.

The group's reputation with all our stakeholders is one of our most important assets. We remain committed to continuously learning from engagements with investors and other stakeholders, and to developing new skills and metrics where these are legitimately expected. We experienced a heightened level of protest on climate matters during 2023 and regret that one of these protests was not managed as well as it could have been. We reiterate our respect for all voices in public debate, our unqualified support for media freedom, and our unwavering commitment to the rule of law.

As a founding signatory to the United Nations (UN) Principles for Responsible Banking (PRB), we aim to align our strategy to 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 in our countries of operation. The PRB requires us to identify the areas in which we have the greatest potential impact on society and the environment, and to set measurable targets to improve our positive impact. In 2019, we identified seven primary impact areas. In 2023, we refined this to four impact areas, to better reflect our evolving strategic priorities and strengthen our alignment with specific SDG targets. Information in this regard is available in our **Report to society**.

Looking ahead to 2024, we are in the process of implementing a group-wide system to strengthen climate risk management, which will assist our efforts to calculate and monitor our financed emissions and provide a portfolio level view of climate risk and opportunity. We are also mindful of the need to integrate biodiversity and nature risk assessment into our enterprise-wide risk management system. We look forward to progress in this regard in the year ahead. Social risk, including that associated with climate change and the just transition, and evolving international guidance on business and human rights, will also continue to receive our attention.

Nonkululeko Nyembezi
Chairman, SBG

HOW WE DO BUSINESS

Our purpose and strategic priorities

Our purpose is: Africa is our home, we drive her growth. We have three strategic priorities, and six value drivers against which we assess our progress.

As signatories to the PRB we ensure our strategy aligns with and contributes to society's needs and priorities, as expressed by the UN SDGs, the Paris Climate Agreement, the African Union's Agenda 2063, and sustainable banking frameworks in our countries of operation.

We understand our clients and provide them with the products and services they need to make life better.

We are responsive to their changing expectations.

We ensure fair outcomes for our clients.

Our employees believe in our purpose and their role in achieving it.

They are productive, motivated and engaged.

They reflect the diversity of the communities in which we work.

They strive to learn, grow and adapt to the changing world of work.

They feel valued and respected.

We achieve positive impact by understanding the needs and challenges of Africa's people and delivering solutions to address these. This includes:

- Enterprise growth and job creation
- Infrastructure development and the just energy transition
- Climate change mitigation and resilience
- Financial inclusion.

We balance social, economic and environmental considerations to drive sustainable growth.

We deliver sustainable growth and value to our shareholders.

Our systems are reliable, resilient, trusted.

Our digital channels are always-on, always secure.

We are here for you when you need us.

We operate with integrity and hold ourselves to high ethical standards.

We understand the risks and opportunities facing our business and have robust policies and processes to manage them.

We ensure the security of our information and that of our clients and we guard against cyber-threats.

Our approach to sustainability

Driving sustainable growth and value is a strategic priority for the group and is central to our purpose and strategy.

Our approach is based on **two pillars:**

1 **Maximising positive impact**	Realising the significant opportunity to grow earnings and market share by providing products and services that meet the development needs of Africa and Africa's people	▪ We understand the needs and challenges of Africa's people and deliver solutions to address these. ▪ We balance social, economic and environmental considerations to drive sustainable growth. ▪ We categorise our major impacts in terms of four areas: – Enterprise growth and job creation – Infrastructure development and the just energy transition – Climate change mitigation and resilience – Financial inclusion.
2 **Effectively managing risk**	Minimising and mitigating the risks (including climate-related financial risks), arising from our own operations, who we do business with and what we finance.	▪ Our efforts to achieve positive impact are underpinned by careful identification, management and mitigation of environmental, social and governance (ESG) risks. This includes risks within our own operations and risks arising from our business activities, including our client relationships and the projects and businesses we finance or invest in. ▪ ESG risk management is embedded in our policies, processes, and governance structures. ▪ We engage our diverse stakeholders to identify and manage our material ESG issues.

Our activities are guided by our obligations under various global frameworks

SUSTAINABLE DEVELOPMENT GOALS We have identified **4 SDGs** to which we can make a significant contribution	EQUATOR PRINCIPLES We adhere to the Equator Principles	IFC International Finance Corporation WORLD BANK GROUP We adhere to the IFC Performance Standards on Environmental and Social Sustainability	Agenda 2063 The Africa We Want Our impact areas are informed by the priorities of Agenda 2063	**Paris Agreement** We commit to net zero emissions by 2050
King IV™ The King IV Code on Corporate Governance™* forms the cornerstone of our corporate governance principles and practices	TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES We publish a TCFD-aligned climate-related financial disclosures report (since 2021) We measure our greenhouse gas (GHG) emissions according to the GHG Protocol.	UN environment programme finance initiative We are a founding signatory of the Principles for Responsible Banking (PRB)	PRI Principles for Responsible Investment Liberty and STANLIB comply with the PRI	CRISA Code for Responsible Investing in South Africa Liberty and STANLIB comply with the Principles of the second Code for Responsible Investing in South Africa (CRISA 2)

HOW WE MEASURE OUR PERFORMANCE

Standard Bank Group ESG ratings

MSCI	**AA** Stable
FTSE4Good[1]	**4.1** (▲ 3.9 in 2022)
SUSTAINALYTICS	**18.4** (▲ 24.7 in 2022)
CDP DRIVING SUSTAINABLE ECONOMIES	**C** Stable
Bloomberg Gender-Equality Index	**67.87** (▲ 67.78 in 2022)

[1] Constituent company in the FTSE4Good Index Series (June 2023)

Committed to achieving net zero for own operations emissions **by 2040** and financed emissions **by 2050**

Mobilised **R105.1 billion**✓ against sustainable finance target of **R250 billion** by 2026

#1 Sustainable Finance mandated lead arranger 2023 (Dealogic)

Employee NPS +48

Level 1 B-BBEE status

One of the **World's Best Employers** 2023, Forbes

Sustainability Yearbook Member

S&P Global Corporate Sustainability Assessment (CSA) Score 2023

S&P Global CSA Score 2023: **67/100**

Score date: February 7, 2024

The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches.

Position and scores are industry specific and reflect exclusion screening criteria. Learn more at https://www.spglobal.com/esg/csa/yearbook/methodology/

S&P Global Sustainable1

▲ 66 in 2022

Governance of our sustainability approach

Our governance structures, at board and management level, ensure effective oversight of both pillars of our sustainability strategy (positive impact and effective management of ESG risks). Board and management sub-committees are mandated to identify, assess and manage SBG's risks and impacts in respect of:

Environmental issues	Social issues	Governance issues
including impacts on nature and biodiversity and climate-related risks and opportunities	including respect for human rights, labour practices, health and safety, financial inclusion and our impacts on communities	including conduct, fair treatment of customers, prevention of financial crime, information security, cybersecurity and tax practices.

Our enterprise-wide risk management framework defines structures and accountability for the oversight, governance and execution of ESG risk management. All identified material risks are prioritised and monitored through quantitative or qualitative measures. Breaches of risk thresholds are escalated to the appropriate governance structures.

Our approach is supported by our **human rights statement**, our **code of ethics and conduct,** our environmental and social (E&S) risk governance standard and policy, our exceptions list, **group climate policy,** group whistleblowing policy and related policies and processes.

Looking ahead

Focus areas in 2024 will include:-

- Enhancing climate-related risk management, including through procurement of a group-wide risk assessment tool
- Strengthening our approach to human rights risk assessment and reporting
- Aligning to global guidance on nature-related/ biodiversity impact and risk assessment
- Strengthening our capacity to measure positive impact across the group.

Board's role

Our board is responsible for guiding the group's strategy, overseeing our progress against our strategic priorities and related value drivers, including the delivery of positive impact on society, economies and the environment. They are also responsible for assessing the effectiveness of our risk management processes, including ESG risk. The board 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 subcommittees. ESG matters received significant attention at board-level in 2023, with emphasis on ethics and conduct, diversity and inclusion, system resilience, climate-related risks and opportunities and social risks.

Board subcommittees

Oversight and guidance

Group social, ethics and sustainability committee

- Alignment between group strategy and positive impact value driver
- Impact metrics and targets in line with PRB commitments
- Adherence to code of ethics and conduct, including quarterly conduct dashboards and progress on diversity targets
- Material stakeholder issues
- Alignment between group strategy and climate commitments and progress against climate commitments and targets.

Group risk and capital management committee

- Enterprise-wide risks, including ESG and climate risk management
- Adherence to the group's ESG risk management systems, standards, frameworks and policies
- Risks and opportunities associated with operating environment
- Risk appetite and allocation of capital
- E&S risk standard and policy
- Climate risk exposures
- Appropriate risk limits and tolerance levels
- Effect of the macroeconomic and operating environment across jurisdictions on the group's risk profile
- Reputational matters.

Group information technology committee

- Digital and physical infrastructure
- Technology risks and costs
- Digital transformation and innovation
- Cyber, technology, data, and information standards and policies and implementation
- Progress of digitisation, IT and enterprise data management strategies
- Maturity of technology governance
- Group response to infrastructure, user support, information security and technology resilience requirements
- Results of independent assessments of client digital experience.
- Progress of major technology-related strategic initiatives/mega-programmes, system stability, technology security, risk management, financial performance, human capital and third-party management.

Group remuneration committee

- Remuneration philosophy and policy statement to enable stakeholders to assess reward practices and governance processes
- Group remuneration report
- Shareholder feedback and recommendations in respect of the group's remuneration policy and implementation
- Executive performance against impact and ESG metrics.

Management's role

Group Leadership Council (GLC)

Oversight and guidance

- Constituted by the group chief executive, highest management structure, meets monthly
- Ensures appropriate governance structures, policies, processes are in place to identify and resolve risks and strengthen risk culture
- Approves group policies and standards and monitors adherence
- 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 the SBG board on progress.

GLC sub-committees

Oversight and guidance

Social and ethics management committee (SEMCO)

- Chaired by Standard Bank South Africa (SBSA) CE, reports to group social, ethics and sustainability committee, meets quarterly
- Oversees group's social, economic and environmental impact, 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.

Group risk oversight committee (GROC)

- Chaired by group chief risk and corporate affairs officer, reports to group risk and capital management committee, meets quarterly
- 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.

Portfolio risk management committee

- Oversees credit exposure at sector and country level

Group non-financial risk committee

- Oversees non-financial risks and governance, including risks associated with ESG and climate

Three lines of defence

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

First line

Business is responsible for analysing, acknowledging and managing the risk it incurs in conducting its activities and ensuring that ESG considerations are incorporated across the group's activities.

Second line

Risk management functions identify, measure, monitor and report risk on an enterprise-wide basis, independently from the first line.

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.

First line

Heads of legal entities, business units and sectors and corporate functions (including compliance, legal, people and culture, procurement):

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 ESG 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 sustainability, support clients to mitigate and adapt to climate-related risk and deliver group sustainable finance targets.

Second line

- The **group chief risk and corporate affairs officer** is accountable for management of ESG risks and opportunities, including climate, and reports to the board and GRCMC.
- **Sub-committees of the group risk oversight committee** (GROC) oversee implementation of the ESG risk governance framework:
  - **Portfolio management committee:** Oversees credit exposure at sector and country level
  - **Group non-financial risk committee:** Oversees non-financial risks and governance, including risks associated with ESG and climate
  - **Group compliance committee:** Promotes a compliance culture and ensures the effective management of compliance risk across the group.
- **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 ESG risk level, conflicts of interest, anti-competitive behaviour, financial crime, sanctions, AML/CTF, bribery and corruption and fraud risk.
- **Group sustainability** monitors and reports on conduct dashboards, supports the integration of ESG risk management across the group, is responsible for ESG performance disclosures, supports implementation of the group climate policy, and coordinates progress reporting against the climate targets. Reports to the CRO.
- **Group E&S risk** (GESR) executes the E&S risk governance standard and policy and monitors compliance across the group, to ensure E&S risks are correctly identified, evaluated and managed at transactional level. This includes ensuring alignment with international standards such as the Equator Principles, and compliance with SBG's climate policy. GESR reviews all project-related transactions and medium and high-risk non-project related transactions to identify, screen and manage E&S impacts associated with the group's lending activities, and works 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.

Engaging 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 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. They include our clients and partners, employees, regulators, shareholders, service providers and the communities in which we operate. Proactive engagement with our stakeholders provides us with insights that help shape our strategy, informs identification of our material issues and enables us to manage and respond to stakeholder concerns and minimise reputational risk.

Governance of stakeholder engagement

The SBG board is responsible for overseeing stakeholder relations and ensuring that the group responds appropriately to legitimate issues raised by our stakeholders. This responsibility is delegated to the group social, ethics and sustainability committee. The committee receives a quarterly report identifying key issues and concerns raised by the group's internal and external stakeholders, and a quarterly report on risks and issues with the potential to impact the group's reputation and stakeholder relationships. Executive management provides information about how the group is responding to these issues and concerns and engaging with the relevant stakeholders. The committee is responsible for approving the group's material issues for external reporting purposes, taking stakeholder priorities into account.

Members of the board, led by the chairman, also engage directly with stakeholders at the group's annual general meeting (AGM), and at events such as investor days.

How we engage

We are committed to listening to and constructively engaging with all legitimate stakeholders. Executives and managers engage regularly with diverse stakeholders on relevant issues. They report material stakeholder priorities and concerns to relevant group and country committees.

We 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.

We assess the quality of our relationships and engagements with our stakeholders based on various relationship metrics which we track over time.

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
- Responding appropriately to legitimate concerns
- Ensuring that our code of ethics and conduct and our values underpin and inform our engagements
- Being transparent in our engagements
- Being accessible.

Our material issues

Material issues are the sustainability factors that matter most to our internal and external stakeholders, and that impact on our ability to create value in the short, medium and long term. We have adopted the principle of double materiality, assessing issues both in terms of:

- Financial materiality: how sustainability/ESG issues impact our value drivers, competitiveness and enterprise value
- Impact materiality: how our business impacts people, the environment, and the economy.

We undertook an in-depth review of our material issues in 2023. This included:

- Research and engagement including consideration of:
  - Risks, threats and opportunities identified through our enterprise risks process
  - Stakeholder engagement and reputation risk quarterly reports
  - Feedback from ESG rating agencies
  - Issues raised at the SBG AGM and other engagements
  - Material issues identified by peer banks.
- A web-based survey of 33 internal and 32 external stakeholders to test and prioritise the issues. External stakeholders invited to participate included representatives of industry bodies, government, investors, civil society and sector experts. Responses were anonymous.
- Development of a matrix of priority issues, based on stakeholder feedback, for consideration by group executives and the group social, ethics and sustainability committee.
- Finalisation of the issues based on feedback from group executives and the board.

Materiality matrix: Mapping stakeholder priorities

We have identified a range of metrics to assess our performance in respect of our material issues, which we track over time. Our reporting suite provides information about what we are doing to improve performance.

	Material issues	Measures	2022	2023	Targets
Client focus Annual integrated report	▪ Improving overall client experience ▪ Being future-ready for new competition and changing client expectations ▪ Fair outcomes for clients	▪ Growth in client numbers – PPB (millions) – BCB (thousands) ▪ Client satisfaction scores – PPB (out of 100) – BCB (out of 100) – CIB (out of 10) – IAM (out of 100)	▪ 14.8 ▪ 791 ▪ 74 (SA) 37 (AR) ▪ 69 (SA) 20 (AR) ▪ 8.2 ▪ 75	▪ 15.4 ▪ 818 ▪ 77 (SA) 37 (AR) ▪ 68 (SA) 24 (AR) ▪ 8.3 ▪ 80	▪ Grow active client base x 1.6 ▪ Top quartile client satisfaction scores
Employee engagement This report	▪ Employee engagement ▪ Employee health and wellbeing ▪ Workforce diversity and inclusion ▪ Skills attraction, retention and development	▪ Employee net promoter score (eNPS) ▪ Women in executive and senior positions ▪ African senior management (South Africa) ▪ Workforce return on investment ▪ Voluntary turnover rate	▪ +42 ▪ 40.8% ▪ 28% ▪ 2.5 ▪ 6%	▪ +48 ▪ 41.5% ▪ 29% ▪ 2.6 ▪ 4.99%✓	▪ >+42 ▪ 42% ▪ 32% ▪ >2.5 ▪ <8%
Risk and conduct This report Risk and capital management report	▪ Ethical conduct and business practices ▪ Information security, data privacy, cybersecurity ▪ Managing climate risk ▪ Balancing social, economic and environmental impact ▪ Managing third-party risks	▪ Cases referred to the Ombud resolved in favour of the bank (SA) ▪ Significant data privacy breaches ▪ Material cyber incidents ▪ Compliance training completion rate ▪ Progress against climate policy targets	▪ 74% ▪ 1 ▪ 0 ▪ 99%	▪ 77% ▪ 0 ▪ 0 ▪ 99%	▪ 0 ▪ 0 ▪ 100% ▪ Detailed time-bound targets for coal, oil and gas as per group climate policy
Operational excellence Annual integrated report	▪ Reliability of digital transaction channels	▪ Priority 1 incidents	▪ 6	▪ 1	▪ 0
Financial outcome Annual integrated report Annual financial statements	▪ Delivering sustainable growth and value to shareholders	▪ Group headline earnings ▪ Group return on equity (ROE)	▪ R34.2 billion ▪ 16.4%	▪ R42.9 billion ▪ 18.8%	▪ 17% to 20%
Positive Impact Report to society CRFD	▪ Delivering positive impact for Africa's people ▪ Supporting Africa's just energy transition	▪ Sustainable finance mobilised ▪ Renewable energy infrastructure financed ▪ Social finance mobilised	▪ R54.5 billion ▪ R18.2 billion	▪ R50.6 billion✓ (R105.1 billion✓ total) ▪ R15.5 billion✓ (R33.6 billion total) ▪ R4.4 billion	▪ >R250 billion by 2026 ▪ R50 billion finance and R15 billion underwrite by 2024 ▪ R7.5 billion by 2024

Value created for stakeholders in 2023

Employees
We paid
R53.5 billion
to our employees in salaries and other incentives

Suppliers
We paid
R41.3 billion
to our suppliers and service providers

Governments
We paid/incurred
R20.7 billion
in tax

Shareholders
We paid
R27.4 billion
to shareholders as dividends

Communities
We provided
R228 million
in CSI funding

Standard Bank Group
We reinvested
R21.6 billion
to fund future growth.

Clients
We received
R164.5 billion
inflows from clients

Stakeholder engagement in 2023

CLIENTS

How we engage
Relationship managers, 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
- Solutions tailored for individual needs
- Omnichannel options including always on digital and human contact when needed
- Convenience, speed, straight-through-processing
- Reliability, data security, protection from fraud and cybercrime
- Sustainability/ESG solutions
- Affordable and relevant products and services for start-ups and small enterprises
- Cross-border payment, trade and investment solutions.

Our response
- Enhanced client interaction channels; data analytics to deliver personalised solutions
- Enhanced digital capabilities drove growth in client adoption and engagement on our digital channel
- Enhanced mobile app functionality
- Digital onboarding and lending
- Strong improvement in system stability; ongoing investment in cybersecurity and anti-financial crime capabilities
- Expanded sustainable finance offering and upskilled staff on ESG, sustainability and climate risk
- Low-cost digital solutions for SMEs and capacity building support
- Financial, advisory, logistical and networking support to facilitate intra-Africa and global trade and investment.

EMPLOYEES

How we engage

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

How we measure the quality of the relationship

- eNPS
- Emotional promoter score
- Organisational alignment score
- Engagement dimensions score (work satisfaction)
- Diversity and inclusion (D&I)
- Percentage of learning time invested in future skills learning
- Levels of voluntary turnover
- Workforce return on investment.

Priorities

- Employee engagement
- Skills development and career progression
- Diversity and inclusion

Our response

- Our annual employee engagement survey demonstrated high levels of employee engagement and a strong connection with our purpose.
- The survey results indicate that our people appreciate that they have access to abundant learning and career development opportunities.
- Our efforts to ensure a great work environment in which our people can thrive have resulted in lower turnover rates.
- We are making steady progress toward meeting our D&I targets at senior manager, executive and board level.

GOVERNMENTS AND REGULATORS

How we engage

We monitor policy and regulatory developments across the group and provide evidence-based submissions to support the policy making process.

How we measure the quality of the relationship

- Constructive engagements.

Priorities

- Strengthening AML/CFT controls to meet Financial Action Task Force (FATF) requirements
- Cybersecurity and data protection
- Climate change, including social risk, financial risk, greenwashing, regulation of sustainable finance
- Resilience planning in the event of disruption to services
- Employee conduct
- Responsibility toward customers and responsible product development
- Consumer education
- Financial inclusion
- Role of financial sector in supporting infrastructure development
- Crypto-currencies, central bank digital currencies, stablecoins
- Open banking/Open finance
- AI, machine learning, frontier technologies and impact on banks and society.

Our response

- Engagement with governments to support strengthening of AML controls
- Ongoing investment in and strengthening of cybersecurity
- Engagement with SARB on climate-risk management, stress testing
- Participated in development of SA energy crisis plan, contingency measures for blackout
- Implemented conduct programmes across the group, with focus on PPB
- Low-cost digital solutions and financial literacy, expanded digital products and support for SMEs
- Leading financer of renewable energy and other energy developments
- Engagement with the South African Reserve Bank (SARB) on crypto-currencies and stablecoins, SBG subsidiaries participated in central bank digital currency (CBDC) pilots
- Working with SARB to achieve a suitable open banking framework
- Contributed to industry body initiatives on AI.

SHAREHOLDERS

International
50.1%

South Africa
49.9%

How we engage

Investor, analyst and credit agency meetings, conferences, roadshows, presentations, SENS announcements and AGM.

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

- Progress against our 2025 strategic targets, the competitiveness of our offering, and the sustainability of our revenue
- Africa Regions opportunity and growth drivers
- Culture, governance and risk management systems
- Just transition and climate risk management
- Access to appropriate skills/war for talent.

Our response

- We achieved strong revenue growth, driven in part by client activity. Our competitiveness is reflected in our growing franchise and higher transaction volumes.
- We grew headline earnings from R33.9 billion in 2022 to R42.9 billion in 2023, Return on equity improved to 18.8%, from 16.3%, inside our 2025 target range of 17% to 20%.
- We maintained our robust capital position, and declared a final dividend of 1 423 cents per share.
- We continue to strengthen our assessment, measurement and management of climate risk, informed by relevant voluntary standards, regulations and our climate policy. We have refined our risk taxonomy, control framework and key risk indicators and are working to finalise and implement our climate risk operating model and strengthen climate risk capability. We are working on addressing data gaps and have procured a solution to help us score our counterparties for vulnerability to physical and transition risk. We are integrating consideration of climate risk in credit decisions, and developing a climate risk dashboard to strengthen board oversight.
- We invested over R1 billion in employee training and dedicated learning resources. On average, each employee spent 63 hours on learning, with most of this time invested in developing future skills.

COMMUNITIES AND CIVIL SOCIETY

How we engage

Various communication channels including in-person discussions with NGOs, community representatives, advocacy organisations.

How we measure the quality of the relationship

- Constructive engagements, media monitoring.

Priorities

- Criticism of SBG's climate policy, which provides for financing of oil and gas projects within clear parameters, by environmental organisations who argue for rapid disinvestment from fossil fuels
- Opposition to our potential role as funders of the East African crude oil pipeline (EACOP). Physical protests have been staged at our offices in various cities
- Criticism of our treatment of protesters inside our offices. On two occasions during the year, our security personnel physically removed protesters from inside our business premises in Johannesburg
- Expectations for the financial sector to take a lead in addressing biodiversity loss
- Stakeholders sought our response on anti-LGBTQI+ regulation in some of our countries of operation.

Our response

- We are steadfast in our commitment to support sustainable economic growth and human development in Africa. We recognise the twin imperatives of improving access to affordable energy and mitigating negative environmental impacts. We assess the social, economic and environmental impacts of potential projects. We work with our project partners to ensure that environmental and social risks are understood and appropriate risk management and mitigation systems are in place.
- We understand stakeholder concerns about potential social and environmental risks associated with the EACOP project and have engaged extensively with the project owners and other organisations on these issues. These engagements have informed our due diligence processes, which are ongoing. Group executives have visited Tanzania and Uganda to meet people impacted by the project and discuss risks and mitigation action with the project owner. We remain open to constructive engagement.
- We have reviewed our security protocols and provided additional training for security staff on appropriate responses to protests within our business premises.
- We are closely following global developments regarding nature risk disclosure frameworks and will include this as a focus area in 2024.
- We are committed to respecting the human rights of people involved in and impacted by our business, including the rights of the LGBTQI+ community. Where national policies or laws are not fully aligned with our group values, we continue to navigate this complexity with sensitivity and care.

INDUSTRY BODIES AND TRADE ASSOCIATIONS

How we engage

We are active members of banking and/or insurance associations in our countries of operation and engage in broader business associations, and industry work groups set up by regulators or government.

How we measure the quality of the relationship

- Constructive dialogue and active participation.

Priorities

- We participated in multiple trade association engagements on climate change, at global, regional and national levels. Key issues included how to deliver access to energy while reducing emissions, how to finance the energy transition, securing a just energy transition, opportunities in infrastructure investment, and challenges in developing standardised ESG taxonomies and disclosure frameworks.

Our response

- We support the position adopted by many African regulators and business leaders that Africa has a right to determine our own response to the climate crisis, and a right to responsibly develop the continent's resources in pursuit of sustainable development.
- We support calls for the establishment of a fund for 'loss and damage' to assist emerging market economies to mitigate and adapt to climate change, and regulatory action to prevent greenwashing.

Our participation in industry bodies and trade associations

Our memberships of industry associations and global forums enable us to contribute to public policy debates, support evidence-based policy making, contribute to processes such as the development of global standards and frameworks, and work collectively to enable positive impact. Our trade association membership policy governs employee participation and accountabilities in such bodies. We are transparent regarding our participation and positions in these forums. We **do not provide funding for lobbyists** or for lobbying on specific issues.

We pay membership fees, which are managed at country level.

ASSOCIATION

Institute of International Finance (IIF)

Board member, member of several working groups including sustainable finance, sustainable finance risk and methodologies, digital finance, crypto-assets

UN Environment Programme Finance Initiative (UNEP FI)

Founding signatory PRB Banking board member

Equator Principles Association

Member

World Bank Private Sector Investment Lab

SBG CE is a founding member

Priorities for these organisations in 2023

Institute of International Finance (IIF)

- Climate risk, role of financial sector in net zero transition, regulatory barriers to blended finance instruments, transition finance, voluntary carbon markets
- AI and machine learning.

UN Environment Programme Finance Initiative (UNEP FI)

- Guidance on identifying and managing nature and biodiversity risks and impacts
- Guidance to support just transition finance pathways.

Equator Principles Association

- Voting on the new EP governance structure
- Ongoing knowledge sharing and capacity development on best practices in implementing the EP.

World Bank Private Sector Investment Lab

- Blended finance and enabling private sector investment in emerging markets.

South Africa

ASSOCIATION

Banking Association South Africa (BASA)

Chaired by the SBSA CE

SA Insurance Association (SAIA)

Board member

Association for Savings and Investments South Africa (ASISA)

Member

SA Banking Risk Information Centre (SABRIC)

Member

SA Payments Association

Member

SA BRICS Business Council

SBSA CE is a member

Priorities for these organisations in 2023

Banking Association South Africa (BASA):

- Strengthening AML controls to meet FATF requirements
- Addressing SA's energy crisis
- Climate risk management
- Market conduct
- Digital transformation
- Financial inclusion
- Sustainable finance.

SA Insurance Association (SAIA):

- Energy crisis and grid collapse scenarios
- Climate issues creating uninsurable risk areas
- Declining reinsurance risk appetite for SA.

Association for Savings and Investments South Africa (ASISA):

- Climate change risk
- Retirement legislation
- Market conduct.

SA Banking Risk Information Centre (SABRIC):

- Cash in transit heists
- Digital crime, phishing, vishing, malware.

SA Payments Association:

- Payment modernisation programme.

SA BRICS Business Council:

- SA as a gateway to investment into Africa for BRICS.

Presidential Climate Commission

SBSA CE is a member

National Business Initiative (NBI) CEO Champions group

Member

Priorities for these organisations in 2023

Presidential Climate Commission:

- Development of a just energy transition plan
- Climate finance solutions.

National Business Initiative (NBI) CEO Champions group:

- Development of a just energy transition plan
- Climate finance solutions.

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 impact on society and the environment. It informs group policies, standards and risk management controls. It can be found on **our website**.

The code is based on **three pillars**, linked to our purpose and values:

1

Conduct in the market
How we do business

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

2

Personal conduct
Our responsibilities to one another and the group

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

3

Societal conduct
Our impact on society and the environment

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

Our code of ethics and conduct 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.

It 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. Our incentives and reward structures align with the values, principles and expected behaviours specified in the code, and promote employee behaviour that creates fair client outcomes and maintains market integrity.

Managing risk incidents and breaches

Executives are responsible for monitoring and interrogating conduct dashboards and implementing mitigating and remedial actions when material concerns or issues arise. Employees are regularly reminded, via training and communication campaigns, to report any behaviour contrary to the code.

Effective consequence management practices are in place for unethical behaviour. A breach of the code is a violation of terms of employment. Breaches may be subject to disciplinary action, up to and including dismissal.

Areas of focus

Areas of focus in 2023 included embedding our approach to ethics and conduct across the group and engaging with business areas about the behaviours and conduct we expect from employees, to align with our commitment to doing the right business the right way. Looking ahead to 2024, the ethics of generative AI and its potential impact on how we work will be a focus area.

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 may also be required to undertake role-specific training to understand and manage relevant conduct risks within the context of their business units and responsibilities. FAIS (financial advisory and intermediary services) representatives and key individuals are required to obtain accreditation to ensure appropriate awareness and management of conduct risk.

In 2023, **99%** of group employees completed training based on the group code of ethics and conduct, with modules on business conduct, personal conduct, client conduct and managing the compliance risks associated with our conduct.

Conduct risk management

Our code of ethics and conduct is supported by our comprehensive approach to conduct risk management.

Conduct risk is the risk that harm is caused to the group's clients, the market or the group itself because of inappropriate conduct and behaviour in the execution of business activities. It encompasses governance arrangements, business models, product development, sales practices, treating clients fairly, and remuneration and incentive structures.

We strive to meet clients' expectation for fair outcomes and market integrity by doing the right business the right way, thereby upholding the trust of all our stakeholders. It is expected that every employee will uphold the highest level of integrity and take accountability for their actions in line with our values and code of ethics and conduct. 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 tolerance for illegal, unethical or dishonest behaviour which was knowingly conducted.

We have 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 risk committees within business units and corporate functions, together with the social and ethics management committee and group social, ethics and sustainability 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 business units 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.

Monitoring compliance

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, ethics and sustainability committee. During 2023, conduct risk remained within risk appetite, as assessed by the various lines of business. Conduct-related breaches were addressed within specific business areas.

SBG executives continued to engage regularly with South Africa's Financial Sector Conduct Authority (FSCA), including on responses to incidents of poor conduct, which include clear communication with the regulator and clients, internal processes as agreed with the regulator, and appropriate recourse for clients. Investigation into irregular opening of MyMo accounts that occurred in 2022 was concluded and a culture strengthening programme was implemented.

Respecting human rights

Standard Bank is 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.

In October 2023, the group leadership council participated in an externally facilitated workshop to consider evolving global frameworks and standards for managing human rights risks, and the group's policies, processes and performance in relation to these. We are enhancing our approach to identifying, managing and mitigating human rights risks on this basis.

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 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.

Certain of our countries of operation have anti-homosexuality legislation in place. We remain committed to protecting the rights of our employees to be free from discrimination at their place of work, while complying with the local regulatory requirements in those jurisdictions.

Whistleblowing

We have a comprehensive process in place to enable employees and external stakeholders 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**.

The group's whistleblowing policy provides for the protected disclosure of a whistleblower in terms of **South Africa's Protected Disclosures Act (No 26 of 2000)** and the **Amendment Act 5 of 2017** or equivalent legislation in all of our jurisdictions. This allows whistleblowers to raise concerns and make disclosures in good faith without fear of victimisation or prejudice. The group is not obliged to protect a whistleblower if they make a disclosure in bad faith or maliciously make a false disclosure, unfairly or unjustly dishonour another, or conceal their own involvement in criminal activities and/or their own unethical behaviour.

Issues which may be reported include:

- Behaviour that is not in line with the group's values and code of ethics and conduct
- Behaviour that is likely to cause financial harm or reputational damage to the group
- 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
- Adverse social or environmental impacts arising from projects or activities financed by the group
- 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.

Whistleblowing channels

The group provides various reporting options, including an independent **whistleblowing hotline** (Deloitte Tip-offs Anonymous), operated on a confidential and anonymous basis.

Employees

Information on our whistleblowing policy and processes is readily available to all employees. We actively encourage employees to use these channels through regular email communications and training interventions. Internal reports and disclosures are treated on a case-by-case basis. Employees may raise concerns or report issues via:

- The Head: Group forensic services (GFS) or the in-country equivalent
- Line management or a member of the executive management team
- The **whistleblowing hotline.**

External stakeholders

External stakeholders are encouraged to use the **whistleblowing hotline.**

We encourage employees and external parties to use SBG's internal whistleblowing reporting options in the first instance. If a whistleblower is not satisfied that a raised concern has been adequately addressed via internal whistleblowing reporting options, they may opt for external options:

- A legal representative, whose occupation must involve the giving of legal advice
- Public Protector (or similar per jurisdiction)
- The Public Service Commission (or similar per jurisdiction)
- A prescribed person or body, who a whistleblower reasonably believes will appropriately deal with the matter.

Investigations

In terms of the group's contractual obligation with our whistleblowing service provider Deloitte Tip-offs Anonymous, we are obliged to assess all disclosures received from whistleblowers. These are assessed independently, objectively and with the highest levels of confidentiality.

Feedback on the outcomes of the assessments are referred to Deloitte for record keeping and where possible, for feedback to be provided to the whistleblower.

WHISTLEBLOWING REFERRALS RECEIVED IN 2023[1]

	Number
Total referrals	**449**
Total referrals finalised and closed	**357**

TYPES OF REFERRALS INVESTIGATED (%)

	%
Unethical behaviour	**65**
Human rights matters	**25**
Service-related complaints	**6**
Other	**4**

TOP 5 CATEGORIES OF CASES FINALISED AND CLOSED (%)

	%
No merit	**35**
Banking related concerns, referred to operations	**18**
No investigations performed (insufficient information provided by the whistleblower; whistleblower retracted report; or multiple referrals for the same incident combined into one investigation)	**13**
Referral to People and Culture for assessment and recommendations	**10**
Investigations resulted in internal/external action	**9**

[1] All whistleblowing referrals received, via the hotline and other channels.

Fair outcomes for clients

We are committed to placing our clients at the centre of our business. We engage our clients and assess their experiences with us through surveys, online communication channels, our call centres, social media and in-person contact. We track a **net promoter score** for personal and business clients, and a **client satisfaction index** for CIB clients.

We also measure real-time client experience on a monthly basis. While sample sizes are relatively small, this provides a sense of trends. We measure NPS, how well clients have achieved their intended purpose in an interaction, and Banker Ratings. We also monitor experience scores such as app ratings.

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 clients 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 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 regular feedback from employees, including frontline employees, and customers. We analyse our client experience measures 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 assess 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. Second line functions including group compliance and group risk participate in pricing approval processes, to ensure that customers are treated fairly.

Advertising and marketing

The marketing and communication (MC) risk and conduct control committee oversees the 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 bi-weekly campaign/creative 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 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 provide funding to South Africa's Advertising Regulatory Board (ARB). 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 ARB 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 who may have opted out of direct marketing, such as the status of the outage, alternative means of banking and progress on resolving the issue.

Resolving customer complaints

Our complaints management system is modelled on the principles of fairness, accessibility, responsiveness and efficiency. Our complaints management policy is designed to serve our customers and 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. 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 and a complaint resolution system (CRS) that enables the capturing and management of complaints. Each 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. Employees responsible for the capturing, management and resolution of complaints receive relevant training. When compensating a client, the principles of treating customers fairly and all other relevant legislation is considered.

Complaints process

1. Complaint is logged at nearest branch, suite, voice branch, with the relationship manager, via our website or with the Complaints Resolution Centre
2. Employee who logged the complaint owns the complaint and 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 customer
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 customer is not satisfied with the resolution of a complaint, they can follow the escalation process through the various levels of management
8. If after escalation the customer is still not satisfied, the matter may be logged with the relevant Ombudsman.

In South Africa, PPB and BCB have:

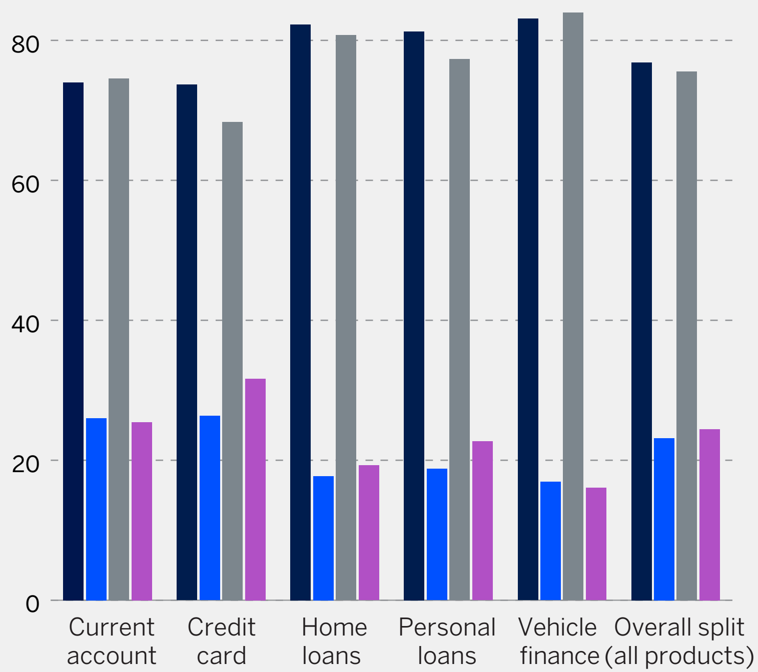
- A dedicated complaints management team responsible for **complaints management, detection and prevention.** These teams are responsible for dealing with complaints logged directly by customers, complaints and disputes referred to them internally by executives, and informal referrals from the **Ombudsman for Banking Services** (OBS)[1]
- A dedicated team responsible for **monitoring and oversight** of adherence to the complaints management framework and addressing any issues arising to ensure effective complaint management and improved client experience.

An independent and impartial internal **Customer Dispute Adjudicator** (CDA) is 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 Ombuds, the Financial Sector Conduct Authority (FSCA), and other regulatory bodies or consumer bodies. 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.

Complaints management metrics 2023	PPB SA	BCB SA
Year-on-year complaint volumes (%)	Down by 18% ▼ We implemented solutions to resolve recurring complaints and adopted service excellence principles which improved query management	Up by 43% ▲ We implemented programmes to raise awareness of complaints management channels leading to increased use of these channels
Average complaint resolution time	3.4 days	4.25 days
Complaints resolved within service level agreement (%)	94%	95%

1 The OBS has amalgamated with the Short Term Insurance Ombud, the Long Term Insurance Ombud and Credit Ombud to form the National Financial Ombudsman Scheme of South Africa. The four schemes merged to operate as a single Ombudsman Scheme from 1 March 2024.

Resolutions per product (%)
SBSA and industry: September 2023



	Current account	Credit card	Home loans	Personal loans	Vehicle finance	Overall split (all products)
SBSA in favour of the bank	74	74	82	81	83	77
SBSA in favour of the complainant	26	26	18	19	17	23
Industry in favour of the bank	75	68	81	77	84	76
Industry in favour of the complainant	25	32	19	23	16	24

- SBSA in favour of the bank
- SBSA in favour of the complainant
- Industry in favour of the bank
- Industry in favour of the complainant

OBS disputes

- Paid R7.2 million to PPB customers as a result of OBS disputes (R12 million in 2022).
- Paid R2.6 million to BCB customers as a result of OBS disputes.
- 45% of PPB and 24% of BCB cases were about current accounts, and mainly related to fraud issues.
- The high proportion of complaints closed by the OBS in favour of SBSA demonstrates the fair treatment of customers prior to escalations to the OBS.

	2022	2023
Number of disputes PPB SA	1 385 disputes, down 33%	**1 311 disputes, down 5%**
Number of disputes BCB SA	111 disputes	**145 disputes**
Proportion of complaint numbers (absolute) among top five banks	Third highest, highest decrease	**Fourth highest, second highest decrease**
% of overall complaints among SA's top five banks	19%	**18%**
% of complaints closed by the OBS in favour of SBSA	74%	**77%**

Other disputes

The CDA also dealt with 79 formal complaints via the FAIS Ombud, and 193 complaints via other regulators and customers. SBSA paid customers R6 million as a result of these disputes.

Protecting client information

Information security, data privacy and cybersecurity

Our ability to do business depends on the integrity of the group's data and information assets and the protection of client privacy. Information is a valuable asset to the group and must be protected according to its value, sensitivity, purpose and regulatory requirements. We do not share confidential or sensitive information with unauthorised people or competitors. We have zero tolerance for unlawful information processing activities.

We promote a culture of accountability, where all employees commit to their information risk responsibilities, We ensure that third parties acknowledge and comply with group minimum requirements.

RISK		
	Information risk	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	Risk of 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	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.

We protect 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 invest in people, process, technology and organisational controls to safeguard our information assets. Information risk, data privacy and cybersecurity receive extensive focus from the board and executives. The **board receives quarterly reports on these issues** via the group non-financial risk committee, the group risk oversight committee (information risk and data privacy) and the information technology committee (cyber risk).

We manage data privacy, information security and cybersecurity within a framework of 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 including data privacy risk, across the group. It ensures alignment between interconnected risk types, such as cyber risk and technology risk.
- **The cyber resilience standard** defines roles and responsibilities for managing cyber risk and enables accurate measurement and reporting of the status of cybersecurity controls.
- **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. It applies to all employees and third parties.
- **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 life cycle, from origination through to use, retention and disposal.

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.

Committees and functions responsible for overseeing information risk management, data privacy and cyber risk include:

- **Group non-financial risk committee:** provides governance and oversight on all matters relating to information risk, including data privacy risk and cyber risk.
- **Group information risk management committee:** provides governance and oversight on all matters relating to information risk, including data privacy risk.
- **Group information security:** responsible for upholding a culture of security across the group, fulfilling regulatory requirements and providing a robust control environment, centred on maintaining our clients' trust in our digital platforms.
- **Group information risk:** provides subject matter guidance, oversight, assurance and reporting to enable the protection of SBG information assets by empowering conscious risk taking. This includes enabling data privacy risk management in line with applicable regulatory requirements.
- **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 to data privacy; monitors implementation of group privacy operating standard in line with regulatory frameworks; provides a consistent standard for management of lawful grounds to process personally identifiable information and data subject rights management; enables training on group-wide data privacy matters.
- **Data privacy officers in jurisdictions and legal entities:** 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 and ensure implementation of group consent management and data subject rights management requirements.
- **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 gives effect to these principles.
- **Non-financial risk managers:** provide oversight and guidance on managing information risks including sub-risk types identified in projects and business initiatives; report on information risk profile at relevant committees; advise and provide awareness on the information risk policy.
- **Business units, legal entities and group functions:** accountable for ensuring compliance with the relevant frameworks and policies, ensuring employees and third parties acknowledge and comply with the relevant requirements, and ensuring data privacy-by-design and data privacy-by-default are incorporated into the group's initiatives, products, services and technology.

Information risk principles

- Risks to our information must be identified, documented in the formal information asset register, managed according to appetite and reported at the relevant governance and risk committees.
- 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.
- Data privacy risk must be managed proactively and holistically (privacy-by-design) according to legislative requirements.
- Full accountability must be implemented for all identified high risk profiles and roles.

Data privacy principles

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)
- South Africa's Protection of Personal Information Act (POPIA)
- Data Privacy and Promotion of Access to Information Act (PAIA)
- The 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 always keep our customers informed and ensure they know what personal information we need, and why we need it.
- We do not process customers' personal information beyond the purpose for which we originally collected it.
- 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 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 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

The group chief information security officer (CISO) is responsible for creating, measuring and monitoring the cybersecurity strategy and programme. The CISO provides updates on information security matters and the group's cyber risk posture to the **board** via the group information technology committee and the group non-financial risk committee, on a quarterly basis.

The board obtains **independent assurance** of the group's cyber resilience controls through internal and external audits. The board mandates biannual assessments of the cyber strategy by global cybersecurity experts. The most recent assessment was concluded in March 2024.

Cyber risk issues and trends are reported monthly to relevant management and risk forums. We gather cyber threat intelligence, which is shared across the group to enable risk mitigation and inform improvements to the cyber resilience programme. We continue to invest in improved capabilities to predict, prevent, detect and respond to cyber incidents.

The cyber resilience programme employs a **continuous testing and monitoring** strategy to stress test security capabilities.

Testing includes:

People testing

Monthly awareness campaigns for employees on the latest threats and risks. As part of the continuous testing approach, employees receive mock phishing emails at least once a year. All employees are required to complete mandatory cybersecurity awareness training biannually.

Technology testing

External vulnerability assessments of our digital footprint, red team assessments of the network and penetration testing of our systems.

Response testing

Cyber-incident response simulations and disaster recovery testing.

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. Internal audit conducts information and cyber risk related reviews annually to test security and vulnerability of systems and processes affecting user data. Our IT infrastructure and information security management systems are subject to external audit annually, as part of the combined assurance audit of the group's financial results.

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.

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. We have business continuity processes in place for all business areas, including their IT systems. These are tested at least annually. Cyber incident response playbooks are in place for all common cyber incidents. The group maintains dedicated cyber insurance cover for additional protection against common cyber threats.

Information, privacy and cybersecurity training completed during 2023 (% of group employees)

Mock phishing simulations	Data privacy 101	Data privacy awareness	Keep it secret keep it safe	Cyber risk training	Protection personal information
100%	98%	94%	98%	89%	99%

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 and 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.

The SBG intranet and our risk management chatbot provide direct links to relevant policies. Employees can also access support via the risk chatbot, 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.

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.

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

Jörg Fischer, the group's Chief Information Officer (CIO), was awarded the **CIO Association of South Africa's inaugural 2023 CIO of the Year Award,** recognising exceptional leadership and innovation, together with the Strategy & Leadership Award, and the Cybersecurity Award.

Third party responsibilities

The group proactively manages third-party risk. Group procurement ensures that protection of information is included in all aspects of the procurement value chain. Third-party risk management ensures that protection of information is included in all aspects and drives implementation of the third-party risk management framework.

Third parties are onboarded through a rigorous process designed to assess the third party across various risk dimensions. The group's **external party information risk management policy** 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 with 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. Legal action may be taken against any third-party that does not comply with group information risk and cyber risk policies.

Investigations

The group differentiates between information incidents and data privacy breaches in support of 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. 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.

Incidents

Client impacting cyber incidents

0

2022 : 0

Significant data privacy breaches

0

2022 : 1

In 2022 a third party incident impacted 635 000 data subjects. 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.

Privacy complaints (SBSA)

245

2022 : 155

Complaints received from Regulator included correspondence sent to incorrect recipient and refusal to delete customer's personal information from database. No fines or penalties were imposed against the group.

Reporting of risk incidents and breaches

All information risk incidents must be reported, escalated and handled in accordance with relevant group policies. 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 risk marketplace (RMP). 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.

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.

System resilience

Reliability of digital transaction channels

The stability, security and speed of our IT systems is fundamental to our ability fulfil our purpose, execute our strategy and foster trust with our clients.

Our priorities include:

- Improving the reliability of the group's critical business processes and services
- Maintaining our strong security posture by driving key initiatives focused on access management, cyber hygiene, third party devices, firewalls and endpoint security tools
- 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
- Leveraging our strategic partnership with ICBC to identify and implement opportunities to improve system reliability
- Sustaining a culture of back to basics, especially on execution in technology.

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.

Our **response and recovery times** have significantly improved since early 2022. We can successfully failover (switch to a standby system) in the event of near misses, mitigating the risk of outages and client impacts.

Incidents

We experienced **no significant outages in 2023**, with 18 successive months of month-end technology stability. Positive trends on Downdetector indicated improved stability performance relative to our industry peers in South Africa.

When outages are experienced, we ensure communication is 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.

Combatting financial crime

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 investigation of fraud perpetrated against the group.

Employee responsibilities

Employees take individual responsibility for acting to combat financial crime in all its forms. They must 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 annual compliance training to ensure awareness of our anti-financial crime policies and processes.

- **Board members** at group and country level receive specialised training, online or in-person.
- **Employees** must complete annual compliance training.

Our objective is to ensure that our employees can use the knowledge gained from compliance training to make informed decisions in their daily work, that they 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. Employees in roles that are assessed as being exposed to a higher level of risk from a money laundering and terrorist financing perspective are required to complete role-specific training on an annual basis.

Training includes behavioural science and scenario-based learning, culminating in assessments with randomised questions which are designed to check understanding and competency. We use data analysis and feedback to continually improve our training and identify areas needing further attention. Targeted training is provided when necessary to address specific issues or facilitate behaviour change. Our goal is to empower employees with the knowledge to make informed decisions in their roles. This approach is borne out by improved regulatory compliance and fewer audit findings.

We use a dashboard to monitor real-time compliance training completion across all business units. This monitoring is part of our risk and conduct key performance indicators. We aim to maintain a **minimum 95% completion rate for mandatory training**. We review the outcomes of regulatory inspections to ensure that enhancements to our risk management and compliance programmes are developed and implemented.

Third-party responsibilities

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.

Compliance metrics 2023

- **98%** of group employees completed compliance training on AML/CTF
- **99%** of group employees completed anti-bribery and corruption training
- **98%** of employees successfully completed role-specific mandatory compliance training on AML
- **98%** of employees completed role-specific tax evasion training
- **10 130** independent service providers undertook training on the Standard Bank independent service provider training portal.

Group risk management and compliance programme (RMCP) and group financial sanctions, CTF and CPF policy

Our AML, CTF and CPF framework and policies are informed by the FATF Recommendations, and are designed to comply with statutory and regulatory obligations in all 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. Each jurisdiction and business unit is responsible for the drafting and maintenance of a RMCP in accordance with the group's policies and standards. The SBG 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.

Our framework, policies and processes ensure that:

- All reasonable measures are taken to ensure that risks arising from money laundering, terrorist financing, proliferation 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. Client identification and verification, and periodic reviews to ensure that client details remain current and accurate, are carried out in accordance with the risk-based approach to compliance. Our client due diligence measures include the requirement to identify and verify the ultimate beneficial owner of all corporate clients, as well as the requirement to have a full understanding of the ownership and control structure of legal entities such as trusts and partnerships.
- 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
- Our client due diligence procedures include screening for sanctioned individuals and entities, and known or suspected terrorists placed on lists issued by applicable competent authorities, e.g. the Office of Foreign Assets Control (OFAC) and the UN.
- We have policies and procedures in place to ensure that all clients that are high risk from an AML/CTF perspective are identified as part of our onboarding processes, including foreign politically exposed persons (PEPs) and local PEPs with adverse media. These clients are subject to enhanced due diligence, and establishment of these relationships is signed off by senior management.
- We detect, investigate and report suspicious activity and all other reportable transactions to the competent authorities in each jurisdiction of operation.
- As per legislative requirements, we retain all relevant documents for a minimum of five years.
- Our external auditors review our money laundering and terrorist financing risk management processes annually.

In South Africa, the Financial Intelligence Centre (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, quantify and mitigate money laundering and terrorist financing risk.

In support of the responses and actions taken by various governments following grey-listing by the FATF, we continue to monitor FATF activities across SBG jurisdictions and implement applicable remedial actions. The mitigation actions taken by SBSA include revisiting all anti-financial crime risk assessments, to facilitate an improved understanding of money laundering and terrorist financing risks. The South African government has strengthened AML legislation and is taking steps to enhance its financial crime fighting capabilities.

Industry initiatives

Standard Bank Group is part of the steering committee of the **South African Anti-Money Laundering Integrated Taskforce** (SAMLIT), a public private partnership between accountable institutions, the FIC and law enforcement authorities. We contribute to the expert working groups on Illegal Wildlife Trafficking, Modern Slavery and Human Trafficking, and Terrorist Financing and Corruption. We chair the expert working group on Narcotics. We also participate in several targeted operations groups, which focus on specific operational matters.

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.

Incidents

In February 2023, an Al Jazeera investigative documentary alleged that individual employees at a number of banks, including SBG, were facilitating gold smuggling and money laundering. Standard Bank confirmed our zero tolerance stance on fraud and criminality, and cooperated fully in the SARB's industry-wide investigation of the allegations. Following a disciplinary process convened to consider the facts of this case, the employee in question was dismissed from SBG.

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 FIC. Banks are required to have policies, procedures and risk assessment tools in place to govern the closing of a customer's bank account or the exiting of a customer relationship.

SBG continues to ensure that we conduct our business in such a way that it is not prejudiced against anyone based on their political, racial, and/or any other inclination or affiliation. This assertion is being tested in court, and we are confident that the facts and the law confirm our position.

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 UN and the World Bank.

The group has a zero-tolerance approach to bribery and corruption.

We prohibit bribery and corruption in any form and ensure that an anti-bribery and corruption culture is maintained

We 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

We conduct business with integrity, transparency and openness, and in compliance with applicable laws and SBG'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 business units 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.

Our guidelines governing the provision of funding to political parties, charitable causes and sponsorships include specific provisions to guard against the risk that such contributions could be used inappropriately, by the bank, our employees or third parties to obtain a business advantage.

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, group forensic services 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. We have zero tolerance for internal and external fraud. Fraud risk management is treated as a top risk and is aligned to our 'always secure' agenda. We continue to invest and prioritise anti-fraud initiatives to maintain a fit for purpose fraud risk management capability.

The group has policies and processes in place to mitigate fraud risk and is committed to continuous improvement. We subscribe to a three lines of defence model in the fight against fraud.

1. First line consists of operational teams responsible for day-to-day fraud prevention and detection
2. Second line acts as an independent and objective function that provides oversight, guidance, and support to the first line
3. Third line serves as an independent and objective assurance function that evaluates the group's readiness to manage fraud risks effectively.

An always secure environment is a top priority for the group. We continuously enhance our proactive detection and prevention capabilities and provide ongoing awareness-raising for clients. We offer a 24/7 fraud reporting platform, use strong authentication methods, and ensure we have the latest fraud prevention technologies and methods.

We continue to invest in raising customer and employee awareness on fraud risk through various communication platforms for maximum reach. Our initiatives educate customers and employees on current scams and emerging fraud threats, warn them what to look for, and provide information on how to protect themselves.

Industry initiatives

We collaborate in the fight against fraud by subscribing to and participating in various industry bodies. These include:

- The South African Banking Risk Information Centre (SABRIC)
- The Insurance Crime Bureau (ICB)
- The South African Fraud Prevention Services (SAFPS)
- The International Banking Security Association (IBSA)
- The Association for Certified Fraud Examiners(ACFE).

Anonymised data is shared with industry risk partners to support the collective detection and proactive prevention of fraud risk incidents and aid in law enforcement.

Employee responsibilities

- All employees and associated persons must report all attempted, suspected and actual fraud. Reporting channels include line managers, the fraud lines, the whistleblowing hotline or the incentivised FraudStop platform.
- Employees reporting fraud in good faith are protected from victimisation or suffering any form of prejudice.
- Employees must complete 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

With the evolution of banking and the move away from traditional distribution channels, third parties play a vital role in the day to day activities of the bank. We follow a robust third party risk management programme which includes the enhanced due diligence of third parties' fraud risk posture. Third parties are responsible for raising concerns and reporting all attempted, suspected and actual fraud via the reporting channels.

Incidents

As banking evolves, with enhanced digital platforms, real time rapid payments and online origination, fraudsters have introduced more sophisticated modus operandi. During 2023 there was an increase in banking scams through phishing, vishing and fraudsters harvesting sensitive information through global data breaches. The increase in online shopping has seen a rise in card-not-present fraud, as fraudsters use stolen card data to perpetrate fraud via online shopping sites. Fraudsters also impersonate known parties and convince the victim to process payments.

SBG's risk policies, frameworks and governance, supported by digitised reporting mechanisms, ensure up to date fraud incident reporting to internal risk committees, external regulatory bodies and to relevant police authorities.

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 group forensic services, 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 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

On 8 January 2024 South Africa's Competition Appeal Court upheld Standard Bank's appeal and dismissed the Competition Commission's complaint of currency manipulation. The court accepted Standard Bank's evidence that it had not been party to an international conspiracy to manipulate trading in the USD/ZAR currency pair and stated that the case against Standard Bank 'does not get out of the legal starting blocks'. The Competition Commission has applied to the Constitutional Court to hear an appeal. SBG intends to oppose.

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 complete annual compliance on personal conduct, including a section on tax evasion.
- Areas of the bank that are perceived as being higher risk receive specialised training.
- The bank's employees are not permitted to provide tax advice.
- 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 group forensic services. 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 or are incompatible
- The personal interests of an employee or agent of the group conflict or are incompatible with those of our client
- The personal interests of an employee or agent of the group conflict or 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
- 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 relevant 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 and third-party 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 fairly manage all conflicts of interest.
- All employees must:
  - Comply with the group outside business interests (OBI) policy
  - Obtain approval before entering into an OBI, and declare any OBI held by themselves or their related parties
  - Promptly report any concerns about a potential conflict of interest to the relevant compliance functions
  - Complete annual mandatory training on the conflicts of interest policy and related policies.
- All employees and board members must report their outside business interests and personal account trading details every year. Designated independent service providers must report their 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.

Exchange control

SBG is committed to upholding and promoting compliance with exchange control legislation in all our jurisdictions of operation. Our exchange control policy is designed to enable compliance with applicable exchange control statutory and regulatory obligations, across the group. Breaches of exchange control legislation must be reported to line management, legal entity compliance and exchange control compliance.

Procurement and 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.

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.

We review chemical data sheets for cleaning agents procured for direct operations and procure green cleaning agents which are microbial and enzyme-based.

Third-party responsibilities

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 directly impacting or harming 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 impact. Third parties may also be asked to provide evidence of the policies and practices they have in place to mitigate such risks.

The nature of information required is dependent on the nature of the risk, the type of product or service and the type of relationship. We engage third parties on an ongoing basis to actively manage potential risks and third party performance.

All third parties are required to comply with our anti-financial crime requirements.

Protection of information is included in all aspects of our third-party risk management framework.

Data protection and data privacy clauses are 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.

Standard Insurance Limited (SIL) engaged with service providers during 2023 to integrate ESG risk management into the insurance supply chain. We provided ESG training to claims suppliers, providing them with information on the group's approach to sustainability, positive impact, and ESG risk management, and encouraging them to develop their own ESG risk management plans. We will continue to engage regularly with these suppliers to encourage progress and impact.

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. Our digital solution, which has been implemented across the group, includes automated real time due diligence on third parties. 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.

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
- Ensuring all health and safety laws and regulations are adhered to in the workplace
- Ensuring vulnerable categories of workers, such as migrant workers, are protected.

The group strives to ensure that the products and services we procure minimise the risk of harm to the environment and to the health and safety of workers and communities. Third parties must follow good environmental and social practice, relevant to their sector or products supplied. 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.

Sustainable finance

Standard Bank Group is a leader in sustainable finance. We partner with our clients to meet their unique needs and ESG ambitions. We also focus on raising finance for the group in sustainable format, to support the delivery of positive impact.

Standard Bank published our updated **sustainable finance framework** in 2023. The framework outlines the methodology and associated policies and procedures to facilitate the raising of finance in sustainable format, including green, social and sustainable bonds or loans (including hybrid instruments), repurchase agreements and securitisation instruments by the group.

The framework describes the process to select, evaluate, report, track and verify eligible assets. Eligible assets have to meet specific green and/or social criteria, or Pure Play[1] criteria where the use of proceeds is not specific but classification as a sustainable finance asset is based on the company profile. The framework also describes how the proceeds of the bonds or loans are managed and allocated, and how we verify and report on the management and allocation of proceeds and environmental and social impact of assets.

Social:

- Affordable housing
- Access to essential services
- Affordable basic infrastructure
- Employment generation and programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance
- Food security and sustainable food systems
- Socioeconomic advancement and empowerment.

Green:

- Renewable energy
- Electricity distribution networks
- Energy efficiency
- Pollution prevention and control
- Climate change adaptation
- Green building
- Clean transportation
- Sustainable management of natural resources
- Terrestrial and aquatic biodiversity conservation
- Sustainable water
- Circular economy
- Blue finance
- Carbon financing.

Sustainalytics has provided a **Second-Party Opinion** stating that the framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023.

We will update the framework as appropriate in line with evolving guidelines, principles and taxonomies.

We are in the process of developing a standardised impact reporting framework, aligned with the use of proceeds green and social categories in our Sustainable Finance Framework. This will aid in ensuring a consistent approach in developing key impact metrics that will align with the group's four positive impact areas.

[1] Corporate funding for organisations deriving ≥ 90% revenue/EBITDA from eligible green/social activities.

In 2022 we set a target to mobilise R250 billion in sustainable finance by 2026. We are on track to meet the target.

	Sustainable finance key metrics	2023 Rbn	2022 Rbn
A+B	**Sustainable finance mobilisation (cumulative since FY22)**	**105.1✓**	**54.5**
	Sustainable Finance Mobilisation - target (cumulative)	90.0	40
	Target met	Yes	Yes
	Annual sustainable finance mobilisation	50.6✓	54.5
A	**Use of Proceeds**	**26.4**	**21.7**
	Green	21.3	19.2
	Social	4.4	2.5
	Other[1]	0.7	0.0
B	**General Purpose[2]**	**24.2**	**32.8**
	Sustainable finance mobilisation by Region	**50.6**	**54.5**
	South Africa	35.3	45.2
	Africa Regions	15.3	9.3

1 Other may include sustainable (green and social) and transition use of proceeds.
2 Financing and arranging for general corporate purposes with sustainability indicators and targets. May include sustainability-linked, transition and pure play.

Sustainable finance sub-metrics	2023 Rbn	2022 Rbn
Renewable energy financing[1]	**15.5**✓	**18.2**
Renewable energy financing (cumulative since FY22)[2]	**33.6**	**18.2**
Social projects financing[3]	**4.2**✓	**2.0**

1 Financing of new renewable energy power plants , excluding bonds arranged.
2 Cumulative target FY22 - FY24 R65 billion (R50 billion financing plus a further R15 billion underwrite).
3 Financing of social projects, excluding bonds arranged.

Treasury transactions[1]	2023 Rbn	2022 Rbn
Use of proceeds (green, social, sustainable)	**6.7**	2.0
General Purpose (sustainability-linked)	**9.9**	12.8
Total quantum treasury transactions	**16.6**	14.8

1 Treasury transactions are not included in SF Mobilisation.

Green issuances

									Estimated CO_2e avoided (tonnes)	
Issuance Date	**Maturity date**	**Issuer**	**Instrument**	**Green category**	**Instrument value**	**Allocations**	**No of projects/ assets**	**Estimated installed project capacity (MW)**	**Project**	**SBG atttribution[1]**
02/02/2020	26/02/2030	SBG	Green Bond (IFC private placement)	Renewable Energy	USD200 million	100%✓	5	358	903 932	N/A
05/07/2022	05/07/2025	SBN	SBN Green Bond[2] (SBNG25)	Renewable Energy	NAD200 million	9% ✓	1	3	2 426	2 426
05/07/2022	05/07/2027	SBN	SBN Green Bond[2] (SBNG27)	Renewable Energy	NAD200 million					
07/12/2021	08/12/2031	SBG	T2 Green Bond (SST201)	Renewable Energy	ZAR1 444 billion	100% ✓	5	831	2 247 434.17	934 761.56
30/08/2022	31/08/2032	SBG	T2 Green Bond (SST202)		ZAR1 639 billion					
02/03/2023	03/03/1933	SBG	T2 Green Bond (SST203)		ZAR2 billion					

1 Impact indicator introduced from 2023 for issuances from 2021 onwards.
2 Various renewable energy projects intended for allocation to the SBN green bond have not proceeded at our clients' discretion. Some projects have experienced market-related and regulatory-related delays, and remain in our 2024 pipeline. We will continue to provide investors with updated allocation reporting annually in our 2024 Sustainability Disclosure Report. Unallocated proceeds are invested in the bank's treasury liquidity portfolio, in cash or other short term and liquid instruments in line with the relevant Sustainable Bond Framework.

Social issuances

Issuance Date	**Maturity date**	**Issuer**	**Instrument**	**Social category**	**Instrument value (ZAR)**	**Allocation**	**No of homeloans**	**Number of women borrowers**	**Percentage women borrowers (%)**
19/08/2021	19/08/2024	SBSA	SBSS01 Tranche 1	Affordable Housing homeloans	926 000 000.00	100% ✓	5 962	3 569	60%
19/08/2021	19/08/2026	SBSA	SBSS02 Tranche 1		1 074 000 000.00	100% ✓			
09/12/2021	19/12/2024	SBSA	SBSS01 Tranche 2		750 000 000.00	100% ✓			
09/12/2021	19/12/2026	SBSA	SBSS02 Tranche 2		750 000 000.00	100% ✓			

Treasury, green and social bonds

The group has raised six green bonds and a social bond under our sustainable bond framework since 2020. In February 2023, Standard Bank Group issued a five-year R2 billion Tier 2 green bond and listed it on the JSE's sustainability segment. The capital raised was used to finance renewable energy assets.

Examples of sustainable finance deals in 2023

Green finance	Impact
The African Stove Company (TASC) carbon credit project Provided debt funding to enable TASC's expansion in South Africa, where they aim to distribute 750 000 free, low-carbon cooking stoves, funded by carbon credits. The senior debt facility will roll over each year if certain credit metrics are achieved. First carbon credit project of its type in South Africa, designed to combat climate change and drive positive social outcomes in rural areas.	▪ The stoves require approximately 70% less wood for fuel, thereby reducing greenhouse gas (GHG) emissions and helping preserve biodiversity ▪ Rural communities will spend less time and money sourcing wood, gain health benefits from the cleaner-burning stove, and safety benefits since they are not cooking on an open fire.
Wilderness nature-conservation loan Sustainability-structuring agent and sole lender for USD80 million loan. First nature conservation loan in the African market, with potential to raise appetite in commercial banks to channel funds to nature conservation and biodiversity protection in Africa.	▪ The funding will support Wilderness to double the amount of land conserved over the next decade, with a focus on biodiverse sensitive areas in Kenya, Rwanda, Zambia and Zimbabwe ▪ Expansion of the Wilderness conservation and sustainable eco-tourism model will create positive socioeconomic impacts for local communities and small businesses by creating sustainable employment in the tourism ecosystem.
Red Rocket's onshore wind projects Provided R5.5 billion for three wind projects that were awarded under REIPPP bid window 5 across multiple debt facilities as joint mandated lead arranger, underwriter and hedge provider.	▪ Adds total installed capacity of 364MW renewable energy supply to the national grid ▪ Aligns with SA's energy transition strategy ▪ Improves energy security.
GoSolr expansion of rooftop solar Equity investor, sole sustainability coordinator and sole mandated lead arranger for a green term loan.	▪ GoSolr's rollout of home solar systems will help address the challenge of accessible energy security for households, while lowering average household carbon emissions and reducing monthly electricity bills.

1 Renewable Independent Power Producer Programme.

Social finance	Impact
Eastcastle DRC telecom towers We acted as co-lead mandated arranger alongside IFC, with SBG providing USD32 million equivalent in total financing to Eastcastle, of which USD20 million is allocated as a social loan to support affordable basic infrastructure in alignment with UN SDG 9.	▪ Rollout of new telecom towers to under-served and rural communities in the DRC, thereby improving digital access.
Affordable housing in Cabinda Province, Angola Provided a AOA17.5 billion (R400 million) loan for construction of 120 social housing units to the Angola Ministry of Finance. These units will be allocated free of cost to eligible citizens, aligning with government's strategy to provide better living conditions for people[1] in the province.	▪ Free housing to vulnerable individuals ▪ Use of local contractors, labour and suppliers, resulting in local job creation and skills development over the two-year construction period.
Kenyatta-Mzimba roads development project, Lilongwe, Malawi Provided MK21 billion (R357 million) of a MK34.5 billion syndicated term loan as joint mandated lead arranger, facility agent and security agent for the first six-lane highway in Malawi.	▪ Improved road infrastructure will alleviate traffic congestion in Lilongwe, improve road safety and provide efficient access to essential services ▪ Efficient access will boost economic activity ▪ Job creation and SME development related to the construction sector.
SBSA affordable housing home loans SBSA's affordable housing loan book was valued at **R32.6 billion** in 2023, comprising **97 388** loans. We lent **R2.6 billion** to **4 659** new affordable housing mortgage customers during the year. **51%** of these loans went to women.	▪ Improved access to affordable housing for low and middle-income households that earn above the qualifying threshold to receive state-subsidised housing (>R3 500 per month) but below the qualifying threshold to secure a home loan <R29 600 per month).

More information about these deals is available in **Standard Bank Group's Report to Society**

1 Eligible citizens will need a declaration from the local authority attesting that they are under a precarious economic, financial and social situation, considered to be in a state of poverty and vulnerability, in need of rehousing and live in risk areas.

Sustainability-linked	Impact
M-KOPA sustainability-linked multi-currency facilities Mandated lead arrangers, lead funders and sustainability coordinator for two facilities totalling USD202 million (R3.8 billion). The deal incentivises M-KOPA to reach its environmental and social goals by embedding a series of environmental, social and green key performance indicators within the funding structure. Largest syndicated facility in the fintech sector in Africa and the largest syndicated sustainable finance facility in East Africa.	▪ Financial inclusion in the form of expanded access to credit for underbanked customers in Kenya and Uganda ▪ Climate risk mitigation as households use the loans to acquire solar power, thereby reducing emissions.
Curro schools Sustainability coordinator for Curro's sustainability overlay to the refinancing of its existing debt facilities. Sustainability KPIs, which focus largely on social impact, are now embedded into the funding package. First sustainability-linked structure in the education sector in South Africa.	▪ As the largest independent schools network in South Africa, Curro aims to enhance access to quality education. The KPIs demonstrate the centrality of social impact to the group strategy.

Transition finance and decentralised energy	Impact
Lephalale Solar Project Provided R664 million funding of a R1.3 billion debt facility for Cennergi's solar project which will supply power to Grootegeluk mine.	▪ The 68MW solar project will supply around 36% of the mine's electricity demand, reducing operational emissions and supporting Exxaro's transition strategy to pivot to renewable energy ▪ Reduces pressure on the national grid.

Treasury	Impact
IFC's first sustainable loan in SA IFC provided a USD250 million (R4.4 billion) sustainable loan to SBSA to enable financing of renewable energy projects and affordable housing mortgages. First sustainable loan IFC has concluded with a commercial bank in South Africa	▪ Part of the funding will be allocated to utility-scale renewable energy projects, which will contribute to energy security in SA, and part will be allocated to affordable housing mortgages, which will contribute to financial inclusion in SA.
SBSA's first sustainability-linked bond listed on the JSE's sustainability segment The R2.4 billion three year sustainability-linked note forms part of a R5.5 billion issuance across two separate public auction offerings, receiving a total of R14 billion of bids from multiple fixed income investors. SBG was the sole arranger and sustainability coordinator, and the advisor in marketing, timing and pricing of the notes. First sustainability-linked bond issued out of the financial sector in South Africa.	▪ Embedded KPIs focus on financing renewable energy power plants and financing social projects.

Sustainable investing: Liberty

Liberty Holdings Limited is part of the Standard Bank Group, providing services including long-term and short-term insurance, investment, asset management and health services, to help clients build and protect their wealth and lifestyle. Liberty recognises ESG risk as a material investment consideration, forming a key element in driving risk-adjusted returns for clients. We believe that consideration of sustainability in investment decisions is essential to value creation and capital protection.

We incorporate relevant and material ESG issues that can meaningfully affect investment performance in our research, decision-making, reporting and ongoing monitoring processes. This enables us to better identify investments that will provide sustainable and superior risk-adjusted returns.

Our investment activities and criteria are governed by our responsible investment policy. It forms part of our overall risk management framework and specifies a set of principles employed across investment activities to ensure protection of all stakeholder interests. 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 (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, incorporating ESG risks and opportunities, where applicable
- Promotion of ESG risk management practices within companies through active engagement, where feasible.

Liberty's client experience and fairness committee is responsible for approving and monitoring the implementation of the policy. Investor teams report to the committee on their evolving ESG approaches.

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

Liberty's business units are required to implement policies, standards and controls to ensure that investment activities are undertaken in accordance with the principles set out in the policy.

As an active asset owner, we can influence corporates and entities to incorporate ESG factors, thereby promoting sustainable businesses. Our policy commits us to:

- Promote integration of ESG factors into the investment process
- Actively engage in considering ESG factors
- Exercise ownership rights
- Collaborate to drive desired outcomes
- Communicate our responsible investing activities
- Apply ESG oversight to our investment capabilities.

Our investment teams outsource the asset management function to third-party asset managers, the majority of which is managed by **STANLIB**, a subsidiary of the group. STANLIB treats ESG as a material consideration in delivering risk adjusted returns to clients. As active owners, they aim to influence corporates and entities they invest in to incorporate ESG factors.

- Liberty and STANLIB are signatories to the UN Principles for Responsible Investment (PRI). They respond annually to the PRI Transparency Report.
- They 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.[1]

Each STANLIB investment team adopts their own detailed methodology to integrate ESG into their investment process.

- The STANLIB Multi-Manager team incorporates ESG factors into manager research, operational due-diligence processes and portfolio management, as per the STANLIB Multi-Manager ESG Policy.
- The STANLIB Credit Alternatives team incorporates ESG factors into assessment of suitability, as per the STANLIB Credit Alternatives ESG Policy.

1 Including Regulation 28 of the Pension Funds Act, the Financial Sector Charter (FSC) and King IV (principle 17).

STANLIB's Khanyisa Impact Investment Fund is designed for institutional investors looking for a sustainable and predictable financial return on their capital while making a positive impact. It has developed an overall portfolio measurement framework to ensure that financial returns and impact outcomes are measured and tracked against agreed targets over time. The Fund focuses on:

- Infrastructure to support access to affordable housing, education and healthcare
- Financial inclusion, including reducing economic barriers to entrepreneurship and increasing financial literacy and access to financial services
- Supporting sustainable agriculture practices to enhance food security.

Sustainable investing: Melville Douglas

Melville Douglas is a boutique investment management company within SBG. It manages investments on behalf of individuals, families and a wide range of endowments, charitable trusts, retirement funds and institutional clients. It has its own board and ESG policy.

Melville Douglas believe that by incorporating companies that focus on ESG issues as part of their overall strategy, and thus score high on ESG metrics, they are better able to select superior companies that meet the dual objectives of lowering investment risk and increasing investment returns. ESG considerations are integrated into their investment and decision-making process, to better understand and quantify how the companies in which they invest are dependent upon, and impact, economic, human and natural capital, enabling them to appropriately manage emergent risks and leverage emerging investment opportunities.

Ownership, engagement, and oversight mechanisms guide their approach to monitoring and investing into their selected universe of listed equities. ESG factors are integrated into the equity investment process to construct investment portfolios aligned to responsible investing. This includes high-level analysis of climate-related risks in instances where the Sustainability Accounting Standards Board (SASB) Materiality Map framework identifies climate as a material risk.

Melville Douglas' **ESG policy and proxy voting policy guide** investment teams on how to exercise shareholder rights in the best interest of clients, and provide information on their engagement and active ownership approach.

Melville Douglas:

- Prioritise engagement in terms of companies with the most significant impact on portfolio performance, risk exposure, or sustainability outcomes
- Exercise their shareholder rights and obligations to vote in a manner that promotes ESG-aligned business practices
- Hold themselves to the same ESG best practice standards they expect of their investee companies
- Support and educate clients by providing and developing investment solutions in alignment with their respective ESG related targets and goals
- Will explore divestment of active positions in portfolios when unmanaged ESG factors exceed their risk tolerance, and ongoing engagement with the company is deemed unsuccessful.

Analysts present voting recommendations and rationale at relevant investment meetings, which are attended by the head of the asset class and head of ESG. The head of the asset class is responsible for the final vote. Guidance may be sought from the ESG committee when required. All proxy votes and engagements are noted and tracked by the ESG committee, which provides an oversight role.

The **Melville Douglas Diversified discretionary managed Responsible Portfolios proposition** promotes environmental and social good, and avoids companies and industries that cause harm, without sacrificing investment performance or taking additional risk. The solution invests in sustainable and impact managers within the core asset classes, alongside current thematic exposures of sustainable macro and responsible infrastructure. Portfolios include specific exclusions and restrictions in line with the Melville Douglas ESG policy.

The selected managers aim to achieve both strong risk-adjusted financial and non-financial returns by investing in companies that intentionally deliver a lower carbon footprint, higher levels of engagement, greater diversity and responsible business practices. These managers put non-financial factors at the centre of their research process; have a track record of divesting from companies on falling sustainable and responsible investment (SRI) quality, regardless of financial performance; view poor business practices as a risk and price accordingly; show a clear record of active engagement with companies; show limited use of third-party agencies and demonstrate thought leadership in responsible investment.

The **Melville Douglas Global Impact Fund** aims to provide long-term capital growth by investing in companies where the business model is aligned with achieving a positive impact on society and the environment.

The investment process identifies long-term, structural impact themes that collectively encompass pressing global challenges, and then invests in high-quality growth companies that are leading in addressing these challenges. Inclusion in the fund requires companies to meet the criteria of a proprietary impact assessment, which assesses data covering overall ESG risk rating, material alignment to an impact theme, net zero targets, tangible social and/or environmental impact, future impact targets, and trends in principal adverse impact indicators. Fundamental analysis, which includes a detailed ESG analysis to address sustainability risk, is then conducted to ensure that the companies are high-quality, long-term growth compounders and are reasonably priced from a valuation perspective. Current themes include climate change, biodiversity preservation, and health and wellbeing. Reporting at the fund level of the overall impact delivered by the investee companies is aligned with the SDGs.

Funds invested in the Global Impact Fund:

USD60.7 million
(R1 billion)

Tax governance and policy

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

Our group 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, which is responsible for approving the group's tax strategy which directs our approach to tax matters. To respond effectively to any changes to the business strategy of the group, our tax strategy is updated and approved by the group audit committee at least every second year.

Our tax strategy is aligned to our business strategy, supporting only bona fide commercial transactions with a business purpose and economic substance. The group contributes to development and growth in the economies in which we operate. This is reflected in the compensation and benefits we provide our employees, dividends paid to our shareholders, meeting our tax obligations at all levels of government, and investments we make in our communities. When providing any internal tax advice to the group, we ensure that due consideration is given to the group's business, corporate, social and sustainability strategies.

The group contributes significantly to government revenues by way of corporate income taxes and indirect taxes such as value-added tax (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.

The group chief finance and value management officer (CFVO) and the group head of tax are responsible for executing 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.

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

The supplementary tax policies deal with specific aspects of tax risk such as transfer pricing, indirect taxes, withholding taxes, remuneration-related taxes and client tax reporting. The group's tax governance standard, and all other tax policies/standards are updated at least every second year to ensure alignment with our tax strategy and regulatory changes.

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, biannual 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.
Clients	We embrace the Standard Bank strategy which focuses on client centricity and ensure that all client tax reporting to tax authorities and to clients are accurate, complete, timely and in a user-friendly format to comply with all regulations across the group.
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. 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.

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, operating model changes, 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 National 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.

2023 highlights

- We chaired the BASA Advance Payment Notification (APN) Technical Working Group and played an instrumental role in the successful implementation of SARS' flagship APN project, which is part of SARS' Customs Modernisation Programmes. The project involved collaboration between SARS, the SARB and authorised dealers in foreign exchange. It aimed to combat illicit financial flows and customs valuation fraud associated with the misuse of advance foreign exchange payments in respect of imported goods.
- We participated in BASA discussions with National Treasury on the tax status of the Deposit Insurance Scheme (DIS) in South Africa. The DIS aims to support the SARB in fulfilling its financial stability mandate, by protecting vulnerable depositors in the event of bank failure. Following industry discussions, BASA successfully negotiated for the DIS to have tax and VAT exempt status, to avoid creating additional tax costs to banks and depositors.
- We assisted SARS with implementation of pre-validations of tax refunds to reduce fraud committed on tax refunds paid.
- We continue to work with SARS to modernise their debt collection functions using our debit order functionality.

Insights into our groupwide tax contributions

We file an annual Country-by-Country Reporting (CbCR) return to the South African Revenue Service (SARS). Owing to the large number of legal entities in the group, here we provide a summary of this information at a regional level.

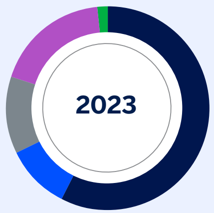
Regions comprise:

- South Africa
- West Africa: Angola, DRC, Ghana, Côte d'Ivoire and Nigeria
- East Africa: Kenya, South Sudan, Tanzania, Uganda and Ethiopia
- South and Central: Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe
- International: Jersey, Isle of Man, UK, USA, China 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 R20 745 million



	2023
■ South Africa	**11 960**
■ West Africa	**2 136**
■ East Africa	**2 549**
■ South & Central Africa	**3 780**
■ International	**320**

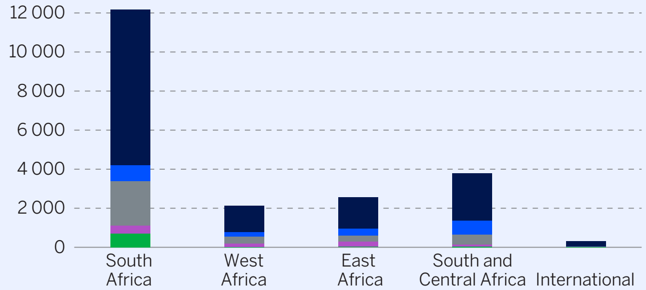
Tax paid/incurred by tax type (Rm)

Total value R20 745 million

	2023
■ Corporate tax[1]	**13 421**
■ Withholding tax[1]	**2 121**
■ Indirect tax[2]	**3 467**
■ Payroll tax[2]	**976**
■ Other tax[2]	**760**

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

Total value R20 745 million



	South Africa	West Africa	East Africa	South and Central Africa	International
■	7 757	1 364	1 595	2 425	280
■	828	220	350	723	0
■	2 270	367	306	500	24
■	402	179	275	106	14
■	703	6	23	26	2

■ Corporate tax[1] ■ Withholding tax[1] ■ Indirect tax[2] ■ Payroll tax[2] ■ Other tax[2]

1 Taxes paid/incurred (taxes that are charged to the company's profit and loss account).
2 Taxes that the company collects and administers on behalf of the government that do not affect profit and loss.

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

Tax collected by region (Rm)

Total value R26 909 million

	2023
■ South Africa	**18 255**
■ West Africa	**1 959**
■ East Africa	**1 991**
■ South & Central Africa	**3 773**
■ International	**931**

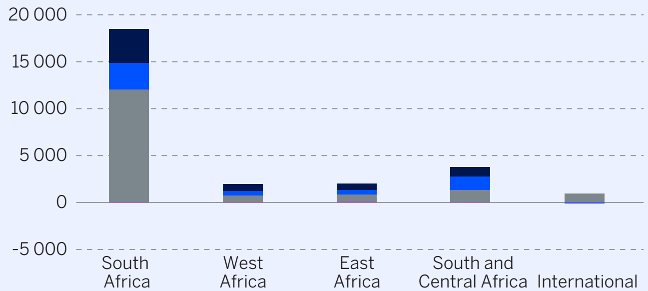
Tax collected by tax type (Rm)

Total value R26 909 million

	2023
■ Withholding tax	**6 009**
■ Indirect tax	**5 179**
■ Payroll tax	**15 658**
■ Other tax	**63**

Tax collected by region by tax type (Rm)

Total value R26 909 million



	South Africa	West Africa	East Africa	South and Central Africa	International
■	3 606	718	682	1 003	0
■	2 746	516	462	1 489	-34
■	11 903	710	806	1 274	965
■	0	15	41	7	0

■ Withholding tax ■ Indirect tax ■ Payroll tax ■ Other tax

Country-by-Country Reporting information[1]

SARS is responsible for implementation of the 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 **2022 financial year return**, the group provided relevant CbCR information pertaining to 263 legal entities (including 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) are purposefully positioned to serve our customers 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.[2]

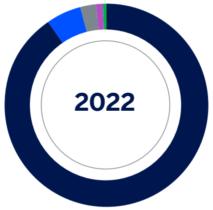
Revenue calculations exclude payments received from other constituent entities that are treated as dividends in the payor's tax jurisdiction, in accordance with OECD guidance.

1 Note that the CbCR information provided for 2021 in the 2022 SBG ESG report excluded Liberty. CbCR information for FY2022 in this report includes Liberty.
2 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 is available on request.

The information that follows reflects our 2022 financial year information, which is aligned to the latest submission made to SARS.

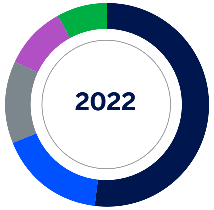
Primary activities in relation to unrelated party revenue

(Rm)



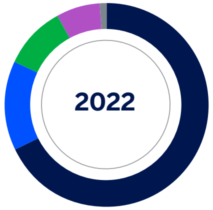
	2022	
Regulated financial services	191 666	90%
Other	11 754	6%
Insurance	5 398	2.5%
Holding shares or other equity instrument	2 065	1%
Administrative, management or support services	1 123	0.5%

Legal entities by region



	2022	
South Africa	136	52%
South and Central Africa	44	17%
International	34	13%
East Africa	27	10%
West Africa	22	8%

Number of employees by region[1]



	2022	
South Africa	33 609	68%
South and Central Africa	6 770	14%
West Africa	4 754	10%
East Africa	3 661	7%
International	616	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.

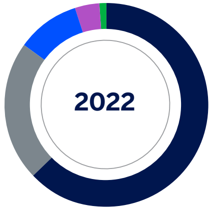
Third-party revenue by region

(Rm)

	2022	
South Africa	150 640	71%
South and Central Africa	23 219	11%
West Africa	18 652	9%
East Africa	12 871	6%
International	6 625	3%

Intra-group transactions by region[1]

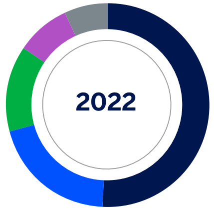
(Rm)



	2022	
South Africa	7 686	63%
International	2 734	22%
South and Central Africa	1 193	10%
East Africa	479	4%
West Africa	148	1%

Profit (loss) before income tax by region

(Rm)



	2022	
South Africa	27 260	51%
South and Central Africa	10 773	20%
West Africa	7 282	13.5%
East Africa	4 561	8.5%
International	3 695	7%

Tangible assets other than cash and cash equivalents by region

(Rm)

	2022	
South Africa	36 353	79%
West Africa	4 212	9%
South and Central Africa	3 685	8%
East Africa	1 228	3%
International	340	1%

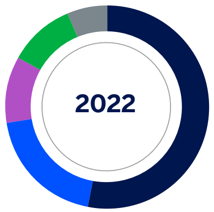
Income tax paid on a cash basis by region

(Rm)

	2022	
South Africa	7 451	56%
South and Central Africa	2 399	18%
West Africa	1 883	14%
East Africa	1 400	11%
International	108	1%

Income tax accrued by region

(Rm)



	2022	
South Africa	6 624	53%
South and Central Africa	2 419	19.5%
East Africa	1 333	11%
West Africa	1 294	10.5%
International	786	6%

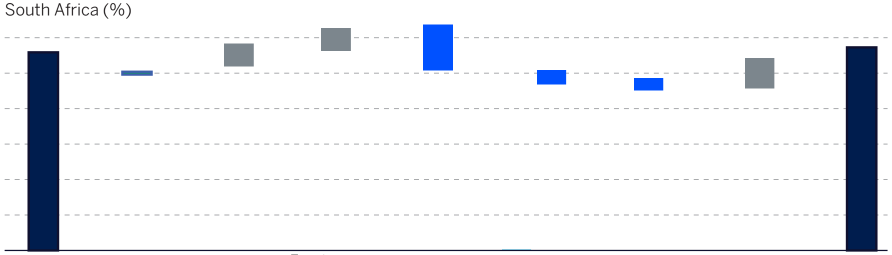
[1] Owing to the reporting of revenue being based on net interest income and non-interest revenue, in some cases it is possible that revenue from related parties may reflect a negative number (i.e. the interest expense/non-interest expense from transactions with related parties may have been greater than the interest income/non-interest income from transactions with such related parties). To accurately depict the level of related party activity, absolute values have been used for the region(s) 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.

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[1] tax rate is applied to profit/loss before tax.

Effective tax rate reconciliation

South Africa (%)

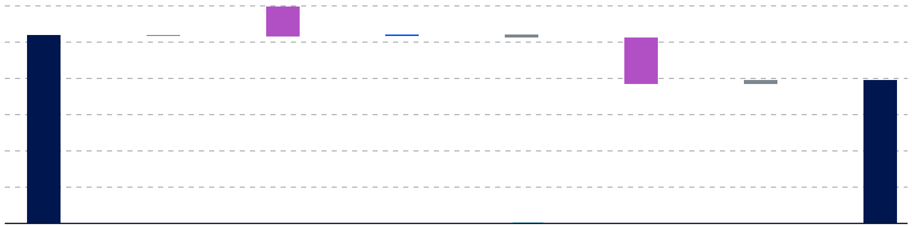


Statutory tax rate	Prior year tax	Change in tax rate	Foreign tax and withholding tax	Non-taxable dividend income	Non-taxable interest – government bonds and other	Other non-taxable income	Non-deductible expense and other	Effective tax rate
27.0	-0.4	3.4	3.1	-6.5	-1.6	-1.7	4.0	27.3

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

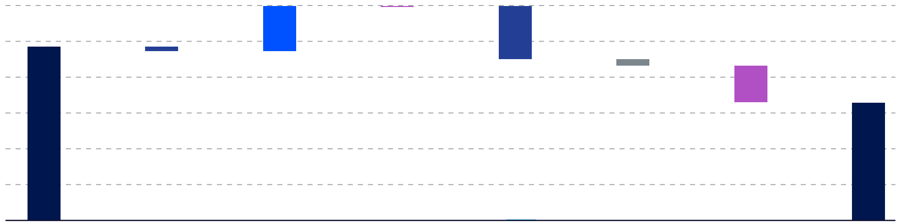
South and Central Africa (%)



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 expenses and other	Effective tax rate
27.5	-0.1	4.1	0.2	-0.4	-6.4	0.5	25.4

Effective tax rate reconciliation

West Africa (%)

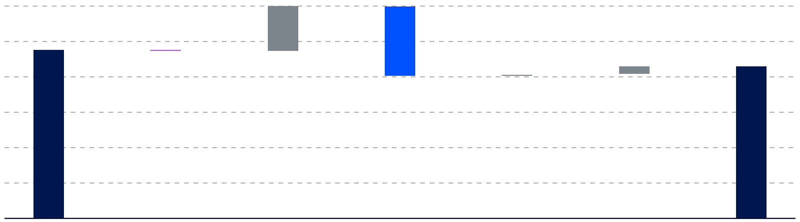


Statutory tax rate	Prior year tax	Foreign tax and withholding tax	Non-taxable dividend income	Non-taxable interest – government bonds and other	Other non-taxable income	Other[1]	Effective tax rate
29.4	-0.6	6.3	-0.1	-7.4	-0.9	-5.1	21.6

[1] Comprising mainly of the recognition of previously unrecognised deferred tax asset on tax losses within Nigeria.

Effective tax rate reconciliation

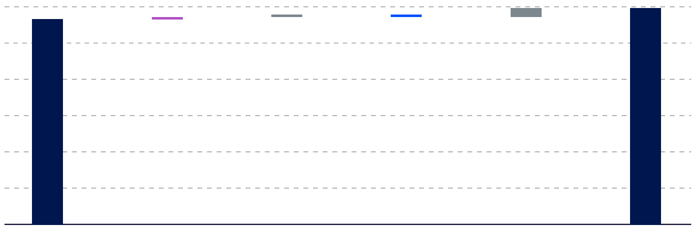
East Africa (%)



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	0.1	6.3	-9.8	0.1	1.0	27.7

Effective tax rate reconciliation

International (%)



Statutory tax rate	Prior year tax adjustment	Change in tax rate	Other non-taxable income	Other non-deductible expenses	Effective tax rate
7.7	0.1	0.1	-0.1	0.4	8.2

OUR PEOPLE

Standard Bank employs over 54 000 people across the group. We assess our performance in relation to our employee engagement value driver using five sets of metrics.

Workforce diversity

Women in leadership

Executive and senior management

41.5%

Target: 42% by 2023

African representation at senior management level in South Africa

29%

Target: 32% by 2023

Employee engagement

Employee net promoter score

+48

Target: >+42

Future ready skills development

% of learning hours invested in future ready skills

58%

Target: 50%

Employee retention

Voluntary turnover

4.99%✓

Acceptable range: <8%

Workforce productivity

Workforce return on investment

2.6

Target: 2.5

Employees by type of employment contract

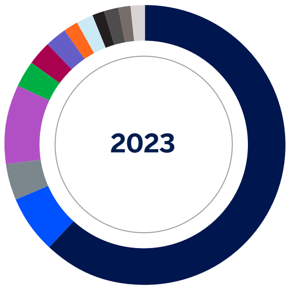
	Total workforce including Liberty		SBG banking activities only		Liberty	
Total employees	54 176		48 581		5 595	
Permanent	50 451	(93.1%)	45 299	(93.2%)	5 125	(92%)
Non-permanent	3 725	(6.9%)	3 282	(6.8%)	443	(8%)

Diversity of permanent workforce (banking activity only)

	2023	2022	2021	2020	2019
Employees by gender (permanent)	**45 299**	44 002	43 608	44 450	44 996
Male	**19 297**	18 775	18 515	18 895	19 155
	42.6%	42.7%	42.5%	42.5%	42.6%
Female	**26 002**	25 227	25 093	25 555	25 841
	57.4%	57.3%	57.5%	57.5%	57.4%
Employees by region (permanent)	**45 299**	44 002	43 608	44 450	44 996
South Africa	**29 712**	28 871	28 956	29 581	30 102
	65.6%	65.6%	66.4%	66.5%	66.9%
Africa Regions	**14 879**	14 486	14 035	14 247	14 274
	32.8%	32.9%	32.3%	32.1%	31.7%
International	**708**	645	617	622	620
	1.6%	1.5%	1.4%	1.4%	1.4%

Employees by age (%)	2023	2022	2021	2020	2019
20–29	**12.6**	12.8	13.7	16.5	19.2
30–39	**45.4**	46.7	47.5	47.0	46.6
40–49	**29.2**	28.0	26.7	25.0	23.7
50–59	**11.5**	11.2	10.8	10.3	9.5
60 +	**1.3**	1.3	1.3	1.2	1.0

Distribution of nationalities



	2023 (%)
South African	62
Nigerian	7
Ugandan	4
Others[1]	9
Namibian	3
Mozambican	3
Kenyan	2
Ghanian	2
Malawian	2
Zambian	1.5
Zimbabwean	1.5
Mosotho	1.5
Angolan	1.5

1 Includes representation from the group's other countries of operation in Africa and our international hubs.

Diversity and inclusion

We celebrate and embrace the richness in thought, custom and heritage of our over 54 000 employees, operating across 20 African countries and in key markets such as the UK, US and China, who make us truly diverse and multi-cultural.

Our competitive advantage depends on the creation of a work environment where all our people feel a strong sense of belonging, are enabled to realise their full potential and can bring their whole selves to work. When our people feel empowered and experience the conditions for psychological safety, we can leverage their diverse perspectives to provide better solutions for our clients. Respect is one of our core values. We respect each other and what we stand for and recognise that there are obligations corresponding with our individual rights.

Our employees are representative of the populations we serve. Our people policies and practices are underpinned by our approach to diversity, equity and inclusion. Diversity and inclusion strategies in our countries of operation are tailored to balance group and local priorities, with all countries focusing on promoting gender equality. In South Africa, our strategies and goals align with local employment equity requirements.

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.

Since 2019 we have conducted an annual multivariate regression analysis on employee pay, to identify gaps between the remuneration of female versus male employees on a like-for-like basis. This analysis includes both fixed and variable elements of remuneration. Our analysis in 2023 reaffirmed that there are no systemic issues of gender pay discrimination at a group or country level.

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

Gender

We aim to ensure full and effective participation of women across our global workforce and equal opportunities for leadership at all levels of decision-making. We have targets for the representation of women on our boards and in senior leadership and provide regular updates to the board on progress.

We make a significant investment in leadership development for current and future leaders. In 2023, 58% of participants in our various programmes were women.

We believe that men are strong partners in fostering gender equality. We facilitated men's dialogue sessions for employees across South Africa to provide opportunities for men to reflect on their role in creating an inclusive and supportive environment, and as allies in the prevention of gender-based violence, workplace harassment and bullying. By recognising that men are not immune to the pressures imposed by societal views of masculinity, we can collectively challenge harmful stereotypes and create a healthier, safe and more supportive work environment for all.

Developing female leaders

We provide opportunities for women in senior leadership positions to gain global exposure through participation in global business and leadership development programmes. For example,

- Since 2015 we have participated in the Institute of **International Finance (IIF) Future Leaders Programme**. We nominate one person per year, who is under the age of 40 and demonstrates strong leadership capability. Since inception, five of the eight participants have been women. All were subsequently promoted into senior leadership roles.
- We offer **tailored development programmes for women** at business unit and country level, including:
  - Stanbic Ghana's Blue Fusion leadership programme
  - CIB's IGNITE programme
  - The #SHEGEEK programme which develops women's capabilities to take up more senior technology-related roles.

Women represent **28.6%✓ of SBG board members.** Our board is chaired by a woman, as are four of the board sub-committees. Board succession planning supports our target of 40% female board representation by 2025.

Women represent **41.5% of senior leadership,** which we define as executive and senior managers. Women hold 34.8%✓ of executive positions and 44.1%✓ of senior manager positions. In South Africa, our largest country of operation, women comprise 42.7% of senior leadership. In Africa Regions, women account for 8.7%✓ of chief executive positions.

Measured against the 2023 McKinsey Women in the Workplace study, we continue to compare favourably with global averages for representation of women in executive and senior management positions. We will set new targets in 2024, based on progress made and local and international benchmarks.

In middle management, we are moving closer to the equal representation of men and women.

Women comprise the majority of employees in junior management and general staff functions.

In 2023, women occupied 49% of revenue generating functions and 37% of technology related functions.

Our approach to succession has a deliberate focus on identifying women across our various talent pipelines. Our targeted development interventions support women with high potential to become future leaders within the group.

58.5% of those promoted across the group in 2023 were women, as were 52.9% of new hires.

% of women at various levels

	SBG Board	Executive and senior management	Middle management	Junior management	General staff
Target	**40 by 2025**	**42 by 2023**			
2023	**28.6✓**	**41.5**	**46.6**	**53.6**	**63.4**
2022	31.3	40.8	46.2	52.5	63.5
2021	33.3	39.6	45.6	52.2	63.9
2020	35.3	38.7	45.3	52.0	63.5
2019	29.4	38.0	44.6	51.8	63.3

SBG chairman **Nonkululeko Nyembezi** was named by Forbes Africa on their 50 Over 50 list, celebrating top women who are scaling new heights and inspiring the next cadre of leadership in Africa. Avance Media included her on the 100 Most Influential African Women list. Reputation Poll International named her on the 100 Most Reputable Africans list.

Margaret Nienaber, SBG chief operating officer, was appointed as Vice President of the International Women's Forum South Africa.

Sharon Taylor, SBG chief people & culture officer, was named Chief Human Resources Officer of the Year at the 2023 CHRO South Africa Awards. She also won the HR & Technology Award and the Learning & Development Award.

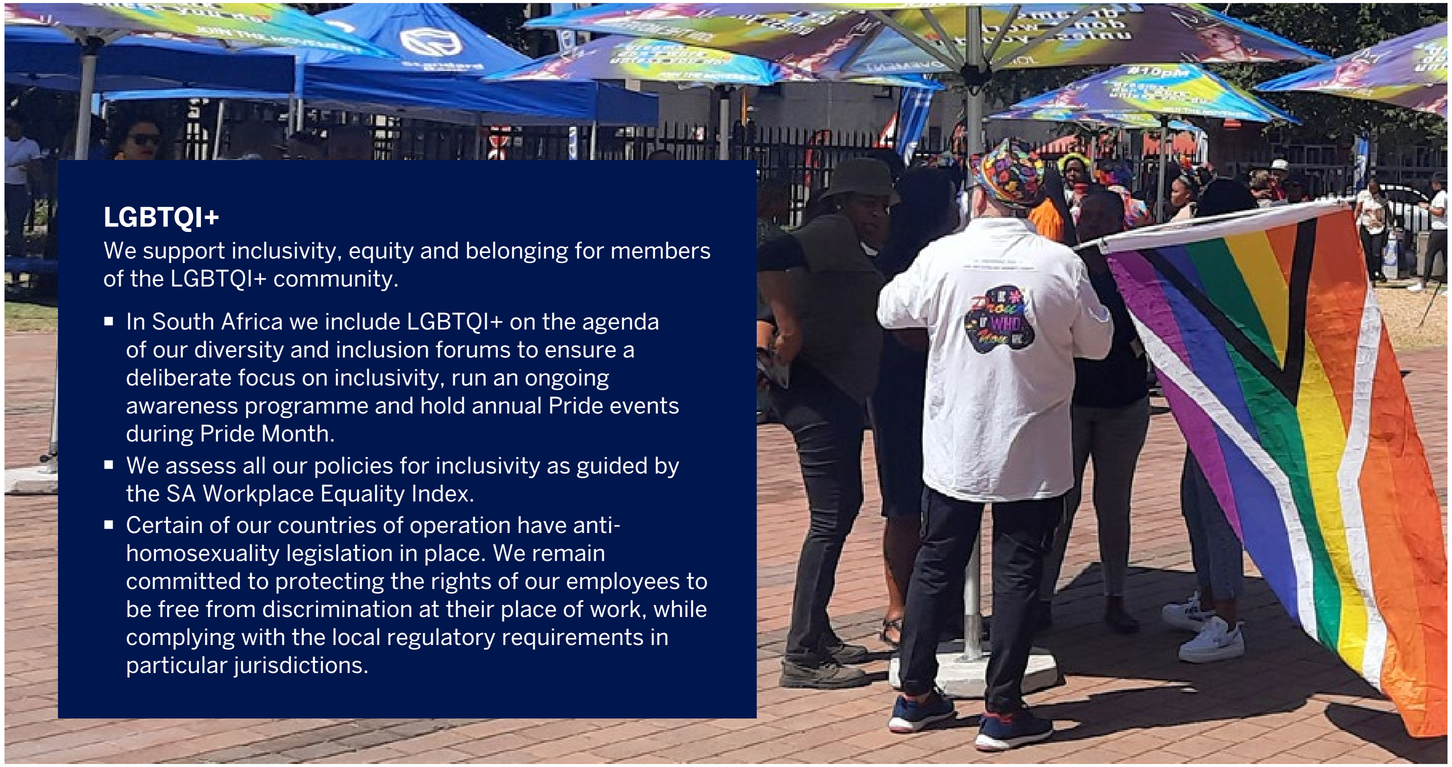
We continue to celebrate the achievements of women through various initiatives and sponsorships in the communities we serve. Our annual **Standard Bank Top Women Awards** recognises outstanding leadership, vision and innovation amongst organisations that seek to advance the role of women in businesses of all sizes across all sectors of the economy.

In 2023, **Amelia Beattie,** chief executive of Liberty Two Degrees (part of the Standard Bank Group) won the Top Woman in Property award.

Disability

We are committed to increasing the representation of people living with disabilities in our workforce and to providing reasonable accommodation for them to thrive in the workplace.

- We continue to raise awareness of our disability declaration process to ensure we are providing the appropriate tools and reasonable accommodation to enable our people to be fully productive and included.
- We cater for individual needs such as assistive equipment, specialised software and improved accessibility of our learning platforms for those with visual impairments.
- We actively work to remove attitudinal barriers that may prevent the full inclusion of people with disabilities through awareness and learning initiatives for our people and leaders.
- In South Africa, we include targets for the representation of persons with disabilities in our employment equity plans across all business areas, and continuously engage persons with disabilities through the SBSA Disability Network.
- 1% of employees in SBSA declared disabilities in 2023 (0.9% in 2022).
- In Africa Regions we have achieved a year-on-year increase in the recruitment of persons with disabilities, although the numbers remain small.
- Our plans for 2024 include an assessment of potential barriers to recruitment.



LGBTQI+

We support inclusivity, equity and belonging for members of the LGBTQI+ community.

- In South Africa we include LGBTQI+ on the agenda of our diversity and inclusion forums to ensure a deliberate focus on inclusivity, run an ongoing awareness programme and hold annual Pride events during Pride Month.
- We assess all our policies for inclusivity as guided by the SA Workplace Equality Index.
- Certain of our countries of operation have anti-homosexuality legislation in place. We remain committed to protecting the rights of our employees to be free from discrimination at their place of work, while complying with the local regulatory requirements in particular jurisdictions.

Under-represented population groups

All our countries of operation endeavour to ensure that our employee base is representative of the local population. **Local people constituted 98% of our employee base**, while foreign nationals represented 2%.

Our **Employment Equity** plans in South Africa and Namibia drive our efforts to improve the representation of underrepresented population groups.

- Namibia has achieved equitable representation against targets for previously disadvantaged senior managers.
- In South Africa, we have employment equity targets and plans for Black people and African men and women as required by legislation. In 2023 we continued to improve the representation of under-represented groups across all management levels.

Further information is available in our

SBSA annual integrated report.

Employee responsibilities

We respect the rights of our employees and endeavour to offer a safe and fair work environment for all. We have a zero-tolerance approach to harassment and unfair discrimination. Our group policy on harassment including sexual harassment and unfair discrimination provides clear, non-negotiable principles and standards.

- All employees are required to complete compulsory online sexual harassment training once every two years. 99% of employees completed this training during the last cycle. From 2024, employees will be required to do this training annually.
- We offer unconscious bias training, including tools and strategies to counter such bias, to managers and employees to encourage self awareness.

Dealing with breaches

Employees can report any incidences of discrimination, harassment, sexual harassment or bullying to their line manager, people and culture representative, the group head of employee relations, 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. 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. The initial stage is addressed by the leader of the employee against whom the grievance has been laid, with the stages thereafter offering points of escalation.

Where serious concerns are raised 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 to, where possible, follow corrective discipline. While we view 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.

Incidents

- Five incidents of alleged discrimination were reported through the group's formal grievance processes. These were addressed in accordance with the group's policies and procedures.
- SBG dismissed 467 employees as a result of misconduct.

Working conditions

Fair labour practices are at the core of our value proposition. Our employees have the right to equitable and just working conditions. The group employee relations governance framework provides for constructive employer-employee relationship practices. 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.

The employee relations framework includes our commitment to ensuring:

- Protection of human rights, fair employment practices, and the principles of non-discrimination
- The right to fair labour practices in the employment of employees and throughout the duration of their employment with the group
- 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.

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 captured in agreements between the bank and recognised unions.
- In **South Africa, 43% of our people belong to a trade union**. 17 115 (60%) of our general staff complement are recognised by the bank for the purposes of collective bargaining.
- In **Africa Regions, 20% of our employees belong to recognised trade unions** for the purposes of collective bargaining.

Employee engagement

Employee engagement is one of the group's six value drivers. We aim to ensure that our people are deeply committed to our purpose, empowered to perform at their best, feel a strong sense of pride, are engaged in meaningful work and passionate about contributing to the group's success.

We deploy a range of group and area-specific employee listening initiatives on an ongoing basis, enabling our people to share their views about their work environment and top-of-mind matters, to ensure we remain responsive to their evolving needs.

Our annual **'Are You a Fan'** survey measures the key drivers of employee engagement across the group. We use the eNPS as our headline engagement measure. The score ranges from -100 to +100 and is calculated by subtracting the percentage of detractors (scoring 0 to 6) from the percentage of promoters (scoring 9 to 10).

- **91% of employees participated** in this survey in 2023 – itself an indicator of high levels of engagement.
- SBG's **eNPS** rose by 6 points to +48, the highest recorded result since the inception of the survey in 2018. This is well ahead of global and Africa benchmarks for companies in the financial services industry. This measure includes whether employees would recommend SBG as a good place to work, and how they feel about working at SBG.
  - The SBG banking eNPS score was +51
  - The Liberty eNPS score was +20.
- The **organisational alignment score** was 95%. This reflects the level of organisational pride and our people's understanding of their contribution to the group's purpose.
- The **employee engagement dimension score** improved to 85%. This reflects how our people experience a range of workplace factors relating to leadership, psychological safety, learning, development and career opportunities, how well teams are functioning and whether employees feel recognised for their contribution.

In 2023, the **top scoring questions** reflected:

- Employee pride in the organisation
- A deep connection to our purpose
- Our ability to work in teams to achieve common goals
- The adaptability of our teams
- Valuing and inviting different perspectives in teams
- Working effectively with other teams across business units and geographies.

We saw notable increases in scores relating to our people feeling appreciated, having access to career development opportunities and feeling empowered.

Feeling heard, our measure for psychological safety, improved to 79% but remains our lowest scoring question. We will continue to work on creating the right conditions for our people to feel comfortable to share their views.

Team insights

While individual responses are anonymised, we share the full survey results with employees, executives and the board. Leaders are responsible for analysing their team's results to assess what is working well and where there is room for improvement. This information is used to help shape their people strategies for the year ahead.

Employee segment insights

Results are analysed by various dimensions to identify trends and insights for specific employee segments. Comprehensive analyses are done from a geography, gender, age group and workforce level. In South Africa, we also assess results from population group perspective.

Are You a Fan survey[1]	2023 (%)	2022 (%)	2021 (%)
eNPS: I would recommend SBG as a good place to work	**+48**	+42	+47
Organisational alignment	**95**	92	92
Engagement dimensions	**85**	82	83

1 2023 scores include Liberty.

Performance management

Our performance management framework ensures that our people have clarity about how they can perform at their best and be recognised for their contribution. Our performance philosophy is underpinned by a growth mindset where our people can be challenged to continuously learn and grow in their careers.

Regular and constructive performance coaching conversations help drive personal improvement, growth and business contribution. Our performance approach runs annually and includes:

- Agreement on clearly defined and measurable individual and team goals based on the group's business strategy and priorities
- Regular informal performance conversations to track and review progress against goals
- An informal or formal mid-year performance conversation, including any necessary recalibration
- Employees request feedback from their peers, managers and direct reports throughout the year to obtain a multi-dimensional view of their performance
- A year-end review process, which includes the opportunity for each individual to perform a self-review, before engaging in a formal performance conversation with their leader
- People Day sessions, during which leadership teams of business areas and functions review and discuss overall performance and ratings, strengths of and development opportunities for team members in their peer groups. While no formal ranking takes place, these sessions ensure relative performance for people in similar roles is discussed to ensure fairness and parity across the team, and prevent any individual bias in performance rating.
- Final performance conversations with team members and their leaders, during which the final performance rating for the year is confirmed.

  If an employee does not agree with their rating, they can lodge a formal grievance process for the rating to be reviewed to ensure a fair outcome.

  The final outcomes of these performance reviews help to inform the decisions with respect to remuneration.

Our performance management approach is enabled by an advanced technology platform to support our people through their performance journey in an intuitive and agile way, including functionalities such as capturing goals, tracking conversations and outcomes, and enabling real-time feedback.

Our reward and remuneration decisions and processes consider and promote desired behaviours and conduct as key part of the performance review process.

Future-ready skills development

Developing our people is one of SBG's core values. In 2023 we invested more than **R1 billion in employee training,** provision of training facilities and dedicated learning resources to create tailored content. On average, each employee spent more than **60 hours on learning**, which is in line with global benchmarks.

Self-directed learning

We offer our people instant access to abundant online learning opportunities through our MyLearning platform. We provide guidance to help individuals select the learning pathways that will best support their personal growth journeys. Leaders can view the skills profiles of individual team members to help guide them in how to build relevant skills and competencies.

Foundational enterprise-wide skills development

As the workplace and market demands evolve, it is important to ensure that we equip people with the right skills to remain future-fit. We have undertaken extensive global research to determine financial services skills requirements and the future skills needed to achieve our strategic aspirations. We provide an online 'future-ready' skills curriculum to help our employees develop these skills. This remained the most consumed learning pathway on our MyLearning platform in 2023, with **over 100 000 modules completed.**

Fit-for-purpose learning to enhance core capabilities

We provide a range of bespoke learning programmes across business areas to help build specific skills. Many of these programmes result in our people gaining formal and accredited qualifications.

Building skills for hard-to-fill jobs through academies

In 2023 we invested in maturing our capability academies. These offer role-based learning journeys focused on high-demand job families. Academies are offered for a range of critical skills, including non-financial risk, Salesforce, universal banking, cloud, client relationship management, risk, user-experience design, data science, and behavioural economics.

Average number of hours spent on learning per employee by gender[1]

Male employees	Female employees
58	68

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

Overall	White	African	Indian	Coloured
59	45	66	50	60

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
43	95	76	67	64	60	57	53	46	31

Average hours spent learning per employee by workforce level

Workforce Level	2023
Overall	63
Executive	44
Senior Manager	41
Middle Manager	44
Junior Manager	54
General staff	73

1 Permanent and non-permanent employees (all learning hours graphs). Banking activities only.

Examples of learning programmes

- **Enhancing core banking skills, PPB:** Over the past five years we have implemented a range of programmes in partnership with local business schools, to enhance the capabilities and performance of our customer facing teams, with a focus on qualifications relating to branch management, private banking, ecosystems management, future-fit leadership, commerce and professional banking. The programmes result in formal, recognised academic qualifications and industry accreditations.
  - **881 employees** completed the programmes and many have been promoted into more senior roles.
  - We have **invested R77 million over five years**.
  - Return on investment is evident in our talent bench strength, enhanced front-line capabilities, internal career progression and reduced time to hire new talent externally.
- **Non-Financial Risk Academy:** We run this Academy in collaboration with a business school, enabling employees to obtain a formal higher certificate or post-graduate diploma qualification in the risk discipline. Project work ensures practical application.
  - **39 employees in risk roles** qualified in 2023. 11 were subsequently promoted and 13 identified as successors for key roles.
  - The Academy has significantly strengthened the group's non-financial risk management capability.
- **Building technology skills:** We aim to develop the technological expertise to achieve our digital goals. To address the gap in specialised skills, we offer various programmes such as cloud role-based learning certification programmes and Salesforce training through our Salesforce Academy.
  - **1 940 employees** have earned 2 861 certifications since we launched the programmes.

Time spent learning per learning type (%)

	2023
Online self-directed	63
Virtual classroom	13
In-person classroom	22
Event	2

Event includes short seminars, conferences, and webinars.

Our **KUUNDA Disrupt programme** provides opportunities for employees to develop future skills and drive innovation to benefit our clients. In 2023 we:

- Hosted our ninth annual **group-wide Hackathon** in Johannesburg. 274 ideas were submitted from across Africa, with **42 teams** participating. The winning solution addressed challenges faced by clients in relation to insurance claims.
- Provided employees with coding and artificial intelligence skills development through the **Raspberry PI Academy. 30 employees graduated**.
- Launched **UniHack** (university hackathons) as part of our talent attraction strategy.

Learning and Development Award
CHRO South Africa Awards

Learning Champion Award
LinkedIn Talent Awards for Africa

Best Training, Learning and Development Award
HR People Magazine, Nigeria

Youth development

We have a 26-year track record of providing talented young people with their first opportunity to break into the job market, building a sustainable long-term talent pipeline in the process. We aim to attract and retain young people with scarce skills, who have the potential to become senior leaders.

Skills development programmes for young people	Participants in 2023
Graduate programmes Attracting graduates to build our scarce skills and leadership pipelines in 12 countries	▪ **306** graduates, 181 in South Africa and 125 across Africa Regions ▪ **49%** female ▪ In SA, **74%** African
Internship programmes In specialised fields such as insurance, technology, actuarial science, and Salesforce.	▪ **102** interns ▪ **56%** female ▪ In SA, **95%** African ▪ **75** interns who completed their programmes in 2023 were offered employment at SBG[1]
Unemployed learnerships (South Africa) Learnerships for unemployed young people to gain work experience on a fixed term contract and the opportunity to complete their NQF 5 and 6 qualifications in banking, insurance, IT systems development and financial instruments.	▪ **335** learners ▪ **60%** female ▪ **96%** African ▪ **279 learners** who completed their programmes in 2023 were offered employment at SBG[1]
Employed learnerships (South Africa) Learnerships for our employees who want to obtain formal qualifications in banking, insurance, management, engineering, paralegal and wealth management.	▪ **618** learners ▪ **68%** female ▪ **69%** African.

1 Permanent or fixed term contract.

We were short-listed for the South African Graduate Employers Association in the categories of:

- **Employer of Choice in Retail & Commercial Banking**
- **Employer of Choice in Investment Banking**
- **Overall Aspirational Employer of Choice**

Giving our graduates exposure beyond their local context

East Africa regional graduate trainee programme:
The programme aims to attract and develop scarce technology, actuarial and data science skills across East Africa. Graduate trainees were grouped into multi-national collaborative teams to solve for real problems in Kenya, Malawi, Uganda and Tanzania.

- **73** graduates from East Africa
- **100%** were subsequently offered permanent employment at SBG.

One Young World:
We selected six young people from our graduate development programme as SBG ambassadors at the One Young World summit in Northern Ireland. They joined 2 000 delegates from 190 countries to participate in speeches, workshops and networking focused on climate change, food security, mental health and education.

International mobility

- The ability to move people across borders is essential to meet our strategic objectives and harness talent. International assignments and secondments play a critical role in ensuring that our people get multi-jurisdictional exposure to broaden their skills and experience. This provides an opportunity to meet employees' career development aspirations, drive engagement and build future capability. Our opportunities for international mobility include short-term assignments, long-term assignments, permanent transfers, cross-border remote working and participation in the **ICBC-SBG staff exchange programme**.

In 2023 we facilitated:

- 77 Long-term assignments
- 55 Short-term assignments
- 27 Permanent transfers
- Nine cross-border remote workers
- Five SBG placements at ICBC Beijing/Shanghai and six ICBC placements at SBG in Johannesburg, bringing to 56 the number of assignees who have directly benefitted since the inception of this programme in 2017.

Leadership development and succession planning

Our leadership and management programmes support business performance and employee engagement. In 2023, almost **10 700** employees took part in leadership and management development initiatives, of which **58% were women.**

We have a robust talent management and succession framework and process in place to support succession planning for critical roles across the group. Our approach includes ensuring adequate depth and breadth of successor representation in terms of population group, gender and geography, and includes a specific focus on the group's young talent pipeline.

Identified successors have personal development plans to enhance their leadership competence, technical abilities and other individual development requirements. The SBG chairman hosts an annual People Day during which the board is able to assess the adequacy of our succession pipelines for key roles.

We have made great progress in maturing and expanding our succession pipelines, with an increase in coverage ratios and diverse representation from an Africa Regions and SA employment equity perspective.

- In 2023, **61% of our vacancies were filled by current employees,** which is testament to our internal talent pipeline and the ability for our people to grow their careers with us.

In Nigeria, we won HR People Magazine's **Outstanding Talent Management Strategy** award.

Examples of our group and bespoke leadership development programmes

Group leadership development programmes

Examples	Number of employees benefitting in 2022
Adaptive leadership experience: Building leaders' skills to competently lead in the ecosystem and platform environment	▪ 123 participants ▪ 42% female
Senior manager programme: Enabling leaders to embrace change, build confidence and lead their teams by creating a shared purpose, enabling innovation for the future	▪ 162 participants ▪ 52% female
Middle manager programme: Building the necessary skills to lead and practicing leadership behaviours that will enable enhanced performance.	▪ 344 participants ▪ 55% female
Junior manager programme: Building foundational management skills and capabilities	▪ 330 participants ▪ 57% female
Team leader programme: Building participants' confidence in their leadership abilities	▪ 367 participants ▪ 52% female
Management essentials programme: Developing people management skills	▪ 245 participants ▪ 51% female

Bespoke leadership development programmes

Examples	Participation in 2023
CIB leading performance: Building leadership capabilities with a focus on practical application in real work challenges	▪ 100 participants ▪ 62% female
Acceleration leadership programme: Building bench strength by developing leaders in PPB and BCB to take on bigger roles	▪ 34 participants ▪ 35% female
PPB retail executive programme: Building technical and leadership skills and expanding perspectives beyond banking and country of operation	▪ 23 participants ▪ 43% were female
Chief executive Build your legacy programme: Supports newly appointed country CEs as they step into this role	▪ Five new CEs ▪ 20% female
My optimum-manager programme: Equipping STANLIB managers to manage, communicate and maximise team and individual effectiveness	▪ 56 participants. ▪ 38% female

The University of Pretoria's Gordon Institute of Business Science (GIBS) awarded us the Dean's Award for **Excellence through Partnership**, celebrating the 12-year relationship between GIBS and SBG.

Employee attraction and retention

Talent acquisition

To remain competitive, our talent acquisition strategies are focused on ensuring that we have all the right skills for the right roles to deliver our strategic objectives. We connect our employees to meaningful career opportunities, and we engage and attract external people with skills and capabilities that complement our existing workforce.

We use technology to manage applications for high-volume roles and provide a human-centred experience for job-seekers. We leverage digital platforms to position our employer brand, including LinkedIn and our careers website. An ecosystem of recruitment channels ensures that we can generate a quality supply of candidates to meet business demand for skills. We welcome referrals from current employees.

Standard Bank Group was named by **Forbes as one of the World's Best Employers in 2023**, one of only seven companies from the African continent to make the prestigious list.

Hiring activity Banking activity only		Number	% Male	% Female
Total number of new employee hires	**2023**	**4 741**	**47%**	**53%**
	2022	4 134	51%	49%
	2021	2 328	52%	48%
Open positions filled by internal candidates (internal hires)		61%	39%	61%
Employees across all levels who were promoted to take on bigger roles		11%	42%	59%

Average cost to hire **R61 400** in 2023.

Workforce insights/people analytics

Our group-wide integrated people systems are based fully in the cloud, providing efficiency, consistency and alignment, enhancing the employee experience and providing a single view of the employee from a data and analytics perspective.

Our Meaningful Workforce Insights (MWI) solution provides an integrated and single view of the employee and enables advanced people analytics. All leaders have access to the full spectrum of people data in real-time, to help them make informed people management decisions.

In 2023 we provided training for leaders to ensure effective use of the platform for their needs. The solution is also used by People and Culture, Finance and Compliance to support their advisory role on people issues.

We use the solution across all our people management practices and processes to:

- Set and monitor employment equity and gender targets
- Track employee turnover trends and associated drivers of attrition
- Track learning activity and analyse trends to determine the impact of learning
- Analyse data on talent trends and succession bench-strength
- Obtain advanced insights about the key impact drivers of employee engagement levels
- Conduct organisational network analysis to determine collaboration and work patterns
- Undertake strategic workforce planning to model future scenarios from a workforce demand, shape, size and cost perspective.

- Over 6 000 leaders across the group used the MWI solution in 2023.
- 4 000 new analyses were generated, enabling forward-looking people management decision-making.

Visier awarded us their **Span of Influence award** in recognition of our ability to make workforce insights available across the organisation and empower leaders to use the solution for people reporting and decision-making.

Turnover

We have seen a **decrease in our overall and voluntary turnover**. Both remained well below the local financial services industry benchmarks of 17.7% and 8.1% respectively (REMChannel, June 2023) and the global banking sector benchmark for voluntary turnover of 10.6% (Visier, 2023).

We implemented tailored retention programmes in specific areas, resulting in downward trends in turnover across the majority of our business areas and corporate functions.

In a few countries, such as Nigeria, we saw an increase in turnover due to specific market dynamics. This is being addressed through targeted employee retention programmes coupled with talent acquisition strategies to fill critical vacancies.

GROUP TURNOVER

SBG turnover (%)	2023	2022	2021	2020	2019
Overall turnover[1]	**7.83**	9.02	7.3	6.0	10.8
Voluntary turnover[2]	**4.99**✓	6.02	4.2	3.0	4.8

TOTAL TURNOVER BY GENDER

Gender	2023	2022	2021	2020	2019
Female	**6.87**	7.98	6.37	5.10	10.63
Male	**9.12**	10.40	8.62	7.11	10.93

VOLUNTARY TURNOVER BY GENDER

Gender	2023	2022	2021	2020	2019
Female	**4.23**	4.95	3.54	2.45	4.21
Male	**6.01**	7.47	5.05	3.69	5.60

1 Total turnover refers to the percentage of all employees who left the organisation, voluntarily and involuntarily, including resignations, retirements, dismissals etc.
2 Voluntary turnover refers to the percentage of employees who resigned from the organisation.

TOTAL TURNOVER BY WORKFORCE LEVEL

Level	2023	2022	2021	2020	2019
Executive	**8.36**	7.76	8.05	5.98	9.44
Senior Manager	**6.96**	9.04	7.78	6.23	10.21
Middle Manager	**8.84**	10.40	9.81	7.58	11.81
Junior Manager	**8.39**	9.97	8.51	5.98	11.06
General Staff	**7.54**	8.55	6.49	5.62	10.60

VOLUNTARY TURNOVER BY WORKFORCE LEVEL

Level	2023	2022	2021	2020	2019
Executive	**3.19**	3.92	5.42	3.31	3.74
Senior Manager	**4.81**	7.01	5.23	4.39	5.95
Middle Manager	**6.67**	8.44	5.81	4.67	7.81
Junior Manager	**6.08**	7.68	5.69	4.05	6.80
General Staff	**4.44**	5.10	3.35	2.29	3.82

Employee benefits

We recognise that offering employee-centric benefits is key to attract, motivate and retain employees. The group benefits framework ensures a consistent approach across the group, whilst factoring in local market practices and legislation. It ensures that:

- Benefits are market-competitive and relevant to local markets, customs, practices and/or culture.
- Coverage for core benefits is consistent throughout the group.
- We ensure full regulatory and tax compliance in the establishment and delivery of benefits in every jurisdiction.
- Fairness and equity prevail across different employee workforce levels.

In addition to core benefits applicable to all employees, individuals have options to take up voluntary benefits based on their particular needs and circumstances.

Hybrid work arrangements

We seek to embrace workplace agility through mutual trust and commitment, which balances serving our clients with excellence, our operational effectiveness and the experience of our employees and teams.

We offer **flexible working arrangements** where feasible, tailored to regulatory frameworks at country level and role requirements.

Our **hybrid policy framework** provides that some employee segments in specific roles and areas are expected to be full time on-site and office based. Where the role and type of work allows, certain employee groupings have the option to work from the bank premises for a certain number of days in a month, with the remainder of the days from different premises (client premises, remote working locations, the employee's home, third party premises, etc.).

The number and timing of the days spent in the office is determined by leaders based on a range of factors and considerations. Leaders ensure that their teams have clarity on expectations regarding their specific hybrid arrangements.

In rare cases, fully remote working is enabled. These employees are expected to be on site/in the office for specific activities during the year.

In South Africa, where feasible, employees are able to switch from permanent full-time to part-time employment, with the relevant adjustments to their value proposition.

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)
Funeral cover (Africa specific)
Study reimbursement/study assistance.

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

Parental leave

We ensure that our people can take leave 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 balance the often-conflicting demands of work and home life as best we can.

- In South Africa, China, Isle of Man, Jersey, Malawi, Tanzania, UAE, USA 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. South Africa and the UK provide the same benefit for surrogacy (commissioning parent) and legal guardianship. The Isle of Man and Jersey provide the same benefit for surrogacy (commissioning parent). This covers **70%** 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, Mauritius, Namibia, Zambia and Zimbabwe, representing **11%** of our employee base.
- **Up to 12 weeks** of paid primary caregiver leave is offered in Botswana, Ghana, Lesotho, Mozambique, Nigeria, South Sudan and Uganda, covering **19%** of our employee base.

On their return to work, employees may require time to balance the demands of a new baby/child and the demands in their work environment. Where possible, flexible work arrangements are provided to ensure that employees are supported to adjust to their new responsibilities. When an employee returns to work after being on parental leave, they return on the same terms and conditions of employment as those they had enjoyed prior to parental leave. We provide breast-feeding/lactation facilities in our wellbeing centres and some of our office spaces.

Through our wellbeing providers, employees have telephonic access to nurses who are able to provide guidance, education, and support to lactating mothers. We offer medical cover/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. Additional support is provided by our independent counselling and advisory services, contracted in specific countries, including advice to ensure wellbeing during pregnancy, psycho-social support, and postnatal medical advice (breastfeeding, neonatal care, etc.).

Employee wellbeing

We take a preventative and curative approach to holistic wellbeing. We offer a wide range of wellbeing benefits and treatment pathways to support and empower our employees.

Physical wellbeing

In keeping with our focus on preventative healthcare and proactive wellbeing, we continued to drive awareness of the importance of health screening, as well as the early identification and management of underlying health risks. In collaboration with our local health insurers, we provide access to health screening including personal health assessments and HIV testing and counselling. Female employees can access papsmears and mammograms where applicable. We drive awareness campaigns for specific health risks at a country level such as cancer, malaria and cholera. We aim to empower our people to manage identified health risks in a preventative manner, as well as enrol in the appropriate chronic disease management programmes where appropriate.

For example:

- In South Africa, we offer onsite health screening at our large campus offices and branches across South Africa.
  - **5 240** employees accessed health screening (4 333 in 2022).
  - **4 908** employees participated in HIV counselling and testing (3 782 in 2022).
  - Home-based screening was also made available to employees.
- In Botswana, we implemented a convenient, automated wellness technology solution which provides 20 health checks and provides automated wellness interventions in just three minutes, with no human intervention required.
  - Over **50% of employees** participated.

Financial wellbeing

We continued to offer employees opportunities to strengthen their personal financial management capabilities and provided financial wellbeing coaching through the Employee Assistance Programme.

- Over **9 400** employees participated in financial literacy training.

Mental wellbeing

In line with global trends, we have seen an increase in employees seeking counselling and support for mental wellbeing challenges. We amplified our efforts to destigmatise mental illness, and raise awareness about mental health issues, the available treatment pathways and support, and provided employees with tools to better manage their mental wellbeing.

- **18 688 employees** participated in mental health awareness and training sessions across the group.

Our **Employee Assistance Programme** (EAP) offers confidential, personal support and information to our people and their immediate dependents, at no cost.

- This offering is well used, with **7 007** employees across 14 countries accessing the service for individual counselling and support in 2023.
- In South Africa, we partnered with our local health insurer to encourage employees to complete the online mental wellbeing assessment as part of their personal health screening, to enable employees to gain insight into their personal mental wellbeing status.

Wellbeing literacy for leaders

Leaders play a critical role in creating the right conditions for their team members to thrive, including ensuring employee wellbeing. We supported leaders to strengthen their capability to engage in wellbeing check-ins and mental health conversations with their employees. We designed a range of bespoke initiatives for specific areas.

For example:

- Finance introduced a wellbeing coaching initiative to help employees take accountability for their health while being supported by a qualified health coach. These confidential coaching processes offer employees a safe space to take stock of all areas of overall wellbeing, including mental, emotional, physical and spiritual health.
- CIB created a Friends of Wellbeing team, enabling employees and leaders to work together to identify personal, organisational and systemic aspects that may hinder or enhance employee wellbeing. The team identified three priority areas to take forward.

Levels of employee participation in our wellbeing programmes are well above the benchmark for the financial services sector in Africa.

Sick absence management

Employee wellbeing is an important factor in the productivity and performance of an organisation. The group's sick absence management framework aims to identify and support employees with wellbeing matters that have the potential to impact their performance, attendance and productivity.

Average sick absence days per employee:
2.6
(2.7 in 2022)

Average number of sick days per incident:
2.8
(2.9 in 2022)

Absence rate
1.38✓
(1.6 in 2022)

At risk employees

We track the percentage of employees we consider at risk as a result of sick absenteeism trends against specific industry-accepted risk indicators. This figure was 4.4% of employees in 2023 (4.8% in 2022).

Occupational health and safety

Our 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 and OHS management system comply with 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 legal entities at country level have their own governance structures and policies, based on national regulatory requirements and OHS standards. These must comply with national 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 review the policy every two years to ensure compliance with emerging regulations. The policy is reviewed by the safety, health and environmental risk oversight committee (SHEROC), and approved by the group compliance committee.

Our OHS management system aligns with the tenents of ISO 45001 OHS Management Standard. The system and associated risk management plans are regularly reviewed and updated to ensure alignment with global best practices and standards. This enables us to identify potential workplace hazards and risks, and to integrate action plans with defined targets to address these. We assess the efficiency of the system in identifying and mitigating health and safety risks and supporting the group's objectives in respect of health, safety and wellbeing with internal audits and support visits.

International Well Building Institute (IWBI) standards

SBG has adopted International Well Building Institute (IWBI) standards for indoor air quality. All our commercial offices, data centres and seven of our retail sites have GreenFlag certification.[1]

We subscribe to IWBI's WELL at scale programme, which focuses on health, well-being and safety in the working environment. Our subscription includes all commercial head offices in our all our countries of operation, covering over 482 000m^2 of real estate. Fourteen of SBG's real estate professionals have been certified as WELL Accredited Professionals to ensure the standard can be embedded into SBG's day-to-day operations.

Information about our progress in reducing our scope 1 and 2 operational emissions is available in our **Climate-related financial disclosures report**.

[1] 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 levels of CO_2 as an indicator of indoor air quality. Facilities are continuously monitored for CO_2 and must perform above the acceptable levels of 800 parts per million (ppm).

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
- 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.

All employees can access relevant OHS information on the group's intranet. We provide specialised training for employees acting as OHS representatives, and undertaking fire-fighting, first-aid, emergency and evacuation warden roles.

Third-party responsibilities

The group's third party risk tool is used to assess OHS risks as part of our onboarding of third parties. 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.

South Africa's OHS management system

In South Africa, the SBSA CEO is ultimately responsible for the overall safety of all employees, contractors and visitors to our premises. He is the responsible person in terms of the OHS Act 85 of 1993. Our OHS employer officials (appointments made by the SBSA CE under the terms of the Act) are responsible for creating an OHS management structure. They make appointments and ensure the required training is in place for OHS employee officials (including health and safety representatives, first aiders, fire fighters, evacuation wardens and evacuation chair operators), and ensure health and safety committees are formed and functional.

The OHS representative of each business unit is required to conduct monthly site inspections (unless a different schedule of inspections has been agreed) to ensure the identification of any possible risks and implementation of measures to mitigate or eliminate them. At a minimum, quarterly committee meetings are required at all our sites. These meetings provide a platform to discuss OHS matters, and upcoming projects or events that may impact on OHS. Health and safety representatives provide feedback to management and OHS committee members at mandatory quarterly and in some cases monthly meetings. SBSA has a collective agreement on OHS 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.

Training (South Africa)

Appointed health and safety representatives receive targeted training from external service providers.

Specialised training for OHS employee representatives in 2023

Training course	Number of employees
OHS Representative	364
Emergency evacuation and procedures	453
Fire Fighting Foundation	510
First Aider	467

Emergency situations

As part of emergency preparedness, the safety, health and environmental (SHE) risk team in collaboration with group physical security conducts regular support visits to premises. We require a minimum of two evacuation drills per year at all our sites.

Training and awareness raising among employees in 2023

Awareness presentations	21
Evacuation walk-throughs	13
Evacuation drills	860
Facility inspections	6
Support visits	48

Incidents

Each area of the business is required to report OHS metrics for their area. OHS incidents are investigated by the relevant manager and OHS representatives in the business area, with guidance from the group SHE risk team. Information regarding incidents, injuries and ill-health is collated at group level and reviewed quarterly by the group SHE risk oversight committee, which also reviews risk mitigation strategies.

South Africa	2023	2022
Injuries on duty	65	54
Injuries on duty fatalities	0	0
Person days lost to injury	373	215
Medical treatment cases	26	–

Inspections

South Africa's Department of Employment and Labour conducts routine inspections on SBSA sites. In 2023, the department conducted 68 site inspections, Inspections assess compliance against applicable regulatory requirements. Ten minor contravention notices were raised and resolved.

SOCIETY AND THE ENVIRONMENT

Environmental and social (E&S) risk refers to the risk of adverse impact on people and the natural environment arising from our business activities. Such impacts may arise from our direct business activities, or from the activities of the clients or projects we finance.

They may impact 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.

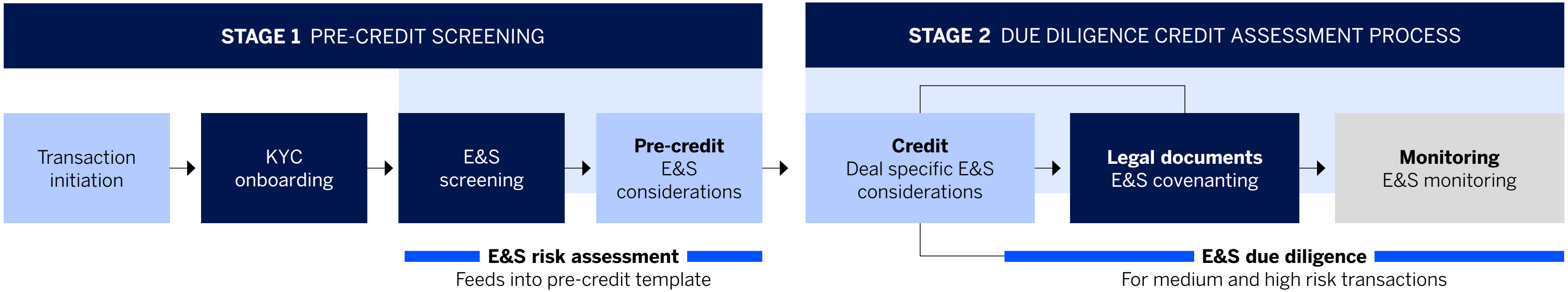
Environmental and social risk management

SBG manages our E&S risks through our E&S management system (ESMS), E&S governance standard and E&S risk policy, together with our human rights statement, exceptions list, restricted activities list, high-risk sector guidelines and climate policy.

Our policies and processes align with regulatory requirements in our countries of operation, voluntary frameworks such as the UN Guiding Principles on Business and Human Rights and, where applicable, the IFC Performance Standards on Environmental and Social Sustainability, the Equator Principles and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines).

Group environmental and social risk (GESR) is responsible for reviewing, updating and ensuring the effective implementation of the ESMS, standard and policy.

E&S screening and due diligence



Stage 1: E&S screening

We undertake E&S screening before entering a new client relationship or approving a transaction or investment. This applies to all corporate clients. In 2023, we established a dedicated E&S resource in BCB, and continue to expand screening to business and commercial clients and, where appropriate, PPB clients.

We undertake annual E&S screening of clients, as part of the Annual Credit Review process. We use our internal digital E&S screening tool to check for compliance with national laws and standards, our E&S risk standard and policy, the SBG climate policy and other group policies. Where applicable, we also apply the IFC Performance Standards and the Equator Principles. Standard Bank is an Equator Principles Financial Institution (EPFI).

By embedding E&S risk assessment processes into decision-making processes at an early stage, we ensure E&S consideration and accountability in decision-making and monitoring. The level of E&S screening is informed by the type of financial product, the quantum and tenor of the transaction and the potential E&S risks involved. Risks are rated low, medium or high.

Client risk assessment (CRA) includes review of risks relating to a client's ability to manage E&S risks and their track record. It includes assessment of labour issues, negative media coverage, NGO or activist focus, community issues or reputational risk to the group.

Transactional risk assessment (TRA) includes risks associated with the particular sector and/or the activities to be undertaken, the nature of finance, and risks associated with security over assets. This applies to:

- Lending applications (corporate and commercial clients) – pre-credit committees use the group's digital E&S screening tool to assess risks, mitigation measures and opportunities
- Investment decisions for companies in high-risk industries or transactions. This includes assessment of the quality of the investee company's ESG related policies, procedures, plans and systems, as well as monitoring and reporting regarding long-term sustainability of strategy and operations
- Certain trading proposals, based on potential E&S risks related to the sector and the client.

- Credit risk committees decide whether to onboard or offboard clients for reasons of E&S counterparty risk.
- Structured transactions committees assess transactions for potential E&S risk.
- The new business approval committee reviews recommendations from relevant committees, including E&S risk assessments.
- We also assess E&S risks and impact in the development of new products and services and actively identify opportunities to create positive E&S outcomes.

Transactions screened for E&S risk (CIB, BCB, PPB)	Total	Ratings: Low	Ratings: Medium	Ratings: High
Client risk assessment/risk review	**5 697**	**99.6%**	**0.23%**	**0.18%**
New transaction risk assessment/risk review	**5 697**	**99%**	**0.77%**	**0.16%**
Annual reviews	**2 777**	**98.2%**	**1.04%**	**0.72%**
Total transactions screened	**8 474**			

Screening assesses potential ESG risks associated with the business, sector, transaction or project, and determines:

- Whether to proceed with a transaction
- Whether further E&S due diligence is required
- Level of E&S due diligence required.

In certain transactions, recommendations and conditions may be implemented as a condition precedent (CP) or condition subsequent (CS).

Issues we screen for:

Social risks, including human rights risk

We identify, assess and manage human rights risks in line with international principles and standards, including the UN Guiding Principles on Business and Human Rights. Issues for which we screen include:

- Workers' rights will be protected, and workers treated fairly and provided with safe and healthy working conditions. Vulnerable categories of workers, such as migrant workers, will be protected. For Equator Principles transactions, we assess workplace practices in respect of gender equity, 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.
- Safeguarding of personnel and property will be carried out in accordance with relevant human rights principles and will avoid/minimise risks to affected communities.
- Gender-based violence and harassment (GbVH) risks have been assessed and appropriate mitigation measures implemented.
- 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.
- Social risks within the supply chain.

Governance risks

Whether the client has:

- Appropriate ESMS and E&S governance systems and policies in place
- Any material ESG-related incidents or issues in the past year
- Appropriate controls in respect of fraud and corruption, and whether there have been any negative incidents or issues in this regard, including fines or penalties
- Been subject to any fines or penalties or been accused of human rights violations (including child or forced labour)
- Been subject to NGO campaigns, lawsuits, strikes or protests in relation to an E&S issue in the past year.

Environmental risks

- Impacts on landscapes, biodiversity, ecosystems, critical habitats and endangered/IUCN Red-Listed species will be avoided and/or minimised.
- Impacts on surface water, groundwater and air quality will be avoided and/or minimised.
- Pollution from business and/or project activities is/will be minimised.
- Hazardous substances will be stored and managed properly.
- Resources, including energy and water, will be used sustainably and GHG emissions minimised.
- All forms of waste will be managed properly, in line with national legislative requirements.
- 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.

Transactions must be aligned to the SBG climate policy and our clients should have emissions reduction targets and reduction initiatives in place. For Equator Principles transactions, clients must undergo a climate change risk assessment (CCRA).

Exceptions list

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

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.

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.

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 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.

Stage 2: E&S due diligence

Where E&S risk is deemed medium or high by CRA or TRA screening, further E&S due diligence is required. We engage 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. We encourage our clients to apply the Precautionary Principle to their operations and activities, where applicable.

Group environmental and social risk (GESR) is responsible for:

Determining the required scale and scope of E&S due diligence per client/transaction, commensurate with the potential level of E&S risk (low, medium or high) as guided by the E&S screening tool.

Applying the Equator Principles and associated IFC Performance Standards and World Bank EHS Guidelines to all relevant project-related financing or transactions.

Undertaking an internal desktop E&S review of the client, its operations and the transaction for medium or high-risk clients/transactions that are not Project Financing or Equator Principles related transactions.

Working 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.

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. Transactions rated as high E&S risk require approval from the head of GESR prior to credit approval.

For Equator Principles transactions:

- The client appoints an external independent environmental and social consultant (IESC), who has duty of care to the lenders
- GESR works with the client to develop the IESC's scope of work for E&S due diligence (ESDD)
- The IESC identifies any issues or gaps in the client's E&S risk management, including compliance with Equator Principles or IFC Performance Standard requirements
- The IESC develops an environmental and social action plan (ESAP), with timeframes, for the client to action
- The ESAP is included in the facility agreement, which may include requirements for mitigation, monitoring and reporting by the client to address E&S risks
- The IESC conducts independent monitoring of the client/project, usually quarterly during construction and biannually during at least the first two years of operations.

E&S monitoring

- Business is responsible for ongoing monitoring of their portfolios. The frequency and type of monitoring is determined by the type of transaction and the level of risk.
- Credit managers apply the digital E&S screening tool as part of regular (at least annual) review of existing transactions and clients. The tool is used to provide a CRA rating and assess whether the client is meeting their E&S commitments.
- Risk committees monitor and ensure compliance with E&S contractual obligations in lending and funding agreements. Non-compliance, directives or fines are reported to GESR so policy gaps can be closed and performance improved.
- As part of the annual credit review process, GESR reviews:
  - All Equator Principles transactions categorised as Category A or B
  - Transactions identified as high E&S risk
  - Clients identified as high or medium risk.
- Where necessary, GESR undertakes site visits to ensure that E&S performance is being managed appropriately.
- The group undertakes portfolio-wide reviews of high-risk sectors. These reviews inform transaction approval processes and proactive client engagement.
- The group portfolio risk management committee reviews the results of portfolio reviews, stress testing, appetite and strategy assessments for all risk types, including E&S risk; sets concentration limits or thresholds of portfolios and risk appetite indicator guidelines for group; and assesses portfolio composition and implications of climate stress testing.

Assessment and monitoring of human rights risks

- For Category A and where appropriate, Category B project finance and Equator Principles transactions, human rights due diligence is part of the ESDD completed by the IESC 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 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 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

- 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.
- 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.
- Stakeholders may also access **SBG's whistleblowing hotline**, should they wish to raise their concerns directly with us.

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.

- GESR is responsible for ensuring that appropriate systems and processes are maintained to collect and store required E&S risk data.
- E&S incident reporting to the group 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 so that appropriate actions can be taken to prevent recurrence.
- GESR is responsible for ensuring that any breaches of the E&S standard or policy, and/or any material E&S counterparty risk, are promptly reported to the relevant decision-making bodies within the group.
- We work closely with our clients to assess E&S risks and costs associated with managing them, 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 responsible E&S management and must always adhere to all applicable laws and regulations.
- 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.

Employee training

Targeted business areas (business, credit, legal, coverage) undergo mandatory training on the ESMS and related policies and processes. E&S coordinators at country level receive in-country training.

Interactive training (in-person and virtual) in 2023

673
employees

Equator Principles projects

Transactions screened against Equator Principles in 2023

CATEGORY A
High risk
HIGH
0

CATEGORY B
Medium risk
MEDIUM
11

CATEGORY C
Low risk
LOW
0

Total number of projects financed
11✓

EQUATOR PRINCIPLES TRANSACTIONS THAT REACHED FINANCIAL CLOSE IN 2023

	Project Name	Sector	Project Location	Year of Financial Close	Independent review
	Category B – Medium risk				
1-3	Red Rocket – 3 wind energy deals (REIPPP bid window 5)	Power and infrastructure: Renewable energy	South Africa (non-designated country)	2023	Yes
4-6	Scatec – 3 solar PV project deals (REIPPP bid window 5)				
7	EDF – Coleskop wind far (REIPPP bid window 5)				
8	ARM SOLA solar PV (decentralised energy project)				
9	Exxaro Lephalale solar power (decentralised energy project)				
10	Total Mulilo solar project				
11	Cross Boundary Energy		Kenya (non-designated country)		

Examples of some of our Equator Principles deals in 2023

Red Rocket's Brandvalley Wind Energy Project, South Africa

CATEGORY B
Medium risk

MEDIUM

The project

- Red Rocket is a fully integrated African independent power producer. Its Brandvalley Wind Energy Project (WEP) was approved under REIPPP bid window 5. It is part of a cluster of WEPs owned and operated by Red Rocket and financed by Standard Bank.
- It is an onshore wind project which will comprise up to 32 wind turbines.
- The wind turbine generators will be connected to a dedicated internal reticulation network, the output of which will be collected and transformed at an internal IPP-owned transformer substation before injecting power into the national grid at a new Eskom switching station adjacent to the IPP-owned substation. Generated electricity will be exported to the national grid via a new overhead power line.
- The project will be constructed on a greenfield site. The development area is approximately 9 299Ha and the 'buildable' area will be approximately 110Ha.
- The project is authorised over 11 properties, which are used for animal husbandry, game farming and agriculture, including sheep grazing. There are currently no land claims on affected properties. Land lease agreements have been signed with the respective landowners. Consent use from the relevant municipalities has been received.
- The project falls within the Komsberg Renewable Energy Development Zone (REDZ). Various road and electrical infrastructure networks surround the site.
- There are two protected areas near the site: Anysberg Nature Reserve, a provincial nature reserve, 32km south of the WEP boundary, and Touw Local Authority Nature Reserve, 46km south-west of the WEP boundary.

Stakeholder engagement

- A comprehensive stakeholder engagement process was undertaken as part of the environmental authorisation process. Red Rocket appointed an independent social consultant to finalise the stakeholder engagement plan, which included a stakeholder mapping exercise and development of a stakeholder database of interested and affected parties. Project information was shared with stakeholders. Further consultation will continue as the project progresses, in line with the stakeholder engagement plan.

E&S risk management

- An independent external environmental consultant provided an impact assessment and subsequent amendment. The process included multiple specialist studies (desktop and field), including ecological, cultural heritage, traffic impact, and socioeconomic impact assessment.
- All environmental authorisations were approved. The approved environmental management programme (EMPr) includes management plans for: avifauna, bats, cultural heritage, alien invasive management, plant and rescue protection (including fauna), revegetation and habitat rehabilitation, stormwater management, erosion management, hazardous substances leakage or spillage monitoring system, fire management, protection of hydrological features and sensitive areas, waste management, open space management, emergency response, Covid-19 and HIV-AIDS management.
- The Final EMPr for the overhead powerlines (OHPL) was approved.
- The ESMS includes a code of conduct, labour policy, labour and working conditions procedure, drug and alcohol policy, smoking policy, chance finds procedure, E&S impact assessment policy, environmental, health, safety and security policy, and stakeholder grievance mechanism. It provides for community engagement, monitoring, reporting, consultation and disclosure during the environmental approvals phase.

Monitoring

- The EMPr lists the WEP's environmental and social monitoring requirements, including timelines and reporting requirements.
- An IESC undertook ESDD for the project, including the development of an ESAP to address gaps identified.
- The same IESC was appointed to act as the lenders' E&S Advisor and will undertake on-going environmental and social monitoring during construction and operations.

Examples of some of our Equator Principles deals in 2023 continued

Scatec Grootfontein Solar PV Project, South Africa

CATEGORY B
Medium risk

MEDIUM

The project

- Scatec is developing three greenfield solar photovoltaic (PV) plus storage power plants in South Africa's Western Cape.
- The project and its associated electrical grid infrastructure were approved under REIPPP bid window 5. The project carries Strategic Infrastructure (SIP) Status.
- Associated infrastructure will include a power line, on-site substation, and lithium-ion battery energy storage systems. The project will connect to the national grid at an existing Eskom substation.
- The development area is 780Ha. The project is located entirely within the Komsberg Renewable Energy Development Zone.
- The anticipated life of operation for the facility is 20 years.
- Construction is expected to take 12 to 14 months.

Stakeholder engagement

- A public participation process was undertaken for each of the three PV facilities.
- Scatec is developing a stakeholder engagement plan for the project. They are recruiting a community liaison officer who will be responsible for stakeholder engagement and for implementing the SEP.
- The project will have a labour grievance mechanism and a community grievance mechanism.

E&S risk management

- Each PV power plant underwent a separate **basic assessment process**.
- Environmental authorisations have been issued for each plant. No appeals were lodged against the applications or the issuance.
- The impact assessment process included multiple specialist studies (desktop and field) including: terrestrial and aquatic ecological studies, avifauna study, riverine rabbit study, agricultural compliance statement, socioeconomic impact assessment, archaeological study, and paleontological study.
- Scatec has developed a corporate ESMS which includes policies, procedures and tools to identify and manage its exposure to the E&S risks of its projects and to contractors' and sub-contractors' 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.
- An IESC undertook ESDD for the project, including the development of an ESAP to address gaps identified.

Monitoring

- The Scatec corporate ESMS defines monitoring and review requirements. Scatec requires regular monitoring of project activities and E&S management plans. The 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 in place to undertake the necessary monitoring on site.
- The lenders have appointed an independent E&S advisor to undertake on-going E&S monitoring during construction and operations.

Examples of some of our Equator Principles deals in 2023 continued

Lephalale Solar PV Project, South Africa

CATEGORY B
Medium risk

MEDIUM

The project

- Independent power producer Cennergi is developing the Lephalale solar project. The energy produced with supplement power at Exxaro's Grootegeluk coal mine in Limpopo.
- The 68MW solar project will supply 170 million kWh of electricity annually to the mine, reducing emissions from its operations by 36%.
- The solar plant will cover 256ha
- This is a decentralised energy project. Changes to generation restrictions in South Africa allow entities and individuals to produce up to 100MW of power with minimal regulatory restrictions.
- The energy generated can be sold to an off-taker other than Eskom.
- The transaction is classified as a green loan as the funding is used to reduce carbon emissions by substituting coal generated power for solar PV.

Stakeholder engagement

- The Final Impact Assessment Report for the project details the public engagement and participation process for the entire EIA process for the various applications.
- Engagement with authorities and Interested & Affected Parties (I&Aps) began in the initial application phase.
- Consultation was completed with the approval of the Final Environmental Management Programme (EMPr). No appeals were lodged by the I&Aps.
- The ESDD Report notes that during the construction and operational phases of the project, the EPC and O&M contractors must develop and implement a stakeholder engagement plan tailored to interests of the affected community/ surrounding stakeholders.

E&S risk management

- An **EIA** with associated specialist studies was undertaken in 2021-2022. Specialist studies included transport, wetland, air quality, visual, paleontological, heritage, ecological, avifaunal, geohydrological, hydrological, socio-economic, agricultural and geotechnical.
- Environmental authorisation was issued in July 2022. No appeals were registered.
- The Department of Water and Sanitation issued a general authorisation in terms of the National Water Act. The project will be supplied with a nominated water services provider (Exxaro Coal) under their approved allocation.
- An IESC undertook the ESDD/EP assessment on behalf of the lenders as part of the transaction process, including the development of the ESAP based on any gaps identified.

Monitoring

- The EMPr lists the project's E&S monitoring requirements, including associated timelines and reporting requirements.
- An IESC was appointed to act as the lenders E&S Advisor and will undertake ongoing E&S monitoring during construction and operations on behalf of the lenders.

Managing climate-related risks and opportunities

Climate change threatens food security, health and livelihoods across Africa. At the same time, Africa requires substantial investment in energy infrastructure to address the continent's severe energy deficit, which impacts negatively on business activity and human development.

SBG is committed to helping African economies harness the opportunities and achieve a just energy transition, while managing and mininising the risks and supporting the transition to a low-carbon future.

Climate change and the energy transition present a material risk and significant opportunity for SBG. Our approach is two pronged:

- **Business** is responsible for integrating climate-related opportunities and risks into business strategy. Business units are accountable for setting and meeting climate commitments and targets in line with the group climate policy. Our focus is on expanding our sustainable finance offering, including increasing finance for renewable energy, green buildings, sustainable agriculture, reforestation and high-quality carbon offset programmes; and working with clients across priority sectors to improve their climate resilience and reduce their carbon emissions. Information about these initiatives is available in our **Report to Society**.
- **Group risk** is responsible for integrating climate-related risks into the group's overall risk management framework. Our most material exposure is to credit risk, given the vulnerabilities of specific sectors, industries and clients to the physical and transition risks associated with climate change. We also recognise the impact of climate risk on a range of other risk types, including business continuity and reputational risk. We continue to refine risk management in these areas. We have committed to reducing our lending to high-emissions sectors over the short, medium and long term, as per the targets set in our climate policy, while ensuring we play a responsible role in supporting access to affordable energy in our countries of operation. Information in this regard is available in our **climate-related financial disclosures report.**

We have adopted a phased approach to dealing with climate commitments. Our initial focus has been on coal, oil, gas, agriculture, commercial and residential real estate, short-term insurance, sustainable finance and renewable energy. These sectors have been prioritised by the group based on their exposure to climate risk, their contribution to GHG emissions, and/or their potential to contribute to positive change.

Our climate report includes commitments and targets to reduce portfolio exposure to high emissions sectors, in line with Nationally Determined Contributions and energy strategies in our countries of operation.

Our approach is informed by the ambitions of the Paris Agreement and the principle of common but differentiated responsibility.

The potential negative impacts associated with reducing lending to high-emissions sectors, specifically coal, oil and gas, include social impacts on direct and indirect employees in these sectors and associated value chains; impacts on local communities where, for example, the local economy is highly dependent on a mine or refinery; impacts on national governments that depend on revenues from these sectors. We are managing these risks by engaging closely with our clients in these sectors, and engaging in forums with governments, the business sector, unions, civil society and broader stakeholders to support a just energy transition for Africa.

Corporate social investment (CSI)

Standard Bank Group's CSI framework aligns with the group's sustainability strategy and our focus on creating positive impact, aligned with the SDGs.

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 impact areas
- **Charitable donations** on an ad hoc and responsive basis, including disaster relief and humanitarian relief
- **Employee community involvement and contributions**, including donations and volunteering of time and skills. 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 South Africa we partner 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.

See our **Report to society** and **SBSA annual integrated report** for examples of our CSI projects in 2023.

In 2023, we spent **R142.2 million** on CSI in South Africa, including R91 million on education, R38 million on disaster relief and programmes to tackle gender based violence, and R13.2 million on employee volunteering programmes.

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, ethics and sustainability committee. Our CSI budget is calculated by each country of operation as 1% of net profit after tax (NPAT) of the previous year.

We spent **R85.8 million** on CSI in Africa Regions, including programmes focused on education, access to health care, capacity building and networking for entrepreneurs and small enterprises, and programmes to protect the environment and biodiversity.

Funding for civil society organisations and sponsorships

Group guidelines 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.

Guidelines are in place to guard against the risk that any contributions could be used inappropriately, by the bank, our employees or third parties to obtain business advantage.

Funding for civil society organisations

Policies for the funding of civil society organisations 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. The programme provides funding for organisations focused on promoting good governance and social justice, challenging corruption, advocating for protection of human rights, promoting dialogue and promoting independent journalism. Organisations are funded for a three-year period. Details of current programme beneficiaries are available in our **SBSA Annual Integrated Report.**

In 2023, we provided **R500 000 each to eight organisations**, totalling R4 million. Further information is available in our **SBSA annual integrated report.**

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 R26.4 million on sponsorships in 2023. Further information is available in our **SBSA annual integrated report.**

Political party funding

We do not provide funding directly to political parties in any of our countries of operation.

In South Africa, our democracy support programme provides for the provision of funding directly to the Independent Electoral Commission (IEC), in line with arrangements provided for in the Political Party Act 6 of 2018. The IEC distributes the funds it receives to all parties represented in parliament, based on a formula provided by the Act. Political parties receive no other financial support from SBG.

Our democracy support programme is approved by the SBG board and reviewed every five years.

In 2023 we **donated R5 million** to the IEC.

APPENDICES

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, counter terrorist financing (CTF) and counter proliferation financing (CPF) 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

Conduct risk

- Conduct risk policy

Environmental and social risk

- Climate policy

Information risk

- Information risk policy

Assurance report

Independent Auditor's limited Assurance Report on the Selected Sustainability Information in Standard Bank Group Limited's Report to Society 2023 and Sustainability Disclosures Report 2023, Climate-Related Financial Disclosures Report 2023 and The Standard Bank of South Africa Limited's Annual Integrated Report 2023

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, Climate-Related Financial Disclosures Report 2023 and Sustainability Disclosures Report of Standard Bank Group Limited (the "Group", "SGB" or "you") for the year ended 31 December 2023 and The Standard Bank of South Africa Limited's Annual Integrated Report 2023 (the "Company" or "SBSA") for the year ended 31 December 2023 (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 Standard Bank Group Limited's Report to Society 2023 (SBG RTS) and Sustainability Disclosures Report 2023 (SBG SD), Climate-Related Financial Disclosures Report 2023 (SBG CR) and The Standard Bank of South Africa Limited's Annual Integrated Report 2023 (SBSA AIR). 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 AIR Page 23 SBSA AIR Page 23
2	Percentage of women in: ▪ Executive management ▪ Senior management	%	SBG excluding Liberty Holdings Limited	SBG SD Page 65 SBG SD Page 65
3	Percentage of black women in Senior Management	%	SBSA	SBSA AIR Page 23
4	Employee voluntary turnover rate	%	SBG excluding Liberty Holdings Limited	SBG SD Page 15 SBG SD Page 62 SBG SD Page 77
	Human Capital			
5	Percentage of women on the SBG board	%	SBG excluding Liberty Holdings Limited	SBG SD Page 65
6	Percentage of women Chief Executive Officers in African Regions	%	SBG excluding Liberty Holdings Limited	SBG SD Page 65
7	Absenteeism ratio: the percentage of expected workdays that are lost to total absence days	%	SBG excluding Liberty Holdings Limited	SBG SD Page 80

Nr	Selected Sustainability Information	Unit of measurement	Boundary	Report and Pages
8	Percentage of black staff who completed SBSA leadership training	%	SBSA	SBSA AIR Page 25
Financial Inclusion - Affordable housing				
9	Number of affordable housing clients where the bank restructured accounts within the reporting period	#	SBSA	SBG RTS Page 52 SBSA AIR Page 44
Financial Inclusion - FEENIX				
10	Total number of students who received funding from FEENIX in 2023	#	SBSA	SBG RTS Page 36 SBG RTS Page 49 SBSA AIR Page 13 SBSA AIR Page 39 SBSA AIR Page 43
Environmental, Sustainability and Climate Change mitigation and adoption				
11	Total number of Equator Principle projects that reached financial close within 2023	#	SBG excluding Liberty Holdings Limited	SBG SD Page 90
12	Total carbon footprint for 2023	tCO_2e	SBSA & Liberty Holdings Limited	SBG CR Page 33 SBG CR Page 37
13	Energy produced through SBSA renewable energy systems	MWh	SBSA & Liberty Holdings Limited	SBG CR Page 34 SBG CR Page 37

Nr	Selected Sustainability Information	Unit of measurement	Boundary	Report and Pages
Responsible Investment				
14	Alignment with the Use of Proceeds Eligibility Criteria and Commitments outlined in the Standard Bank Sustainability Bond Framework For all bonds issued off the SBF (2023): limited assurance on management of proceeds and allocation of proceeds as set out in the SBG (2023)	Management assertion -% allocated	SBG excluding Liberty Holdings Limited	SBG SD Page 50
15	Mobilisation of Sustainable Finance ▪ FY2023 ▪ FY2022-FY2023 (cumulative)	ZAR	SBG excluding Liberty Holdings Limited	SBG SD Page 8 SBG SD Page 15 SBG SD Page 48 SBG RTS Page 7 SBG CR Page 14 SBG CR Page 22
16	Committed Financing of Renewable Energy Power Plants	ZAR	SBG excluding Liberty Holdings Limited	SBG SD Page 15 SBG SD Page 49 SBG RTS Page 8 SBG RTS Page 20 SBG CR Page 7 SBG CR Page 23

Nr	Selected Sustainability Information	Unit of measurement	Boundary	Report and Pages
17	Committed financing of Social Projects	ZAR/Annum	SBG excluding Liberty Holdings Limited	SBG SD Page 49

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/2023/SBG_SustainabilityReportingSuite-ReportingScopeBoundaryAndExclusions2023.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 and Reviews of Financial Statements, or Other Assurance and 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 2023 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our report includes the provision of limited assurance on:

- Total carbon footprint for 2023 for Liberty; and
- Energy produced through Liberty renewable energy systems

We were previously not required to provide assurance on these 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: Jameel Essop
Registered Auditor
PwC Johannesburg
4 Lisbon Lane Waterfall City
28 March 2024

Standard Bank

www.standardbank.com