

## FRAMEWORK EXTERNAL REVIEW

### SUSTAINABLE FINANCE FRAMEWORK

---

Standard Bank Group  
15 May 2026

#### VERIFICATION PARAMETERS

---

- |                       |  |
|-----------------------|--|
| Covered instruments   | ▪ Sustainable financing instruments <sup>1</sup>   |
| Type of framework     | ▪ Sustainable Finance Fundraising and Product Framework  |
| Scope of verification | ▪ Standard Bank Group Sustainable Finance Product Framework (as of May 15, 2026)               |
|                       | ▪ Standard Bank Group's sustainable finance classification system (as of May 15, 2026)         |
| Validity              | ▪ Valid as long as the Sustainable Finance Fundraising and Product Framework remains unchanged |

<sup>1</sup> Bonds, loans, repurchase agreements, securitization instruments or hybrid format, publicly or privately, to finance and/or refinance i) GSS projects, activities or assets; as well as ii) Pure Play assets (Eligible Assets).

## CONTENTS

---

SCOPE OF WORK.....	3
STANDARD BANK GROUP OVERVIEW.....	4
ASSESSMENT SUMMARY.....	5
FRAMEWORK EXTERNAL REVIEW ASSESSMENT.....	7
PART I: REVIEW OF STANDARD BANK’S SUSTAINABLE FINANCE PRODUCT FRAMEWORK .	7
PART II: ASSESSMENT OF STANDARD BANK’S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM.....	16
ASSESSMENT OF THE CRITERIA OUTLINED IN STANDARD BANK’S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM.....	16
PART III: ASSESSMENT OF STANDARD BANK’S ESG RISK MANAGEMENT.....	22
PART IV: STANDARD BANK’S SUSTAINABILITY STRATEGY.....	30
ANNEX 1: Methodology.....	33
ANNEX 4: Quality management processes.....	36
About this External Review.....	38

## SCOPE OF WORK

Standard Bank Group (“Standard Bank” or “the Financial Institution” or “the Group”) commissioned ISS-Corporate to assist with its Sustainable Finance Product Framework (“SFPF” or “the Framework”), which is part of the Sustainable Finance Fundraising and Product Framework (SFFPF) by assessing four core elements to determine the quality of its classification system<sup>2</sup> for identifying sustainable financing activities and the sustainability quality of the eligibility criteria:

1. The Sustainable Finance Product Framework, benchmarked against market practices, guidelines<sup>3</sup> and approaches for capital and loan markets to environmental and social sustainability (see Annex 1).
2. Standard Bank’s sustainable finance classification system — the soundness of the eligibility parameters to identify eligible sustainable financing activities (see Annex 1).
3. ESG risk management — an assessment of Standard Bank’s overarching risk management procedures considered relevant in the context of the Group’s sustainable finance activities and the underlying Framework (see Annex 1).
4. Overview of Standard Bank’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Group.

---

<sup>2</sup> The methodology of external reviews provided for sustainable financing, lending and investment strategies has been developed based on our expertise in assessing a range of sustainable finance-related instruments and frameworks. In general, these types of external reviews are not to be treated as a “pass or fail assessment” of the sustainability quality of sustainable financing, lending or investment strategies but rather as an overall assessment. Thus, obtaining an external review of an overarching financing framework does not imply a detailed assessment of the sustainability quality of each underlying transaction. A qualitative assessment of sampled eligible ESG products is not in the scope of the verification procedures.

<sup>3</sup> The assessment is based on current market practices for sustainable capital and loan markets, referring to different market standards and voluntary guidelines including but not limited to the International Capital Market Association’s [Green Bond Principles](#), [Social Bond Principles](#), [Sustainability Bond Guidelines](#) and [Sustainability-Linked Bond Principles](#); the Loan Market Association’s [Green Loan Principles](#), [Social Loan Principles](#) and [Sustainability-Linked Loan Principles](#); the UNEP-FI PRB; and the [Climate Bonds Standard Version 4.0](#) (version April 2023) [Guidelines proposed by the European Banking Authority \(EBA\) on loan origination and monitoring](#).

## STANDARD BANK GROUP OVERVIEW

Standard Bank provides financial products and services in South Africa and internationally. Standard Bank operates in 21 countries in sub-Saharan Africa, and it operates through distinct business segments: Personal and Private Banking; Business and Commercial Banking; Corporate and Investment Banking; and Insurance and Asset Management.

Through these segments, Standard Bank provides deposit-taking, transactional banking, lending, and payment services to individuals, small and medium-sized enterprises, and large commercial clients. It offers business and commercial lending, asset and trade finance, merchant and payments services, and sector-specific financial solutions to support enterprises across multiple industries. Standard Bank's corporate and investment banking activities include advisory, financing, trading, and risk management services for corporates, financial institutions, governments, and institutional clients, with a focus on capital markets, structured finance, and cross-border services. In addition, Standard Bank provides insurance, investment, and asset management services, as well as fiduciary and trust-related activities, through dedicated subsidiaries.

Standard Bank was founded in 1862 and is headquartered in Johannesburg, South Africa.

### *ESG risks associated with Standard Bank's industry*

Standard Bank is classified in the Commercial Banks and Capital Markets industry, as per ISS Sustainability's sector classification. Key sustainability issues faced by companies<sup>4</sup> in this industry are: business ethics, labor standards and working conditions, sustainable investment criteria, customer and product responsibility, and sustainability impacts of lending and other financial services/products.

This report focuses on the sustainability credentials of the classification system. Part IV of this report describes the Group's overall sustainability strategy.

<sup>4</sup> Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

## ASSESSMENT SUMMARY

SECTION	SUMMARY EVALUATION <sup>5</sup>
<p><b>Part I:</b></p> <p><b>Review of Standard Bank’s Sustainable Finance Framework</b></p>	<p><b>The Sustainable Finance Product Framework reflects market practices.</b></p> <ul style="list-style-type: none"> <li>▪ Objectives, targets and progress: The Group defines quantitative targets within a certain timeframe, enabling measurement of the progress against its commitment. Where feasible, the Framework may be further improved with regards to disclosing sustainable financing target in % of total financing portfolio and timeframe within maximum a year.</li> <li>▪ Definition of sustainable financing activities: Standard Bank has set forth a formal methodology for defining and classifying financing as sustainable and proposes clear parameters under its Framework. Where feasible, the Framework may be further improved with regards to disclosing an estimated share of each instrument mentioned in its Framework.</li> <li>▪ Evaluation and selection process: Internal procedures defined for selection and evaluation are appropriately documented and transparent. Additionally, the Group has put in place a process to identify and mitigate risks of negative social and/or environmental impacts. Where feasible, the Framework may be further improved with regards to defining the responsibilities in the selection and evaluation process.</li> <li>▪ Governance and monitoring: The Group tracks the sustainable financing transactions appropriately.</li> <li>▪ Reporting: Relevant reporting is conducted frequently and made publicly available. As data availability in terms of impact reporting improves, the Framework may be further improved by tracking expected impact of banks’ sustainable financing activities on environmental and social objectives.</li> </ul>

<sup>5</sup> The evaluation is based on the Standard Bank’s Sustainable Finance Product Framework (May 15, 2026 version), on the analyzed sustainable finance classification system as received on May 15, 2026.

<p><b>Part II:</b></p> <p><b>Assessment of Standard Bank’s sustainable finance classification system</b></p>	<ul style="list-style-type: none"> <li>▪ <b>The Group’s sustainable finance classification system reflects market practice.</b></li> </ul> <p>Standard Bank has put forth multiple sets of eligibility parameters for its financing activities to be classified as sustainable: dedicated purpose financing, general purpose financing, and sustainability-linked financing.</p> <p>A comprehensive assessment of the sustainability quality of the eligible categories defined under the Framework comprising an impact assessment against the SDGs can be found in this section.</p>
<p><b>Part III:</b></p> <p><b>Assessment of Standard Bank’s ESG risk management</b></p>	<p><b>ESG risks relevant in the context of the Group’s sustainable financing activities are outlined in Part III.</b></p> <p>Standard Bank has defined ESG risk assessment processes applicable to its sustainable financing activities. Sectorial exposures are considered. The Financial Institution has measures/policies/guidelines in place to address the main ESG risks faced by its sector. Finally, the Group is transparent about the volumes of fossil carbon-related financing throughout all the business units and subsidiaries and has committed to public targets to scale these down and track its financed emissions across various sectors.</p>
<p><b>Part IV:</b></p> <p><b>Standard Bank’s sustainability strategy</b></p>	<p>Standard Bank has disclosed its ESG pillars and sets internal performance targets for those pillars. It does not have externally verified science-based targets. Progress on the sustainability strategy is being publicly reported.</p>

# FRAMEWORK EXTERNAL REVIEW ASSESSMENT

## PART I: REVIEW OF STANDARD BANK’S SUSTAINABLE FINANCE PRODUCT FRAMEWORK

In its Sustainable Finance Product Framework, Standard Bank defines its methodology for the classification of eligible financing transactions as sustainable for the purpose of tracking and disclosing the performance against its sustainable finance targets.

This External Review assesses the Framework against current market practices for sustainable capital and loan markets derived from market standards and established guidelines. The assessment focuses on key principles for transparency, public disclosure and non-contamination of sustainable-labeled products, set out in, among other standards, ICMA’s Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, and APLMA, LMA and LSTA’s Green Loan Principles, Social Loan Principles, Sustainability-Linked Loan Principles, and ICC Principles for Sustainable Trade Finance.

CRITERIA	SUMMARY AND OPINION
<p><b>1. Objectives, targets and progress</b></p>	<p>Standard Bank developed a Sustainable Finance Product Framework to outline the methodology and associated policies and procedures to facilitate the raising of finance in the form of sustainable financing instruments including green, social, sustainability (GSS) bonds or loans (including hybrid instruments), repurchase agreements and securitisation instruments by the Group and its subsidiaries.</p> <p>The SFF covers use of proceeds and pure play instruments. For use of proceeds instruments, the SFF describes the process to select, evaluate, report, track and verify eligible assets and further describes how the proceeds of the bonds or loans executed by the Group are managed and allocated, and how the Group verifies and reports on the management and allocation of proceeds and environmental and/or social impacts of assets.</p> <p>Standard Bank also set some Sustainable Finance Mobilisation Targets in its public sustainability reporting suite and in the Group’s Climate Policy. The Group’s current Sustainable Finance Mobilisation targets and sub-targets for Green and Social Finance Mobilisation are defined in value and have actual percentage that the Group regularly checks. Data collection is being improved. The targets are as follows, and may be updated from time to time:</p> <ul style="list-style-type: none"> <li>▪ Sustainable Finance Mobilisation 2022 – 2028 &gt;R450 billion</li> <li>▪ Green Finance Mobilisation 2025 – 2028 &gt;R100 billion</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Social Finance Mobilisation 2025 – 2028 &gt;R100 billion</li> </ul> <p>The Group reports publicly on its progress against sustainable finance targets and sub-targets annually in the Sustainability Disclosures Report and this performance is subject to external limited assurance. Standard Bank continuously assesses market developments and integrates sustainable finance across all business lines.</p> <p>Standard Bank’s global action plan has three strategic priorities: i) Transform the client experience by providing a comprehensive set of solutions that meet client needs; ii) execute with excellence and do the right business; and iii) create sustainable growth and value for its shareholders, society and the planet.</p> <p>The Group uses six value drivers to measure its performance and the value created for all stakeholders: i) client focus, ii) employee engagement, iii) risk and conduct, iv) operational excellence, v) financial outcome, and vi) positive impact.</p> <p>Standard Bank is also a signatory of the UN Principles for Responsible Banking (UNPRB).</p> <p><b>Opinion:</b> <i>The Financial Institution has clearly disclosed the purpose of its Sustainable Finance Product Framework. In its Sustainable Finance Product Framework, the Financial Institution clearly defines its sustainability objectives across all financing activities. The Group has established specific, measurable, and time-bound targets with a well-defined scope, aligning with the broader company strategy (as outlined in Part IV.A of this report). Standard Bank has set a quantified target for its sustainable financing and is reporting annually on its progress against ESG commitments. Standard Bank is a member of the UNPRB.</i></p> <p><i>Where feasible, the Framework may be further improved:</i></p> <ul style="list-style-type: none"> <li>▪ <i>by disclosing sustainable financing target in % of total financing portfolio and timeframe within maximum a year.</i></li> </ul>
<p><b>2. Definition of sustainable financing activities</b></p>	<p>Under Standard Bank’s Sustainable Finance Product Framework, “sustainable finance” includes green, social, and sustainability instruments, and includes both financings of expenditures tied to a specific purpose and general corporate expenditures.</p> <p>Standard Bank bases its definition of sustainable finance on established national and international standards, frameworks and principles. These</p>

include the ICMA’s Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, and APLMA, LMA and LSTA’s Green Loan Principles, Social Loan Principles, Sustainability-Linked Loan Principles, and ICC Principles for Sustainable Trade Finance.

The financial institution utilizes criteria from established taxonomies, such as the EU Taxonomy, to develop its own classification system.

**Eligible type of financing**

Standard Bank’s Sustainable Finance Product Framework sets out types of financing that the Group sets as eligible sustainable financing for tracking and disclosing its performance against its public targets, which include:

- **General purpose financing**, including sustainability-linked and pure play.
- **Green financing**, which meets the internal proprietary screening criteria set out in Section 2.3.1 of the Framework
- **Social financing**, which meets the internal proprietary screening criteria set out in Section 2.3.2 of the Framework.

In addition to the above requirements, all sustainable finance transactions are subject to the group environmental and social management system including the group [exclusion list](#).

**Instrument scope**

The Group is including new facilities and refinancing of existing facilities. For each product, the Group provides the eligibility criteria, the exclusions and limitations, the description, and the related external Framework to be prepared and the accounting basis. The product offering includes<sup>678</sup>:

PRODUCT	DESCRIPTION	CRITERIA
<b>Green, social and sustainability bonds</b>	Green, social and sustainability bonds issued by SBG or any other Group entity/subsidiary as described under section	ICMA’s Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines

<sup>6</sup> Please note that the current assessment excludes the Debt for Development Swaps listed under 3.5.3 of the Framework as there is currently no commonly used market standard for this instrument. ISS acknowledged that the Standard Bank Group is drawing guidance from the [Debt for Development Swaps: An Approach Framework by IMF, published on August 5, 2024](#).

<sup>7</sup> For complete list of products refer to section 3.6 of Standard Bank’s Sustainable Finance Fundraising and Product Framework.

<sup>8</sup> Please note that the current assessment excludes Sustainability Linked Derivatives listed under 3.6.3

		3.4 of the Sustainable Finance Fundraising and Product Framework.	
	<b>Pure play</b>	Instruments as described in Section 3.5.1 of the Framework.	
	<b>Sustainability-linked bonds</b>	Sustainability-linked financing instruments as described in Section 3.5.2 of the Framework.	ICMA's Sustainability-Linked Bond Principles
	<b>Sustainability-linked loans</b>		LMA's Sustainability-Linked Loan Principles
	<p><b>Opinion:</b> <i>The Sustainable Finance Framework clearly defines the financial institution's classification system, outlining transparent criteria for each financing approach, and referring to relevant market principles. The sustainability quality of the eligibility parameters to identify sustainable eligible financing activities is further analyzed in Part II of this report. The Sustainable Finance Product Framework defines exclusion criteria within their <a href="#">Sustainability Disclosure Report</a>.</i></p>		
<b>3. Evaluation and selection process</b>	<p>The Sustainable Finance team, together with the relevant originating business unit, is responsible for initial screening of assets to determine eligibility under the SFPF. The Group is establishing an internal Sustainable Finance Governance Framework (SFG Framework) which will include the process for the selection and evaluation of Eligible GSS Assets, as well as review and maintenance of the Eligible Asset Portfolio.</p> <p>Eligible assets will be subject to the Environmental and Social Management System (ESMS) process in the ordinary course of origination, as described in Section 1.3 of the Framework. Once assets are determined to be eligible for categorisation as Green, Social, Sustainability-Linked, or Pure-Play, they will be tagged as Eligible Assets and included in an Eligible Asset Portfolio. The Eligible Asset portfolio is subject to an annual external review.</p> <p>For each transaction contemplated under the SFPF, the Sustainable Finance and Strategic Funding teams will propose Eligible Assets for approval by the relevant Borrower/Issuer Asset-Liability Committee (ALCO). Approved and allocated Eligible Assets will be recorded in an Allocation Register</p>		

maintained by the Sustainable Finance team in relation to instruments issued under the SFF (the relevant "Allocation Register").

The group manages environmental and social (E&S) risk through an Environmental and Social Management System (ESMS) that is integrated into its enterprise-wide risk framework and governed by E&S standards and policies.

In Corporate and Investment Banking (CIB) and Business and Commercial Banking (BCB), E&S screening is conducted before onboarding new clients or approving transactions or investments. An internal screening tool is used to assess compliance with laws, internal policies, exclusion lists, and climate commitments, and where relevant, international standards such as the IFC Performance Standards and the Equator Principles. The depth of screening depends on the product type, transaction size and tenor, and potential E&S risk. Medium- and high-risk clients or transactions require E&S due diligence, with enhanced due diligence applied to high-risk sectors and environmentally sensitive areas, which must also align with the group's climate policy.

In Personal and Private Banking (PPB), E&S risk is monitored at a portfolio level using tailored risk metrics to assess and report significant physical environmental exposures across different business areas.

Investment Asset Management (IAM) integrates ESG risk analysis into all investment decisions across asset classes, with these assessments continuously evolving and being enhanced within its various investment processes.

The Group has a climate risk management framework covering climate risk appetite, scenario analysis and stress testing, and the integration of climate risk into origination and credit approval processes.

- First line of defence comprises business units, legal entities and corporate functions, which are responsible for integrating ESG and climate risk management into operational processes, managing risks within appetite, implementing climate commitments, and supporting sustainable finance objectives. E&S risk teams within business units apply E&S policies, ensure alignment with international standards and the group's climate policy, review higher risk transactions, and support risk mitigation.
- Second line of defence provides independent oversight through risk management, compliance and governance committees. These functions oversee credit, non-financial, ESG and climate risks, support ESG integration, coordinate climate policy implementation and reporting, and assess ESG and conduct risks related to clients and suppliers.

	<ul style="list-style-type: none"> <li>▪ Third line of defence is internal audit, which provides independent assurance on the effectiveness and consistency of the risk governance framework.<sup>9</sup></li> </ul> <p><b>Opinion:</b> <i>The process for sustainable finance transaction evaluation and selection is defined based on the eligibility criteria and structured in a congruous manner. Standard Bank used both its eligibility criteria outlined in this Framework to consider which products are eligible and an enhanced due diligence process for sensitive sectors. A designated committee for each business unit has been put in place to be responsible for periodic review of the eligible transaction, monitoring processes and escalation if needed. ESG risks associated with sustainable activities to be financed are identified and managed appropriately. Standard Bank has clear guidelines in place to conduct enhanced due diligence process when financing controversial sectors.</i></p>
<p><b>4. Governance and monitoring</b></p>	<p>SBG will ensure that, where required by the terms of the transaction,<sup>10</sup> management and allocation of proceeds of Sustainable Financing raised is externally verified by an independent verification provider annually and reported on in its Report to Society suite of documents which will be made available on its <a href="#">website</a>.</p> <p>Board committees provide oversight across sustainability, risk, technology, remuneration and audit areas.</p> <p>The Social, Ethics and Sustainability Committee oversees alignment between group strategy and sustainability, including climate policy implementation, ESG risks, ethics and conduct, stakeholder engagement, materiality assessments, and sustainability metrics, targets and reporting.</p> <p>The Risk and Capital Management Committee monitors enterprise wide risks, including ESG and climate risk, approves the risk appetite and capital allocation, oversees E&amp;S risk governance, and assesses the impact of macroeconomic and operating conditions on the group’s risk profile.</p> <p>The Remuneration Committee sets and reviews the remuneration philosophy and policy, assesses shareholder feedback, and approves the group remuneration report.</p>

<sup>9</sup> For more details, please refer to Part III "Assessment of Standard Bank’s ESG risk management".

<sup>10</sup> All capital market instruments will receive external verification. Loans where the lender(s) require external verification will apply.

The Audit Committee oversees internal audit assurance, monitors the effectiveness of internal controls and reporting, and reviews compliance with legal, regulatory and accounting standards for external reporting.

Executive management is accountable for implementing the group’s sustainability approach and for achieving sustainable growth, with responsibilities clearly defined and sustainability related KPIs embedded in performance management.

Sustainability risks, including climate risk, are integrated into the enterprise risk management framework and managed through the three lines of defence model, which assigns clear responsibilities across the organisation.

At management level, sustainability and ESG oversight is implemented through several governance forums. Business unit strategy and governance committees monitor progress against BU level sustainability strategies, ESG risks, and climate and impact targets, and report quarterly to the Group Leadership Council (GLC). The GLC, as the highest management structure, approves group policies and standards, ensures appropriate governance and risk culture, and drives alignment and accountability for ESG risk management across the business.

The Social, Ethics and Sustainability Management Committee oversees the group sustainability approach, climate policy implementation, materiality assessments, ethics and conduct, and approves sustainability related metrics and targets. The Group Risk Oversight Committee oversees ESG and climate risk management within the risk governance framework, reviews risk appetite, and ensures climate related risks are identified, assessed, monitored and reported within enterprise wide risk systems.

These forums receive regular reporting on sustainability metrics, climate targets, stakeholder engagement, ethics and conduct, and ESG and climate risk management at group, sector and business unit levels.

The Group also has a climate risk management process covering climate risk appetite setting, scenario analysis and stress testing, and the integration of climate risk into origination and credit approval processes.

Under the first line of defence, business units, legal entities and corporate functions are responsible for embedding ESG and climate risk management into operational processes, ensuring risks remain within appetite, implementing climate commitments and targets, and managing sustainability related performance. E&S risk teams within business units apply E&S governance standards and policies, ensure alignment with

	<p>international standards and the group’s climate policy, review higher risk transactions, and support risk assessment and mitigation.</p> <p>The second line of defence provides independent oversight through risk management, compliance and sustainability functions. These monitor and report enterprise wide ESG and climate risks, oversee credit, nonfinancial and compliance risks, support integration of ESG risk management, coordinate climate policy implementation and reporting, and assess ESG, ethics and conduct risks related to clients and suppliers.</p> <p>The third line of defence is internal audit, which provides independent assurance that the governance and risk management framework is effective and consistently applied.</p> <p><b>Opinion:</b> <i>All eligible financial instruments are subject to the Group’s overarching sustainability criteria, which consider Standard Bank’s wider sustainability risk management processes and are reviewed regularly. Standard Bank clearly describes how the board and dedicated committees provide oversight of ESG-related issues, and specifically the sustainable finance classification system. Standard Bank clearly describes the process to monitor if a financial transaction remains eligible during all its life cycle on a regular basis and explains the data collection, tracking and reporting mechanisms of the current/past sustainable finance instrument transaction.</i></p>
<p><b>5. Reporting</b></p>	<p>Standard Bank reports on progress against its financing targets in the Annual Report, which is publicly available on its <a href="#">website</a> on an annual basis. The Group broke down the reporting by region, by product category and by Sustainable Development Goals (SDGs). Finally, Standard Bank’s reported data under this Framework is subject to a limited assurance engagement provided by an external independent auditor.</p> <p>The latest version of the Sustainable Finance Framework is published on Standard Bank’s debt investor <a href="#">website</a>.</p> <p><b>Opinion:</b> <i>Standard Bank commits to publicly and annually reporting its sustainable financing.</i></p>
<p><b>6. External review</b></p>	<p>Standard Bank worked with a third-party consultant to develop this Framework, including the eligibility criteria to ensure continuing development and refinement of the eligibility criteria with emergent practices and identifying themes of focus. The Framework will be updated in the future in light of new market practices.</p>

Standard Bank appointed ISS-Corporate to provide an external review on the Sustainable Finance Product Framework and its alignment with the Group’s overall sustainability strategy. Additionally, the financing volume metrics reported in its public reporting aligning with the Sustainable Finance Product Framework are subject to limited assurance provided by an external independent auditor.

Standard Bank’s Sustainable Finance Fundraising and Product Framework is reviewed from time to time at SBG’s discretion, including aligning it with evolving market practices and guidelines. Updates (e.g., to eligibility criteria, product scope and accounting basis, etc.) are effective from publication unless otherwise specified and are not applied retrospectively to prior years’ sustainable finance performance against its targets.

**Opinion:** *Standard Bank has sought an external review to verify the reported transaction information for all sustainable finance instruments, in line with best market practices. Standard Bank has sought an external review of the Sustainable Finance Fundraising and Product Framework at its launch, in line with best market practices. The Framework will be [publicly available](#). A new external review will be sought upon any subsequent update.*

## PART II: ASSESSMENT OF STANDARD BANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM

### ASSESSMENT OF THE CRITERIA OUTLINED IN STANDARD BANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM

To provide an opinion on the sustainability credibility of each of the key sets of criteria defined by Standard Bank, this review evaluates the prevalence and robustness of the selection parameters, taking into account market practices across different sustainable finance asset classes.

Standard Bank has set forth the following sets of eligibility criteria for its financing activities to be classified as sustainable:

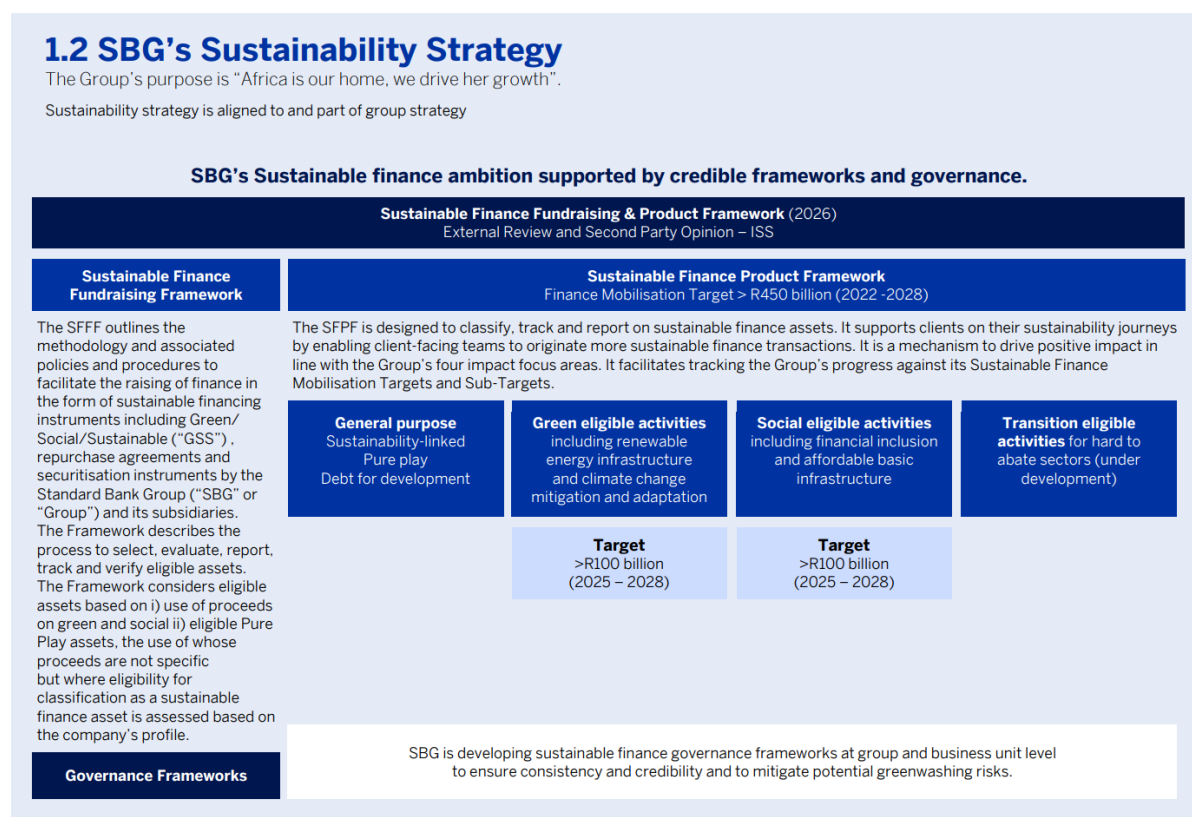


Figure 1. Standard Bank's sustainable financing classification system

The assessment process and criteria implemented under Standard Bank's Sustainable Finance Framework are outlined below. The evaluation is based on criteria derived from market practices.<sup>11</sup>

<sup>11</sup> These include but are not limited to ICMA's Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles; the LMA's Green Loan Principles, Social Loan Principles and Sustainability-Linked Loan Principles; the UNEP FI PRB; and the EBA Guidelines on loan origination and monitoring.

PARAMETER	CRITERIA	ASSESSMENT OF STANDARD BANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM
<p><b>Dedicated purpose financing (standard approach)</b></p>	<p>Dedicated purpose financing contributes to sustainability objectives if proceeds are exclusively allocated to activities that are subject to specific and credible ESG-related eligibility criteria.</p>	<p>Under the dedicated purpose approach, the Group classifies green, social, sustainability bonds, loans, repurchase agreements, securitisation instruments or hybrid formats as sustainable. The Financial Institution defines eligibility criteria, which are described in the Framework in Chapter 3.4. Based on its proprietary SDG Solutions Assessment (SDGA) methodology, 100% of the eligibility categories have a contribution to the Sustainable Development Goals.</p> <p>Standard Bank considers dedicated purpose or use-of-proceeds financing to be eligible for sustainable finance classification when 100% of the proceeds are directed toward eligible green, or social activities and the instrument complies with the relevant Principles and this Product Framework.</p> <p>According to Standard Bank's Framework, the Group assesses transactions - conducted internally for private instruments and externally for capital market instruments - for alignment with the Green and Social Bond Principles, the Green and Social Loan Principles. All bonds will go through an external verification pre-issuance by obtaining a second-party opinion. For private instruments, the Group has an internal verification process.</p> <p><b>Opinion:</b> <i>The Group provides a set of eligibility criteria in their Framework and ensures that 100% of the proceeds are used only for green and social eligibility activities apart from renewable energy assets.<sup>12</sup> The</i></p>

<sup>12</sup> At least 85% of electricity generation must be derived from renewable energy sources. Only the renewable components of a hybrid power plant will be considered if less than 85% of electricity generated is from renewables.

		<p><i>Group ensures alignment of capital market instruments with market standards (i.e. ICMA's GBP/SBP) through an external verification process. The Group only counts the pro-rated part of the transactions, where relevant.</i></p> <p><i>Where feasible, the Framework may be further improved by:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Ensuring alignment of private instruments with market standards (i.e. LMA's GLP/SLP) through an external verification process.</i></li> </ul>
<p><b>General purpose financing (standard approach)</b></p>	<p>General purpose financing contributes to sustainable objectives if the funds are allocated to companies that derive a majority of their revenue/CapEx R&amp;D or OpEx from designated eligibility criteria. Generally accepted thresholds in the market are <math>\geq 90\%</math><sup>13</sup> to designate green or social "pure players" with a defined exclusion list for the remaining share.</p>	<p>Under the general purpose approach, the Group may classifies green, and social bonds, loans, repurchase agreements, securitisation instruments or hybrid formats as sustainable finance. According to Standard Bank's Framework, to be classified as sustainable finance under this category, the recipient needs to derive at least 90% of revenue, EBITDA or assets from activities listed in the SFFPF. The Group also commits to conduct external verification for its general purpose instruments against ICMA guidelines (i.e. ICMA GBP, SBP). The Group provides an exclusion list for the remaining share.</p> <p><b>Opinion:</b> <i>The 90% threshold proposed is appropriate and in line with market practices for classifying sustainable businesses. The Group provides a set of eligibility criteria in their Framework. The Group commits to metrics such as revenue, CaPex (including R&amp;D) and/or OpEx. We also note the inclusion of a safeguard with respect to the</i></p>

<sup>13</sup> [Green Bond Principles, Appendix I \(June 2025\), Note J](#), and [Climate Bonds Initiative Standard Version 4.0](#) (version April 2023), [Green Bond Database Methodology, July 2022](#).

		<p><i>remaining 10% to exclude potential financing toward harmful activities.</i></p> <p><i>Where feasible, the Framework may be further improved by:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Ensuring alignment of private instruments with market standards (i.e. LMA GLP/SLP) through an external verification process.</i></li> </ul>
<p><b>General purpose financing (pro-rated approach)</b></p>	<p>General purpose financing contributes to sustainable objectives if the funds are allocated to companies that derive a majority of their revenue/CapEx and R&amp;D from designated eligibility criteria. Generally accepted thresholds in the market are between 50%-90% to refer to "majority players"<sup>14</sup> with a defined exclusion list on the remaining share.</p>	<p>According to Standard Bank's Framework, a pro-rated approach will be applied to companies with diverse activities, where the activities can proportionally be classified as sustainable if the recipient derives between 50% and 90% of its revenue, EBITDA or assets from eligible activities listed in the SFPF.</p> <p><b>Opinion:</b> <i>The inclusion of a minimum threshold of 50% to prevent financing of a company that only marginally contributes to sustainability objectives is positively noted. Similarly, the threshold also draws on common market practice, as outlined by the London Stock Exchange,<sup>15</sup> and are complemented by an overarching exclusion policy from the Group. At the same time, it is noted that best market practices of considering a company as sustainable is linked to the 90% threshold, included in the discussion of the previous parameter. As mentioned above, we note that the financing of a company with proportions between 50% and 90%, even when counted on a pro-rated basis, may indirectly enable the growth of ineligible activities that comprise the other proportion in such companies, since the company is able to access the overall</i></p>

<sup>14</sup> [LSEG, 2019](#)

<sup>15</sup> The LSEG's Green Economy Mark refers to companies that derive 50% or more of their total annual revenue from products and services that contribute to the global green economy.

		<p><i>financing. While many of these activities may be neutral in the sense that they do not actively contribute to U.N. Sustainable Development Goals, some may also obstruct these goals.</i></p>
<p><b>General purpose financing (sustainability-linked financing)</b></p>	<p>Sustainability-linked financing contributes to sustainable objectives if the associated KPIs<sup>16</sup> are material, core and relevant to the borrowers’ business model and the associated targets are ambitious. Furthermore, it is considered as best market practice that transactions are subject to an external review, providing verification of the alignment against ICMA/LMA core principles, the aforementioned dimensions and, in particular, the ambition of the selected SPTs.<sup>17</sup></p>	<p>Under the general purpose approach, the Group also classifies sustainability-linked bonds, loans, working capital or contingent facilities as sustainable. According to Standard Bank’s Framework, products must align with the Sustainability-Linked Bond Principles, Sustainability-Linked Loan Principles. The Group requires that the assurance report on the SPT achievement is provided annually by its clients. For high emission sectors, the Group will also require the selected KPIs and SPTs be aligned with the client’s broader decarbonization strategy. For capital market instruments (i.e. bonds), Standard Bank ensures alignment with market standards (i.e ICMA SLBP) through an external verification process.</p> <p><b>Opinion:</b> <i>In this report we will not assess the materiality of the KPIs and the ambition level of the associated SPTs, nor how including this form of financing contributes to ESG-related goals since there is no predefined list of KPIs or SPTs as of the publishing of this report. It is noted that the Group refers to relevant market standards (i.e. ICMA SLBP or LMA SLLP) to define its eligibility criteria. The alignment check is based on internal verification. Though the Group ensures alignment of capital market instruments with market standards (i.e. ICMA SLBP) through an external verification process. Finally, due to the general fungible nature of financing</i></p>

<sup>16</sup> Key performance indicators, which can be external or internal and fit into the sustainability strategy of the borrower, should be relevant, measurable, externally verifiable and able to be benchmarked.

<sup>17</sup> Sustainability performance targets should be ambitious, represent a material improvement in the respective KPIs, where possible be compared to a benchmark, be consistent with the borrowers’ overall ESG strategy and be determined on a predefined timeline.

		<p><i>flows, the general purpose financing may indirectly benefit financing that is not defined as sustainable.</i></p> <p><i>Where feasible, the Framework may be further improved by:</i></p> <ul style="list-style-type: none"><li>▪ <i>Setting forth a sample list of KPIs in line with the list proposed by ICMA.</i></li></ul>
--	--	--

## **PART III: ASSESSMENT OF STANDARD BANK'S ESG RISK MANAGEMENT**

Financial institutions are exposed to E&S risks through their financing of economic activities that impact E&S factors and, to a lesser extent, through their own operations and impacts they themselves generate on the environment and society in which they operate.

The table below describes sustainability-related risks considered relevant to the Group's operations and the types of projects (re)financed via the Framework.

The assessment covers all business lines and locations across Angola, Botswana, Cote d'Ivoire, DRC, Egypt, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, South Africa, South Sudan, Eswatini, Tanzania, Uganda, Zambia, Zimbabwe.

### **ASSESSMENT AGAINST KPIS**

#### **Integration of ESG guidelines into the financing process**

Standard Bank manages environmental and social (E&S) risks through its E&S Management System (ESMS), governance standards, and risk policies, overseen by the Group Environmental and Social Risk (GESR). The risk-based approach aligns with global frameworks such as the Equator Principles, IFC Performance Standards, TCFD, and UN Guiding Principles on Business and Human Rights, supported by internal codes and climate policies.

The key processes are as follows:

- E&S Screening (Stage 1)

Stage 1 is conducted prior to entering new client relationships, approving transactions, and on an annual basis for existing clients, using Standard Bank's internal E&S screening tool to assess compliance with applicable environmental regulations and requirements, internal policies and relevant international standards. The screening evaluates governance, social (including human rights) and environmental risks, which are rated as low, medium or high, and the outcome determines whether activities may proceed, require additional due diligence, or be subject to conditions.

- E&S Due Diligence (Stage 2)

Environmental and social due diligence is required for clients or transactions assessed as medium or high risk, with enhanced due diligence applied to activities in high-risk sectors such as mining, oil and gas, thermal coal, infrastructure and agriculture. For transactions subject to the Equator Principles, independent environmental consultants are engaged to conduct external reviews and due diligence to monitor ongoing compliance with applicable standards.

- **Monitoring & Controls**

Ongoing environmental and social risk management is supported through portfolio level monitoring and controls, including regular portfolio and annual credit reviews, site visits where appropriate, and grievance mechanisms available to employees and affected communities. Instances of non-compliance are addressed through corrective action plans and may result in the escalation of issues or termination of client or supplier relationships where necessary.

- **Exclusions**

Standard Bank prohibits financing for activities outlined in its Exclusions list as publicly disclosed, including financing for activities involving harmful labor practices, illegal trade, hazardous substances, weapons, Arctic oil/gas exploration, mountaintop removal, and uncertified diamonds, among others.

- **Climate Risk Management**

Climate risk management is integrated into the Group's overall risk management framework, with a primary focus on assessing and managing physical and transition climate related risks within the credit portfolio. Climate commitments include reducing exposure to high emission sectors, increasing support for renewable energy, and achieving net zero emissions in relation to the Group's own operations for new facilities by 2030 and for existing facilities by 2040, supported by initiatives such as energy efficiency measures, solar photovoltaic installations, and alignment with ISO 50001 energy management standards.

#### Enhanced due diligence for sensitive sectors

As part of the risk assessment, environmental and social risks are required considerations for credit facilities and capital market transactions. Standard Bank's approach to environmental risk management addresses both direct and indirect risks and covers sensitive activities across different sectors.

Standard Bank has identified high-risk industries, sectors and areas of high environmental sensitivity that require enhanced due diligence (EDD) before a transaction or investment may be approved. Activities in these sectors must also align with the commitments and targets in the group's climate policy. The Group uses IFC Performance Standards and sector guidelines as benchmarks. Sectors include mining and metals, oil and gas, thermal coal power, infrastructure, industrial, agriculture, animal husbandry and fishing.

#### Due diligence measures for labor, health, safety

Labor, health, and safety due diligence is embedded across the environmental and social (E&S) risk management framework through a staged approach. At the screening stage, client risk assessments evaluate labour practices by reviewing compliance with national

laws, the Standard Bank E&S risk standard and IFC Performance Standards, including indicators such as negative media, NGO scrutiny and community concerns. Screening assesses the protection of workers' rights, fair and safe working conditions, safeguards for vulnerable workers, gender equity, freedom of association, and the absence of child or forced labour, with risks rated as low, medium or high to determine whether further due diligence is required. For medium and high-risk clients, enhanced E&S due diligence assesses the adequacy of labour health and safety systems, application of the Precautionary Principle, and alignment with IFC Performance Standards and ILO conventions, and may involve independent consultants (where applicable) conducting site visits and developing Environmental and Social Action Plans with defined timelines. Human rights and labour risk assessments are integrated for higher risk projects, including supply chain oversight and the use of certification schemes where relevant, with specialist input and periodic progress reporting. For projects, ongoing assurance is supported through mandatory worker and community grievance mechanisms, regular monitoring using digital screening tools, and oversight by risk committees, with noncompliance triggering corrective action plans or reassessment of financing arrangements.

#### Due diligence measures for biodiversity

E&S screening includes an assessment of risks related to climate, nature and biodiversity, water and pollution. This assessment considers the direct and indirect impacts of business or project activities on landscapes, ecosystems, biodiversity, critical habitats and endangered or IUCN Red Listed species, as well as impacts on surface water, groundwater and air quality. Potential sources of pollution are evaluated, including emissions, effluents and the generation of hazardous and non-hazardous waste, together with the adequacy of storage, handling and disposal practices in line with national legislative requirements. The screening also assesses the sustainable use of natural resources, including energy and water efficiency, measures to minimise greenhouse gas emissions, and the integration of conservation needs with development priorities to promote the sustainable management of living natural resources and ecosystem services.

#### Due diligence measures for community dialogue

All corporate clients are required to have grievance mechanisms in place for employees to raise workplace concerns and to ensure employees are informed of how to access these mechanisms. Where projects or ongoing operations are expected to pose continued risks or adverse impacts on surrounding communities, clients must also establish, or provide evidence of, an accessible community grievance mechanism in line with the IFC Performance Standards on Environmental and Social Sustainability. These mechanisms must be proportionate to the level of risk, address concerns in a timely and transparent manner, be culturally appropriate and readily accessible to affected communities, operate at no cost, and protect users from retaliation, with clients responsible for communicating their availability through ongoing community engagement. Stakeholders may also raise concerns through Standard Bank Group's anonymous whistleblowing channel. In support of this approach, Standard Bank's Stakeholder Engagement Policy requires business units to identify and engage affected stakeholders through respectful, transparent and

responsive dialogue aligned with the Code of Ethics and King IV principles and mandates the integration of stakeholder engagement and grievance mechanisms into planning and due diligence processes. This framework is complemented by initiatives, where applicable, such as Growth Conversations, which facilitate multistakeholder dialogue in selected markets to support inclusive decision making and address development priorities.

#### Governance over ESG topics

Standard Bank integrates sustainability-related risks, including environmental, social and climate risks, into its risk governance framework and enterprise risk management system, with clear accountability, oversight and escalation mechanisms. Board oversight is exercised through dedicated committees responsible for social, ethics and sustainability matters and for risk and capital management, which oversee policy approval, risk appetite alignment, and progress against climate-related objectives. Executive management is accountable for implementing the sustainability strategy, with ESG-related responsibilities embedded in performance management and supported by management level committees at group and business unit level. Oversight is reinforced through the three-lines of defence model, whereby business units and E&S risk teams manage ESG risks in day-to-day activities, independent risk functions provide monitoring and challenge, and internal audit delivers assurance over governance, controls and adherence to internal policies and relevant international standards.

#### Other elements of the risk management framework

Environmental and social risks are incorporated into group and business unit risk appetite statements, while climate risk is currently reflected through a qualitative group-level risk appetite, with ongoing work to further quantify climate-related credit risks and reflect them in credit limits and other financial risk parameters as data and methodologies mature. A climate risk stress testing and scenario analysis programme is in place, assessing both physical and transition risks across multiple African jurisdictions, and informing management understanding of potential impacts on the credit portfolio. Climate-related impacts on capital adequacy have been assessed through recent ICAAP stress testing exercises; however, these assessments remain constrained by data quality and modelling limitations and are subject to further development before fuller integration into capital planning processes. A groupwide framework for integrating climate risk into existing risk type management continues to evolve at both group and business unit level, consistent with a proportionate and progressive approach to climate risk integration.

#### **Inclusion (non-discrimination)**

Inclusion and non-discrimination are embedded in the Group's conduct and risk management framework through internal policies and regulatory commitments. The Code of Conduct requires all employees to treat clients objectively and fairly and to apply policies consistently and equitably, regardless of individual characteristics. In addition, the Group is a signatory to South Africa's [Code of Banking Practice](#), which commits it to refraining from unfair discrimination in the provision, quality and terms of banking products and services, and to providing clients with reasons, where required by law, for the refusal of products or

services. These commitments are aligned with the National Credit Act, which prohibits discriminatory lending practices, requires fair and objective credit assessments, and provides customers with rights to transparency, written explanations for credit decisions, and access to redress mechanisms through the National Credit Regulator or the Equality Court.

## Responsible lending practices

### Sales practices

Standard Bank ensures responsible sales practices through its Conduct Risk Policy, which explicitly covers sales practices, remuneration, and incentives, requiring that reward systems do not encourage mis-selling and that sales targets align with fair customer outcomes. The Code of Ethics and Conduct reinforce client-centric behavior, mandating fair and reasonable treatment, clear responsibilities, and prohibiting illegitimate commissions. Monitoring is achieved through monthly conduct dashboards, quarterly reporting to governance committees, systematic complaints management, and regular reviews of client risk profiles against product risk. These measures, combined with regulatory obligations under the [National Credit Act \(NCA\)](#) and [Code of Banking Practice](#), ensure that assets financed under this framework adhere to responsible sales practices across reward systems, training, and ongoing monitoring.

### Responsible marketing

Responsible marketing is governed by the Group's Code of Ethics and Conduct and the South African [Code of Banking Practice](#), which require all advertising and promotional material for banking products and services to be clear, fair, reasonable and not misleading. Marketing communications must accurately disclose pricing, fees and key product features, prohibit hidden costs or deceptive practices, and comply with specific requirements for the marketing of credit agreements under the [National Credit Act \(NCA\)](#). These obligations are further supported by regulatory frameworks such as the [FSCA Conduct Standard for Banks](#), which set standards for transparency, suitability, affordability assessments and fair advertising throughout the product lifecycle. The Group's [Sustainability Disclosures Report](#) further outlines commitments to fair pricing, responsible product design and delivery, and ethical marketing practices, ensuring that customers receive clear, accessible and accurate information and are informed of reasons for application decisions where required by law.

### Responsible treatment of customers with debt repayment problems

The Group's [Sustainability Disclosures Report](#) confirms that the Group's responsible lending approach is underpinned by ethical business practices and risk management processes designed to support clients' financial stability and ensure prudent credit risk assessment. Responsible lending principles are applied consistently across product design, client affordability assessments, credit decision-making and collections, in line with applicable regulatory frameworks.

Clients experiencing financial difficulty are supported through a range of tailored assistance measures, including payment holidays, partial payment arrangements, reduced or extended repayment terms, arrears restructuring and refinancing solutions, with the aim of restoring affordability and limiting long-term financial harm. Engagement with clients in distress prioritises early intervention, clear communication and fair treatment.

Debt collection activities follow structured protocols that emphasise transparency, fairness and proportionality, and may involve the use of approved third-party agents operating under defined standards and oversight. Legal recovery actions are considered only after reasonable alternatives have been exhausted and are conducted in compliance with applicable laws and regulations.

Employees involved in debt solutions and recovery processes receive specialised training to ensure consistent, compliant and client-centred engagement, supporting ethical conduct and the sustainable resolution of credit stress.

### Carbon-related financing

The Group focuses on sectors identified as material from a transition risk and opportunity perspective due to their reliance on carbon-intensive processes and their potential to benefit from the transition to lower-carbon technologies. These sectors include non-renewable power generation, oil and gas, renewable energy as a strategic opportunity, the manufacture of steel, cement and transportation vehicles, real estate activities, and agriculture. The [FY2025 Climate-Related Financial Disclosure Report](#) discloses banking book exposures to sectors with both high and elevated sensitivity to transition risks for on- and off-balance-sheet loans and advances. As at FY2025, exposure to high transition-risk sectors represented 6.94% of the total portfolio, with a further 34.15% exposed to elevated transition risks, largely driven by real estate activities. Ongoing work is focused on further differentiating transition and physical risk sensitivities across counterparties, sectors and geographies.

In line with SBG [Climate Policy 2025](#), the Group has established targets to manage transition-related risks and support a lower-carbon energy portfolio, including a 10% improvement in the average physical emissions intensity of the upstream oil and gas portfolio by 2030 (2024 baseline), focused on operational emissions (When setting the target, SBG used the IEA Announced Pledges Scenario (APS) 2030. The 2025 World Energy Outlook did not include the APS as many countries have yet to submit updated climate pledges for 2031-35. Once the IEA updates the APS, SBG will reassess and, if necessary, adjust 2030 targets accordingly). Additional targets include limiting upstream oil and gas exposures to less than 30% of the energy book and less than 3% of total loans and advances by 2030, and increasing lending and investment in sustainable, gas and low-carbon energy technologies, with a renewable-to-non-renewable energy supply ratio maintained at a minimum of 3:1. The physical intensity target currently applies to the upstream oil and gas sector, with 2024 baseline emissions disclosed in absolute and proportional terms for the portion of the portfolio subject to targets. As at the end-2025, baseline financed emissions

have been disclosed for additional priority sectors, including the remaining oil and gas portfolio, thermal coal and real estate, as well as transport, agriculture, cement and steel. Work is underway to support further measurement and target setting. Off-balance-sheet activities, trading book exposures and associated facilitated emissions have not yet been measured.

### Financed emissions

Standard Bank Group has calculated baseline financed emissions for four priority sectors—oil and gas, thermal coal mining, commercial real estate and residential real estate—using the Partnership for Carbon Accounting Financials ([PCAF](#)) methodology. The approach applied and associated assumptions are described in the Group's [FY2025 Climate-Related Financial Disclosure Report](#). Facilitated emissions are referenced in the report solely to indicate where they reside, primarily within asset management portfolios, and are not currently incorporated into the climate policy or strategy, as they have not yet been prioritized for measurement or target-setting.

### Exclusion policy

Group-wide exclusions apply to all entities within Standard Bank Group, which will not provide banking or lending facilities to activities involving:

- Production or activities involving harmful or exploitative forms of forced labour or harmful child labour.
- Production or trade of products or activities deemed illegal under host country laws or regulations, international conventions and agreements, or subject to international phase-outs or bans, including:
  - ozone-depleting substances;
  - polychlorinated biphenyls (PCBs);
  - specified hazardous pharmaceuticals, pesticides, herbicides or chemicals;
  - wildlife or wildlife products regulated under CITES;
  - unsustainable fishing methods
  - 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 sporting equipment.
- Production and distribution of racist and/or neo-Nazi media.
- Illegal logging or the purchase of illegally harvested timber.

- Deforestation of natural forests and indigenous trees, excluding removal of bush in farming blocks where grazing and cropping will have a positive impact.
- Production or trade in wood and other non-indigenous forestry products other than from sustainably managed forests.
- Mountaintop removal.
- Mining or trading of diamonds not certified under the Kimberley Process Certification Scheme.
- Construction of new thermal coal-fired power plants or expansion in generating capacity of existing
  - coal-fired power plants
  - New coal mines, except where such a development improves operational efficiency
  - New oil-fired power plant construction or the expansion in the generating capacity of existing oil-fired power plants, except where such plants provide backup services as part of an integrated renewable energy power plant
  - Companies with unrestricted flaring for new assets
  - Any activity that requires significant induced stimulation, mechanical intervention or unconventional extraction techniques to primarily produce the resource (i.e. shale gas and shale oil extraction)
- Any oil or gas project outside Africa.

## PART IV: STANDARD BANK'S SUSTAINABILITY STRATEGY

*Key sustainability objectives and priorities defined by Standard Bank*

TOPIC	ISSUER APPROACH
<b>Core ESG pillars</b>	<p>Standard Bank focuses on the following Sustainability pillars:</p> <ul style="list-style-type: none"> <li>▪ Positive impact<sup>18</sup></li> <li>▪ Managing sustainability-related risks</li> </ul> <p>Standard Bank strives to achieve positive impact by focusing on climate change mitigation and adaptation, infrastructure development, and delivering financial health and inclusion.</p> <p>As developed in its sustainable finance framework, Standard Bank strives to effectively manage the risks of its lending and investment activities, including social and environmental, fair treatment of customers, financial crime.</p>
<b>Definition of core ESG pillars</b>	<p>The Sustainability pillars of Standard Bank are defined through an annual materiality assessment, assessing its most significant sustainability risks, opportunities and impacts the short, medium and long term.<sup>19</sup></p>
<b>ESG targets and timeline</b>	<p>To achieve its Sustainability commitments, Standard Bank has set targets on its various Sustainability goals, including an annual reduction in Standard Bank's own greenhouse gas emissions (Scopes 1 and 2) with a target year of 2040.<sup>20</sup></p>
<b>SBTi Targets</b>	<p>The Group does not currently have verified science-based targets. However, it has developed its emissions reduction targets using a sectoral decarbonization approach aligned with the principles of the Science Based Targets initiative (SBTi). The Group has not yet set an official SBTi-validated target, as data on the Group's Scope 3 financed emissions is still being developed.</p>
<b>Financial budget to achieve the ESG targets (CapEx,</b>	<p>To achieve and/or maintain its Sustainability commitments, Standard Bank has set the following process:</p>

<sup>18</sup> Standard Bank, Sustainability Disclosures Report 2024, page 7, available [here](#).

<sup>19</sup> Standard Bank, Sustainability Disclosures Report 2024, page 15, available [here](#).

<sup>20</sup> Standard Bank, Sustainability Disclosures Report 2024, page 16, available [here](#).

TOPIC	ISSUER APPROACH
<p><b>OpEx, Product Mix)</b></p>	<p>Standard Bank Group has financial targets for mobilization of Sustainable Finance and for sub-targets linked to green and social finance mobilization.</p> <p>Standard Bank Group is providing a detailed annual breakdown of progress against these targets, by business unit and by key product area<sup>21</sup>. These have been approved by business and gone through internal governance processes, ultimately approved by Standard Bank Board. These targets are reviewed periodically but at least every 3 years.</p>
<p><b>Association/ Collective commitments</b></p>	<p>Standard Bank is a member of/signatory to:</p> <ul style="list-style-type: none"> <li>▪ UN Principles for Responsible Banking since 2019.</li> <li>▪ UN Principles for Responsible Investment since 2008 for Stanlib and 2023 for Liberty Group.</li> </ul>
<p><b>Sustainability reporting</b></p>	<p>Standard Bank publishes an annual report on its Sustainability performance and initiatives through reports published on its website.</p> <p>As part of its ongoing alignment with sustainability reporting standards, Standard Bank is assessing gaps in its existing data and reporting processes, with an emphasis on measuring the financial impacts of sustainability-related risks in the short, medium, and long term.</p>
<p><b>Previously issued sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</b></p>	<p>Standard Bank previously issued green and social instruments or transactions, published in Standard Bank’s reporting suite.<sup>22</sup></p>

<sup>21</sup> Information available in the [Climate Related Financial Disclosures Report \(2025\)](#).

<sup>22</sup> Standard Bank, Sustainability Disclosures Report 2025, page 28, available [here](#).

## DISCLAIMER

1. Validity of the External Review ("External Review"): Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate is a leading provider of robust SaaS and expert advisory services to companies, globally. ISS-Corporate's data-driven, research-backed Compass platform helps empower businesses to understand and shape the signals they send to institutional investors, regulators, lenders, and other key stakeholders. By delivering essential data, tools, and advisory services, ISS-Corporate can help businesses around the world to be more resilient, align with market demands, and proactively manage governance, compensation, sustainability, and cyber risk initiatives. ISS Corporate Solutions, Inc. ("ISS-Corporate") is a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS") and part of the ISS STOXX GmbH group of companies. This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of ISS-Corporate or its affiliates. The Information may not be reproduced or disseminated in whole or in part without prior written permission of ISS-Corporate. ISS-Corporate MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION. ISS-Corporate provides advisory services, analytical tools and publications to companies to enable them to improve shareholder value and reduce risk through the adoption of improved corporate governance practices. The ISS STOXX Governance and Sustainability research teams, which are separate from ISS-Corporate, will not give preferential treatment to, and are under no obligation to support, any proxy proposal of a corporate issuer nor provide a favorable rating, assessment, and/or any other favorable results to a corporate issuer (whether or not that corporate issuer has purchased products or services from ISS-Corporate). No statement from an employee of ISS-Corporate should be construed as a guarantee that ISS STOXX will recommend that its clients vote in favor of any particular proxy proposal or provide a favorable rating, assessment or other favorable result.
3. External Reviews are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this External Review is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these External Reviews, or any information provided therein. If the External review is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the External Review is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.
5. This External Review, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the External Review wholly or in part, the distribution of the External Review, either free of charge or against payment, or the exploitation of this External Review in any other conceivable manner.

© 2026 | ISS STOXX and/or its subsidiaries

## ANNEX 1: Methodology

### PART I: REVIEW OF THE SUSTAINABLE FINANCE FRAMEWORK

We consider relevant market guidelines in the assessment of sustainable finance strategies, including but not limited to fixed-income transactions. The analysis considers criteria from a set of different market standards, voluntary guidelines and best practices (e.g., ICMA’s Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Sustainability-Linked Bond Principles; the LMA’s Green Loan Principles, Social Loan Principles and Sustainability Linked Loan Principles; the UNEP-FI PRB; the CBI’s Climate Bonds Standard V4.0; and guidelines proposed by the European Banking Authority with respect to environmentally sustainable lending). The application of the ICMA and LMA principles, comprising voluntary guidelines, is limited to the assessment of the characteristics of a specific transaction or issuance.

SECTION	ASSESSMENT CRITERIA
<p><b>1. Objectives, targets and progress</b></p>	<p>For a financing strategy to be classified as sustainable, banks should embed these within the context of their overarching sustainability objectives. The institutions should further include relevant qualitative and, where feasible, quantitative targets to measure the progress on their commitments. Banks provide transparency on how to increase positive impacts, reduce negative impacts and mitigate ESG risks. The sustainability strategy is expressed by referring to alliances such as the U.N. Sustainable Development Goals, the Paris Agreement, or national or regional frameworks.</p>
<p><b>2. Definition of sustainable financing activities</b></p>	<p>The sustainable financing strategy should clearly and comprehensively define what transactions are deemed sustainable based on precise parameters. Ideally, the Group should provide an exhaustive list of eligible sustainable activities. The criteria should ensure a positive contribution to relevant sustainability objectives and be sufficiently precise to ensure a minimum level of contribution to those objectives (e.g., clear definition, quantified thresholds or impact indicators) while ensuring that other objectives are not harmed.</p>
<p><b>3. Evaluation and selection process</b></p>	<p>Banks should have a comprehensive and documented process in place to ensure that the funded projects align with the eligibility criteria for sustainable financing instruments. Moreover, where applicable, information about climate- and sustainability-related business objectives of the borrowers and/or investors should be collected. The borrower of a green/social loan should clearly communicate the environmental/social objective(s) of the projects, the process by which the borrower determines how the project(s) to be funded fit(s) within the eligible projects categories, and complementary information on the processes by which the borrower identifies and manages</p>

	perceived, actual or potential environmental and social risks associated with the relevant project(s).
<b>4. Governance and monitoring</b>	Clear governance mechanisms should be in place to ensure that the products classified as sustainable remain in line with the criteria for sustainable investment, lending or financing instruments throughout their lifecycle. This should include a process to deal with products that cease to meet the eligibility criteria. Effective governance procedures pertaining to sustainability, assigning clear roles and responsibilities, and segregating duties are in place to promote sustainable business practices. With respect to borrowers and dedicated financing transactions, banks should ensure that they diligently monitor the allocation of proceeds toward sustainable projects and activities.
<b>5. Reporting</b>	Relevant reporting should be conducted frequently and, where feasible, made publicly available to communicate classified sustainable transactions, as well as the impact and progress of the sustainable financing strategy. Elements to be reported on should be communicated clearly at the inception of the strategy and capture the most significant areas of impact on environmental and social topics.
<b>6. Verification</b>	It is recommended that in connection with the establishment of a sustainable financing framework, banks obtain external reviews. External reviews should be made publicly available.

## PART II: ASSESSMENT OF STANDARD BANK' SUSTAINABLE FINANCE CLASSIFICATION SYSTEM

This section examines the sustainability quality of each of the parameters included in Standard Bank's sustainable finance classification system and discusses the sustainability quality of the compliant products.

## PART III: ASSESSMENT OF STANDARD BANK'S ESG RISK MANAGEMENT

### ESG risk management KPIs

The risk management KPIs serve as a structure for evaluating the sustainability quality (i.e., the social and environmental added value) of the proposed selection criteria as well as the Group's overall financing operations.

It comprises firstly the definition of the selection criteria offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value — and therefore the sustainability performance — can be clearly identified and described.

If a majority of the criteria fulfill the requirement of an indicator, the indicator is then assessed positively. The indicators may be tailor-made to capture the context-specific environmental and social risks. In addition, the KPIs assess sustainability-related risks considered relevant to the Group's financing operations. The evaluation was carried out based on information and documents provided confidentially by the Group (e.g., Due Diligence procedures).

## PART IV: SUSTAINABLE FINANCE FRAMEWORK'S LINK TO STANDARD BANK'S SUSTAINABILITY STRATEGY

This section provides an assessment of the sustainability quality of the Group and how the underlying Sustainable Finance Framework contributes to its sustainability strategy. Drawing on the ISS Sustainability Corporate Rating, a focus is put on the Group's overarching sustainability policies as well as the management of related ESG risks.

## ANNEX 4: Quality management processes

### SCOPE

Standard Bank commissioned ISS-Corporate to compile a Sustainable Finance Framework External Review. The External Review process includes verifying whether the Sustainable Finance Framework aligns with market practices for sustainable finance and assessing its sustainability credentials, as well as the credibility of the Group's sustainable financing classification system.

### CRITERIA

Relevant standards for this External Review stem from key principles for transparency and non-contamination of sustainable-labeled products, including:

- ICMA's Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Sustainability-Linked Bond Principles
- The LMA's Green Loan Principles, Social Loan Principles and Sustainability-Linked Loan Principles
- UNEP-FI PRB
- The CBI's Climate Bonds Standard V4.0
- Guidelines proposed by the European Banking Authority with respect to environmentally sustainable lending

### CLIENT'S RESPONSIBILITY

Standard Bank's responsibility was to provide information and documentation on:

- Sustainable Finance Product Framework
- ESG impact and risk management
- Governance procedures

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS STOXX, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

ISS-Corporate has conducted this independent External Review of Standard Bank's Sustainable Finance Framework based on proprietary methodology and in line with market practices and relevant market standards for sustainable finance.

The engagement with Standard Bank took place from December 2025 to May 2026.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS STOXX Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and

team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of ISS STOXX.

## About this External Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

As part of our sustainable (green and social) bond services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them define ambitious criteria.

ISS-Corporate provides External Review services for sustainable financing and responsible investment strategies by assessing the robustness of its clients' frameworks.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For more information on External Review services, contact [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

### Project team

#### Project lead

Ilaria Vigo  
Associate Vice President  
Sustainable Finance  
Research

#### Project support

Vittoria Favalaro  
Associate  
Sustainable Finance  
Research

#### Project supervision

Adams Wong  
Vice President  
Head of Sustainable  
Finance Research