

Standard Bank Group's Climate Journey

Standard Bank Group is driven by our belief that the financial services sector must play a leadership role in addressing the climate crisis facing the world today.

As reflected in our purpose: Africa is our home, we drive her growth, our future success is tied to Africa's success. We are committed to maximising opportunities for sustainable and inclusive growth across the continent, while also managing the risks posed by climate change.

Timeline:

2018

ESG governance and risk management

- Adopted social, economic and environmental (SEE) impact as a strategic value driver. SEE impact areas informed by UN SDGs and directly relevant to our core business
- Strengthened environmental and social (E&S) risk governance standard and policy.

2019

ESG governance and risk management

- Expanded integration of E&S screening, management and monitoring across business and credit functions (beyond CIB)
- Expanded mandate of client risk committees to include assessment of ESG risks for new and existing client relationships
- Adopted coal-fired power finance and thermal coal mining finance policies
- Tabled first South Africa shareholder resolution on climate risk
- Established Task Force on Climate-Related Financial Disclosures (TCFD) working group.

Products and services

- Established a dedicated sustainable finance business unit mandated to partner with clients to develop tailored sustainable finance solutions
- Launched OneFarm as a pilot in Kasese, Uganda.

Thought leadership

- Founding signatory to the UN Principles for Responsible Banking (PRB)
- Co-chair of UNEP FI Banking Board.

Market firsts

- First Green Infrastructure Bond in Nigeria (NSP-SPV PowerCorp Plc.)
- First Green Bond in East Africa (Acorn)
- First sustainability-linked loan (SLL) in Africa (Curro)

Awards

- Project Finance Deal of the Year by Bonds, Loans & Sukuk Africa for the Acorn Green Bond
- Local Currency Bond Deal of the Year by Bonds, Loans & Sukuk Africa for the NSP Green Bond.

2020

2020

ESG governance and risk management

- Adopted ESG governance framework, recognising ESG as separate risk type within non-financial risk and assigning clear accountability
- Expanded board and management committee mandates to include oversight of ESG risk management
- Integrated SEE metrics and ESG performance into SBG performance metrics
- Developed performance dashboard to measure progress against our SEE strategy
- Developed non-financial metrics for each of our SEE impact areas
- Developed country-led SEE strategies
- Adopted fossil fuel finance policy
- Published interim TCFD-aligned report
- Participated in the UNEPFI TCFD Pilot Programme Phase III to improve our climate risk management.

Products and services

- Published Sustainable Bond Framework, aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and the Sustainability Bond Guidelines
- Issued inaugural USD200 million Green Bond, via private placement with IFC, the first bond issuance under our sustainable bond framework, Africa's largest green bond and South Africa's first offshore green bond issuance

- Issued several pioneering sustainability-linked loans and ESG-performance incentive loans
- Offered ESG investment options through Standard Bank Isle of Man and Standard Bank Jersey, and Melville Douglas discretionary managed responsible portfolios, with a focus on renewable energy and sustainable infrastructure.

Thought leadership

- Sponsored the African Energy Journey webinar.

Market firsts

- First SLL in the technology, media and entertainment, and technology sector (TMT) sector (Vodacom)
- First offshore green bond in South Africa (SBSA)
- First SLL in the real estate sector (Equites).

Awards

- Best Investment Bank for Sustainable Finance, Global Finance.

2021

ESG governance and risk management

- Board approved the SBG climate policy and targets for priority sectors
- Established a group ESG risk community of practice to raise awareness of social and environmental risks and impacts across the group and provide a platform for learning and discussion
- Published our second TCFD-aligned report and our first PRB self-assessment report.

Products and services

- Issued social bonds and a green bond, to support women's access to affordable housing and to finance renewable energy assets
- Provided 15 sustainable finance loan facilities (use of proceeds and performance-based loans)
- Arranged eight sustainable finance bonds (use of proceeds and sustainability-linked bonds)
- Provided finance for successful bidders in South Africa's Risk Mitigation Independent Power Producer Procurement (RMIPPP) and Renewable Energy Independent Power Producer Procurement (REIPPP) programmes
- Enabled ESG-linked investing through Melville Douglas Global Impact Fund.

2021

2021

CONTINUED

- Launched PowerPulse, providing bespoke solutions for solar PV projects, for businesses and residential property owners
- Launched OneFarm Share in South Africa
- Launched the Green Home initiative for Standard Insurance Limited clients.

Thought leadership

- Elected to the ICMA Advisory Council, the only African bank represented
- Delivered a climate risk and sustainability masterclass for 40 executive managers across the group, in partnership with SOAS University of London
- Launched the Sustainable Finance quarterly newsletter for clients and partners
- Hosted a Climate Change Africa Conference in partnership SOAS University of London
- Presented and facilitated panel discussions at various forums including the Africa Green Hydrogen Forum, the 3rd Green Hydrogen Webinar and the Africa Energy Indaba.

Market firsts

- First sustainability-linked bond (SLB) in Africa (Netcare)
- First social bond on sustainability segment of the JSE (TUHF)
- First SLB in SA real estate investment trust (REIT) sector (IPF)
- First SLL in the retail sector (Woolworths).

Awards

- Outstanding Leadership in Sustainable Bonds, Outstanding Leadership in Green Bonds and Outstanding Leadership in Social Loans at Global Finance Sustainable Finance (regional winners) Awards
- Best Pan-African Green Finance Bank at Emeafinance African Banking Awards.

2022

ESG governance and risk management

- Published the group climate policy and priority sector targets
- Updated relevant SBG policies to align with the Climate Policy
- Joined Partnership for Carbon Accounting Financials (PCAF) and committed to applying the PCAF methodology over the next three years to measure the financed emissions of our customers
- Engaging with stakeholders on the Just Energy Transition in South Africa to inform group strategy and offering
- Establishing a transitional finance framework
- Launching a learning framework to deepen understanding of climate change impacts and sustainable finance instruments, in partnership with African and International centres of expertise.

Awards

- Local Markets ESG & Sustainable Finance Adviser of the Year at the Bonds & Loans Africa Awards.

Commitments to 2050

- Mobilise a cumulative amount of between R250 billion and R300 billion in sustainable finance across all banking products by the end of 2026
 - This includes an additional R50 billion of financing for renewable energy power plants and underwriting of financing of a further R15 billion of renewable energy power plants by the end of 2024
 - This commitment is estimated to be 2.5 to 3 times greater than the group's financing committed to support fossil fuel-fired power plants by the end of 2024
 - Commitments are dependent on taxonomy standardisation as well as how transition finance will be treated
- Set emissions reduction targets and portfolio baselines for additional sectors, including agriculture
- Decrease our exposure to carbon-based fuels in line with our climate policy targets
- Achieve transition towards net zero carbon emissions from our portfolio of financed emissions by 2050.