



Standard Bank Group climate policy summary

Our approach

We are committed to ensuring that our business strategy is consistent with and contributes to society's needs and priorities. We support a just transition that seeks to achieve the imperative for environmental sustainability in a manner that creates decent work opportunities and social inclusion, addresses Africa's energy poverty, acknowledges Africa's negligible historical contribution to global emissions, and is grounded in a science-based understanding of developments in the energy mix.



We commit to achieving **net zero carbon emissions**

- from our own operations for newly built facilities by 2030
- for existing facilities by 2040
- from our portfolio of financed emissions by 2050.






We are applying **complementary mechanisms to reach these goals:**

- sustainable finance solutions
- lending policies
- climate targets
- innovative ways of engaging with clients and supporting their transitions towards net zero emissions.

Our journey is **informed by the Network for Greening the Financial System Net Zero 2050** (1.5°C) scenario.

We have structured our policy, strategy, assessment of risks and opportunities, and targets according to short-, medium- and long-term time horizons, as defined below.

			
TIME HORIZONS	Short-term (0–5 years)	Medium-term (5–10 years)	Long-term (+10 years)
	Start Year 2022	Start Year 2027	Start Year 2033
	End Year 2026	End Year 2032	End Year 2050

Supporting the transition



We are targeting

a cumulative amount of between **R250 billion–300 billion**

to mobilise sustainable finance across all banking products by the end of 2026.



This includes

R50 billion

to finance renewable energy over the next three years, and underwriting a further

R15 billion

for renewable energy over the same timeframe.

This commitment to financing renewable energy is estimated to be 2.5 to 3 times greater than the group's financing commitment to non-renewable energy by the end of 2024.

Monitoring and reporting

- **We will monitor progress** on the achievement of climate targets and commitments annually.
- **We will review** our climate targets and commitments at a minimum on a three-year cycle from the date of adoption.
- **We will disclose our progress** in the Standard Bank Group's annual reporting suite.
- **We will review and revise** our overall climate policy whenever necessary and at a minimum of every three years.

Key take-aways

Our initial focus is on four sectors with material risk exposures, namely agriculture, gas, oil and thermal coal. The process of setting our commitments and targets was informed by climate science, relevant regulatory and voluntary standards, available data, market dynamics, and benchmarking against other banks. By 2025, we will set commitments and targets for additional sectors, including insurance, residential and commercial property, and transportation.



Agriculture

We will not finance:

- the deforestation of natural forests and indigenous trees (except where this will have a positive impact, as in the de-bushing of farming blocks for grazing and cropping)
- the production of or trade in other non-indigenous forestry products except from sustainably managed forests
- unsustainable fishing.

We will encourage sustainable agricultural practices through sustainable loan products that support renewable energy opportunities, climate-smart agriculture, and through digital platforms to assist small-holder farmers.

We will collect data through partnerships with research groups and industry experts to set an emissions reduction target and a portfolio baseline.



Gas

We will finance only those gas-related projects that produce zero to minimal fugitive emissions or that are committed to reducing the carbon intensity of liquified natural gas (LNG) plants.

We will prioritise finance for constructing gas-fired power plants when:

- providing support services as part of an integrated renewable energy power solution
- converting existing coal- or oil-fired power plants as part of a clearly defined decarbonisation plan aligned to net zero by 2050.

In line with our view of gas as a transition fuel, we will limit the financing of standalone gas-fired power plants providing general baseload, mid-merit or peaking power to a cap of 0.75% of total group advances after 2026, from a current level of 0.14%

We will reduce our exposure to gas by 2045, in line with our commitment to net zero by 2050, giving due consideration to the energy security of the markets where we operate.



Oil

We will reduce:

- group advances to upstream oil by 5% by 2030
- financing to clients generating power mainly from oil, from 0.05% of total group advances in 2021 to 0.03% in 2026 and zero from 2030.

We will not finance:

- companies with unrestricted flaring for new assets, and we will seek from existing companies with flaring, timebound plans to eliminate flaring for existing assets
- the extraction of tar sands or construction of associated export facilities, exploration and production of tight oil resources, and pipelines transporting a significant volume of tight oil and export terminals supplied by a significant volume of tight oil
- constructing new oil-fired power plants or expanding existing generating capacity, unless such plants provide support services as part of an integrated renewable energy power plant.



Thermal coal

We will limit our exposure to 0.70% of group loans and advances in 2021 and to 0.50% by 2030.

We will not finance the construction of new coal-fired power plants or the expansion of generating capacity of existing plants.

We will reduce the financing of power sector clients that generate power mainly from coal, from 0.18% of total group advances in 2021 to 0.15% in 2026 and 0.12% from 2030.

We will finance new coal mines only when there is an overall positive environmental impact.