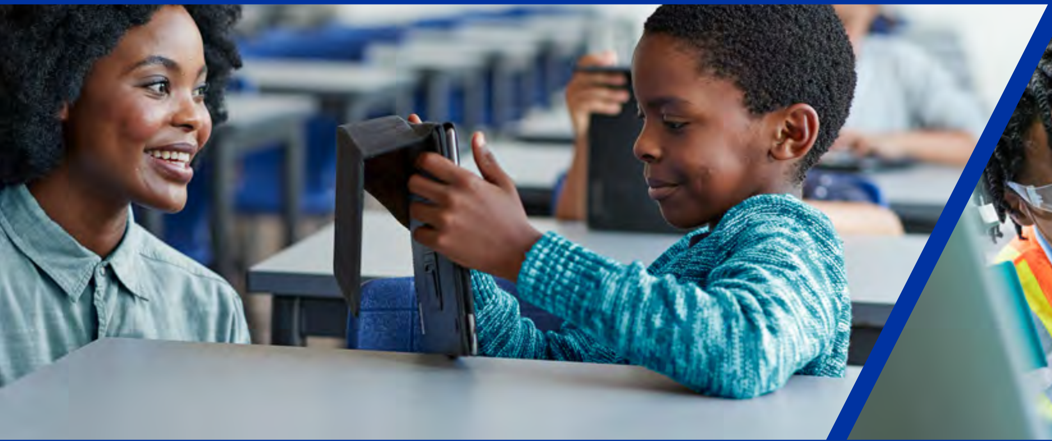


Standard Bank Group

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

Standard Bank IT CAN BE™

Also trading as Stanbic Bank

Contents

How to navigate our reports

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

Refers readers to information elsewhere in this report.

Refers readers to information in our other reports, which are available online.

This report is best viewed in Adobe Acrobat for desktop, mobile or tablet. Click to download or update to the latest Adobe Acrobat Reader and then links to **https://acrobat.adobe.com/za/en/acrobat/pdf-reader.html**

Purpose of this report

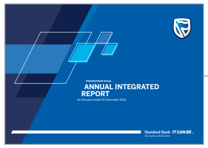
As a signatory to the Principles for Responsible Banking (PRB), Standard Bank is committed to ensuring that our business strategy is consistent with and contributes to society's needs and priorities, as expressed by the UN sustainable development goals (SDGs), the Paris Agreement, the AU's Agenda 2063, and sustainable banking frameworks in our countries of operation.

We are working to continuously increase the positive social, economic and environmental (SEE) impacts arising from our business activities, and reduce negative impacts. This report provides information about how we manage environmental, social and governance (ESG) risks, and how we're embedding a culture of responsible banking across the group. It includes an overview of our ESG governance framework, our material issues and information about how we embed a strong ethical culture and appropriate conduct across the group.

For information about our SEE impacts, and how we're working with our clients and other stakeholders to encourage sustainable practices and create shared prosperity for current and future generations, please read our **Report to Society**. For information about how the group is managing the risks and responding to the opportunities presented by climate change, please read our **Climate-related Financial Disclosures report.**

Our reporting suite

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



Annual integrated report

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

Report to Society

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

THIS REPORT

Environmental, social and governance (ESG) report

Overview of the processes and governance structures the group has in place to support our commitment to doing the right business, in the right way.

Climate-related financial disclosures report

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

Standard Bank South Africa (SBSA) transformation report

Update on our transformation journey and performance against the pillars of the Financial Sector Code.

Governance and remuneration report

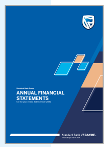
Discusses the group's governance approach and priorities, as well as the remuneration policy and implementation report. Includes information on how the group applies the principles of the King IV™* Report on Corporate Governance for South Africa.

Risk and capital management report

Sets out the group's approach to risk management.

Annual financial statements

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



Assurance statement

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

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

PwC's limited assurance report can be found in our **Report to Society**.

* Also known as King IV and King Code. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

About Standard Bank Group (SBG)

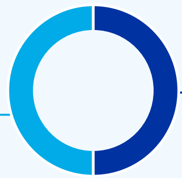
Who we are

We are the largest bank in Africa by assets. We are Africa focused, client led and digitally enabled. We provide comprehensive and integrated financial and related solutions to our clients. We drive inclusive growth and sustainable development. Our market capitalisation was R229 billion at 31 December 2021.

(excluding Liberty)

49.8% owned by international investors

China (20.1%), USA (12.1%) and UK (1.5%), Namibia (1.4%) comprising the top investor regions.



50.2% owned by South Africans

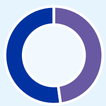
Industrial and Commercial Bank of China Limited (ICBC), the world's largest bank by assets, is a 20.1% shareholder. Our strategic relationship with ICBC enables us to facilitate investment flows and commercial relationships between China and Africa, to the benefit of African countries. Our second largest shareholder is the Government Employees Pension Fund of South Africa which holds 14.5% of shares.

Where we are

We operate in 20 sub-Saharan African countries. We also have operations in Beijing, Dubai, London, New York and Sao Paulo, and offer international financial services from our offices in the Isle of Man, Jersey and Mauritius.

We are headquartered in Johannesburg. Our primary listing is on the Johannesburg Stock Exchange (JSE) in South Africa. We have a secondary listing in Namibia. Subsidiary banks are listed on exchanges in Kenya, Malawi, Namibia, Nigeria and Uganda.

1 143 branches



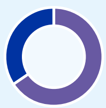
549 in Africa Regions (AR)^

594 in South Africa (SA)*

^ Includes service centres, customer service trade points, agencies, in-store banking and 'bank at work' sites.

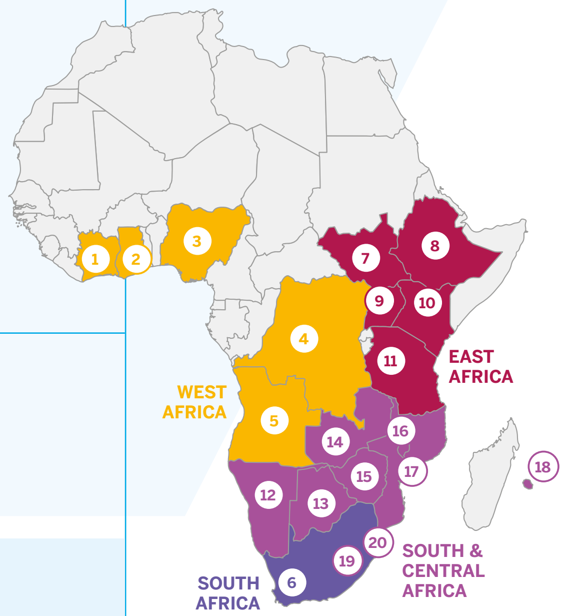
* Includes branches, kiosks, bank-on-wheels

6 600 ATMs



2 412 in Africa Regions

4 188 in South Africa



WEST AFRICA
1. Côte d'Ivoire
2. Ghana
3. Nigeria
4. Democratic Republic of Congo (DRC)
5. Angola

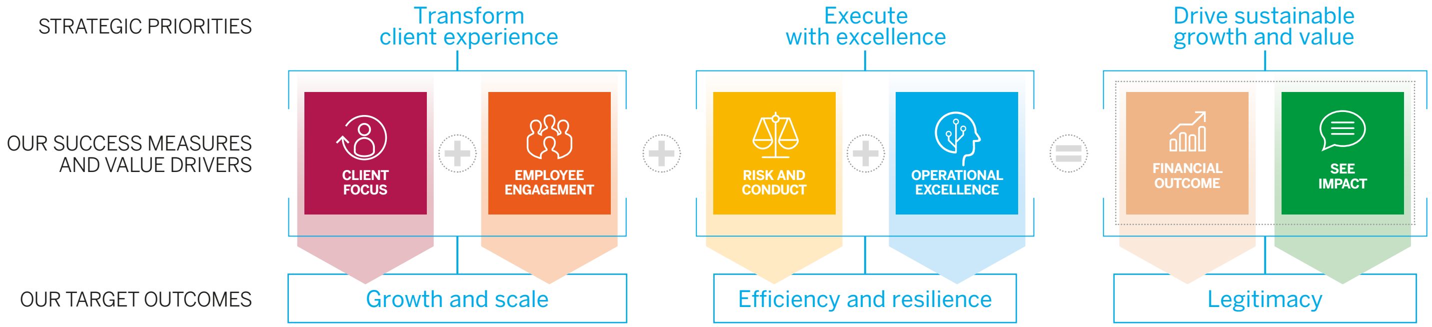
6. SOUTH AFRICA

EAST AFRICA
7. South Sudan
8. Ethiopia (representative office)
9. Uganda
10. Kenya
11. Tanzania

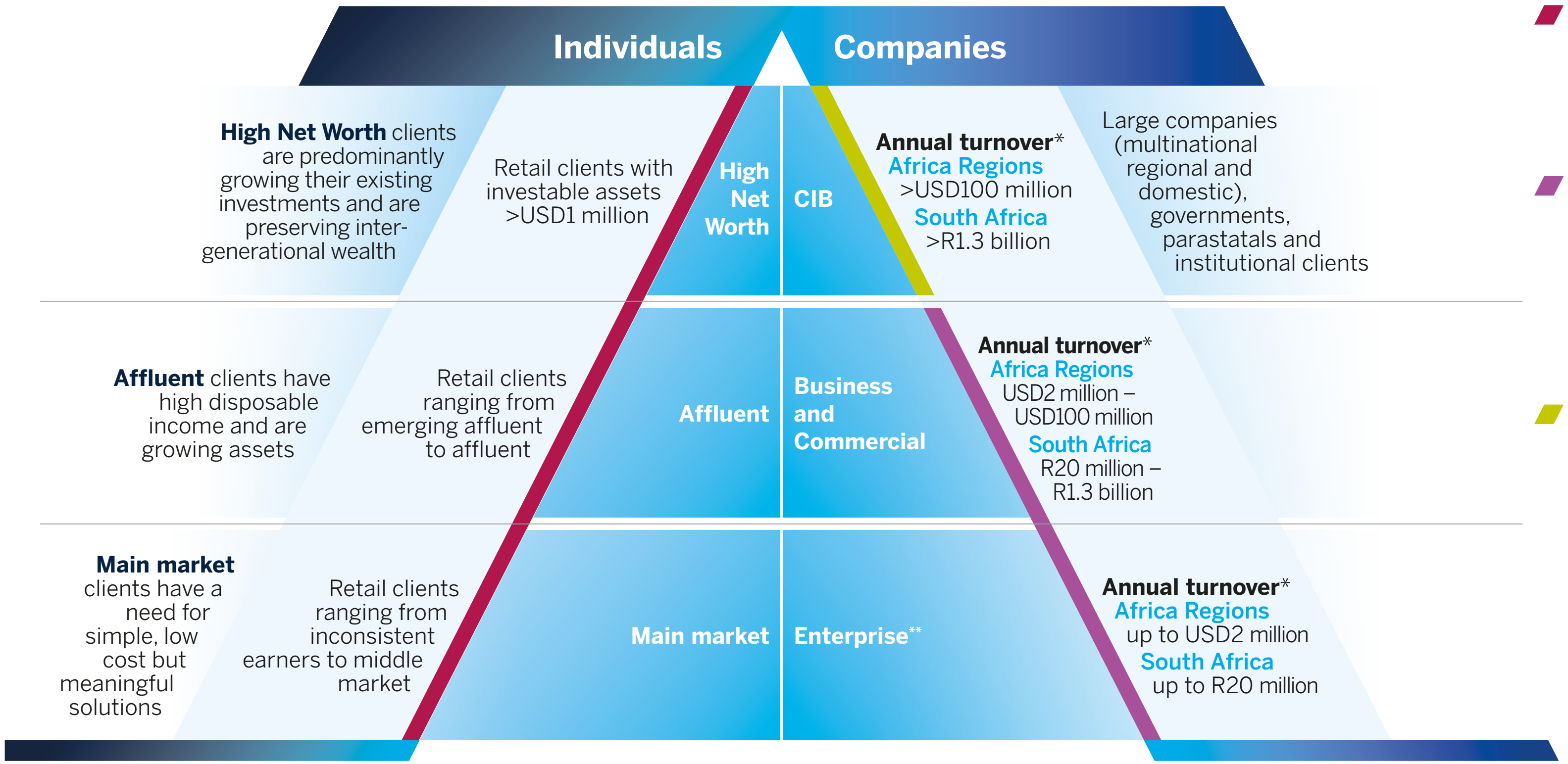
SOUTH & CENTRAL AFRICA
12. Namibia
13. Botswana
14. Zambia
15. Zimbabwe
16. Malawi
17. Mozambique
18. Mauritius
19. Lesotho
20. Eswatini

Our purpose

Africa is our home, we drive her growth



How we organise ourselves



SBG client segments

Consumer & High Net Worth (CHNW)
- In South Africa, 10.2 million active clients; leading market share in mortgages (35%) and credit card (26%)
- In Africa Regions, 5.5 million active clients

Business & Commercial Clients (BCC)
- Small, medium and large commercial businesses
- In South Africa, 500 000 clients, 25% of the market share for business and commercial clients, and about 20% for enterprises
- In Africa Regions, 261 000 clients

Corporate & Investment Banking (CIB)
- Large companies, governments, parastatals and institutional clients, in Africa and internationally
- Portfolio includes sovereign/public sector (32%), financial institutions (21%), consumer (10%), industrials (10%), real estate (10%), power and infrastructure (7%), mining and metals (5%) and oil and gas (5%)

* Indicative levels that may vary based on complexity of client relationship and country dynamics.
** Includes entrepreneurs.

Message from Thulani Gcabashe

Chairman, Standard Bank Group

Standard Bank Group's sustainability strategy aligns with our purpose, to drive inclusive and sustainable economic growth in Africa. We achieve this purpose by providing products and services that meet the development needs of Africa and her people. We identify our material sustainability issues based on the social, economic and environmental impacts of our activities on our diverse stakeholders, and the ESG risks that potentially impact on our ability to create value for our shareholders and society in the short, medium and long term.

The group's sustainability strategy, as approved by the board, is based on these two pillars:

- Achieving positive SEE impact linked to the UN SDGs, focusing on seven impact areas linked to our core business activities
- Upholding good ESG practices, doing business in a way that minimises harm to others and meets our responsibilities as a responsible corporate citizen.

We recognise that we operate in markets and sectors that are rated as high ESG risk. Effective ESG risk management is therefore crucial to minimise direct and indirect harm to the environment and society arising from our operations.

Our approach to ESG risk management is informed by global frameworks and standards, regulatory requirements in our countries of operation, the group's code of ethics and conduct, and the expectations and priorities of our diverse stakeholders.

Priority ESG issues during 2021 included cybersecurity, ethics and conduct, the health and wellbeing of our people, climate-related risk and associated disclosures, and how to balance Africa's need for affordable energy with climate considerations and the need for a just transition.

We are delighted at the strides the group has made in digitising our service offerings across many of our client segments and business areas. However, we are also keenly aware that the increase in digital transactions brings with it an increase in cyber and information risk. We continue to strengthen our processes and controls in this area. We are pleased to report that we have experienced no material breaches in the past year.

Many of us have been working from home for almost two years. We've experienced radical changes in the way we interact with one another as colleagues, how we engage with clients and partner organisations, and how we ensure that the group culture and ethical principles are deeply embedded in everything we do. While some conduct breaches have occurred, and every breach is a cause for concern, none have been material. We have addressed weaknesses in specific processes. More broadly, we are refreshing our code of ethics and conduct and the associated governance structures, to further support our commitment to always doing the right business the right way.

The health and wellbeing of our people is a top priority. In the context of the ongoing Covid pandemic, we continue to follow appropriate business continuity arrangements and are satisfied that we have continued to provide a high level of service to our clients, while keeping our employees as safe as possible. We recognise that getting vaccinated is the most effective and safest way to protect against serious illness associated with Covid-19. We have assisted many of our employees to access Covid vaccinations, and we continue to provide information and support to all employees to improve their understanding of the virus, the benefits of vaccination and how best to protect themselves from infection and transmission. In December, we announced that we will introduce a mandatory vaccination policy for all employees, to come into effect in South Africa in April 2022, and other countries of operation thereafter.

In terms of climate-related risk, the board approved the group's climate-risk policy, and associated targets for short, medium and long term action to achieve our net zero ambition by 2050, as per our commitments at the 2020 AGM. We have identified an initial set of sectors that present significant climate risk and opportunity. We undertook a rigorous process of research, internal consultation, and expert engagement to develop a clearer understanding of risks and opportunities in each sector. Our climate targets are being incorporated into performance measurement for the responsible executives, and will be included in the ESG factors considered by the group's remuneration committee.

Our sustainable finance offering continues to expand and diversify. Our specialised team of sustainable finance experts works with colleagues across the business to develop innovative solutions to help our clients achieve their ESG-related goals.

We remain committed to facilitating African economies' access to reliable and affordable energy, while aligning with the objectives of the Paris Agreement. We recognise the harmful environmental impacts associated with the use of fossil fuels. We are working with governments and the private sector across Africa to improve access to affordable green energy solutions. We support a just transition, and we are working with diverse social partners to help achieve this. Our financing of fossil fuel linked companies and projects is governed by our climate policy and related sector specific policies.

We believe that natural gas is an important transition fuel and has the potential to drive economic growth and substantial improvements in human development in some of Africa's poorest countries. While we recognise that some of our stakeholders hold a different position, we nonetheless welcome constructive dialogue and information sharing in this regard. Our commitment is that every project that we finance will be subject to robust due diligence and environmental and social risk management controls.

We have proven our resilience during another difficult year. We are confident that we have the appropriate systems, processes and people in place to deliver our SEE objectives, manage our ESG risks, and support sustainable human development across our countries of operation.

Thulani Gcabashe
Standard Bank Group Chairman

Our approach to sustainability

Africa is our home, we drive her growth

Given our purpose of driving Africa's growth and that our strategy focuses on sectors rated as high ESG risk, best practice ESG risk management is the foundation for delivering SEE impact. ESG performance is one of our metrics for measuring our SEE impact.

SEE

We aim to **maximise positive social, economic and environmental (SEE) impacts** of our business activities and minimise negative impact

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

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

SUSTAINABLE DEVELOPMENT GOALS

- An expression of our values
- Informs our code of ethics and conduct
- Supports responsible corporate citizenship
- Creates shared value for the group and society
- Enables diverse stakeholders to hold us to account

ESG

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

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

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

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

MAXIMISE POSITIVE IMPACT

EFFECTIVE GOVERNANCE AND RISK MANAGEMENT

Value created for stakeholders during 2021

We take pride in our purpose of **‘Africa is our home, we drive her growth’**. We strive to create and distribute wealth by investing responsibly and sustainably in ways that create value for all our stakeholders, including employees, suppliers, governments, the community and shareholders.

Employees

We paid
R36.6 billion to our employees
in salaries and other incentives.

Suppliers

We paid
R46 billion to our suppliers and service providers.

Governments

We paid/incurred and collected
R27.1 billion in tax.

Community

We provided
R215.7 million through our CSI programmes.

Shareholders

We paid
R12 billion to shareholders
as dividends.

Reinvested

We reinvested
R15.4 billion.

Standard Bank's ESG scores

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

	SAM Now a Part of S&P Global – S&P Global Corporate Sustainability Assessment (Out of 100, higher is better)	FTSE4Good – FTSE4Good Index Series (0 to 5, higher is better)	MSCI – ESG ratings (AAA to CCC)	CDP Disclosure Insight Action – Climate score (A to F)	Sustainalytics – ESG risk rating (Out of 100, lower is better)	Bloomberg Gender-Equality Index 2022 – (Out of 100, higher is better)
2021	61	Included (3.9)	AA	C	25.6 med risk (298 out of 1011 banks)	67.78 (first year of participation)
2020	60	Included	AA	C	25.5 med risk (226 out of 975 banks)	N/A
2019	51	Included	AA	B-	29.9 med risk (339 out of 943 banks)	N/A
2018	46	Included	AA	B-	32 med risk (226 out of 975 banks)	N/A

ESG risk governance

Board oversight of ESG risk management

The Standard Bank Group board is responsible for fostering a culture of ethics and appropriate conduct and for overseeing risk management. It ensures that the group applies applicable laws and regulations, and considers non-binding rules and standards. Board committees regularly review and approve major changes to the group's policies, including those related to sustainability and to the group's social and environmental material issues and impacts.

They provides guidance on how the group can enhance the positive aspects and minimise negative aspects arising from the group's activities, and are responsible for corporate governance and risk governance, including ensuring processes to provide complete, timely, relevant and accurate information to stakeholders.

Our board and executive management set the tone from the top, inculcating a culture of treating clients fairly, achieving positive outcomes for clients, society and the environment, and operating in an ethical and sound manner. Board committees meet quarterly. Feedback from these meetings is provided to the board by committee chairs.

The board delegates oversight to its committees as follows:

Group social and ethics committee

Oversees group activities relating to ethics and conduct, stakeholder engagement and social and environmental impacts:

- Ensures alignment between strategy and positive SEE impact
- Monitors material stakeholder issues and ensures these receive appropriate attention from board and management
- Monitors metrics related to ethics and conduct, diversity and inclusion, alignment with ESG standards and good practice, adherence to human rights statement
- Monitors metrics and targets related to SEE impact, in line with PRB commitments, including group climate policy and targets.

Group risk and capital management committee

Considers enterprise-wide risks, emerging risks and events that may have a direct or indirect impact on the group's risk profile:

- Includes focus on ESG risk, including climate risk
- Approves ESG risk standard and policy
- Monitors risk appetite and considers risk associated with allocation of capital.

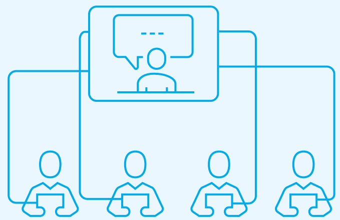
Group engineering committee

Oversees digital and physical infrastructure:

- Reviews progress against digitisation strategy
- Reviews maturity of technology governance
- Reviews group's response to infrastructure, user support, information security and technology resilience requirements
- Reviews results of independent assessments of clients' digital experience.

Group remuneration committee

Assesses SEE metrics and ESG performance as part of the process of assessing executive performance.



Board upskilling

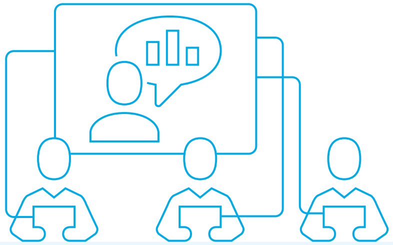
We continue to improve the depth and breadth of ESG skills on the board and available to the board, including through the use of independent advisors. In 2021, the group board participated in several training sessions focused on ESG issues, including climate risk. This included engagements with ESG experts from the Institute of International Finance and S&P, and regular updates on emerging policy and regulatory frameworks relevant to ESG and climate risk management. Several subsidiary boards across various countries also held training sessions on ESG matters, including climate risk.

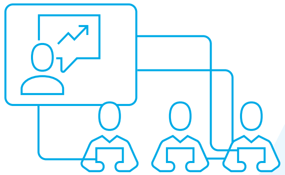
Executive oversight of ESG risk management

ESG risk management is integrated into the group's enterprise risk management (ERM) framework. The ESG risk governance framework provides executive management with an integrated view of our ESG risks. It defines structures and accountability for the oversight, governance and execution of ESG risk management, including environmental issues and climate-related risks; social issues including labour practices, human rights, health and safety, financial inclusion and impacts on communities; and governance issues including ethics and conduct, prevention of financial crime, and stakeholder relations. We continue to leverage data as an asset and develop intuitive risk management supported by digitisation. Group risk committees oversee the implementation of the ESG risk governance framework, and report to the relevant board committees.

Group leadership council (GLC)

- Constituted by the group chief executive, highest management structure
- Responsible for executive approval of policies and standards
- Ensures appropriate governance structures, policies, processes are in place to identify and resolve risks and strengthen risk culture
- Monitors adherence to group policies and standards, including values and code of ethics, climate policy
- Drives business alignment with conduct and ESG risk management and ensures business ownership and accountability
- Oversees conduct dashboards.





Social and ethics management committee

- GLC subcommittee with reporting line into the group social and ethics committee
- Chaired by the SBSA chief executive officer
- Meets quarterly
- Oversees social and environmental impacts of the group's business activities, including climate related impacts, alignment with ESG standards and good practice, ethics, conduct, human rights impacts
- Monitors stakeholder issues and concerns based on group-wide input
- Responsible for review and approval of climate policy and targets and monitoring of implementation.

Group risk oversight committee (GROC)

- GLC subcommittee with reporting line into group risk and capital management committee
- Chaired by group chief risk and corporate affairs officer
- Meets quarterly
- Responsible for overseeing financial and operational related risk, including ESG risk and, within this, climate-related risk, and embedding climate-related risk identification, classification, analysis, monitoring and reporting in enterprise-wide risk management system. ESG risk management was a standing agenda item in 2021
- Approves relevant risk governance policies, promotes risk management culture, oversees ESG risk management processes implemented by risk committees and mandated forums, including client and transaction screening and due diligence, to assess potential human rights and environmental impact
- Reviews and recommends group risk appetite.

Group risk oversight committee

Group non-financial risk committee

Reports to GROC. Provides oversight on all 17 non-financial risks and governance. Includes all risk type heads and second line business unit risk heads

Credit risk committees

Responsible for client onboarding and offboarding decisions, including for reasons of environmental or social counterparty risk

Group compliance committee

Reports to GLC and GROC. Promotes a compliance culture and ensures the effective management of compliance risk across the group

Group portfolio risk management committee

Sub-committee of CIB credit governance committee. Reviews results of portfolio reviews, stress testing, appetite and strategy assessments. Sets concentration limits or thresholds of portfolios and risk appetite indicator guidelines for group. Mandate includes all risk types, including environmental and social (E&S) risk

Structured transactions committee and structured transactions pre-screening committees

Responsible for review and assessment of transactions which, in addition to credit and country risks, include potential exposure to reputational, social or environmental risks

Other relevant committees:

- New business approval committee: Reviews recommendations from relevant committees and business processes, including environmental and social risk assessment processes
- Client risk committees: Assess issues related to ethics and conduct in relation to onboarding new clients, new client mandates, and existing client relationships, including conflicts of interest, anti-competitive behaviour and financial crime. Assess new and existing clients in relation to risk level and proposed activities with a focus on sanctions, terrorist financing, bribery and corruption, money laundering and fraud
- Supplier risk committees: Review issues related to ethics and conduct in relation to suppliers and third parties, including conflicts of interest, anti-competitive behaviour, human rights, conduct and environmental impacts
- Group stress testing and risk appetite committee
- Group country risk committee

Executives are responsible for preparing conduct dashboards for quarterly reporting, and integrating ESG risk management in client onboarding and review, transaction screening and monitoring, portfolio management, third party risk management and procurement.

The heads of legal entities, client segments and corporate functions are primarily responsible for the identification and management of risk within their environments to ensure the risk is within appetite. The second line of defence provides challenge and risk insights, monitoring and oversight, ensuring that risk management frameworks are adequately implemented, operate effectively and comply with group standards. The second line partners with the first line to guide and advise during the design of fit for purpose operating standards and risk-based prioritisation in line with the group's strategy and objectives. This approach adopts the practices as recommended by the Bank for International Settlement's 'Principles for the Sound Management of Operational Risk' and applicable corporate governance codes.

All identified material risks are prioritised and monitored through indicators or other qualitative measures. Breaches of risk thresholds are escalated to the appropriate governance structures.

In 2021, Standard Bank partnered with SOAS University of London to deliver a bespoke training programme on climate risk and sustainability for executive managers across different areas of the group. The group also hosted a climate conference for clients and employees, at which a range of experts shared their knowledge and reflections on the role of Africa's financial services sector in supporting a just transition.

Engaging our stakeholders and understanding our material issues

Our stakeholders

Who

Standard Bank's stakeholders are those individuals, groups, and organisations that materially affect or could be materially affected by our business activities, products, services and performance. They provide us with the resources and capital we need to achieve our strategy and purpose; influence the environment in which we operate our business; and confer legitimacy on our activities. They include our clients, employees and regulators, our shareholders, our partners and service providers, and the communities in which we operate.

What

The issues on which we engage our stakeholders are multiple and diverse. We are committed to listening to and constructively engaging with all legitimate stakeholders.

Why

Proactive engagement provides us with insights that help to inform the definition of our material issues and shape our business strategy and operations, while enabling us to manage and respond to stakeholder concerns and minimise reputational risk.

How

Given the scale of our operations and the diversity of our stakeholders, we have adopted a de-centralised stakeholder engagement approach, with oversight provided by executive management, country boards and the group board.

- Executives and managers engage regularly with diverse stakeholders on relevant issues, and are responsible for reporting material stakeholder priorities and concerns to the group corporate citizenship team
- The social and ethics management committee oversees stakeholder engagement and emerging issues at group level, via review of a quarterly stakeholder issues report collated by group corporate citizenship
- The group social and ethics board committee oversees stakeholder engagement and emerging issues at board level, via the quarterly stakeholder issues report; approves material stakeholder issues and ensures that these are incorporated into annual reporting.

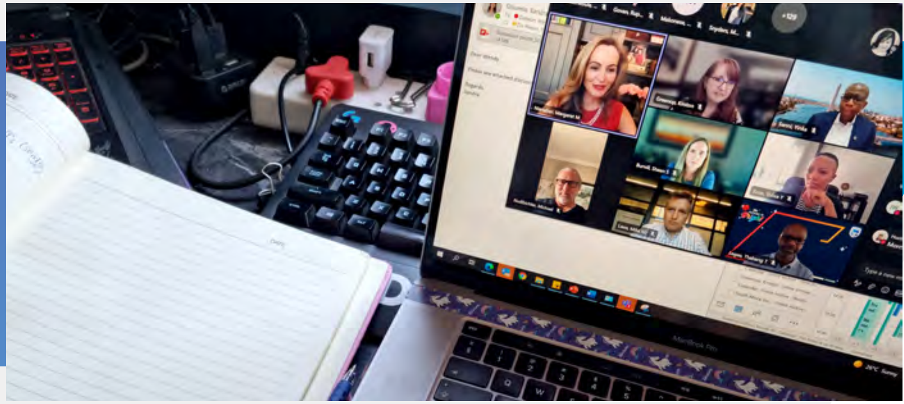
Governance of stakeholder engagements

Stakeholder engagement is governed by our group stakeholder engagement principles, which were approved by the group social and ethics committee in 2018. The principles provide a guideline for our operations across geographical areas, while recognising the need to accommodate local contexts. We developed the principles in consultation with our regional and country chief executive officers across Africa. We are committed to:

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

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

During 2021, we held a **series of masterclasses** on stakeholder engagement, hosted by group executives from different business areas and countries and open to all employees, to raise awareness of the importance of effective stakeholder engagement and share lessons and advice.



Material issues✓ for the group and our stakeholders

Our material issues are informed by:

- Our key impacts on society and the environment, and the expectations and concerns of our stakeholders in this regard
- The economic, social and environmental context in which we operate
- The risks and opportunities facing our business, as identified through our enterprise risks process.

While our material issues evolve over time, the broad themes tend to be relatively stable. We undertake an in-depth assessment of our material issues every two years. This process includes engagement with our diverse stakeholders, to help us identify relevant priorities. We undertook an in-depth review in 2020. In 2021, we made minor updates to these issues, based on:

- Stakeholder priorities identified through regular engagement with internal and external stakeholders
- Alignment with enterprise risks and threats, as identified by internal stakeholders
- Assessment of priority ESG risks as identified by internal stakeholders.

These updates were reviewed and approved by the social and ethics board committee and, subsequently, the group board.

Assumptions:

Standard Bank is headquartered in South Africa. The country accounts for our largest operational footprint and the largest share of our revenues. Issues considered material by stakeholders in the South African context therefore have a substantial impact on the group's ability to achieve our strategic objectives.

Challenges:

Standard Bank has a very wide range of stakeholders, with different priorities and perspectives on the role of the group. In determining our material issues, we assess these diverse perspectives in the context of the group's strategy and operating context. We also assess the current and emerging risks that are expected to have a material impact on the group in the short, medium and long-term, and assess how these relate to our material sustainability issues.

SBG MATERIAL ISSUES	RELATED ENTERPRISE RISKS
Client value through competitive digital platforms Fair outcomes for clients, support for clients in difficult times	Competitiveness of our customer value proposition, our ability to manage large-scale changes as we transform to a platform business, and the threat posed from major and emerging technology companies
Integrity of data and information assets Stability, security and speed of IT systems	Technology instability, fraud via digital channels, ransomware attacks
Third-party risk as we transform to a platform and ecosystems business	Operational dependence on third parties as we transform to a platform business
Risk across geographies with different regulatory and institutional frameworks	Regulatory constraints related to digital transformation
Effective business continuity	
Sustainable value to shareholders	Fitness to execute strategy
ESG risk management and delivery of positive social and environmental impacts, with particular focus on climate impacts	Resourcing for ESG risk management Back-to-back extreme weather events
Diversity and inclusion Future fit skills	Skills scarcity and the talent war in relation to technology and data skills
Employee health and wellbeing	Psychological effects of Covid-19
Employees' sense of connection and motivation	Fitness to execute strategy

Read more in our **SBG Risk and capital management report**

Stakeholder priorities in 2021

Clients

16.4 million active clients

Stakeholder priorities

- Affordable and personalised solutions
- Reliability of digital channels
- Data security and cyber-security
- Financial impact of Covid-19.

How we responded/ are responding

- Affordable, digital solutions
- Improving system stability and security
- Support for SMEs
- Strong relationship management and personalised conversations.

Related material issues

- Client value through competitive digital platforms
- Stability, security and speed of IT systems
- Integrity of data and information assets
- Fair outcomes for clients
- Support for clients in difficult times.

Metrics to assess relationship

Key metric

- CHNW NPS SA **78**
- CHNW NPS AR **34**
- BCC SA NPS **71**
- BCC AR NPS **29**
- CIB customer satisfaction index **8.2**

Other metrics

- Client experience real-time measurements
- Client growth and retention
- Complaints processes
- System outages
- App ratings
- Cross sell ratios.

Employees

+46 000* **employees**

64.2% **SA**

34.4% **AR**

1.4% **INTERNATIONAL**

42% male | **58% female**

Stakeholder priorities

- Health and wellness
- Staying connected in virtual environment
- Skills development and re-skilling for digital age
- Diversity and inclusion.

How we responded/ are responding

- BCM to keep employees safe
- Regular communication from leadership
- Regular engagement
- Regular communication about wellness support services
- Support to access vaccinations
- Skills development and career progression.

Related material issues

- Diversity and inclusion
- Future fit skills
- Employee health and wellbeing
- Employees sense of connection and motivation.

Metrics to assess relationship

Key metrics

- eNPS **+47**
- Emotional promoter score **+77**
- Organisational alignment score **+92**
- Engagement dimensions score **+83**

Other metrics

- Workforce diversity
- Use of employee wellness services
- Feedback from trade union
- Turnover data and exit interviews.

* Excluding Liberty

Shareholders & investors

50.2%
South African

49.8%
International

Moodys and Fitch credit ratings agencies
Ten sell-side analysts

Stakeholder priorities

- Competitiveness of offering and ability to grow the franchise
- Access to appropriate skills and talent; availability of specialised skills
- Governance, ethics, market conduct, internal controls, associated reputational impact
- Diversity and anti-discrimination
- System stability, value created from digitisation
- Revenue and credit trajectory, ability to deliver efficiency targets while investing in growth
- Environmental and social policies and implementation
- Transparency on climate risks and exposures
- Sustainable finance solutions.

How we responded/ are responding

- Engagement on ESG and climate issues in advance of AGM
- Development of climate strategy and targets
- Quarterly reporting of investor issues to executives and board.

Related material issues

- Sustainable value to shareholders
- ESG risk management and delivery of positive social and environmental impacts, with particular focus on climate impacts.

Metrics to assess relationship

Key metric

- Group headline earnings up 57%
- Group ROE 13.5%

Other metrics

- Investor and other market participant feedback
- AGM voting outcomes
- ESG ratings.

Regulators

Our regulators include the South African Reserve Bank (SARB), Financial Sector Conduct Authority (FSCA), National Credit Regulator (NCR), South African Revenue Service (SARS), regulators in AR countries and other jurisdictions in which we operate.

Stakeholder priorities

- Conduct
- Financial inclusion
- Covid impact on credit and operational risk
- Management of customer complaints
- Cloud computing risk
- Platform business risk
- Cyber security and data security
- Financial crime controls
- Exchange control
- System stability
- Climate and environmental risks and role of banks.

How we responded/ are responding

- Reporting on conduct metrics
- Fair customer outcomes metric in individual performance scorecards
- Collaboration with government departments to co-develop solutions to specific issues.

Related material issues

- Fair outcomes for clients
- Support for clients in difficult times
- Integrity of data and information assets
- Stability, security and speed of IT systems
- Third-party risk as we transform to a platform and ecosystems business
- Business continuity.

Metrics to assess relationship

Key metric

- Constructive and open engagement on policy, regulatory and operational issues.

Communities

NGOs, community representatives

Stakeholder priorities

- Role in driving economic recovery
- Social and environmental impacts of business activities (especially fossil fuel finance).

How we responded/ are responding

- Executive engagement
- Transparent reporting.

Related material issues

- ESG risk management and delivery of positive social and environmental impacts, with particular focus on climate impacts.

Metrics to assess relationship

Key metric

- S&P Corporate Sustainability Assessment (CSA) score **61/100**

Other metrics

- Other ESG index ratings.

These engagements informed executive and board level discussions on themes including:

- Progress on implementing the group's strategy as we evolve to become a platform business
- Alignment of the group strategy with the UN SDGs, UN PRB, and the Paris Climate Agreement
- Progress on embedding ESG considerations into group culture, client engagement and business strategies; integrating ESG risk management into non-financial risk and enterprise risk management frameworks; integrating ESG metrics into performance management and strengthening ESG skills at all levels, including board level
- Development of a group climate policy and targets, including a commitment to reduce exposure to fossil fuels while supporting a just transition
- Review of frameworks and processes to strengthen institutionalism of an ethical, client-focused culture and ensure effectiveness of controls
- Supporting clients through difficult times
- Effective risk management in the context of a platform business
- System stability, cybersecurity and resilience.

Engagement with regulators, civil society and industry

We participate in local and global business and industry forums and engage with our regulators and civil society organisations to understand our social and environmental impacts and stakeholder concerns and expectations.

Engaging our regulators

The group maintains open and transparent relationships with regulators across Africa. In-country compliance functions support the in-country chief executives in the management of regulatory relationships. This includes receiving and providing feedback on all communications between regulators and banks.

In South Africa, we've adopted an externally assured operating model to monitor policy and regulatory developments, assess their impact and provide evidence-based submissions. We maintain a schedule of policy and regulatory developments, which is shared with relevant internal stakeholders across the group to ensure awareness and readiness for new regulatory requirements.

In 2021, we assessed 78✓ new regulatory issues and made submissions on 75% of these issues. Issues on which we engaged with government departments and parliament in South Africa included:

Digitisation and Cloud

We engaged with the SARB through working groups and participated in sandboxes; created a position paper for regulator input across Africa; and implemented group-wide training on engaging with regulators on digital policy and regulation.

Conduct

We engaged on issues such as client complaints processes, fees, branch closures, marketing and advertising, and conduct regulation.

ESG/climate

We participated in Banking Association South Africa (BASA) working groups on positive impact finance, sustainable finance, climate risk, and climate scenarios and participated in the BASA sustainable finance conference. We engaged with National Treasury's sustainable finance team, and with the SARB Prudential Authority Climate Think Tank (PACTT) working group.

Fraud

We engaged with the Department of Communications and Department of Justice on SIM swap fraud and developed proposals to address the issue.

Tax

The group also provided technical submissions to the SARS transfer pricing (TP) unit via the South African Institute of Taxation (SAIT) TP sub-committee; provided submissions to National Treasury in relation to interest deductibility limitations; and provided input on submissions to the Organisation for Economic Cooperation and Development (OECD) via the International Banking Federation (IBFed) regarding the two pillar solution to address tax challenges arising from the digitalisation of the economy. We provided input to national tax authorities in the DRC, Malawi, Nigeria and Zambia on new tax proposals in these countries.

Engaging with civil society organisations

Standard Bank's climate-related risk exposure, and our finance for fossil-fuel related projects, was a priority issue for shareholders and civil society organisations in 2021. The group engaged with a range of investors and organisations on these issues throughout the year, including in the lead up to and at the group's AGM. These engagements helped inform the development of the group's climate policy and targets, as published in our 2021 **Climate-related financial disclosures report**.

The group continues to receive criticism from environmental organisations for our involvement in financing the development of certain fossil-fuel infrastructure projects. Key areas of concern include the group's involvement in an advisory role for the East African crude oil pipeline*, and our role in financing liquefied natural gas (LNG) development in Mozambique.

Stakeholder concerns regarding the pipeline include the potential risk to local communities and wildlife, together with negative climate impacts. Communities and local suppliers have also alleged that the project does not support local participation in contracting for services.

In Mozambique, concerns include environmental impacts and concerns about the adequacy of stakeholder engagement.

Standard Bank continues to follow our robust internal risk assessment and due diligence processes. In respect of the pipeline, we await the outcomes of independent environmental and social due diligence reports, which will inform our decision-making. In Mozambique, work on the project was suspended for much of 2021 with evacuation of project personnel owing to instability in the region. The bank remained engaged with the project sponsors to obtain status updates whenever these were available.

* For more information on the project, see https://eacop.com

In 2020, the PRB signatory banks invited a range of civil society groups to constitute an advisory body, to provide independent assessment of member banks' collective progress and hold them to account. This resulted in the establishment of the Civil Society Advisory Body (CSAB), a group of 12 organisations and networks, representing multiple geographies and relevant subject matter expertise. During 2021, the CSAB engaged with 46 stakeholders, across regions and issues, to provide an independent review of the PRB's Collective Progress Report, which reflects on member banks' first two years in the PRB process. While CSAB recognised the progress made to date, particularly in respect of climate-related objectives, it noted several areas for improvement.

These include the need for

- A more holistic focus on impacts, including human rights, equality and biodiversity impact, recognising the interlinkages between them
- Clear, ambitious and measurable targets, linked to specific SDGs or other goals, and underpinned by KPIs and milestones to track progress against targets
- Effective grievance mechanisms and avenues for remedy, especially for groups such as indigenous people and human rights defenders
- Assessment of impacts to include supply and value chains.

Standard Bank recognises the relevance and value of these recommendations and is working toward addressing them across our business.

Participation in industry/trade associations

Standard Bank participates in a variety of industry bodies and trade associations, at country and global level.

For example

Organisation	Priority issues in 2021
Institute of International Finance (IIF) • Group CEO serves on board	• Gather member input on and provide support and guidance for TCFD implementation • Appropriate management of climate-related financial risk
Banking Association South Africa	• Improve members' understanding and reporting of climate-related financial risks • Advocate for more ambitious climate targets in SA NDC, including greater emission cuts by 2030, and support for SA to transition to a net zero emissions by 2050 • Develop industry proposals to challenges regarding funding for tertiary education
Payments Association	• Debicheck implementation to curb debit order abuse
SA Banking Risk Information Centre (SABRIC)	• Contribute to reduction of financial crime through effective public and private partnership, including cybersecurity, AML, cash-in-transit heists, managing impact of July unrest.

We choose to hold ourselves to several voluntary global standards and frameworks regarding responsible business practice.

Organisation/Standard	Objectives	Standard Bank's obligations
UN Principles for Responsible Banking • Founding signatory • Co-chair of the Banking Board, overseeing implementation	• Members aim to align strategy with SDGs and Paris Agreement, and report on positive and negative impacts of business activities • Working with other banks to develop impact measurement tools and methodologies that all signatory banks may use	• Voluntary • Annual public reporting of SEE impact and progress against targets
Equator Principles Association	• Assess and manage E&S risk in project transactions • Focus on human rights, transparency re climate risks and impacts, biodiversity	• Binding • Requirements must be met for project finance deals as per thresholds
UN Women Empowerment Principles	• Advance gender equality and women empowerment in the workplace, marketplace and community, including promotion of education, training and professional development; enterprise development, supply chain and marketing practices; community initiatives and advocacy; and measurement and public reporting	• Voluntary • Public reporting on progress against objectives
FSB Task Force on Climate-related Financial Disclosures	• Support TCFD aligned reporting through peer learning and expert support	• Voluntary • Information sharing to support peer learning
United for Wildlife Financial Taskforce	• Identify and report suspicious financial transactions to counter illegal wildlife trade using AML mechanisms.	• Signatory.

Funding of industry/trade associations, political parties and civil society organisations

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

Stakeholder category	Funding guidelines	Funding provided in 2021
Trade associations	• Trade associations are the primary vehicle through which we work to influence the regulatory environment within which we operate. We are active members of banking and/or insurance associations in our countries of operation. • We also engage in broader business associations and industry workgroups set up by regulators or government.	R30 million in membership fees to the South African Banking Association R1.5 million in membership fees to the SA Insurance Association Payments to national trade associations in other countries are made at country level in line with group policies
Political parties – South Africa	• We do not fund political parties outside of South Africa. • In South Africa, we provide funding for political parties under our democracy support programme (DSP). This board-approved funding policy is reviewed every five years. In 2021, it was decided that donations will, from 2022, be made directly to the Independent Electoral Commission (IEC), in line with arrangements provided for in the Political Party Act 6 of 2018. – Guidelines are in place to guard against the risk that such contributions be used inappropriately, by the bank, its employees or third parties, to obtain business advantage. – Political parties receive no other financial support from the group.	No financial contributions to political parties in 2021. Funding budgeted under the DSP was redirected to provide relief to communities impacted by social unrest in Gauteng and KwaZulu-Natal.
Civil society organisations	• Policies are determined at country level. • In South Africa, the expanded democracy support programme guidelines govern the assessment of funding requests and the provision of financial support to civil society organisations. They ensure consistency in the assessment, management and outcomes of funding requests and compliance with applicable statutory and regulatory obligations and the group values and code of ethics, while guarding against the risk that such contributions be used inappropriately to obtain business advantage. – Organisations are funded for a three-year period. The following organisations are programme beneficiaries for the 2019–2021 period: Studies in Poverty and Inequality Institute (SPII), Africa Check, Institute for Poverty, Land and Agrarian Studies (PLAAS), Ahmed Kathrada Foundation, Section 27, Democracy Works Foundation, Corruption Watch, Mandela Institute for Development Studies. – Beneficiaries for the 2022 – 2024 period are being identified and vetted. Beneficiaries of the current cycle will not be eligible, as per the policy guidelines.	R4 million
Sponsorships	• The group sponsorship policy governs all sponsorships undertaken by the group. • We define sponsorship as a commercially viable investment of cash, product or in-kind support with a rights holder, for which the bank receives quantifiable commercial rights in return. • Due diligence is carried out on rights holders prior to contracting, to ensure entities are of impeccable integrity and are reputationally sound.	R11.6 million in arts sponsorship funding in South Africa.

Ethics, conduct and a culture of responsible banking

Our values and ethics

Standard Bank's board is responsible for providing effective leadership based on an ethical foundation, ensuring that the group is seen to be a responsible corporate citizen, and striving to achieve a balance between the interests of the group and its various stakeholders. Our approach to ethics is based on three pillars, linked to our purpose and values.

Ethics Pillars

1

In the market (business conduct)

Placing our clients at the centre of our business, treating clients fairly and treating competitors fairly

2

In the group (personal conduct)

Treating one another with respect and creating an inclusive and supportive culture, empowering our people to speak up

3

In society (ESG risk, SEE, citizenship)

Managing our impacts on a diverse range of stakeholders, society and the environment.

Values

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

Our code of ethics and conduct requires all employees to act with integrity and to place the interests of our clients and the communities impacted by our business at the centre of our decision-making. It sets out clear principles to help our employees decide on the correct course of action. All employees must undertake **annual mandatory training** on the code. Regular training helps to ensure appropriate understanding and embedding of the bank's expectations in terms of ethics and conduct. We are currently in the process of updating the code to ensure that our focus on achieving positive social, economic and environmental impacts is effectively reflected.

Our group values, which underpin the code, are an integral part of our performance management process, which includes assessment of the extent to which employee behaviours align with our values. Our reward principles ensure we maintain a balance between financial and non-financial objectives.

All third parties are required to attest to the group's **third-party code of conduct**, which is based on the group code of ethics and conduct.

We have a comprehensive process in place to enable employees and external stakeholders, including service providers and impacted communities, to **raise concerns** if they become aware of behaviours or actions that they believe are not in line with the group's values and code of ethics and conduct. If an employee has any concerns about a behaviour or incident that they believe deviates from the bank's values or code of ethics, they are required to report these.

Principles for Responsible Banking (PRB)

Standard Bank is a founding signatory of the UNEP FI PRB, launched in September 2019. We are co-chair of the Banking Board, which is responsible for overseeing effective implementation of the principles.

The principles set the global benchmark for what it means to be a responsible bank. They make it clear that banks' indicators of impact and success should be much broader than their financial results.

Click to read more
PRB self assessment

Our commitments under the PRB

Alignment	We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the SDGs, Paris Climate Agreement and relevant national and regional frameworks.	• Standard Bank has adopted positive SEE impact as one of the six value drivers against which we measure our strategic progress.
Impact and target setting	We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. We will set and publish targets where we can have the most significant impacts.	• We measure our progress in seven SEE impact areas, using quantitative metrics where possible.
Clients and customers	We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	• We undertake E&S screening, management and monitoring across business and credit functions. • Our sustainable finance business unit partners with clients to develop tailored sustainable finance solutions. • Our client risk committees assess ethics and E&S risks in relation to new and existing client relationships.
Stakeholders	We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	• Stakeholder engagement is integral to how we do business. • We have regular engagements with investors on SEE impacts.
Governance and culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	• We manage ESG as a risk type within non-financial risk and have established clear accountabilities for ESG risk management, across relevant business units and corporate functions. • SEE metrics and ESG performance are integrated into SBG performance metrics and are considered in executive performance assessments.
Transparency and accountability	We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	• We report publicly on our SEE impacts and ESG risk management. • We aim to continually improve the transparency and relevance of our reporting according to evolving stakeholder expectations.

Conduct

Our code of ethics and conduct is supported by our comprehensive approach to **conduct risk management**. Conduct risk is the risk that detriment is caused to the group's clients, the market or the group itself because of inappropriate execution of business activities. Our approach to conduct aims to ensure that the group maintains a client centric culture focused on achieving positive and fair client outcomes.

The group has no appetite for unfair client outcomes arising from inappropriate judgement and conduct in the execution of our business activities, or wilful breaches of regulatory requirements. We strive to meet clients' expectations for efficient and fair engagements by doing the right business the right way, upholding the trust of our stakeholders.

We have defined **six behaviours** which we expect our employees to exhibit to achieve fair client outcomes

Communicate – Customers are provided with clear information and are kept informed before, during and after the sale.

Make it easy – Customers do not face unreasonable barriers to change product, switch bank, claim or complain.

Meet the need – Products and services are designed to meet the needs of identified customer groups.

Your word, your honour – Product performance and service meet the expectations that have been created.

Be fair – Customers can be confident that fair treatment is central to our culture.

The right fit – Advice to customers is suitable and considers their circumstances.

Conduct risk management is embedded in our existing processes, procedures and practices. Our conduct risk management framework has been implemented across all our countries of operation. It gives effect to and defines the group's conduct risk appetite and informs the approach to managing and mitigating instances of conduct risk. Our conduct risk policy sets out the requirements for timely identification, reporting, escalation, and remediation when conduct risk is identified.

Business areas submit quarterly **conduct dashboards** to executive management. Metrics include operational, technology, compliance, regulatory and human capital risks. The dashboards are reviewed by the group leadership council, social and ethics management committee and social and ethics board committee.

Governance and committee frameworks support effective conduct risk management from a controls and business perspective with clear lines of accountability and responsibilities assigned across the three lines of defence for managing conduct and its related risks. Conduct principles are integrated into group leadership programmes.

Business conduct committees are responsible for:

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

Executives are responsible for ensuring compliance with conduct risk policy, managing business conduct, identifying associated risks, reporting according to conduct dashboards, and escalating concerns as appropriate.

All employees must complete **mandatory online conduct training**. Training uses case studies and includes practical scenarios designed to deepen employee understanding of our desired values and what good conduct means in practice by exploring and discussing judgement and decision-making. FAIS Representatives and Key Individuals are required to obtain accreditation to ensure appropriate awareness and management of conduct risk. Employees are also encouraged to participate in online training seminars on ethics and conduct. We also hold regular compliance interactions with a wider audience across the bank, including topics such as anti-bribery and corruption, anti-money laundering and combating the financing of terrorism, conflicts of interest and risk-based approaches to compliance documented in compliance policies.

Conduct risk was elevated in 2021, as over 75% of our workforce continued to work from home. It nonetheless remained within risk appetite, as assessed by the various lines of business through key conduct risk indicators. **No material or emergent conduct risks**, product or service-related issues were identified during the year.

Non-material conduct related breaches were addressed within specific business areas. Actions included the implementation of enhanced conduct awareness training for all employees, active monitoring of training completion rates and regular communication to cultivate a culture of compliance and doing the right business the right way. We implemented various measures to strengthen our control environment, with a focus on anti-money laundering/counter-terrorism financing controls and fraud controls. Key issues addressed included processes relating to customer identification and verification; processes for client periodic review; know your customer (KYC) documentation, capture and remediation; and the enterprise information management (EIM) remediation process. The group also made enhancements to existing control measures and developed new control measures to address evolving exchange control regulations in our countries of operation. Progress is tracked and reported to GROC and the Group Audit Committee (GAC) on a quarterly basis.

Fines issued against the bank in 2021:

- The Bank of Mozambique (BoM) sanctioned Standard Bank Mozambique (SMB) for foreign exchange violations. The sanctions included a R65 million fine against SMB, and suspension from all activities in the foreign exchange market for 12 months. Post engagement, SMB received approval to resume foreign currency conversion activities with its clients. PwC was engaged to conduct an independent external audit of SMB, which is ongoing. SMB will abide by the findings of the ongoing PwC review and will discuss the review findings with the BoM when available.
- The Isle of Man Financial Conduct Authority (FCA) entered into a settlement agreement with Standard Bank Isle of Man (SBIOM) in respect of enforcement action for regulatory failings in connection with non-compliance with a restraint order issued by the courts pursuant to the Proceeds of Crime Act, 2008. SBIOM agreed to pay a £247 324 fine (after a discount of 30% due to positive and proactive engagement throughout the process).

Respecting human rights

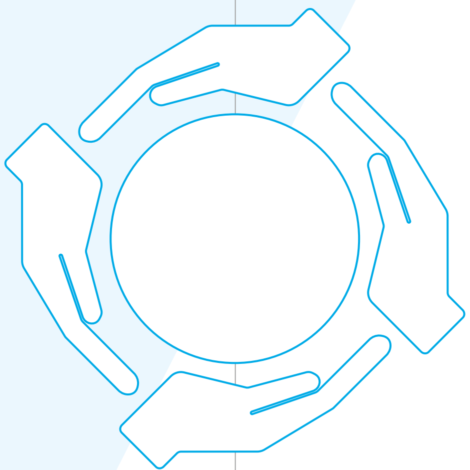
In keeping with our purpose, and our obligations as a responsible financial services firm in, for, and across Africa, SBG is committed to respecting the human rights of people involved in and impacted by our business. We aim to achieve a consistent approach to respecting human rights across Standard Bank.

Human rights are the basic and universal rights that underpin each person's inherent freedom, dignity, and equality as outlined in the UN Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

We have used these universal benchmarks as our starting point for defining human rights. Our commitment to respecting human rights is embedded in our values and code of ethics and conduct and is fundamental to ensuring our legitimacy and reputation as a corporate citizen. While nation states have a primary responsibility to protect and promote human rights, we recognise that corporations are also obligated to respect human rights. We take any adverse human rights impacts seriously. We seek to avoid human rights infringements and being complicit in the human rights infringements of other parties.

Our commitment to respecting human rights is included in many of our policies and standards. In this way, we aim to integrate respect for human rights into our day-to-day operations and in the way we do business.

We acknowledge that this is a journey, one that may differ across our regions and countries based on the institutional and regulatory setting of each country where we operate. Within our own operations, where local legislation may conflict with Standard Bank's Statement on Human Rights, we will comply with the law while seeking, within our spheres of influence, to raise awareness of human rights and provide an example of good practice through our own conduct, while being mindful of the local context.

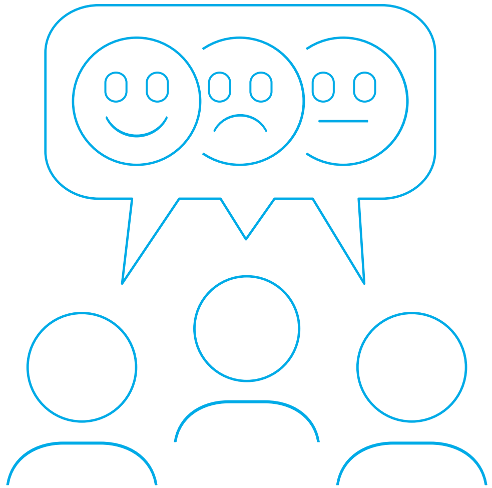


We are committed to:

- Providing a work environment for our people that respects their human rights. This commitment is reflected in our people policies and practices
- Exercising due diligence in deciding who we do business with and understanding the potential human rights impacts of our business relationships, purchasing, lending and investing
- Contributing to the combating of financial crime and corruption in all its forms, including extortion, bribery, and money laundering
- Adhering to the Equator Principles in project financing
- Encouraging our clients, suppliers and business partners to avoid human rights infringements in their businesses, and supporting their adoption of good practices to manage their human rights impacts
- Requiring our people to report any alleged or suspected human rights violations to the appropriate leadership structures or via the group's whistleblowing hotline
- Taking appropriate steps where we discover, or are made aware, that we have caused or contributed to actual or perceived human rights abuses. This may include disciplinary action, exiting a business relationship, or constructive engagement with others to promote better practice
- Communicating about and reporting on our activities in the human rights arena through our **Report to Society**, and engaging with our stakeholders regarding the responsibilities of business in respecting and upholding human rights
- Regularly reviewing our progress in meeting these commitments under the oversight of the group social and ethics committee.

Responding to client complaints

Standard Bank is committed to resolving complaints and treating complainants fairly. Our complaints management policy is designed to comply with applicable regulatory obligations across the group, ensuring that the roles and responsibilities of all stakeholders are clearly set out and the requirements for complaints management procedures are documented.



The policy applies to all employees of the group, regardless of location or business unit. It reflects the group's minimum requirements. It may be supplemented in a local jurisdiction, or by a business policy or procedure.

Each business area has a complaint resolution system (CRS) that enables the capturing and management of complaints. All employees responsible for the capturing, management and resolution of complaints receive relevant training. Each business area's complaints management procedure is publicly available.

These procedures include the following steps:

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

Business areas maintain management information (MI) in respect of all complaints and use this for root cause analysis to ensure appropriate action is taken to address areas of concern. When compensating a client, the principles of Treating Customers Fairly (TCF) and all other relevant legislation are considered.

We have implemented new complaints management standards and frameworks for our CHNW business, to improve complaints handling and overall customer experience. CHNW has a dedicated **Complaints Management team** responsible for complaints management, detection, and prevention, reporting and adherence to the complaints management framework. Within this structure, the executive complaints management team deals with complaints and disputes referred to them internally, while the complaints resolution centre deals with complaints logged directly by customers and disputes escalated by customers, which could not be resolved following the normal complaints handling process.

In 2021, 47 641 complaints were logged, down 14% compared to 2020. 39% of these complaints related to transactional products, while 26% related to non-product related complaints, including customer experience, systems and technology, and fraud-related matters.

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

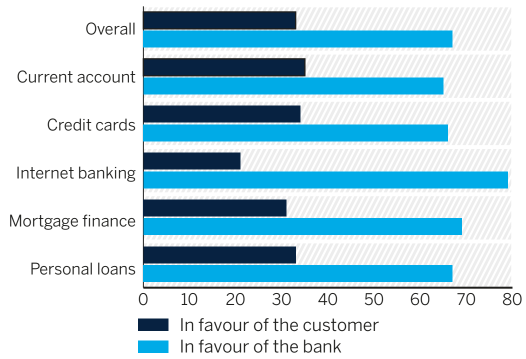
The following are sources of disputes escalated to the office of the CDA:

- Disputes referred by the Ombudsman for Banking Services (OBS)
- Disputes referred by the Ombudsman for Financial Services Providers (FAIS Ombud)
- Disputes referred by the Financial Sector Conduct Authority (FSCA)
- Disputes escalated by other regulatory bodies, consumer bodies and Ombud's offices, which the bank's Complaints Resolution Centre (CRC) cannot resolve
- Disputes not limited by age, damages claimed and turnover, in the case of a legal entity*.

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

Ombudsman for Banking Services' data indicates that SBSA received the highest complaint numbers for both absolute and normalised number of complaints in 2021 with 2 071 disputes, an increase of 32% against 2020. SBSA paid customers R6.6 million as a result of OBS disputes. 19.6% of complaints were about current accounts, and mainly related to fraud issues. The CDA also dealt with 102 complaints via the FAIS Ombud, and 382 complaints via other regulators. SBSA paid R6.4 million as a result of these disputes.

RESOLUTIONS PER CATEGORY

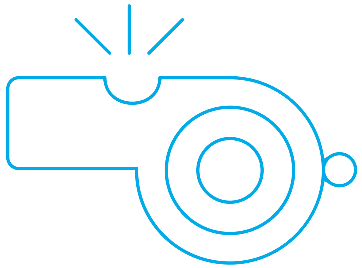


Complaints in favour of the customer include complaints where SBSA has made a goodwill offer prior to the complainant approaching the OBS, which offer was deemed to be fair by the OBS.

SBSA received two awards at the Ombudsman for Banking Services in 2021: **Best Customer Dispute Adjudication Team** in the big banks category, and an **individual award for one of our adjudicators**. The awards are testament to the team's commitment to fulfilling their mandate in putting the customer experience first and ensuring that we treat customers fairly.

Whistleblowing

All employees are responsible for ensuring that their behaviour, and that of the group, reflects the bank's values, code of ethics and conduct, and commitment to respecting human rights. If any stakeholder, internal or external, believes that the bank has contravened these commitments, they are encouraged to report this under the provisions of the group's whistleblowing policy.



Our whistleblowing policy

The whistleblowing policy aims to ensure that an ethical culture is maintained within the group, aligned to the group's principles and policies, and that our culture of openness, transparency and accountability is reinforced. We encourage our stakeholders to raise concerns relating to the group or its employees and to make disclosures in good faith, and in a transparent manner, without fear of victimisation or prejudice. The group promotes the disclosure by employees and external stakeholders of any actual and/or suspected acts of unlawful, irregular or unethical behaviour. This includes employer or employee behaviour which is not in line with, or contravenes, any of the group's values, policies or procedures, as they may be published and communicated from time to time, including, but not limited to:

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

A whistleblower is not expected to prove the truth of an allegation but will need to show that there are enough grounds of concern that it is reasonable to suspect unlawful, irregular or unethical conduct. Whistleblowers are encouraged to use available reporting channels and provide sufficient information to enable an investigation to take place.

No whistleblower shall be disadvantaged when reporting legitimate concerns in good faith or on the basis of a reasonable belief. Our whistleblowing policy provides for the protected disclosure of any attempted, suspected or actual and/or unlawful, irregular or unethical behaviour that employees come across in the group in terms of South Africa's Protected Disclosures Act, 2014. Our policy includes the process to follow if the whistleblower encounters adverse reaction on making a disclosure.

The group is not obliged to protect a whistleblower who makes a false disclosure in bad faith or maliciously, or who unfairly or unjustly discredits another person. Appropriate disciplinary action will be taken in these cases.

Reporting channels

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

Employees

Information on our whistleblowing policy and processes is readily available to all employees. Employees may raise concerns or report issues via:

- Group investigation and fraud risk (GIFR) or the head of investigations and fraud risk in-country
- People and culture
- Line managers
- The group's independent, confidential whistleblowing hotline
- Persons or bodies external to the group, as defined by the policy.

Through regular email communications and training interventions, we actively encourage employees to use these channels if they have any concerns.
All internal reports and disclosures are treated on a case-by-case basis. We offer different levels of confidentiality and anonymity depending on the whistleblower's preference. If the whistleblower requests that their identity be kept confidential or anonymous, this request will be respected. The group will always protect the whistleblower's identity.

External stakeholders

External stakeholders are encouraged to use the independent whistleblowing hotline. Stakeholders may also make a report to a legal representative, with the object of and while obtaining legal advice; to relevant regulatory bodies, or a prescribed person or body that the whistleblower reasonably believes would usually deal with these matters. Whistleblowing reporting channel information is available on the group's **website**. Emails can be sent to:
whistleblowingline@tip-offs.com

Investigations process

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

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

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

When investigations are concluded, feedback is provided to the whistleblower or to the whistleblowing hotline. Findings of matters that were referred to other business units for assessment are also reviewed by GIFR, and GIFR provides feedback on these matters to the whistleblower or the whistleblowing hotline.

Due to confidentiality, details of the investigation outcome are not provided but rather feedback that confirms the necessary action in accordance with the group's policies.

Disclosures

In 2021, 329 disclosures were received from the whistleblowing hotline. The primary themes related to unethical behaviour, misconduct and fraud. Following investigations, 208 employees were dismissed from the group.

Information security, data privacy and cybersecurity

Our ability to do business depends on the integrity of the group's data and information assets and the protection of client privacy. We do not share confidential or sensitive information with unauthorised people or competitors.

Policy framework for information and cyber risk management

We manage information security, cybersecurity and data privacy within the framework of the group code of ethics and conduct, group enterprise risk management framework, group information risk governance standard and cyber resilience standard.

- **Code of ethics and conduct:** Requires employees to protect the confidentiality of client information, protect group intellectual property as a valuable business asset and disclose information on intellectual property to relevant parties on a need to know basis only.
- **Enterprise risk management framework:** Data privacy risk is incorporated in non-financial risk and control self-assessments.
- **Information risk governance standard:** Sets out the minimum requirements for information risk management and the philosophy of information risk, information security and data privacy risk management practices to be adopted across the group. Ensures alignment between information risk, information security, privacy risk, cyber risk and technology risk. Sets the foundation for the principle-based group information risk policy. Includes minimum recommended requirements for data privacy risk management. While our policies are principles based, we align to a range of best practice standards.
- **Cyber resilience standard:** Covers people, process and technology. Defines roles and responsibilities for managing cyber risk and allows for the accurate measurement and reporting of the status of cybersecurity controls. Aligns to the banks' non-financial risk management strategies.
- **Information risk policy:** Principles and minimum requirements to manage risk to all types of information assets, applies to data and information, in audible, physical and electronic format owned by or entrusted to the group throughout the information lifecycle, including information in motion, information in use and information at rest. Applies across all group functions and entities, to all employees and third parties, including independent service providers.
- **Information risk policy for third parties:** Aligned to the group information risk management policy and principles. All third parties processing or accessing group information are required to read and attest to the policy as part of the procurement onboarding process. Data protection and data privacy clauses are also included in contract agreements with third parties.

The group information risk governance standard and cybersecurity resilience standard are aligned with international best practice:

International Organization for Standardization (ISO) 27000 series; ISO 27018 and 29100; National Institute of Standards and Technology (NIST) Privacy Framework; King IV Report on Corporate Governance; Information Security Forum (ISF) Standard of Good Practice (SoGP) for Information Security 2020; Payment Card Industry Data Security Standard; Data Administration Management Association Data Management Body Of Knowledge.

Definitions

- **Information risk** is the risk of accidental or intentional unauthorised use, access, modification, disclosure , dissemination or destruction of information resources, which would compromise the confidentiality, integrity and availability of information and which would potentially harm the business.
- **Data privacy risk** is the operational, legal, technology and related risk associated with the processing of personal information. It is a sub-risk type of information risk and is included by default in all references to information risk in the policy.

Policy principles

- Information is a valuable asset to the group and must be protected according to its value, sensitivity and purpose. Information assets must be identified and documented in the formal information asset register. Formal ownership for information assets must be assigned and accountability taken for protecting confidentiality, integrity and availability. Information must be protected throughout its lifecycle and retained and destroyed in accordance with laws and regulations. It must be classified into levels of sensitivity and protected accordingly, throughout its footprint (wherever it exists and whatever the form).
- Data privacy risk must be managed proactively and holistically (privacy-by-design) according to legislative requirements. Legislative and regulative requirements per jurisdiction must be identified and embedded into applicable risk treatment processes. Information/privacy officers must be appointed to execute responsibilities regarding the Data Privacy and Promotion of Access to Information Act (PAIA).
- Access to information assets must be managed on a need-to-know and need-to have basis. Logical and physical access will be granted only to ensure the effective execution of official responsibilities and accordance with the role. Full accountability must be implemented for all identified high risk profiles and roles.
- Risks to information assets must be assessed and managed in accordance with the established information risk profile. People, process and technology controls must be implemented to mitigate information risks within risk appetite.
- All information risk incidents must be reported, escalated and handled in accordance with group-defined policies related to incident management. This includes the reporting, recording and remediation of data privacy breaches. Our information incident taxonomy differentiates between information incidents and data privacy breaches to enable our external regulatory reporting obligations. The impact of incidents and breaches are assessed against a materiality matrix as part of our broader non-financial risk management framework.

Governance of information and cyber risk

Specific responsibilities are assigned to committees and areas of business:

- **Group engineering board committee:** Provides and approves relevant standards and policies and monitors compliance
- **Group architecture governance committee:** Ensures minimum standards for architectural decisions for external, internal and end-user computing design and solutions
- **Group information risk management committee:** Provides governance and oversight on all matters relating to information risk, including data privacy
- **Group non-financial risk committee:** Exercises oversight on reports submitted and escalates material exposures and trends to the group risk oversight committee and group risk and capital management committee

The **three lines of defense** model is followed to ensure roles and responsibilities are effectively cascaded in the management of information risk:

- **Executives** are accountable for setting the tone from the top to promote a transparent culture of accountability, where all employees are encouraged and committed to their information risk responsibilities and ensure that third parties acknowledge and comply with the minimum requirements set out. All employees must protect information, comply with policy principles, use information assets responsibly and report security violations.
- **Data and analytics** are responsible for: ensuring that all information is processed and stored in accordance with compliance requirements; managing and reporting on significant information risk and control weaknesses; processing information requests from data subjects and regulators in accordance with specific jurisdiction requirements and internal procedures.
- **Non-financial risk managers** provide the necessary oversight and guidance to manage risks to information and support policy implementation.
- The **chief information security officer** (CISO) creates and executes the cybersecurity strategy and programmes and reports to the board.
- **Engineering** (including IT security) ensures policy principles are embedded in operations and technology and that technical solutions and infrastructure for internal and external (for example, cloud) systems and associated security controls enable and give effect to these principles.
- **Group information risk** oversees compliance, provides subject matter guidance, oversight, ongoing assurance and reporting on policy implementation, and ensures awareness and training on information risk is available at group level.
- The **group data privacy officer** (head of group information risk) heads the group privacy function, and develops, maintains, monitors and oversees implementation of the group data privacy compliance framework and data privacy operating standard.
- **Data privacy officers** in jurisdictions support the maintenance of the data privacy regulatory universe for the relevant jurisdiction, identify compliance obligations and integrate these into existing frameworks, policies, and procedures. They ensure that data privacy breaches are reported to regulators in a timely manner and in accordance with the regulatory requirements; and cooperate with internal and external stakeholders on data privacy matters. They provide guidance on information requests, communication, and awareness on data privacy, and ensure data privacy-by-design and data privacy-by-default are considered and incorporated into the initiatives, products, services and technology.
- **Group procurement:** Ensures protection of information is included in all aspects of the procurement value chain
- **Third-party risk management:** Ensures protection of information is included in all aspects of the third-party risk management framework
- **Group internal audit:** Provides independent assessment of the adequacy and effectiveness of the information risk management control environment
- **Group legal:** Monitors legislative developments, drafts and incorporates clauses for information risk and data privacy risk in the relevant contracts based on the position taken by group information risk and group privacy officer
- **Group compliance:** Monitors and reviews content of compliance policies to ensure adherence to legal and regulatory obligations, following a risk-based approach.

Employee responsibilities

All employees are required to:

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

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

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

Validation and audit

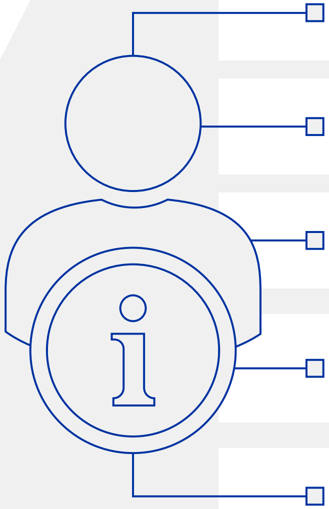
Internal audit conducts information risk related reviews annually to test security and vulnerability of systems and processes affecting user data. In 2021, a combined assurance review against the data privacy operating standard was performed across various business areas. The findings were shared with the relevant stakeholders and are being actioned and monitored.

Protection of client privacy

Standard Bank is committed to protecting the personal information of clients, third parties and employees. We prioritise data privacy rights as a fundamental human right and apply robust processes to give effect to the right to privacy.

Our data privacy approach incorporates the requirements of all relevant privacy legislation and regulation and industry standards and codes, across our countries of operation. This includes General Data Protection Regulation (GDPR), South Africa's Protection of Personal Information Act (POPIA) and South Africa's Code of Banking Practice.

We adhere to the following **principles when processing personal information**:



- We lead with privacy. It is top of mind in all our business activities and projects and remains our responsibility.
- We only collect the personal information that we need, we collect it lawfully and with the consent of our customers.
- We do not process customers' personal information beyond the purpose for which we originally collected it.
- We always keep our customers informed. We make sure they know what personal information we need, and why we need it.
- We empower and enable our customers to access and update their personal information at any time.

The group data privacy officer sets the group's approach and strategy to data privacy, in alignment with the group strategy and regulatory frameworks. Our **data privacy operating standard** applies to the processing of all personal information relating to prospective, existing and former data subjects, including clients, employees, third parties, natural persons or juristic persons. The standard deals with the protection of personal information throughout its lifecycle, from originate (create, receive or acquire), to use (process or transmit), to retain (store, back-up or archive) and dispose (destroy or transfer). We treat the personal information we collect through our various channels as private and confidential. Our privacy statement and cookie notice apply when using these channels.

The Standard Bank Group privacy statement addresses the requirements of the various jurisdictions in which we operate.

The SBSA privacy statement incorporates national legislative and regulatory requirements. Both statements provide clarity for data subjects (including clients, prospective clients and third parties) in terms of how we use, respect and treat personal information; and how they may exercise their rights in relation to their personal information.

Our preferred lawful ground to process personal information is to obtain consent. We do however have processes in place to evaluate if other lawful grounds, as per legislation, are applicable. Requests from data subjects to amend or delete their personal information may be made via our customer service channels or directly to the information officer.

Data request management

The SBSA data privacy and protection team manages and provides guidance on the processing of information requests, under the terms of the information risk policy. When evaluating a request, various cross-functional stakeholders are included as needed, based on the type of request. These include group legal, group compliance and NFR managers.

Data privacy officers ensure consistent implementation of the group's consent management and data subject rights management methodology, and ensure data privacy-by-design and data privacy-by-default are considered and incorporated into all initiatives, products, services and technology.

In South Africa, the SBSA information officer has assigned the necessary capabilities and institutionalised processes to process data subject rights requests as per POPIA requirements. Notification of contact details can be found on our website. We align to the prescribed forms as provided by the South African Information Regulator.

Cybersecurity

We remain committed to safeguarding clients' data, money and time from cyber threats. Cyber risk receives extensive focus at several governance and management committees, across every level of the organisation. The Standard Bank Group board has delegated the management of cyber risk to the group CISO, who is responsible for creating, executing, measuring and monitoring the cybersecurity strategy and programme across the group. The CISO provides regular updates to the board on the group's cyber risk posture. The board gets independent assurance through internal and external audits of the cyber resilience controls, as well as assessments of the strategy by global cybersecurity experts.

The group information security function is responsible for upholding a culture of security across the group, fulfilling regulatory requirements and providing a robust control environment, all centred on maintaining our clients' trust in our digital platforms.

We continue to invest in improved capabilities to predict, prevent, detect and respond to cyber incidents. We gather cyber threat intelligence, which is shared across the group to enable risk mitigation and inform improvements to the cyber resilience programme:

- Cyber risk issues and trends are reported monthly to relevant management and risk forums
- The CISO provides updates on information security matters to the board via the group engineering committee and the group non-financial risk committee, on a quarterly basis.
- The group's cyber maturity score is embedded into (near real time) group value metrics.

The cyber resilience programme employs a continuous testing/ continuous monitoring strategy to ensure the security profile is maintained. Testing includes technology testing (vulnerability scanning, penetration testing), people testing (mandatory training , security awareness and mock phishing campaigns) and response testing (cyber incident simulations, disaster recovery testing) to stress test security capabilities. Monitoring includes using machine learning and data analytics to continuously measure the effectiveness of controls across the group. These measures provide a near real-time view of the cyber risk profile and have been incorporated into the group value metrics.

Security culture is a core pillar of the cyber resilience framework. All employees must complete mandatory bi-annual security training. We run monthly awareness campaigns on the latest threats and risks. As part of the continuous testing approach, mock phishing campaigns are run against every employee at least once a year.

During 2021, the group detected and successfully mitigated several attempted cyber threats, leading to **zero material incidents** for the year. These included denial of service attacks on the group's digital channels and attacks on the group's third parties. The group maintains dedicated cyber insurance cover for additional protection against common cyber threats.

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

Responding to data breaches

We take data privacy very seriously and investigate all reported incidents of privacy infringements and loss of customer data. Customer complaints are addressed swiftly, with a focus on giving the best possible service to our clients.

Information events are evaluated to determine if information incidents have occurred and to contribute insights to proactive risk management. Information incidents are reported, escalated, and handled in accordance with the relevant group policies. The group non-financial risk management policy requires that all operational risk incidents must be identified and reported within stipulated time frames and recorded in the RMP (risk marketplace) system. All employees are responsible for reporting level 1 and 2 operational risk incidents as soon as possible and at least within 48 hours after the incident has been identified. Other incidents must be reported within 30 days of discovery. Incidents are centrally recorded in the RMP system to enable root cause analysis, reporting and appropriate closure.

As per our information risk policy, data privacy breaches are reported to regulators in a timely manner and in accordance with applicable legislation and regulation. The Information Regulator and the data subject/s are notified as part of the incident management process. In South Africa, breaches are reported in line with POPIA. The South Africa data privacy and protection team is responsible for engaging with relevant stakeholders to address privacy breaches and violations. This includes notifying impacted clients as soon as possible and reporting to regulators as per regulatory requirements and timelines. In accordance with POPIA, since July 2021 Standard Bank has been notifying the South African Information Regulator and the data subjects in instances where there are reasonable grounds to believe that the personal information of a data subject has been accessed or acquired by an unauthorised person.

If an information incident data privacy breach occurs at a third-party supplier or service provider, Standard Bank will act to ensure that the impact on our clients is mitigated.

Over the past two years, Standard Bank has experienced four significant data privacy breaches. Three of these breaches occurred via third parties and impacted a significant number of our customers.

On 30 November 2021, Lightstone experienced a data breach that resulted in the personal information of some property owners being accessed without permission via Standard Bank's LookSee platform, an online property purchasing guide. The platform uses information from Lightstone, a provider of market intelligence on the SA property market. Standard Bank and Lightstone informed the Information Regulator as soon as was reasonably possible, and reported the breach publicly on 9 December, following initial investigations. Data of up to 745 000 registered properties was compromised. The group's immediate focus was on minimising the impact to the data subjects, determining the scope of the compromise and ensuring that actions taken did not impede any legal and criminal investigation.

Reliability of digital transaction channels

The group prioritises the stability, security and speed of our IT systems as a material issue, central to our ability to deliver against our purpose and strategy. Work to improve the availability and reliability of our transaction channels is ongoing.

We understand how frustrating and inconvenient it is for our clients when our services are unavailable. We implemented business continuing management procedures during 2021, which enabled improvements to system stability.

In 2021, we experienced 14 priority one incidents in South Africa and two such incidents in Africa Regions. Priority one refers to extensive customer impact and critical urgency incidents.

It is important to emphasise that the security and confidentiality of our clients' information was never at risk.

Combating financial crime

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

GROC and GAC track financial crime compliance-related fines and penalties issued against the group, to assist us to identify problems areas that need attention and to implement appropriate remedial action. We track the outcomes of regulatory inspections and interactions to ensure that required enhancements to our compliance management and control frameworks are implemented.

Group policies and frameworks to combat financial crime include:

1. Money Laundering Control Policy
2. Financial Sanctions and Counter-Terrorist Financing Policy
3. Anti-Bribery and Corruption Policy
4. Prevention of the Facilitation of Tax Evasion Policy
5. Group Anti-Fraud Policy
6. Group Whistleblowing Policy.

GROC and GAC track financial crime compliance-related fines and penalties issued against the group, assisting us in identifying problems and implementing appropriate remedial action. We track the outcomes of regulatory inspections and interactions to ensure that the required enhancements to our compliance management and control frameworks are implemented.

Anti-money laundering and combating the financing of terrorism

Our AML and CTF frameworks and policies are informed by the Financial Action Task Force Recommendations and are designed to comply with statutory and regulatory obligations in all our countries of operation.

They ensure that

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

- Standard Bank protects its reputation and integrity by taking all reasonable measures to prevent the use of its products and services for money laundering and terrorist financing purposes, or for the circumvention of financial sanctions

- We detect, investigate and report suspicious activity and all other reportable transactions to competent authorities.
  - Employees within the Financial Crime Management Unit (FCMU) report suspicious transactions to the Financial Intelligence Centre (FIC) via the goAML platform
  - All employees must report suspicious or unusual transactions using the reporting process available on group Intranet.

AML/CTF legislation in the countries in which we operate is continually evolving. Our operations align their AML/CTF risk management and compliance programmes to these changes as they occur.

In South Africa, the Financial Intelligence Centre Act (FIC Act) takes a risk-based approach to compliance in respect of the AML/CTF regulatory framework. As per the Act, the group has developed, documented, implemented and maintains a risk management and compliance programme (RMCP) that demonstrates our ability to effectively identify and mitigate money laundering and terrorist financing risk. Our RMCP provides operational detail on the manner in which the group manages AML/CTF risks. It includes a description of client due diligence (CDD) measures and how the veracity of these measures is directly related to the perceived risk which the client introduces into the business environment.

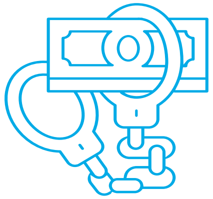
Our group board and employees (permanent and non-permanent), together with contractors, third party agents and service providers are required to complete AML/CTF training and comply with AML/CTF requirements. All employees and relevant associated persons have access to the group's training platform to enable completion of mandatory training. All employees must complete general AML/CTF awareness training annually. Specialised training is provided to areas that are assessed as being higher risk from a money laundering or terrorist financing perspective. Examples of such training include targeted financial sanctions, AML/CTF risks inherent to trade finance activity, and training in relation to the vulnerabilities of non-profit organisations from a terrorist financing perspective.

Group financial crime compliance participates in a forum comprising multiple regulators and other industry stakeholders, which is designing strategies to enhance the fight against the illicit flow of funds. Work is also being conducted to enhance control measures for facilitation of cross-border transactions between related parties, to guard against potential efforts to evade tax.

Standard Bank South Africa is a signatory to the South African Anti-Money Laundering Integrated Taskforce (SAMLIT), which supports the exchange of anti-money laundering information between members and participating competent authorities. The Financial Intelligence Centre's 2020–2021 annual report notes marked improvements in reporting and industry collaboration, and highlights SAMLIT's contribution.

The group is involved in the United for Wildlife IWT Learning Academy, which seeks to combat the illegal wildlife trade (IWT) from a financial crime perspective. We keep employees updated regarding the AML/CTF risks inherent to the IWT, with regular communications to raise awareness on the ways that financial products can be abused to hide the origins of the proceeds of crime generated by such activities.

In October 2021, the Financial Action Task Force (FATF) released a report relating to the Mutual Evaluation of South Africa's measures to combat money laundering and terrorist financing risk. It stated that while South Africa has a solid legal framework for combating money laundering and terrorist funding risk, significant shortcomings need to be addressed. This must be done within 18 months to avoid the risk of the FATF designating South Africa as a 'jurisdiction under increased monitoring'. Standard Bank is committed to working with all stakeholders to support the remediation process.



Anti-bribery and corruption (ABC)

We have a zero-tolerance approach to non-compliance with the provisions of the group ABC policy and relevant laws or regulations. We manage our bribery and corruption risk in accordance with statutory and regulatory requirements, while benchmarking our frameworks against OECD's Guidance for Multinational Enterprises.

The group's ABC policy commits us to:

- Prohibit bribery and corruption and ensure that an anti-bribery and corruption culture is established and maintained
- Conduct business with integrity, transparency and openness, and in compliance with applicable laws and Standard Bank's values and code of ethics
- Establish and maintain reasonable and proportionate measures to prevent bribery and corruption, and to detect, report, monitor and respond appropriately to any incidents that may occur.

The policy applies to all entities and employees of the group. It reflects the group's minimum requirements in respect of ABC controls. It may be supplemented in a local jurisdiction or business area where more stringent legislative or regulatory requirements apply. The policy emphasises that the group prohibits the giving or receiving of bribes, and the making of facilitation payments by any associated person*. The policy provides guidance to employees regarding the appropriate response to payments extorted under duress.

All employees receive ABC general awareness training, while employees in roles that are considered higher risk also receive specialised training. Every employee is required to attest to the fact that they have read and understood the contents of the group ABC policy. Areas of the bank that are perceived as being more susceptible to the risk of bribery and corruption receive specialised training.

The group's corruption risk assessment processes and ABC policy are communicated to our contractors and suppliers. Risk-based due diligence is conducted prior to the appointment of any third party. ABC training and communication is made available to third parties, following a risk-based approach. Specific contractual clauses regulate adherence to relevant anti-corruption legislation by third parties of the group and provide the group with contractual remedies in the event that such activity is detected.

The group conducts periodic ABC risk assessments. All business units and subsidiaries of the group are within scope, with a focus on areas that are perceived to be higher risk. The outcomes of this risk assessment (which includes the action plan detailing areas and controls that need enhancement), are shared with the relevant board committees.

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

* Facilitation payments are usually relatively small and made for convenience to facilitate or expedite routine action by public officials, to which the payer of the facilitation payment has a legal or other entitlement, for example, the issuing of a required permit or licence.

Prevention of the facilitation of tax evasion

The group has a zero-tolerance approach to the facilitation of tax evasion. Our prevention of the facilitation of tax evasion policy ensures that reasonable procedures to prevent the facilitation of tax evasion are in place.

All employees receive prevention of the facilitation of tax evasion training. Areas of the bank that are perceived as being higher risk receive specialised training. We raise awareness of our facilitation of tax evasion policy and processes with our clients, suppliers and service providers through explicit communication and in relevant agreements.

Employees are required to identify transactions identified as higher risk for tax evasion and refer these to the corporate offences advisory team within group financial crime compliance and group tax for consideration. Employees are further required to report suspicion of the facilitation of tax evasion to group investigation and fraud risk (GIFR). Concerns can also be reported via the whistleblowing hotline. Employees are required to file a suspicious transaction report or suspicious activity report where tax evasion or the facilitation of tax evasion is suspected or identified. Allegations of facilitation of tax evasion are investigated and actioned.

Combating fraud

The group has measures in place to mitigate fraud risk and is committed to continuous improvement of these measures. We define fraud as unlawful and intentional misrepresentation committed to secure an unfair or unlawful gain. Fraud includes, but is not limited to, application fraud, card fraud, procurement fraud, employee fraud, digital fraud, insurance fraud and transaction fraud.

In 2020, we implemented a centralised fraud risk management capability, strengthening our proactive, preventative and responsive approach to fraud risk management and ensuring a consistent client experience across the group. GIFR investigates all fraud events (internally and externally reported) and provides recommendations on fraud controls to remediate gaps identified. All employees, associated persons and third parties must raise concerns and report all attempted, suspected, and actual fraud. Reporting channels include line managers, GIFR, the whistleblowing hotline or the FraudStop process. We allow for anonymous reporting. We prohibit victimisation and protect anyone who makes a report in good faith from suffering prejudice.

We continued to invest in raising customer and employee awareness of fraud risk in 2021. This included a programme of strategic fraud awareness-raising initiatives, including Fraud Fridays on social media; use of social media influencers to cover fraud topics during international fraud awareness week, and in-depth seminars for employees, hosted by the group head of GIFR. We continue to work closely with the South African Banking Risk Information Centre (SABRIC) and banking industry to find solutions to combat fraud.

Fraud losses increased across the group in 2021. Customer losses among CHNW clients and BCC clients in South Africa equated to R204 million, a decline of 5% year-on-year. Most customer losses related to phishing scams, OTP vishing fraud, change of banking detail scams, buying goods online scams and ATM card swopping.

Market abuse control framework

The group seeks to maintain the highest standards of professional conduct when undertaking financial market transactions, communicating with market participants and when handling confidential information.

Our market abuse control framework aims to ensure that the group and its employees support the orderly, fair and transparent functioning of the financial market, encourage its integrity and contribute to the enhancement of financial stability in the markets within which we operate. The framework aims to ensure that there are adequate and effective controls in place to prevent, manage and/or mitigate market abuse risk.

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

Managing conflicts of interest

Standard Bank Group has a robust and stringent conflicts of interest control framework in place to ensure that conflict of interest risk is adequately managed.

The **framework** provides for processes, procedures and mechanisms to identify, prevent and manage conflicts of interest to:

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

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

Procurement and third-party contracting

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

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

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

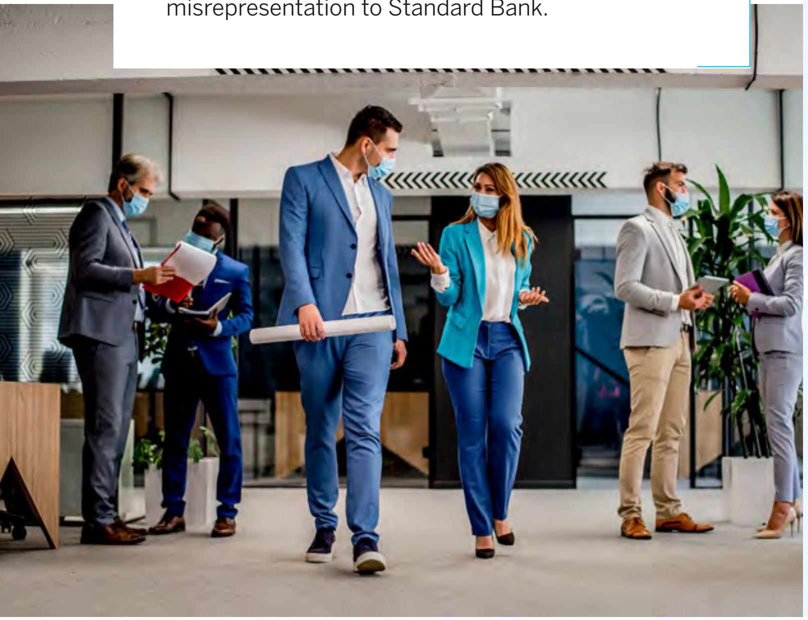
Our third-party risk management framework incorporates regulatory requirements, internal policies and the group code of ethics and conduct. It ensures a consistent, standardised approach to third party risk management across the group and enables conscious risk based decision making before entering into relationships with third parties.

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

In 2021, we launched a **digital solution**, which includes automated real time due diligence on third parties. The solution has been implemented across the group. Relevant employees have received training on the system, including the onboarding process for third parties.

The group supplier risk committee reviews third-party reputational risk matters relating to ethics, conduct, conflicts of interest, anticompetitive behaviour, human rights, and bribery and corruption.

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



All third parties are required to attest to the group's **third-party code of conduct**, which is based on the group code of ethics. In 2021, we introduced a system to enable potential suppliers/service providers to provide their attestation to the requirements of the code digitally. The code aims to ensure that all third parties who engage with the group are aware of our minimum requirements and governing principles in relation to ethical conduct.

- The code requires all our third parties to respect basic human rights and establish a clean and safe working environment. This includes:
  - Not allowing forced labour, child labour or discrimination
  - Paying appropriate wages
  - Regulating working hours
  - Respecting everyone's freedom of association.

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

Standard Bank has partnered with US-based technology platform, FRDM, to enable corporates to assess and address ESG risks within their supply chain. The solution helps companies build transparent, ethical and sustainable supply chains. By providing FRDM with basic information on our suppliers' names, locations, industries and products supplied, we can access insights about ESG and business continuity risks across our supply chain, for both tier-one and sub-tier suppliers. FRDM also provides clients with a toolkit to help clients engage with suppliers to reduce risk and increase resilience, and helps clients track improvements to their supply chain and improve resilience. FRDM is accessible via OneHub, Standard Bank's single point of entry for our corporate clients and partner organisations to connect and interact.

Stanbic IBTC has identified sustainable procurement as a priority under its sustainability framework.

In 2021, Stanbic IBTC implemented a sustainability support programme to drive sustainability awareness among suppliers, with a focus on SMEs. Engagements included regular email communications and an interactive webinar, titled 'Understanding sustainability and what it means for your business', which attracted almost 100 SMEs and focused on effective management of environmental and social risks, including occupational health and safety, labour practices, and waste generation and disposal.

Sustainable finance

Working with our clients to encourage sustainable practices

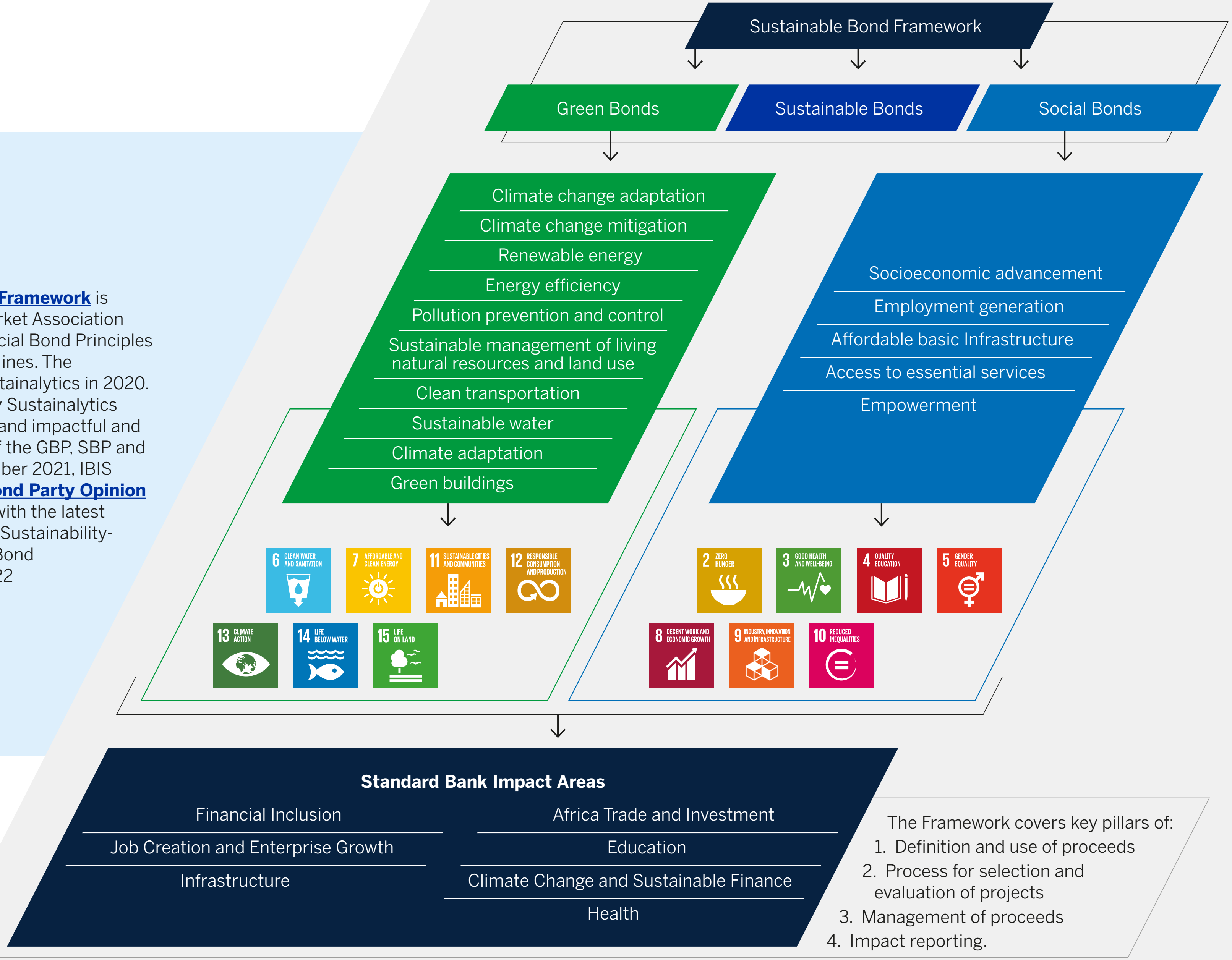
Standard Bank Group is a leader in sustainable finance, having issued Africa's largest green bond and arranged innovative sustainable and sustainability-linked funding instruments for clients across the African continent. Our team partners with our clients to encourage the adoption of socially and environmentally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

Sustainable finance solutions

- **Performance-based (use of KPIs)**
  - Sustainability-linked loan
  - Sustainability-linked bond
- **Use of proceeds (specific purpose)**
  - Green/social bond
  - Green/social loan
  - Sustainable loan/bond
  - Blue finance

Sustainable Bond Framework

Standard Bank's **Sustainable Bond Framework** is aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and the Sustainability Bond Guidelines. The Framework was initially evaluated by Sustainalytics in 2020. The **Second Party Opinion** issued by Sustainalytics confirmed the Framework to be credible and impactful and aligned with the four core components of the GBP, SBP and Sustainability Bond Guidelines. In November 2021, IBIS Consulting provided an updated **Second Party Opinion** confirming alignment of the Framework with the latest 2021 updates of the ICMA GBP, SBP and Sustainability-linked Bond Principles. Our Sustainable Bond Framework will be further updated in 2022 and an updated Second Party Opinion will be obtained.



Project selection and evaluation

Our objective is to allocate the net proceeds of the green, social or sustainable bonds issued under the framework to an eligible portfolio of new and existing loans and assets within categories aligned to our SEE impact areas. Potential loans and assets will already have been evaluated for adherence through Standard Bank's environmental and social risk management system and screened against the investment categories and eligibility criterion by the sustainable finance business unit. Suitable projects are presented to Standard Bank's asset and liability committee for selection and evaluation. The committee is also responsible for governing the framework to ensure consistency of approach and oversight. When identifying eligible projects and their non-financial impacts, Standard Bank may rely on external consultants and their data sources, and may require that clients sign a clarification letter confirming the use of proceeds. A project may have both green and social benefits, thus qualifying for more than one type of bond. The sustainable finance business unit will decide whether the project uses proceeds from a green bond, or a social bond, or a sustainable bond. In select cases, a project may use proceeds from more than one bond, but the proceeds split will be determined and documented to avoid double counting.

Management of proceeds

Standard Bank allocates the proceeds from green, social or sustainable bond issuances to eligible loan and asset portfolios, which are selected in accordance with the use of proceeds criteria and evaluation and selection process. We track the receipt and use of proceeds via our internal reporting systems, ensuring eligible loans and assets financed by our green, social and sustainable bonds are appropriately identified. We have established a register that contains all eligible loans and assets financed by or able to be financed by our green, social and sustainable bonds on issue and their drawn value. The sustainable finance business unit is primarily responsible for the management of proceeds. We will strive to achieve a level of allocation for the eligible loan and asset portfolio that matches or exceeds the balance of net proceeds from our outstanding sustainable bonds. Eligible loans and assets will be added to or removed from our eligible loan and asset portfolio to the extent required. If any proceeds remain unallocated, we will hold and invest those proceeds, at our discretion in our treasury liquidity portfolio, in cash or other short term and liquid instruments. We expect bond proceeds to be fully allocated to any eligible loan and asset portfolio within two years from the date of each issue.

Green bonds

We raised two green bonds under our Sustainable Bond Framework:

- The inaugural SBSA USD200 million green bond in 2020. Capital was allocated to finance eligible renewable energy assets.
- A Tier 2 capital-qualifying green bond issuance in December 2021. The 10-year, R1.4 billion bond is listed on the JSE's sustainability segment. Capital will be used to finance renewable energy assets in 2022.

Social bonds

Standard Bank issued a social bond, with 3-year and 5-year notes, in August 2021, with an increase in volume of the bonds in November 2021. The cumulative value of R3.5 billion has the express purpose of raising funding to support the financing of mortgage loans in the affordable housing target market, with a focus on women borrowers. Recent data shows that the number of female home loan participants has been growing steadily over the past few years. Through this issuance, Standard Bank aims to support this trend. The social bonds address a number of the UN SDGs, including:

For more examples of sustainable finance transactions in 2021, please see our Report to Society.

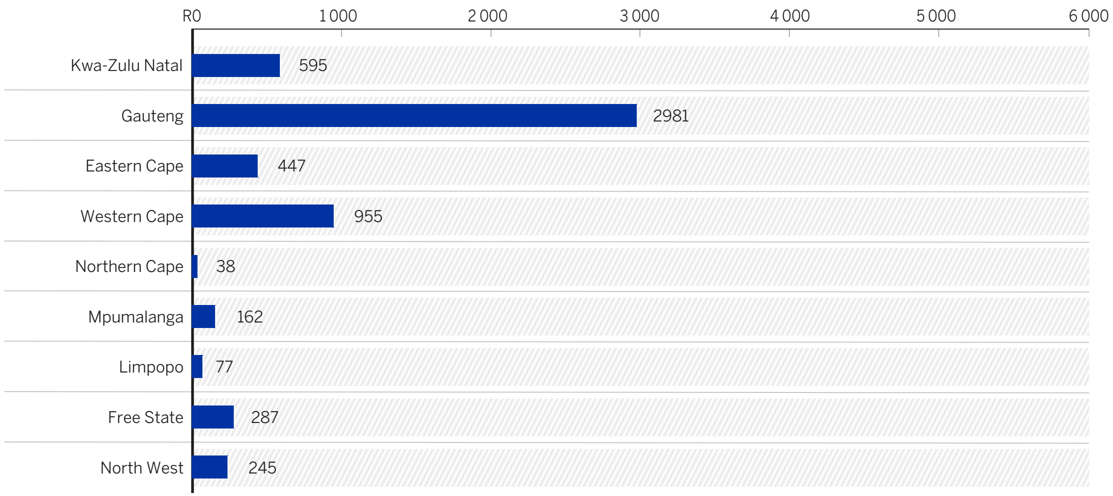
Measurement and reporting: Social bonds

Standard Bank prepares and publishes annual allocation and impact reporting with respect to the bonds issued under our sustainable bonds framework.

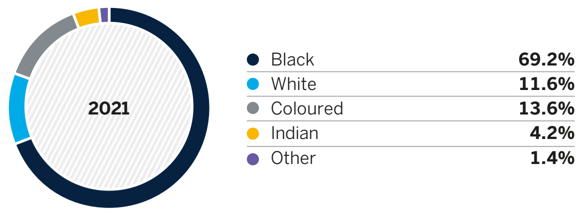
			Allocation information					Impact indicators	
Name	SBP category*	Target Group	Issuance amount	Allocated to assets originated in the 12 months prior to the August 2021 issuance*	Allocated to assets originated post August 2021 issuance*	Allocated total	Percentage of fund allocated	Number of home loans	Number of Women borrowers
SBSA Social Bond 2021 **3-year note**	Affordable Housing/ Women	Affordable housing target market**	R1 676 000 000	R1 020 143 389.50	R697 757 529.16	R1 717 900 918.66✓	102.5%	3 235✓	1 919 (59.3%)
SBSA Social Bond 2021 **5-year note**	Affordable Housing/ Women	Affordable housing target market**	R1 824 000 000	R1 028 269 329.45	R841 329 444.29	R1 869 598 773.74✓	102.5%	2 552✓	1 519 (59.5%)

* Affordable Housing loans were originated during the period 4 January to 28 December 2021.
** As determined by the Banking Association of South Africa in line with the financial sector code and with reference to maximum gross monthly household income (for 2021 this was defined as R26 100).

HOME LOANS PROVIDED BY PROVINCE (Rm)
Total value R5 787 million



HOME LOANS PROVIDED BY RACIAL GROUP



Measurement and reporting: Green bonds

Since the launch of the green bond, we have financed five projects in total.✓

	GREEN ASSETS			
	Wind	Solar	CSP	Total
Amount (ZAR)	R461 439 500	R1 619 415 419 (3 projects)	R882 343 032	**R2 963 197 951**✓
Impact indicators (mw)	33	225	100	358
Annual CO_2 equivalent emissions reduction/avoidance (tonnes CO_2eq/year)	100 946.74	497 086.20	305 899.20	903 932.14
Jobs created	399	3 315	3 842	7 556

ESG advisory services

Our team of sustainable finance specialists provide ESG advisory services to clients and other financial institutions. We seek to help clients recognise ESG risk and benefits in order to better integrate ESG considerations into their corporate strategies and business activities and to improve their ESG performance. Our ESG lending and advisory service spans project finance, export credit and corporate clients.

- Requirements for international environmental and social compliance (Equator Principles, IFC Performance Standards and World Bank standards)
- Consultant interface, drafting scope of works, report review and negotiation
- Identification of opportunities within Carbon Tax, offsets, Clean Development Mechanism and other carbon related projects
- Coordination of development and multilateral agency financing and other commercial Equator Principle Financial Institutions.

Agency services

- Managing and monitoring environmental and social covenants as stipulated in loan documentation
- Receiving and reviewing of environmental and social reporting for adequacy, accuracy and completeness, and providing feedback to the lender group
- Ensuring that non-compliance and partial compliance is adequately and correctly addressed in follow up action plans.

ESG corporate advisory services

- Strategy and governance
- Systems, policy and framework
- Benchmarking and measurement
- Actions and implementation
- Reporting and disclosure
- Advisory in relation to ESG ratings and investor positioning.

Sustainable investing

Melville Douglas has integrated ESG considerations into our listed equity investment processes. We are working toward embedding ESG considerations across all our asset classes. We hold ourselves to the same ESG good practice standards that we expect from our investee companies.

Our approach is underpinned by our ESG risk management framework, which includes:

- Screening against our universal exclusions and restrictions lists (for example, activities in contravention with national or international laws and treaties; sectors that do not align to Melville Douglas investment philosophy; activities that deliver materially negative ESG impacts)
- Detailed company-level due diligence as part of the fundamental research process, to develop an ESG assessment and recommendations
- Selection of a monitored list and a buy list, based on ESG assessments
- Compilation of an ESG assessment as part of an annual stock guideline report by investment teams
- Monitoring of ESG KPIs
- Active engagement to encourage adoption of progressive ESG practices in investee companies
- Use of shareholder votes to promote ESG aligned business practices
- Investment solutions aligned with clients' ESG-related targets and goals
- Proactive identification of responsible investment opportunities
- Divestment of active positions in portfolios when unmanaged ESG factors exceed our risk tolerance and engagement with the company is deemed unsuccessful.

Managing our environmental and social risks

Environmental and social (E&S) risk refers to the threat of adverse impacts on society and the natural environment arising from our business activities. Such impacts may include, for example, the production of GHG emissions and associated impacts on climate change, waste production, resource depletion, or risks to community members' health, livelihoods and cultural heritage. E&S risk creates potential credit risk, operational risk, business risk and reputational risk.

Governance of E&S Risk

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

During 2021, we revised and updated the standard and policy, as part of the process of strengthening ESG governance and climate-related risk management across the group.

The standard and policy are supported by the **group human rights statement**, our **exceptions list**, the **group climate policy** and related policies. Our E&S risk management processes are based on international good practice and align with the requirements of the Equator Principles, the IFC Performance Standards, and the Principles for Responsible Banking.

Committee	Responsibility for E&S risk management
Board	
Group risk and capital management committee	Considers enterprise-wide risks, emerging risks and events that may have a direct/indirect impact on the group's risk profile, with particular focus on risks and opportunities associated with the social, environmental and economic environment in which the group operates
Group social and ethics committee	Oversees social and environmental impacts of business activities; monitors implementation of E&S risk management and related policies to ensure compliance with regulation and global good practice
Country risk committees	Monitor and ensure compliance with E&S contractual obligations in lending and funding agreements; ensures integration of appropriate E&S risk processes and mitigations across business; ensure relevant E&S clauses included in contracts; report regulatory non-compliance, directives or fines to GESR so policy gaps can be closed and performance improved.
Executive	
Group risk oversight committee (GROC)	Ensures effective E&S risk management in line with SBG's risk appetite
Group E&S risk (GESR)	Executes the E&S risk governance standard and policy and monitors compliance across group; ensures E&S risks are correctly identified, evaluated and managed at transactional level; reviews all project-related transactions and medium and high-risk non-project related transactions and works with business and credit teams to assess and mitigate risks (second line of defence)
Business	Assess, manage, control and report on E&S risk Chief risk officers monitor compliance with the standard and policy (first line of defence).

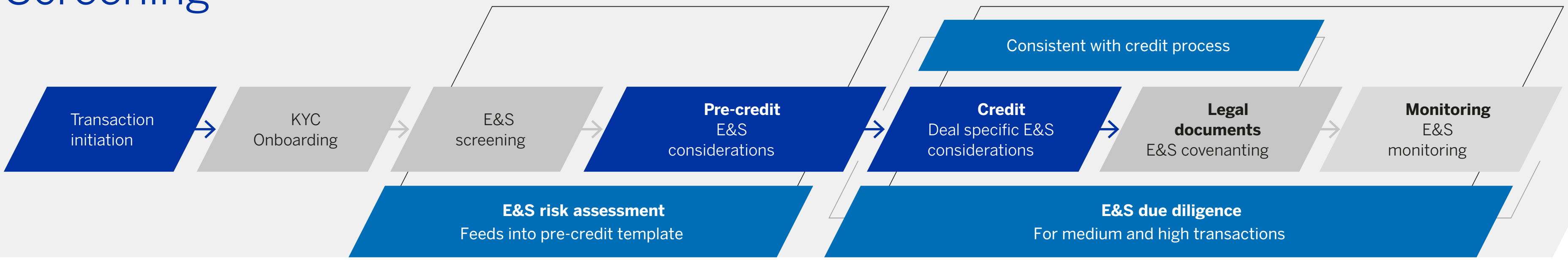
E&S risk management principles

- E&S risk management is integrated into lending and investment processes, to ensure E&S risks are identified, managed and mitigated.
- Credit management policies and processes include assessment of E&S risks and associated mitigation measures and opportunities.
- High risk industries, sectors, jurisdictions and transactions (as identified by the group) require additional due diligence.
- Development of new products and services incorporates E&S risk assessment. Opportunities to create positive E&S outcomes are actively identified and pursued.
- Investment governance includes E&S risk assessment and monitoring. E&S due diligence must be undertaken for investee companies in high risk industries or transactions. This includes assessment of the quality of the investee company's monitoring and reporting regarding long-term sustainability of strategy and operations.
- We proactively partner with our clients to assist them to manage and mitigate their E&S risks and impacts.
- We use our influence with our clients to encourage them to apply the Precautionary Principle to their operations and activities, where applicable.

Our expectations of our clients

- We assess the E&S performance of our clients and partners before entering into a transaction, investment or business relationship with them.
- We encourage our clients and partners to meet internationally accepted E&S standards and to develop action plans to close the gaps between these and their current E&S performance.
- We work with our clients to resource their E&S risk related functions appropriately, manage their material E&S impacts and risks, improve their performance and guard against unforeseen risk.

Screening



We apply E&S risk screening to all commercial transactions (project and non-project related). We use the group's exceptions list and digital E&S screening tool to provide an initial indication of possible environmental, social, financial, credit, reputational, regulatory and operational risks associated with a client's ability to manage E&S issues and with the transaction itself. This determines whether or not to proceed with a transaction, or whether further assessment is required, as well as the level of E&S risk review required.

E&S screening tool

We use our digital E&S screening tool to assess E&S risk for different risk categories of transactions. Digitisation of our screening tool has enabled it to be used more widely across the group and has improved data analysis. Training on the new tool has been provided to relevant employees.

The screening process helps us to assess the extent to which E&S risks have been appropriately assessed, managed and mitigated. This includes assessing the following issues, in accordance with the potential risks posed by the business relationship/transaction/project/sector:

- Workers' rights are protected; workers are treated fairly and provided with safe and healthy working conditions; vulnerable categories of workers, such as migrant workers, are protected.
- Child labour, forced and compulsory labour is prohibited.
- Risks to communities, including health and safety, have been/will be assessed, avoided or minimised to comply with human and ecological health thresholds.
- Safeguarding of personnel and property will be carried out in accordance with relevant human rights principles and will avoid/minimise risks to affected communities.
- Adverse impacts on communities and persons from land acquisition, restrictions on land use, displacement or forced eviction will be anticipated and avoided where possible. Where avoidance is not possible, impact will be minimised and livelihoods and standards of living of displaced persons improved or restored.
- Cultural heritage is protected.
- Potential adverse impacts on indigenous people are identified and avoided where possible. If unavoidable, engagement has taken/will take place with the impacted community and actions taken to minimise, restore and/or compensate for adverse impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts.
- Pollution from business and/or project activities is minimised.
- Sustainable use of resources, including energy and water, is promoted and GHG emissions reduced.
- Direct and indirect impacts on biodiversity and ecosystem services are identified and avoided or mitigated. Practices that integrate conservation needs and development priorities will be adopted to promote the sustainable management of living natural resources.

We undertake careful analysis of the relative benefits, risks and costs associated with managing these factors to identify the most appropriate course of action and optimal mitigation actions. While trade-offs may be necessary they must not compromise the group's commitment to human rights and must always adhere to all applicable laws and regulations.

Screening for new lending

All new lending (excluding personal banking) is screened for compliance with national laws and standards, the group's exceptions list and relevant policies, including the E&S framework. Where applicable, we also apply the IFC Performance Standards and the Equator Principles. By embedding E&S risk assessment processes into lending practices at an early stage, we ensure E&S consideration and accountability in decision-making and monitoring.

- Pre-credit committees ensure E&S risks are appropriately screened at application phase.
- Screening determines whether to proceed with a transaction, whether further assessment is required and level of the assessment.
- We use three levels of assessment according to the type of financial product, the quantum and tenor of the transaction. Each level includes likely E&S risk, sector and client considerations, client's ability to manage E&S risk and historical track record. Risks are rated low, medium or high.
- The GESR team evaluates all project-related transactions and medium and high-risk non-project related transactions and works with business and credit teams to assess and mitigate risks.
- Approval of transactions rated as high E&S risk requires sign-off from the head of GESR prior to credit approval.

E&S screening includes client and transactional risk:

- Client Risk Assessment (CRA): Risks associated with a client due to labour issues, negative media attention, NGO or activist focus, community issues or reputational risk to the group; and client's ability to manage E&S risks.
- Transactional Risk Assessment (TRA): Risks associated with a transaction due to sector, activities to be undertaken and nature of finance and risks associated with security over assets, for example, contamination of land.

All material lending proposals, and certain trading proposals, must be assessed by the relevant pre-credit approval committee, which assesses the CRAs and TRAs. Group E&S risk provides commentary in the pre-credit approval paper for all project-related and medium and high-risk non-project related transactions. The outcome of this process determines the need for further investigations and possible escalation to GESR. This informs whether to proceed with the transaction.

The responsible deal team or client relationship manager ensures the completeness, accuracy and consistency of E&S screening and other relevant information contained in pre-credit or new business applications. The responsible business area and credit officer ensure that relevant E&S risks are reported timeously to the GESR team for further analysis and decision-making.

Screening existing transactions

- Credit managers apply the digital E&S screening tool as part of the process of regular review of existing transactions and clients.
- E&S risks that emerge after financial close are flagged and assessed through this process.
- Transactions or clients identified as high E&S risk are reviewed annually by the GESR team. Depending on the client and the nature of their operations, some medium risk clients are also reviewed annually.
- Annual reviews require completion of the digital E&S screening tool to determine a CRA rating.
- Where required, GESR team members engage with clients to explore issues. We may require implementation of mitigating actions, monitoring and reporting by clients to address E&S risks.

Exceptions list

Our exceptions list specifies the type of activities for which no entity within the group will provide banking or lending facilities.

These group-wide exclusions include:

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

Due diligence

- GESR determines the required scale and scope of E&S due diligence per transaction, commensurate with the potential level of E&S risk associated with a transaction (low, medium or high).
- The GESR team works with business and credit teams to undertake due diligence for all project-related transactions and transactions identified as medium or high-risk.
- Enhanced due diligence is undertaken for transactions that represent significant risk to the bank, society and the environment.
- For all Equator Principles transactions, an independent environmental and social consultant is contracted by the borrower (selected by the borrower and lenders) to undertake a detailed independent environmental and social due diligence (ESDD) of the project.
- Due diligence may include sector or issue specific questions, direct client engagement and site visits, or engagement of independent external E&S consultants.
- GESR determines whether a full due diligence process using independent external consultants is required. If not, GESR undertakes an internal review of the client, its operations and the transaction.
- Due diligence highlights issues requiring mitigation or management, and actions required to ensure transactions comply with relevant international and national standards and legislation, including the Equator Principles and the IFC Performance Standards where applicable.

High risk sector guidelines

High risk industries, sectors and jurisdictions that require additional due diligence before a transaction or investment may be approved include:

- Mining and metals: prohibitions as per exceptions list, restrictions as per group policies, enhanced due diligence for uranium mining and where site decommissioning and remediation are not adequately addressed.
- Oil and Gas: prohibitions as per exceptions list, enhanced due diligence for shale gas and shale oil, including hydraulic fracturing and transnational pipelines.
- Power: enhanced due diligence for companies operating coal-fired power plants; transactions directly related to large dams; construction of new, or upgrading existing nuclear power plants; construction of new, or upgrading of existing coal fired power plants in line with group policies; transactions where site decommissioning and remediation and/or response for oil spills/gas leaks are not adequately addressed.
- Infrastructure: enhanced due diligence for linear infrastructure (roads, railway, electricity transmission lines, bulk water supply pipelines); transnational developments; ports, harbours and ship-loading terminals.
- Industrial: enhanced due diligence for iron and steel foundries and smelters; petrochemical refineries and downstream industries; manufacture of hazardous materials; manufacture of toxic materials.
- Agriculture, animal husbandry and fishing: prohibitions as per exceptions list; enhanced due diligence for activities in high conservation value forests or primary tropical forests; commercial logging; activities relating to palm oil or soy production; excessive fertilisation/runoff.

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

- Human rights considerations are included in the group's E&S screening tool.
- For Category A and where appropriate, Category B project finance, human rights due diligence is part of the E&S due diligence by the lender group.
- For non-project financing, transactors and credit managers pick up potential human rights issues based on general monitoring of negative media and campaigns against clients.
- Where human rights risks can be mitigated, we include controls in client legal agreements (for example, client labour policies to address human rights issues, provide for collective bargaining, supply chain management and monitoring, compliance with IFC Performance Standards and ILO conventions).
- Where relevant, clients implement independently verified monitoring of supply chain or certification processes that address human rights. Examples include the Roundtable on Sustainable Palm Oil (RSPO) and the Better Cotton Initiative.
- Where necessary, we commission independent specialist audits to confirm implementation of mitigation plans and require clients to implement project specific grievance mechanisms for workers and communities.
- In some instances, we require human rights assessment and monitoring by specialist consultants and annual feedback from clients on progress with action plans and mitigation processes. In cases where human rights issues are not readily mitigatable, we may decline the deal.

Results of E&S screening

Across the group, 389 transactions were screened for E&S risk in 2021. The outcomes, in terms of client risk and transaction risk, are shown below.

Risk	Client risk	Transaction risk
Low	94%	82%
Medium	3%	13%
High	3%	5%

Two deals were declined due to E&S risk indicators during 2021.

In addition, 558 current clients were screened for E&S client risk during the annual credit review process. Of these, 87% were assessed to be low risk, 9% medium risk and 4% high risk.

Controls

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

Group E&S risk is responsible for:

- Ensuring that appropriate systems and processes are maintained to collect and store required E&S risk data, and that there is reasonable assurance of data integrity and completeness. Where external data or analysis is used, the E&S risk team relies on the source to provide assurance for data accuracy.
- Prompt reporting and escalation of E&S standard or policy breaches, breaches of applicable laws and regulations; serious E&S counterparty risk to relevant decision-making bodies.
- Ensuring that the client's E&S risk incidents are recorded in the operational risk management system and appropriate actions taken to prevent recurrence.

Monitoring

- Business is responsible for ongoing monitoring of their portfolios. Frequency and type of monitoring is determined by the type of transaction and the level of risk.
- Group E&S risk monitors all project-related transactions and medium and high non-project-related transactions to ensure clients meet their E&S commitments.
- High-risk transactions and transactions categorised as Category A and Category B under the Equator Principles, are monitored more actively.
- Where necessary, GESR undertakes site visits to ensure that E&S performance is being managed appropriately.
- Independent external consultants may be used to monitor implementation and progress if required; notably for EP deals.
- Group E&S risk participates in portfolio-wide reviews of specific sectors, (such as coal, oil and gas), where E&S risks are considered high. These portfolio reviews enhance the group's decision-making during transaction approval processes; and provide a mechanism for proactive client engagement.
- Group E&S risk undertakes annual E&S review of medium and high risk clients, in line with the bank's annual transaction review process.

Escalation

- Significant E&S incidents must be reported in line with the operational risk materiality matrix to ensure appropriate escalation. E&S incident reporting to the bank is included as a condition in loan agreements with clients.
- If clients are not compliant with E&S requirements, we work with them to close the gaps and achieve the necessary standards.
- If there is no progress toward meeting requirements within agreed timeframes, remedies may include additional monitoring and revised action plans; specialist or independent intervention; or re-evaluation of the loan.
- We are committed to taking appropriate steps where we discover, or are made aware, that we have caused or contributed to actual or perceived human rights abuses or environmental damage. This may include disciplinary action, exiting a particular business relationship, or constructive engagement to promote better practice.

Employee training

- Targeted areas (business, credit, legal and coverage) across the group undergo mandatory training on E&S risk awareness, Standard Bank's E&S risk management process, the E&S screening tool and relevant environmental and social guidelines, standards and requirements.
- Training includes interactive 'classroom' training (delivered via Teams in 2021) and online training courses on Network Next, the group's in-house training platform.
- We are deploying ESG tools to assist credit managers, country risk and portfolio risk teams with ESG risk information relevant to our portfolio.

Employee E&S risk training in 2021

- 702 employees undertook interactive classroom-style E&S risk training (via Teams)
- 55 employees completed Network Next courses on specialised E&S risk management content
- 634 employees completed training on the group's digital E&S screening tool

Compliance with the Equator Principles

Standard Bank is a member of the Equator Principles (EP) Association, a global risk management framework for determining, assessing and managing environmental and social risk in project-related transactions. The EP Association provides a minimum standard for due diligence and monitoring to support responsible decision-making in project financing. When we lend or provide advisory services to a project, we are required to evaluate and actively avoid and mitigate any negative social or environmental impacts.

Equator Principles financing institutions categorise projects proposed for financing based on the magnitude of potential environmental and social risks and impacts (Category A, B or C).

Group E&S risk provides the categorisation for EP transactions and is involved in ongoing due diligence for all Category A and B projects. Group E&S risk applies the EP and associated IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) to all relevant project-related financing or transactions.

Cumulative underwrite value of green v brown project finance power generation transactions, 2012 - 2021

Green projects* **86.3%**✓

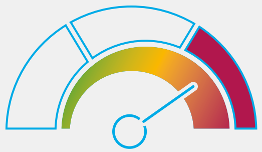
Brown projects** **13.7%**✓

* Green: Clean, non-polluting and renewable energy sources that are naturally replenished over time, e.g. solar or wind.

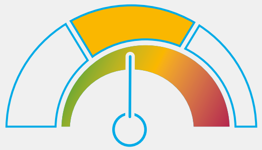
** Brown: Conventional fossil fuel-based energy sources that release pollutants during processing and are finite/not replenished over time, e.g. coal, oil or natural gas.

Transactions screened against EP in 2021

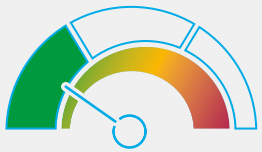
Category A **High risk** 3✓



Category B **Medium risk** 2✓



Category C **Low risk** 0



Total number of projects financed **5**

No active EP deals were terminated due to E&S non-compliance.

In the case of the Mozambique LNG project, the operator declared force majeure in early 2021, resulting in suspension of the project for much of the year.

Equator Principle transactions that reached financial close in 2021

	Project finance (number)			Project-related corporate loans (number)			Reserve-based lending – refinance (number)		
	Category			Category			Category		
Sector	**A**	**B**	**C**	**A**	**B**	**C**	**A**	**B**	**C**
Oil and gas	2#				1		1		
Mining									
Power		1							
Infrastructure									
Other									
Region: Africa	2	1			1		1		
Independent review	2	1			1		1		
Country designation	Non-designated								
Total	2	1			1		1		

\# One of the project finance Category A (oil and gas) deals was also a project advisory deal

Examples of some of our EP deals in 2021

EP Project Mozambique (MLNG)

MLNG reached financial close March 2021. Standard Bank is one of a large group of lenders, including direct and covered loans from eight export credit agencies (ECAs), a loan from the African Development Bank and 19 other international and regional financial institutions

EP Rating

Category A (high risk) – The lenders had a full suite of due diligence assessments undertaken to inform their decision-making, including legal, technical, security, market, reserves and E&S. Detailed E&S due diligence was undertaken by the appointed independent environmental and social consultant (IESC), based on EP III, as applicable at the time. The lenders imposed strict monitoring requirements on the project through the financing agreements.

E&S risk management

Prior to financial close, E&S risks, including possible adverse human rights and environmental impacts, were extensively reviewed by the IESC and the lenders. These issues were addressed in compliance with Mozambican legislation and established international best practice, with stakeholder engagement of the local population, relevant NGOs, the government of Mozambique and others. MLNG has several specialist E&S teams and its management undertakes to fulfil their obligations to comply with international standards and best practice on a continuous basis.

Stakeholder engagement

The operator actively engaged project stakeholders during planning, preconstruction and early works. Stakeholder engagement supported the implementation of the ESIA and the development of the resettlement action plan. Related documents, together with the Stakeholder Engagement Plan for the project construction phase, can be found at **www.totalenergies.co.mz**.
A grievance mechanism is available to communities, NGOs and other stakeholders.

Monitoring

E&S monitoring and reporting requirements as per the lenders' requirements align with the IFC Performance Standards and Equator Principles III requirements for Category A projects.

- The project would ordinarily be subject to quarterly monitoring by the project team and semi-annual monitoring by the IESC. In the normal course of business, monitoring includes site visits. The IESC was unable to complete its 2021 reviews due to the pandemic and the security situation in Cabo Delgado Province, which resulted in the operator declaring force majeure in early 2021. Monitoring report assessments will commence when it is safe for the project team to return to site and for the IESC to visit the site.
- The project supported the Civil Society Support Mechanism Foundation (MASC), a Mozambican CSO, to establish the Independent Civil Society Monitoring Platform (ICSMP) to monitor the project's E&S performance. In working with civil society, MASC helped establish a social management plan by partnering with national, provincial and district CSOs.
- When the security situation is fully resolved and it is safe for the project team and monitoring teams to commence work, the operator plans to undertake biannual monitoring.

EP Project Nigeria (NLNG)

NLNG is a Nigeria-based private limited liability company involved in the processing of gas to produce liquefied natural gas (LNG), liquefied petroleum gas (LPG) and condensates.

The company currently operates a liquefaction plant comprising six complete train and associated facilities. The NLNG Train 7 project (Project Sept) involves the construction and operation of:

- One additional complete train common liquefaction unit, new LNG jetty, utilities, loading facilities, and tie-in with the existing six-train plant, which is expected to increase NLNG's production capacity to c.30mtpa (from 22mtpa)
- New worker village to accommodate construction workers on up to 31 hectares
- Redevelopment of parts of the existing joint venture camp facilities
- Marine operations associated with the export of the LNG, LPG and condensate.

Standard Bank participated in the USD3 billion nine-year syndicated corporate term loan financing for the NLNG Train 7 project. Our total commitment is USD300 million (net limit of USD200 million). The deal reached financial close in May 2021.

EP Rating

Category B (medium risk) EP project.

E&S risk management

The Train 7 Project environmental, social and health impact assessment (ESHIA) was completed in August 2019. Environmental Resource Management (ERM) was subsequently commissioned to undertake an environmental and social due diligence (ESDD) in alignment with EP requirements. The phase 1 ESDD report was completed in December 2019 and included applicable E&S action plans.

In anticipation of financial close, ERM was commissioned to conduct a further assessment on actions taken by NLNG to address pre-financial close and pre-construction action items identified in the ESDD Phase 1 Report. The findings of that assessment are presented in the ESDD Phase 2 Report completed in September 2020. The ESDD Phase 2 Report thus captured an updated ESAP, which was included in the final financing documentation.

Monitoring

The monitoring of the implementation progress across the project ESAP was factored into the legal documentation and will be followed accordingly.

EP PROJECT

Alten Kesses solar plant

The project

The Alten Kessses solar PV plant in Eldoret, Kenya will have an installed capacity of 55MW and is being financed by SBSA, Stanbic Kenya and EAIF. It will connect to the grid in the first half of 2022, via an existing 230 kV power transmission line between Turkwel hydroelectric plant and Lessos substation, which crosses over the solar PV plant. The plant covers a surface area of about ten hectares and will generate around 123 000 MWh/year of clean energy, equivalent to the needs of about 245 000 Kenyan homes . This is the second solar PV project that Alten has built in Africa with financing from Standard Bank, the first being in Mariental, Namibia.

EP Rating

Category B (medium risk) EP project based on the commissioned independent ESDD.

E&S risk management

The environmental and social impact assessment (ESIA) was completed in 2014 and NEMA issued the project an EIA Licence in November 2014, valid for 24 months from the date of issue. Since then Alten has applied for EIA Licence extensions from NEMA. In 2017 the Independent Environmental and Social Consultant (IESC) was commissioned to undertake an independent environmental and social due diligence (ESDD) in alignment with EP requirements and the IFC Performance Standards. The ESDD report was completed in December 2017 and included an environmental and social action plan (ESAP).

Alten has an Environmental and Social Management System (ESMS) in place for the solar PV plant. They have also appointed an E&S Consultant as their E&S Advisor on the project.

Stakeholder engagement

Since the ESIA was undertaken in 2014, Alten has engaged with stakeholders, including communities neighbouring the project site, government and NGO stakeholders in Eldoret. Alten developed an initial stakeholder engagement plan (SEP) for the project. This was updated by their E&S consultant in November 2021. The updated SEP is a comprehensive document that sets out scope, objectives, responsibilities, stakeholder identification, stakeholder analysis and prioritisation, stakeholder engagement activities with associated timelines, and monitoring and reporting. It also includes details of the project's community grievance mechanism – which is free, open and accessible to all, including disadvantaged and vulnerable groups. Comments and grievances are addressed in a fair and transparent manner.

Monitoring

The same IESC has been retained by the lenders to conduct independent E&S monitoring of the Kesses solar PV plant during construction and operations. The IESC undertakes two site visits and corresponding independent E&S reviews during construction, and annual reviews in the first two years of operations. Monitoring of the implementation progress across the project ESAP was factored into the legal documentation and will be followed accordingly.

Managing climate risks and opportunities

Africa is being disproportionately negatively impacted by climate change, despite contributing a very small percentage of global emissions. The continent faces significantly increased risk of drought and floods, declining mean precipitation in already-dry regions, inundation of coastal zones and deltas, lower crop yields and loss of biodiversity, impacting public health, labour productivity and food production, and increasing instability and migration.

Climate policy

Standard Bank's **climate policy** commits the group to achieving net zero carbon emissions from its portfolio of financed emissions by 2050. We are working toward net zero across our operations by 2040 for existing operations and 2030 for newly built facilities.

Our climate policy supports our purpose, '*Africa is our home, we drive her growth*', and takes the African environmental, social, and economic context as its starting point. We aim to actively support Africa's transition to a lower carbon economy, to support efforts to mitigate the impact of climate change and to improve access to reliable and sustainable energy sources, a critical factor in Africa's economic growth and poverty alleviation. The group's position takes into account the opportunities to partner with clients and stakeholders to support their climate transitions, and the national climate commitments of the countries in which we do business.

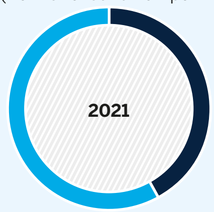
We have begun to assess our policies and processes to ensure that climate-related issues are appropriately incorporated and inform decision-making. Where appropriate, risk appetite will be adjusted based on the results of scenario assessments performed on the group's portfolio. Frameworks will ensure that risk is identified from top-down by executive management and bottom-up by business.

Detailed information about the group's approach to the governance and management of climate risk, together with information on our emissions data and the processes, metrics and targets we have adopted to manage our environmental impacts, is available in our **Climate-related financial disclosures report**.

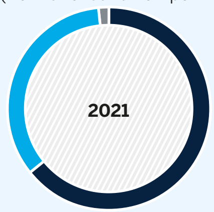
Our people

Standard Bank employs over 46 000 people across the group (excluding Liberty). We strive to ensure that our employees feel connected to and motivated by our group purpose and our commitment to our customers to find new ways to make their dreams possible.

TOTAL NUMBER OF EMPLOYEES – GENDER
(Permanent and non-permanent)



TOTAL NUMBER OF EMPLOYEES – REGION
(Permanent and non-permanent)



Our people (SBG)	2021	2020	2019	2018
Total number of employees by type of employment contract	**46 632**	47 460	48 614	52 147
Permanent	**43 607**	44 450	44 996	47 419
Non-permanent	**3 025**	3 010	3 618	4 728
Total number of employees by gender (permanent)	**43 607**	44 450	44 996	47 419
Male	**18 515**	18 895	19 155	20 032
Female	**25 092**	25 555	25 841	27 387
Total number of employees by region (permanent)	**43 607**	44 450	44 996	47 419
South Africa	**28 955**	29 581	30 102	32 162
Africa Regions	**14 035**	14 247	14 274	14 618
International	**617**	622	620	639

We assess our performance in relation to employee engagement using the metrics below

Employee engagement

Employee net promoter score

+47

Workforce diversity

Women in leadership

34.1%✓
(Executives)

41.8%✓
(Senior management)

39.6%
(Executive + senior managers)

African representation at senior management level

25.3%
(South Africa)

Future ready skills development

Average learning hours per person (FTE) per year

95.1 hours

Learning hours invested in future ready skills

41%

Workforce productivity

Workforce return on investment:

2.31

Employee retention

Regrettable turnover rate

2.2%.

Employee engagement

Standard Bank uses the **Employee Net Promoter Score** (eNPS) as our headline engagement measure. This provides an indication of how likely an employee is to recommend the Standard Bank Group as a good place to work. The score can range from -100 to +100.

Our eNPS rose to +47 in 2021
up from +44 in 2020

Emotional promoter score
how employees feel about working at Standard Bank:
+77,
up from +66 in 2020

Organisational alignment score
pride in being associated with Standard Bank and understanding of one's contribution to the group's purpose:
+92,
down from +95 in 2020

Engagement dimensions score
work satisfaction as measured across various dimensions:
steady at +83.

These results are obtained through Standard Bank's group wide annual **Employee Engagement Survey**, which we've been running since 2017. In 2021, **86%** of employees participated, up from 83% in 2020. While individual responses are anonymised, we share the full survey results with employees, executives and the board. Results are analysed by variables such as geography, business unit, gender, population group (in South Africa), age group, workforce level, performance rating and whether employees are currently home based or office/branch based. We use the results to shape our people plans and future initiatives to continuously improve employees' experience of their work environment.

Organisational alignment

"I am proud to be associated with the Standard Bank Group" — 91% (down 3%)

"I understand my contribution to the broader Standard Bank Group's purpose" — 94% (down 2%)

Engagement dimensions

"I am satisfied with the work that I do" — 85% (down 2%)

"I feel energised and effective when delivering on my current work demands" — 82% (down 2%)

"I have opportunities to grow and advance my career" — 76% (down 2%)

"Mutual trust exists between myself and my colleagues" — 86% (up 1%)

"I have opportunities for development" — 82% (down 2%)

"The teams I am part of are adaptable when priorities change" — 88% (up 1%)

"I feel empowered to shape the way I deliver my work" — 83% (steady)

"The teams I am part of work well together to achieve common goals" — 88% (steady)

"I feel heard when I voice my views" — 78% (up 3%)

"I trust my immediate leader to act with integrity" — 87% (up 1%)

"In my work I have opportunity to promote and try new ideas or new ways of doing things" — 80% (down 2%)

"I have a caring immediate leader" — 86% (up 2%)

In 2021, we asked several new questions to understand better whether people were feeling effectively connected, supported and valued:

"I feel like a valued member of the team" — 83%

"The feedback I receive from my leader enables me to do my job better" — 85%

"I feel appreciated for the contribution I make" — 75%

"I manage my personal wellbeing effectively" — 81%

"In conversations my leader listens and understands my perspective" — 85%

As in 2020, the group also conducted a **'Tell Us How You Are Survey'** to assess how employees were feeling in mid-2021. Top themes included:

- appreciation of meaningful work
- company brand
- compensation and benefits
- career growth opportunities and management
- values
- culture.

As in 2020, employees expressed appreciation for how the bank has cared for them during the Covid-19 pandemic. Leader care also increased.

We saw an upward trend in stress measures, particularly among employees working from home. Some employees reported feeling overwhelmed, burnt out, stressed and anxious. Online meetings were a key factor that employees commented on as a source of stress and anxiety. A Step Back Wednesdays initiative was introduced to give employees a more flexible day to get work done, complete online learning and meet with colleagues to brainstorm. The feedback from our people has been positive on this initiative.

We encourage all employees to access **wellbeing resources** to promote ownership of their wellbeing. In 2021, we offered employees opportunities to participate in online wellbeing seminars on: managing burnout and stress, screen fatigue and digital health, creating a virtual culture of care, and managing multiple demands. We also offered training to business units on resilience, prosilience, managing anxiety and stress and coping with loss and bereavement.

Culture and performance

All Standard Bank employees are expected to uphold the group's eight values. Our recruitment, on-boarding and training processes are designed to entrench our values, ethics and conduct standards across the group.

Individual and team goals are aligned to the group's strategic value drivers and associated metrics. These metrics are cascaded through the performance management process so that our people and teams know exactly how their goals and efforts need to translate and contribute to measurable results and value for our clients, partners, colleagues and broader stakeholders.

Our performance management system is designed to guide our people to perform at their best and to recognise them for their contribution. Living our values is a significant element of individual performance management. Our remuneration committee governs our remuneration policy and its application and ensures reward and remuneration decisions and processes consider and promote desired behaviours and conduct.

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

Our approach to performance management includes:

- Agreement on clear and measurable performance goals, so our people know what's expected and can focus their energy and efforts on what matters most
- Regular informal and formal performance coaching conversations, throughout the year, to ensure every employee knows what they are doing well and what needs more attention
- Line managers serving as performance coaches to guide and support each of their team members on their personal performance and growth journey to help them reach their full potential
- Clear rating descriptors which provide our employees with an indication of where they stand in their personal performance and growth journey
- Talent and succession planning, including prioritisation of learning and development opportunities
- A global, online performance management system with the ability to give and receive feedback
- Flexibility for fit-for-purpose application to support specific ways of working.

In 2021, we implemented a new performance management digital solution to better support our people through their performance journey in a far more intuitive and agile way. It enables seamless alignment of the goals of our people to the group's priorities across all business lines, functions and geographies. This makes managing, tracking, measuring, analysing and reviewing our progress easier and an integral part of day-to-day business.

It also improves managers' effectiveness in engaging our people meaningfully on what matters. It enables us to give continuous feedback, manage multiple teams in real-time and, by doing this, create a culture of openness and continuous learning, where the ongoing exchange between our people and business is positive, constructive and helps shape and build our future ready workforce.

Improvements and benefits include:

- Goals are differentiated into types for better linking and tracking
- Goals can be assigned or shared, creating a goal library for easy reference
- Multiple measurement criteria can be defined, linking goals to our six value drivers, associated metrics and values-based behaviours
- Multi-disciplinary teams can assign goals to all team members, no matter where in the organisation they work
- Everyone has access to their own personal performance coaching dashboard, so that their goals are always visible and they can track progress on an ongoing basis
- Leaders have the tools to coach their people through coaching tips, nudges and progress dashboards
- Our Microsoft Outlook plug-in and 0365 integration brings performance management into the day-to-day flow of work. The entire process can run on any mobile device.

Workforce diversity and inclusion

Standard Bank recognises the diversity of our employees as one of our business' greatest strengths. We adopted a refreshed **diversity and inclusion strategy** in 2021, which recognises the intersection of diversity, inclusion, equity and belonging as critical to the creation of a high performing and engaging culture. We aim to ensure that all our employees feel valued, empowered and supported to work together to create solutions for our clients and the communities in which we operate.

We regularly engage employees on inclusion, diversity and equity issues and are working to create a workplace in which all employees feel that they belong. We recognise that inclusion and belonging cannot be seen as isolated or separate from leadership and culture and are working to ensure that we embed the concepts of inclusion and belonging in all of our culture and leadership work. Over the past two years, we have successfully used virtual platforms to host webinars and conversations about a wide range of diversity issues, with high rates of participation and positive feedback.

Equal pay

Standard Bank has a policy of equal pay for work of equal value, ensuring that employees doing similar jobs at the same level are paid equitably. This principle, which is entrenched in South African labour law, is applied across the group. South Africa's Employment Equity legislation requires all employers to submit an annual income differential report, in order to identify whether there is any unfair discrimination in remuneration on the basis of race or gender. Following a pilot run in 2019, we have adopted a multivariate regression analysis methodology for conducting pay equity analyses on the grounds of gender and population group (in SA). Analyses cover both fixed and variable remuneration. Our analyses in 2021 reaffirm that there are no systemic issues of pay discrimination. The balance of gender pay distribution across the group has further improved, as has the balance of population group pay distribution in South Africa. Any gaps are addressed during the annual remuneration review and when promotions take place. We are confident that our approach produces fair outcomes, and we will continue to robustly address any risk of unconscious bias.

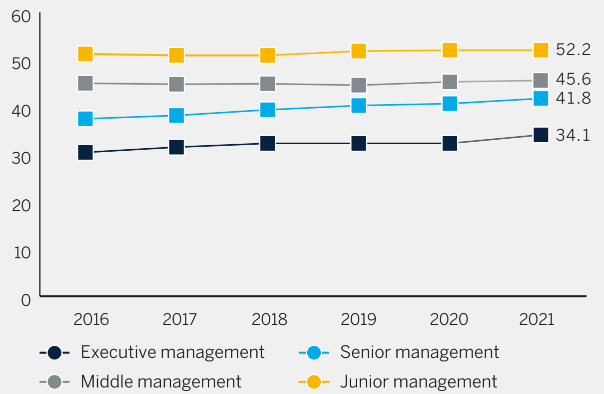
Gender

As a signatory to the **UN Women Empowerment Principles** (WEPs), Standard Bank has made a formal commitment to advancing gender equality and women empowerment in the workplace, marketplace and community.

Each of our countries of operation has a bespoke diversity and inclusion plan, aligned to group targets, which includes targets for the representation of women at executive levels, together with plans to achieve these targets. These plans focus on learning and development and the building of strong succession pipelines in which women are well represented.

In 2018, we set ambitious targets for the representation of women in leadership positions by 2021. We are making progress. Measured against the 2021 McKinsey Women in the Workplace Report, we compare favourably in respect of the representation of women in both executive and senior management positions. Women comprise 58% of our total employee complement (permanent and non-permanent) and 46% of managers in revenue-generating functions. We have achieved our target of 33% female representation on the board, and have set a new target of 40% by 2025.

WOMEN IN MANAGEMENT (SBG)



WOMEN IN LEADERSHIP

	Targets	Female representation (%)			
		2021	2020	2019	2018
Women on SBG Board	33 (2021) 40 (2025)	35.3✓	35.3	29.4	22
Women in executive positions in SBG	40 (2023)	34.1✓	33.6	32.3	32
Women in executive positions in SBSA	40 (2021)	36.4	36.3	35	35
Women CEs (country/regional) in Africa Regions	20 (2021)	9.1✓	13.6	10.5	10

We aim to support all employees, men and women, to manage the often-conflicting demands of work and home life. This includes offering opportunities for employees to take sabbaticals and extended leave periods, under certain circumstances, and initiatives to make it easier for parents to integrate back into their positions after maternity leave.

Our **Blue Malaika programme** aims to develop the key non-technical skills that make women leaders successful at Standard Bank. In 2021, 215 women from across the group were selected to participate in the programme, providing them with opportunities to engage and learn from the group's female leaders, grow their expertise and accelerate their leadership journey.

During 2021, a second cohort of male colleagues participated in the **Band of Brothers** immersion. This initiative engages a group of men in challenging conversations about masculinity (healthy and toxic), the role of men in society and as allies in promoting gender equality. The men who participate in this deep personal journey go on to facilitate Barbershop Sessions, enabling similar conversations to be held with wider groups of men. Allyship in the workplace will be a focus in 2022.

Population group

In South Africa, while we have employment equity targets and plans in place, as required by legislation, we see diversity and inclusion as going well beyond numbers and legislative compliance. We continue to improve the representation of under-represented groups at middle and senior management level.

In 2021, we developed a new Employment Equity Plan for the period 2022 to 2024, ensuring that we maintain our focus on this critical endeavour. Information in this regard is available in the **SBSA Transformation Report**.

LGBT+

SBSA's PRISM is an LGBT+ forum established as a sub-committee of the diversity and inclusion forum. It assists management in identifying and addressing issues of concern in respect to sexual orientation and gender identity in the workplace, particularly as these may relate to perceived or actual discrimination. It is a platform for networking, providing a unique perspective on supporting the group's purpose and increasing understanding of sexual orientation and gender identity issues. Any SBSA employee may join PRISM.

In 2021, we participated in the SA Workplace Equality Index, which provided us an opportunity to benchmark our policies and practices in respect of LGBT+ issues in SBSA. We achieved Silver Tier ranking. We are using the feedback provided to address gaps in our policies and processes.

Disability (South Africa)

Standard Bank has appropriate processes and support systems in place to assist people with disabilities to perform to their full potential. Our disability strategy supports our efforts to ensure that employees with disabilities have equal opportunities in the workplace, that we offer a safe and accessible workplace and maximise the contribution of every employee. Employees can apply for reasonable accommodation to address specific workplace requirements. We raise awareness of disability declaration and reasonable accommodation application processes through internal communications to all employees. While our employees are not obliged to declare a disability if they have one, we actively encourage disclosure, to ensure we can provide reasonable accommodation if required.

In South Africa, we include targets for the representation of persons with disabilities in all business area employment equity plans.

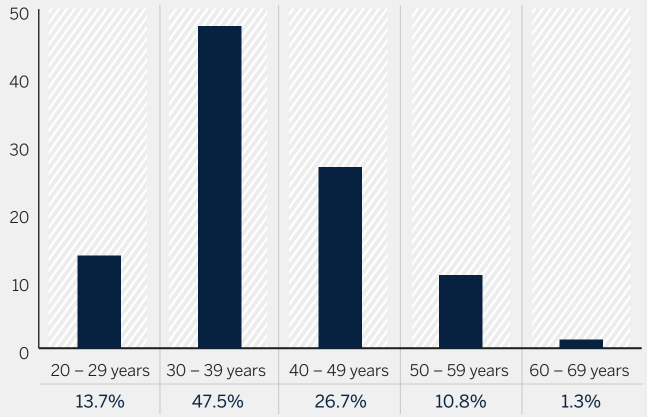
SBSA has established a disability network, as a sub-committee of the SBSA diversity and inclusion forum. It is led by employees with disabilities but welcomes non-disabled allies as members too. The network ensures that disability inclusion remains at the forefront of our diversity and inclusion initiatives, and increases the participation of employees with disabilities in conversations about disability and inclusion. By creating a platform to enable employees with disabilities to share their views and experiences, we can enhance our disability inclusion interventions. We hold internal webinars for employees to raise awareness around disability and how all employees can contribute to creating organisations and communities that are fully inclusive of persons with disabilities. We commit to ensuring that we remove physical and attitudinal barriers that may prevent the full inclusion of people with disabilities in our workplaces.

In 2021, 0.8% of our employees declared disabilities.

Age

Standard Bank recognises the value of all aspects of diversity, including age.

SBG EMPLOYEE DISTRIBUTION BY AGE
(%)



Discrimination and harassment

Standard Bank employees are governed and protected by group policies on harassment, sexual harassment and unfair discrimination. These policies establish non-negotiable principles and standards on these issues, while allowing for in-country adaptations for dealing with complaints. We have a **zero-tolerance approach to harassment and unfair discrimination**. Employees can report any incidences to their line manager or people and culture representative, or to the group's confidential whistleblowing hotline. All reported cases are taken seriously and dealt with promptly and respectfully. (Refer to **Ethics and Conduct** section for more information on reporting and incident investigation and management). Victims of harassment and discrimination are provided with the necessary support, and we ensure that they are not in any way prejudiced or disadvantaged as a result of having laid a bona fide complaint. We do, however, view malicious and frivolous complaints in an extremely serious light. All employees, including all managers, are required to complete compulsory online sexual harassment training every second year. Unconscious bias training is offered to managers and employees to raise self-awareness and includes tools and strategies to counter bias.

Future fit skills

Standard Bank wants our employees to have long and meaningful careers, in sync with the group's future aspirations. We are working with our people to support them to evolve with the group, as we become a platform business. Please see our **Report to Society** for information on our employee training and skills development programmes.

Employee attraction and retention

We ensure that we provide an attractive employee value proposition, offering an innovative, flexible environment with a broad range of opportunities for skills development and career progression, as described in our **Report to Society**. We aim to attract people who are passionate about Africa, are motivated to deliver exceptional client experiences, and embrace an innovative mindset to deliver on our future ambitions. We use tailored talent attraction strategies, employing multiple platforms and channels to attract scarce skills. The Covid pandemic did not result in any freeze on hiring. We continue to ensure that we attract the right skills to enable our business strategy.

Our overall and voluntary turnover remain well below global financial industry benchmarks, of 15% and 8.2% respectively*.

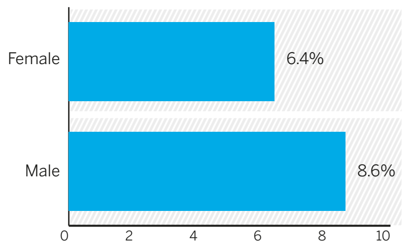
* APQC and Visier, 2021

Standard Bank Group Turnover (%)	2021	2020	2019	2018
Voluntary turnover rate	**4.2**✓	3.0	4.8	4.9
Overall turnover	**7.3**	6.0	10.8	8.3
Voluntary regrettable turnover**	**2.2**	1.4	2.3	2.3
Voluntary turnover at executive level	**5.5**	3.3	3.8	4.8

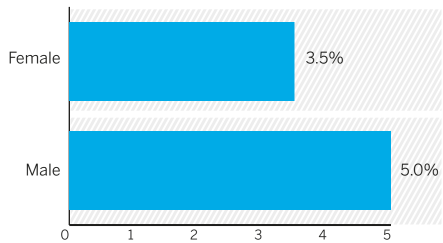
** High-performing permanent employees leaving the group on a voluntary basis

Turnover – Gender (permanent employees)

TURNOVER RATE

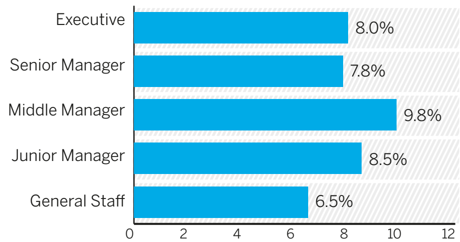


VOLUNTARY TURNOVER RATE

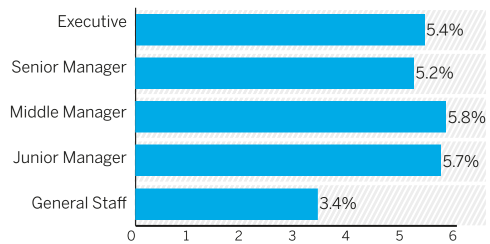


Turnover – Workforce level (permanent employees)

TURNOVER RATE



VOLUNTARY TURNOVER RATE

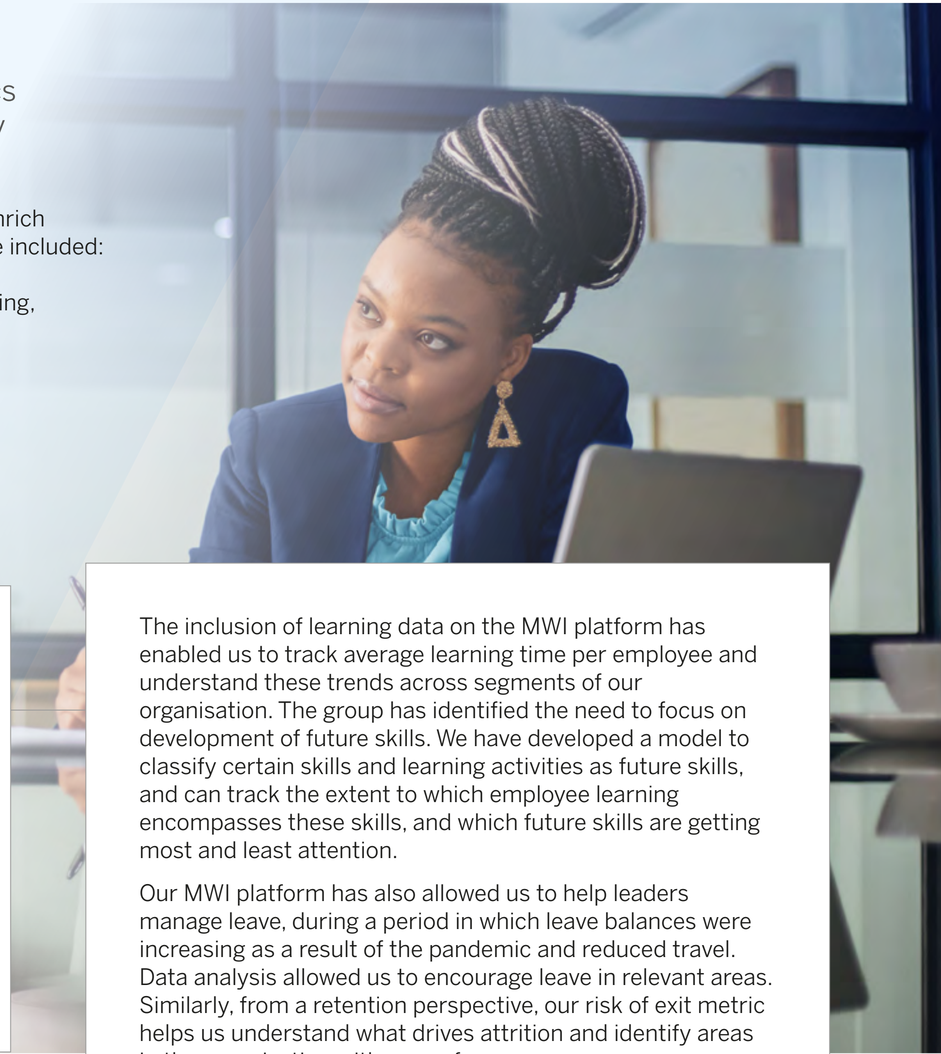


Workforce planning

We strive to ensure data-driven people decision-making, by providing useful data analytics and insights to our leaders to help them manage and plan for the workforce of both today and tomorrow.

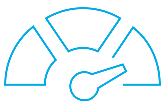
Our Meaningful Workforce Insights (MWI) platform, with Visier as the enabling technology, allows us to share insights with our leaders and our people and culture community in real time. MWI informs our decision-making and enables us to plan for the right mix of talent in the right roles, at the right time – supporting strategic planning for the workforce of the future.

During 2021, we added additional data sets to enrich the headcount data already in the system. These included: recognition, succession, performance, position management, learning activity, compliance training, engagement, and onboarding and exit interview surveys modules.



We use the MWI platform as an integration tool across the full spectrum of our people and culture data, enabling us to extract integrated insights.

Examples include analysis of:



- Drivers of high performance

- Correlation between employee wellbeing and employee engagement

- How the shape of the organisation is changing over time and which workforce levers contribute towards it

- Return on investment in learning.

The inclusion of learning data on the MWI platform has enabled us to track average learning time per employee and understand these trends across segments of our organisation. The group has identified the need to focus on development of future skills. We have developed a model to classify certain skills and learning activities as future skills, and can track the extent to which employee learning encompasses these skills, and which future skills are getting most and least attention.

Our MWI platform has also allowed us to help leaders manage leave, during a period in which leave balances were increasing as a result of the pandemic and reduced travel. Data analysis allowed us to encourage leave in relevant areas. Similarly, from a retention perspective, our risk of exit metric helps us understand what drives attrition and identify areas in the organisation with cause for concern.

Health and wellbeing

Keeping our employees safe in the context of the ongoing Covid-19 pandemic remained a critical priority in 2021. Many of our employees continued to work from home throughout the year. We continued to provide regular information, guidance and support for employees, as our countries of operation moved through successive waves of infections, and vaccination programmes became available.

Employees who needed to be in the office continued to be split across multiple locations to reduce risk and enable physical distancing. We continued to observe all of the health and safety standards introduced in 2020, including enhanced hygiene and cleaning protocols across all bank premises, use of multiple sites and shifts, and implementation of limits on branch occupancy.

Group leadership and management continued to hold regular virtual check-ins with employees, ensuring we stayed connected to our people and understood their personal needs and concerns, and were able to provide appropriate support. All employees were regularly updated on our ongoing response to the crisis and our support for employees and clients.

Our Covid-19 information hub, established in 2020, remained a valuable source of information for employees, providing them with information on developments in relation to the pandemic, links to sources of support, advice on wellbeing, and information about vaccines and how to access them. We continued to use the Covid-19 hub and mobile application to keep line managers informed of employees' location and health. 83% of our employees accessed content and tools via the information hub and the app.

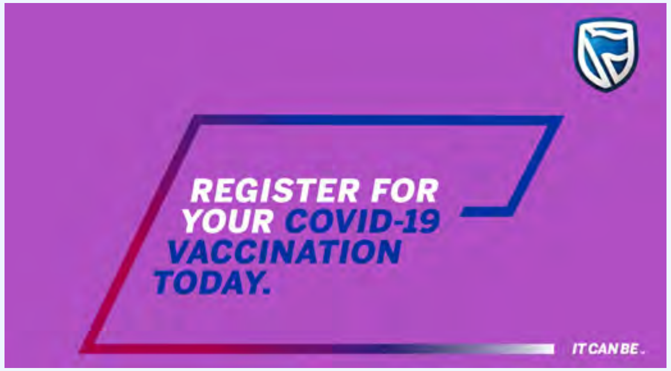
In 2021, we focused on providing employees with accurate, science-based information on vaccines to enable them to make an informed choice about vaccination. We held numerous group webinars on vaccines and vaccination, with participation breaking all records. We also held information sharing sessions with individual teams and business areas.

We ran a survey in January 2021 to assess employee attitudes to vaccines and to find out what additional information employees would find helpful. Only 38% of employees said they were willing to be vaccinated against Covid-19. The results informed subsequent employee information campaigns, aiming to support employees to make informed decisions. When the survey was repeated in June, employee willingness to be vaccinated had increased to 64%.

In a number of countries, pop up work-based vaccination sites were made available to employees, to ensure easy access to vaccination. In South Africa, we partnered with the Banking Association of South Africa to establish a vaccination site for banking sector employees. The site was operational for five months.

In December, the group announced that we would require employees to be vaccinated from April 2022 in South Africa, and rolling out to other countries in due course, considering local circumstances and laws. We will make every reasonable attempt to accommodate employees who have valid reasons for not being vaccinated.

We continued to provide support to manage anxiety and stress and encouraged all employees to attend online sessions about health and wellbeing, building resilience, preventing burn-out, and managing work life balance. The impact of Covid-19 on the mental wellbeing of our employees was evident in an increase in short-term incapacity and temporary incapacity leave. Mental health and Covid-19 issues were second and third respectively in the top five presenting problems, with stress and anxiety dominating mental health problems. In South Africa, our Bankmed data also showed a significant increase in the number of employees accessing services for depression.



We continue to look after our employees' health more broadly. For example, all employees have access to HIV counselling, information and support through the group's employee wellbeing programme. In South Africa, employees have access to an HIV care programme through Bankmed health insurance. The programme covers prevention, reduction of transmission, treatment and support.

Occupational health and safety

We value and protect the health and safety of our employees and people who may be affected by our business activities. Our Occupational Health and Safety (OHS) Policy seeks to achieve high standards of care and provide a healthy and safe workplace for employees, contractors, clients, visitors, and other relevant persons.

We manage OHS based on the requirements of South Africa's Occupational Health and Safety Act, Compensation for Occupational Injuries and Diseases Act and other relevant legislation and regulations. Our OHS management system extends beyond regulatory requirements and is aligned to the principles of the international OHSAS 18001 and the tenets of ISO 45001 standard.

Our operations across Africa comply with national OHS standards and legal requirements, or the group's minimum standards, whichever is more stringent.

OHS risks to employees and stakeholders are managed by the Safety, Health and Environmental (SHE) Risk team, working closely with the group real estate services, people and culture, business resilience, physical security, procurement and group compliance teams. They are supported by executive management accountability structures. We have guidelines, risk management plans and procedures for high risks and we maintain a risk register.

We empower our people with appropriate knowledge and training that will enable them to effectively execute their OHS responsibilities. We publish information on health and safety topics through our internal employee communication channels. Every employee is required to complete OHS e-learning on Network Next.

We provide our service providers and contractors with information on their health and safety responsibilities and how their activities may impact the group's operations.

Regular support visits are conducted to ensure alignment across all our operations. The visits contribute towards creating a positive health and safety culture, while preventing, minimising and managing health and safety risks by working closely with all the relevant stakeholders.

Protecting our employees during the pandemic

Standard Bank created a Covid-19 steering committee in March 2020, comprising representatives of key business areas, to guide the group's response to the pandemic and develop bank protocols. The committee continued to manage compliance requirements and communications across the group in 2021.

Group SHE risk activities in 2021 included a review of the formal SBSA Covid-19 risk assessment conducted in 2020, supported by external occupational hygienists, and ongoing detailed risk assessments at various sites to test preparedness and effectiveness of Covid-19 prevention protocols, identify risks and assess our control measures. We continue to ensure that occupational health and safety structures remain updated on all relevant developments and requirements.

We provide regular feedback to the relevant authorities, and regularly engage with the Department of Employment and Labour to ensure compliance with legal requirements in respect of Covid-19. We developed and implemented a Covid-19 site-assessment application, which facilitates compliance checks without requiring teams to be directly exposed to one another.

We train managers in managing sick absenteeism and appropriately supporting employees who display symptoms of psychosocial or health challenges.

Health and wellbeing support provided to employees in 2021 included:

- Provision of office chairs to employees working from home if requested, and specific ergonomic furniture and equipment for employees with particular medical conditions
- Provision for various Covid-19 leave categories, including reasonable accommodation for vulnerable employees, Covid-19 sick leave, and leave to get vaccinated against Covid-19. Employees took over 115 000 leave days across the different Covid-19 leave categories
- Assistance to international assignees to relocate to their home countries before border closures and for vaccination purposes
- Educational talks and support regarding a wide range of wellbeing issues, including Covid-19
- Continued medical insurance for 303 learners participating in our learnership programmes
- Relaxed annual leave forfeiture periods, due to employees being unable to take leave during the pandemic.

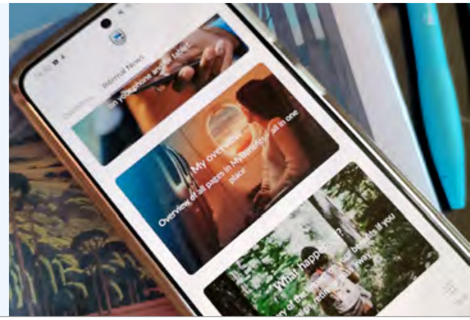
Many of our colleagues were directly impacted by the unrest experienced in Gauteng and KwaZulu Natal during July. The business pulled together to assist employees who were unable to access critical supplies during the week. Almost 4 000 individuals, including SBSA employees, Liberty employees and employees of our partner firms were assisted with food hampers and baby products. We also provided food hampers to local communities in need. From an emotional support point of view, we provided group and individual debriefing and emotional impact sessions for over 1 000 employees. Our employee assistance provider made 138 calls to managers in Kwa-Zulu Natal to offer them personal support and assistance in supporting their teams.

Total sick leave costs as a percentage of fixed pay:
1.68%

Average sick days per employee:
3.25

Absenteeism rate for employees and contractors:
equivalent to 1.83% of total days scheduled

The group's absenteeism rate for employees and contractors has increased from 1.49% in 2019, due to the pandemic.



Flexible working

Our transition toward a more digitised workplace has been underway for several years. Most of our employees have been working from home since March 2020, as we sought to minimise their potential exposure to Covid-19. This shift to remote working was achieved with minimal disruption to employees or clients, thanks to our established digital infrastructure. We have deployed a range of digital tools and channels to keep our people engaged, connected and informed. Standard Bank offers flexible working arrangements, tailored to regulatory frameworks at country level and role requirements.

Employee benefits

We aim to enhance our employees' lives with meaningful, personalised benefits that make them feel connected, empowered and recognised. There are currently over 56 different types of employee benefits across the group customised to our employee needs and country nuances. Staying true to our digital transformation strategy, we launched MyBenefits in 2019. This digital portal delivers an integrated and personalised benefits experience. The platform is available in multiple languages.

Working conditions

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

- Protection of human rights, fair employment practices, and the principles of non-discrimination
- Freedom of association and the freedom not to associate, including the right to collective organisation and representation
- Freedom to express concerns arising in the workplace through established **whistleblowing procedures** without fear of retaliation or victimisation
- The right to a safe and healthy working environment and the expectation of decent work that is productive and delivers a fair income
- Protection against **discrimination in employment and occupation** including recognition of the principle of equal remuneration for work of equal value
- The right to fair labour practices in the employment of employees and throughout the duration of their employment with the group.

The observance of **freedom of association** provides for, among others:

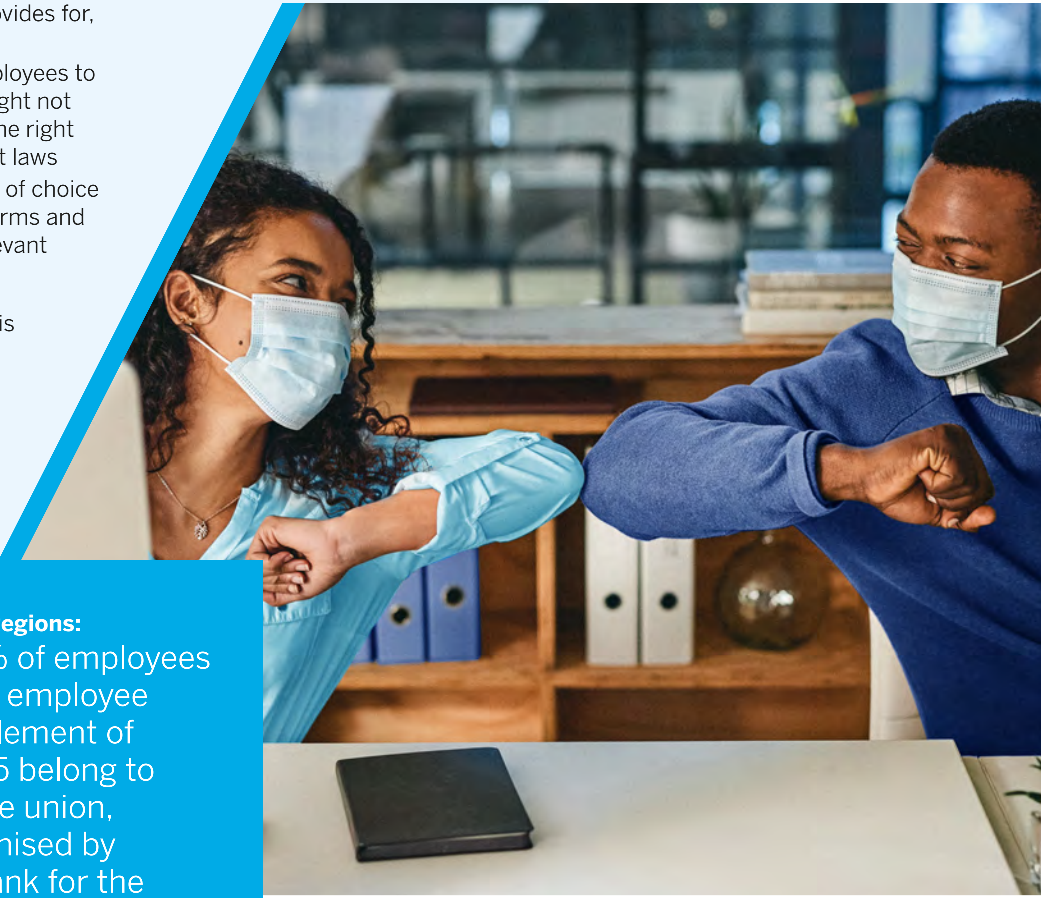
- Recognition of collective organisation for employees to form and join unions of their choice, (or the right not to), and to exercise organisational rights (or the right not to) as provided for in terms of the relevant laws
- Collective bargaining through representatives of choice for the purposes of reaching agreement on terms and conditions of employment in terms of the relevant laws and country level agreements

The structure and form of collective bargaining is determined by labour market factors within the country and the bank and requires agreement between the bank and the recognised union.

Collective bargaining by custom and agreement is restricted to general employees.

South Africa:
45.7% of our people belong to a trade union. Of our general staff complement of 17 414, 63% are recognised by the bank for the purposes of collective bargaining.

Africa Regions:
26.9% of employees of our employee complement of 14 035 belong to a trade union, recognised by the bank for the purposes of collective bargaining.



Corporate social investment (CSI)

Standard Bank Group's CSI strategy aligns to the group's sustainability strategy, with a focus on three of our seven sustainability impact areas: education, health, and enterprise growth and job creation.

Our CSI framework incorporates:

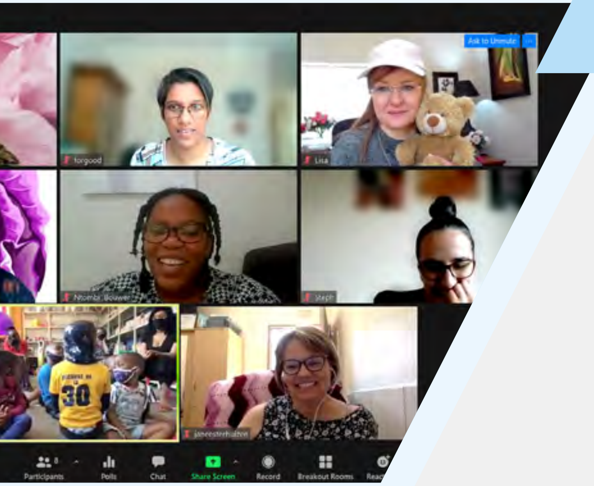
Strategic projects/community investments, in which we contract with NGO partners to undertake longer term interventions in line with our three selected impact areas	• **SA:** R72.4 million in 2021, comprising 45% of total CSI spending
Charitable donations on an ad hoc and responsive basis, including disaster relief and humanitarian relief. In 2021 this included programmes related to Covid-19, support for victims of natural disasters in DRC, and support for communities and businesses impacted by social unrest in South Africa in July.	• **SA:** R75.9 million in 2021, comprising 48% of total CSI spending
Employee contributions, including employee donations and volunteering of time and skills to community outreach projects and disaster/humanitarian relief. We encourage employees to get involved in meaningful, sustainable volunteer work in the communities in which we operate and recognise the positive effect on employee engagement and team cohesion, and consequently productivity, of such activities. We work with the NGOs we support to structure appropriate volunteering opportunities for our employees.	• **SA:** R10.6 million in 2021, comprising 7% of total CSI Spending, including matching of employee donations

Our countries of operation are responsible for developing their CSI programmes within this framework. In all cases, we work closely with government departments and other social partners to understand priorities at the national and local level, and partner with local agencies and community organisations to ensure effective and sustainable delivery of our programmes.

Our CSI budget is calculated by each country of operation as 0.6% of net profit after tax (NPAT) of the previous year.

SUSTAINABLE DEVELOPMENT GOALS

	Impact area	Investment	Examples of projects
4 QUALITY EDUCATION	**Education** We support Africa's people to access quality education and opportunities for life-long education and training, enabling them to acquire the knowledge and skills needed to thrive in an increasingly digitised world.	**SA** R72.4 million (45% of total) **AR** USD1.1 million (30% of total)	• Students received CSI bursaries to further their university studies in several countries. • R26.3 million distributed to missing middle students in SA through the ISFAP programme • Classrooms and dormitories constructed in communities in need
3 GOOD HEALTH AND WELL BEING	**Health and wellbeing** We support better health outcomes for Africa's people by investing in our employees' health, financing healthcare providers and the development of health-related infrastructure, and investing in health-focused CSI programmes to improve access to quality essential health-care services.	**SA** R75.9 million (48% of total) **AR** USD1.7 million (46% of total)	• Support to governments and NGOs to improve public access to Covid-19 vaccinations, including in remote areas. • Provision of disaster relief, including food and shelter to individuals and communities impacted by social unrest and natural disasters in South Africa, DRC and Mozambique. • Medical equipment and oxygen provided to hospitals in several countries of operation
8 DECENT WORK AND ECONOMIC GROWTH	**Enterprise growth and job creation** We work with SMEs to understand their challenges, priorities and aspirations, and design solutions to support growth and sustainability. This includes improving access to a financial services, capacity building and business development support, and supporting access value chains and markets.	**AR** USD403 000 (11% of total)	• Training for young people through accredited programmes, including small-scale farming
	Employee community involvement **Other projects** including environmental initiatives, women's empowerment, housing	**SA** R10.6 million **AR** USD490 000 (13% of total)	• Donated 48 houses through Buy-a-Brick Namibia and 30 houses through Buy-a-Brick Zambia • Fruit tree planting initiatives to promote environmental benefits and food security in several countries • Sponsorship of tablets for Botswana's Dare to Dream, advancing women and girls in STEM, aviation and aerospace.
	Total CSI in 2021	R215.7 million	
	Total South Africa	R158.9 million	
	Total Africa Regions	USD3.7 million/ R56.8 million	



Employee volunteering

In South Africa, we have partnered with **Forgood**, an online platform that connects volunteers with organisations in need of assistance. Forgood carefully vets and monitors all beneficiary organisations. Platform users can choose an organisation or cause that resonates with them, and donate money, goods or skills. A dedicated portal enables Standard Bank employees to connect with organisations to make a real difference, from home. Over 1 980 employees registered profiles on Forgood in 2021, volunteering their time, skills and money to assist registered charities and NGOs, with a primary focus on children and young people. Examples of volunteering activities undertaken by our employees included mentoring and tutoring of school children, proof reading of training materials and web content, the creation of presentations for NGOs to raise awareness and much needed funding, design of monitoring and evaluation programmes, and provision of financial education.

Several of our countries provide for the matching of employee donations by the bank. In South Africa, for example, we match all employee donations to registered charitable organisations. SBSA CSI matches every rand of the donation, thus doubling the funds received by the beneficiary organisation. In 2021, SBSA matched R2.5 million in employee donations. Of this amount, over R2 million was donated to 150 charitable causes selected by employees, and just over R500 000 was for three organisations providing humanitarian responses to the unrest experienced in Gauteng and KwaZulu-Natal in July.

Our approach to tax

Governance of tax matters

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

- **Board responsibility:**
  - Standard Bank's board is ultimately responsible for the group's tax matters and governance, including oversight of reporting on income, tax expenses, the management of tax risk and setting the group's tax risk profile.
  - This responsibility is delegated to the group audit committee, which is responsible for approving the group's tax strategy and governance standard which directs our approach to tax matters.
- **Executive responsibility:**
  - The group chief finance and value management officer (CFVO), and the group head of tax are responsible for executing on the mandate from the board.
- The tax governance standard sets out the roles and responsibilities of the tax function and other business and support areas in the group to ensure that corporate governance, compliance and tax risk management requirements are met.
- Group tax policies are localised and approved at the various subsidiary boards and/or the internal financial control (IFC) committees across the group.
- Specific policies deal with aspects of tax risk such as transfer pricing, indirect taxes, withholding taxes, remuneration-related taxes and client tax reporting.
- The group's tax strategy and governance standard, together with all other tax policies/standards, are updated at least every second year to ensure alignment with our business strategy.
- Standard operating procedures (SOPs) ensure that our approach to tax is well embedded and compliance obligations are effectively monitored. The SOPs are continuously updated to respond to changes in the business or applicable legislation. They are approved and attested by the CFVO of each country, on a quarterly, bi-annual and/or annual basis, to ensure compliance.
- All tax governance documents are available through a central repository to relevant employees.

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

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

Identifying, managing and monitoring tax risks

We manage our tax risks by:

- Evaluating compliance with our tax risk control framework via regular tax health checks for specific areas and legal entities; and tax risk self-assessments every second year, following a risk-based approach. Any material shortcomings and required actions are reported to the group audit committee. Tax compliance reviews also form part of all internal audit reviews where appropriate and any operational tax risk is further managed as part of the non-financial risk taxonomy under the enterprise risk management framework
- Providing continuous tax and VAT training and guidance to business
- Ensuring employees in the tax function have the required skills and qualifications
- Obtaining external tax opinions from senior counsel or an external tax adviser where the tax treatment of a transaction is uncertain, or applying for an advanced tax ruling from the tax authorities
- Monitoring the adherence to the SOPs and relevant CFVO attestations, and reporting any shortcomings to the internal financial control committee and other relevant risk committees
- Ensuring tax team review of any new product, business venture, process or procedure, or significant changes thereto, and of any transaction affecting the legal entity structure of the group to ensure compliance with all tax regulations
- Continuously reviewing and enhancing our tax systems and processes
- Establishing a zero-tolerance position on tax evasion and raising awareness with our clients, suppliers and service providers through clear communication and in relevant agreements, and with employees through internal training. Any possible instance of tax evasion must be reported by following the suspicious transaction reporting procedures and can also be reported anonymously by using the whistleblowing hotline.

Engaging with tax authorities

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

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

Insights into our groupwide tax contributions

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

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

Total taxes paid/incurred and collected by the group
R27.1 billion
(2020: R24 billion)

By type of tax

Taxes paid/incurred
R9.4 billion
(2020: R8.3 billion)

Taxes collected on behalf of the government (for example, employees' tax)
R17.7 billion
(2020: R15.7 billion)

By region

South Africa
R16.6 billion
(2020: R13.5 billion)

Africa Regions
R9.8 billion
(2020: R9.2 billion)

Standard Bank International
R0.7 billion
(2020: R1.3 billion)

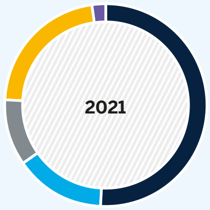
Break-down of taxes paid/incurred and collected per region and tax type

Regions comprise:

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

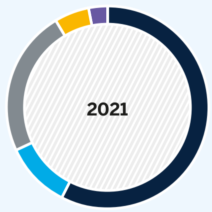
Taxes paid/incurred (taxes that are charged to the company's profit and loss account)

TAX PAID/INCURRED BY REGION (Rm)
Total value R9 450m



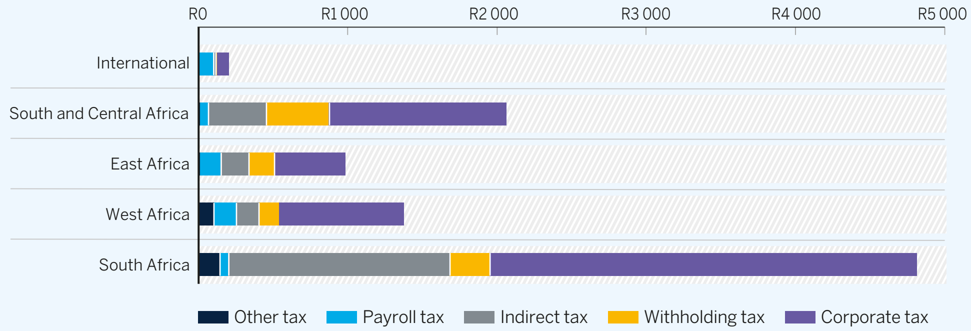
South Africa	4 813 (50%)
West Africa	1 379 (15%)
East Africa	986 (11%)
South and Central Africa	2 065 (22%)
International	207 (2%)

TAX PAID/INCURRED BY TAX TYPE (Rm)
Total value R9 450m



Corporate tax*	5 451 (58%)
Withholding tax*	993 (11%)
Indirect tax**	2 213 (23%)
Payroll tax**	513 (5%)
Other tax**	280 (3%)

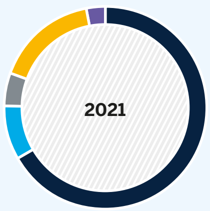
TAX PAID/INCURRED BY REGION BY TAX TYPE (Rm)
Total value R9 450m



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

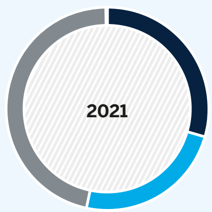
Taxes collected (taxes that the company collects and administers on behalf of the government that do not impact profit and loss)

TAX COLLECTED (Rm)
Total value R17 735m



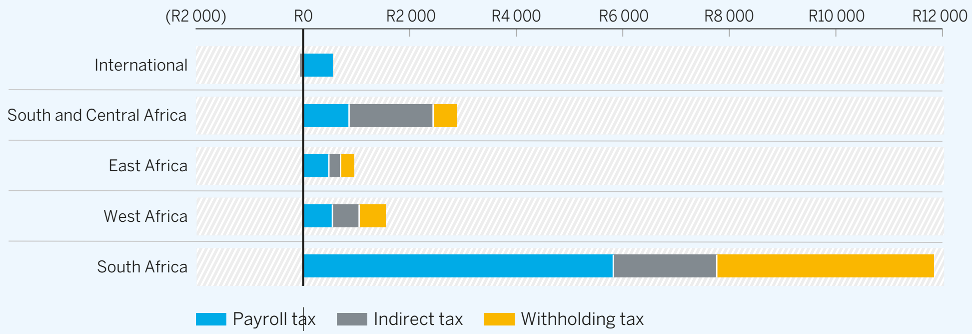
South Africa	11 825 (67%)
West Africa	1 544 (9%)
East Africa	951 (5%)
South and Central Africa	2 888 (16%)
International	527 (3%)

TAX COLLECTED (Rm)
Total value R17 735m



Withholding tax	5 266 (30%)
Indirect tax	4 217 (24%)
Payroll tax	8 249 (46%)
Other tax	3 (0%)

TAX COLLECTED BY REGION BY TAX TYPE (Rm)
Total value R17 735m



Country-by-Country Reporting information

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

Standard Bank Group Limited is the ultimate holding company of the Standard Bank Group, and has filed an annual CbCR return since 2016. We are fully compliant and transparent in our annual CbCR obligations.

In the 2020 financial year return, the group provided relevant CbCR information pertaining to 139 legal entities (excluding Liberty). Due to the large number of entities in the group, a pragmatic approach is followed in terms of our disclosure in this report to provide stakeholders with relevant subsidiary information at a regional level. Our commercial operations in low tax jurisdictions (Isle of Man, Jersey and Mauritius) have substance and are subject to controlled foreign company legislation that is applicable in South Africa.

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

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

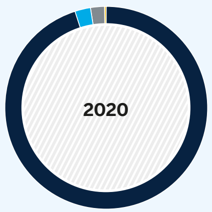
Revenue excludes payments received from other constituent entities that are treated as dividends in the payor's tax jurisdiction, in accordance with the recently updated OECD guidance.

The information that follows reflects our 2020 financial year information, which is aligned to the latest submission made to SARS.

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

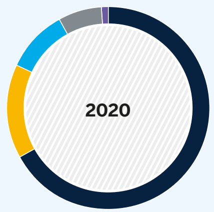
The information below reflects our 2020 financial year information

PRIMARY ACTIVITIES IN RELATION TO UNRELATED PARTY REVENUES (Rm)



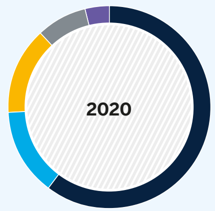
Regulated Financial Services	**106 019**	**(95.0%)**
Other	**2 905**	**(2.6%)**
Insurance	**2 513**	**(2.3%)**
Holding Shares of Other Equity Instruments	**121**	**(0.1%)**

NUMBER OF EMPLOYEES BY REGION



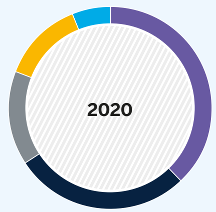
South Africa	**29 586**	**(67.0%)**
South and Central Africa	**6 692**	**(15.0%)**
West Africa	**4 571**	**(10.0%)**
East Africa	**3 025**	**(7.0%)**
International	**582**	**(1.0%)**

THIRD PARTY REVENUES BY REGION (Rm)



South Africa	**67 279**	**(60.3%)**
West Africa	**15 503**	**(13.9%)**
South and Central Africa	**15 479**	**(13.9%)**
East Africa	**9 039**	**(8.1%)**
International	**4 284**	**(3.8%)**

INTRA-GROUP TRANSACTIONS BY REGION[1]

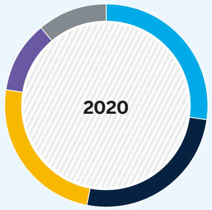


International	**1 693**	**(38.0%)**
South Africa	**1 250**	**(28.0%)**
East Africa	**660**	**(15.0%)**
South and Central Africa	**583**	**(13.0%)**
West Africa	**270**	**(6.0%)**

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

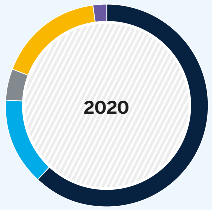
* The number of employees include the number of full-time equivalent employees at the end of the year and excludes all non-permanent contractors, brokers, agents and financial advisers.

PROFIT (LOSS) BEFORE INCOME TAX BY REGION (Rm)



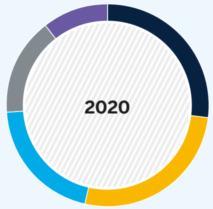
West Africa	6 892	(27.4%)
South Africa	6 477	(25.7%)
South and Central Africa	6 138	(24.4%)
International	2 885	(11.5%)
East Africa	2 781	(11.0%)

TANGIBLE ASSETS OTHER THAN CASH AND CASH EQUIVALENTS BY REGION (Rm)



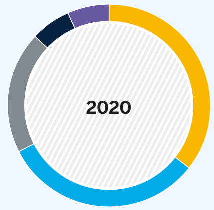
South Africa	12 445	(62%)
West Africa	2 863	(14%)
East Africa	1 012	(5%)
South and Central Africa	3 330	(17%)
International	489	(2%)

INCOME TAX PAID ON A CASH BASIS BY REGION (Rm)



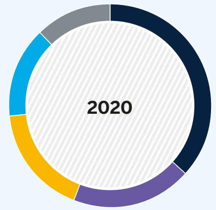
South Africa	1 456	(27.1%)
South and Central Africa	1 431	(26.6%)
West Africa	1 084	(20.2%)
East Africa	839	(15.6%)
International	563	(10.5%)

INCOME TAX ACCRUED BY REGION (Rm)



South and Central Africa	1 268	(35.6%)
West Africa	1 139	(32.0%)
East Africa	689	(19.4%)
South Africa	233	(6.6%)
International	228	(6.4%)

NUMBER OF LEGAL ENTITIES BY REGION

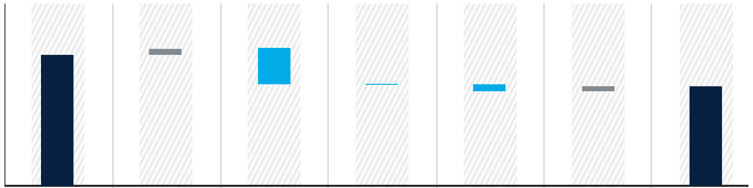


South Africa	51	(36.7%)
International	27	(19.4%)
South and Central Africa	24	(17.3%)
West Africa	20	(14.4%)
East Africa	17	(12.2%)

Effective tax rate reconciliation

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

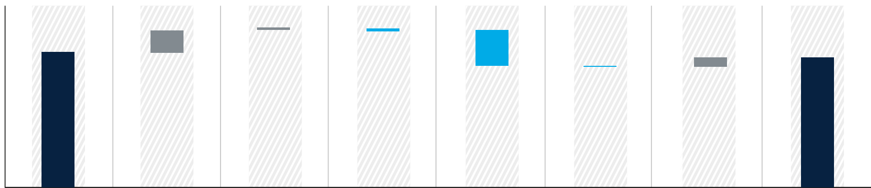
EFFECTIVE TAX RATE RECONCILIATION – South Africa (%)



Statutory tax rate	Foreign tax and withholding tax	Non-taxable Dividend income	Non-taxable interest – Government Bonds and other	Other non-taxable income	Non-deductible expense and other	Effective tax rate
28.0	1.2	7.7	0.2	1.4	1.0	20.9

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

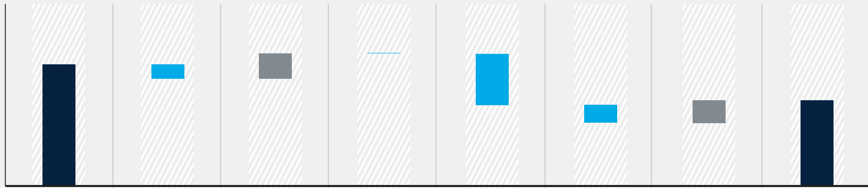
EFFECTIVE TAX RATE RECONCILIATION – South and Central Africa (%)



Statutory tax rate	Foreign tax and withholding tax	Change in tax rate	Non-taxable Dividend income	Non-taxable interest – Government Bonds and other	Other non-taxable income	Non-deductible expense and other	Effective tax rate
29.0	4.7	0.5	0.6	7.6	0.2	2.0	27.8

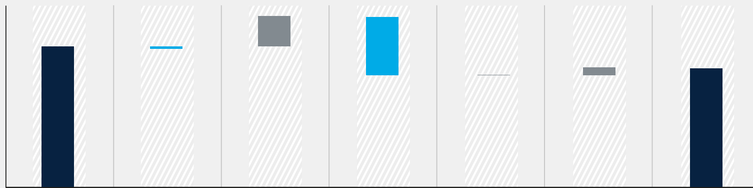
* Weighted corporate income tax rate for the region.

EFFECTIVE TAX RATE RECONCILIATION – West Africa (%)



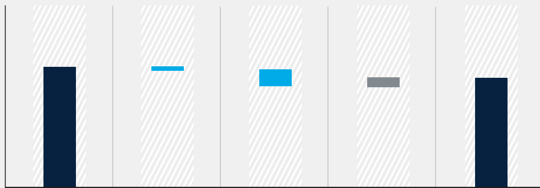
Statutory tax rate	Prior year tax	Foreign tax and withholding tax	Non-taxable Dividend income	Non-taxable interest – Government Bonds and other	Other non-taxable income	Non-deductible expense and other	Effective tax rate
30.2	3.5	6.3	0.1	12.8	4.4	5.7	21.4

EFFECTIVE TAX RATE RECONCILIATION – East Africa (%)



Statutory tax rate	Prior year tax	Foreign tax and withholding tax	Non-taxable interest – Government Bonds and other	Other taxable income	Non-deductible expense and other	Effective tax rate
30.0	0.5	6.4	12.4	0.1	1.7	25.3

EFFECTIVE TAX RATE RECONCILIATION – International (%)



Statutory tax rate	Prior year tax adjustment	Other non-taxable income	Other non-deductible expenses	Effective tax rate
8.7	0.3	1.2	0.7	7.9

Selected policy summaries

Compliance

Anti-bribery and corruption policy

FAIS conflict of interest management policy

Financial sanctions and counter terrorist financing policy

Money laundering and terrorist financing control policy

Facilitation of tax evasion prevention policy

People and culture

Harassment in the workplace policy

Discrimination in the workplace policy

Sexual harassment in the workplace policy

Transformation policy

Investigations and fraud risk

Whistleblowing policy

Conduct risk

Conduct policy

Environmental and social risk

Climate policy

Information risk

Information risk policy

Citizenship

Code of Ethics and conduct

Human rights statement

Stakeholder engagement policy

Expanded democracy support programme policy

Sponsorship policy

Corporate social investment

Find the 2021 ESG metrics **here**.

Standard Bank

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