



STANDARD BANK GROUP

Environmental, Social and Governance Report 2018

Standard Bank Moving Forward™
Also trading as Stanbic Bank



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About this report

Standard Bank is committed to doing the right business the right way, ensuring that our clients are treated fairly and consistently, that we adhere to global and national regulatory and governance standards, and that our decisions and actions are informed by the group's values and ethics. As per South Africa's King IV Code of Corporate Governance, we recognise that we are an integral part of the societies in which we operate, dependent on these societies for our licence to operate, and that we are therefore obligated, morally and legally, to act in accordance with what is good for these societies as well as what is good for the bank.

Our employees, clients, regulators and investors increasingly expect us to ensure that our business activities deliver a positive impact for society, the economy and the environment. Our governance approach promotes strategic decision-making that combines long-term and shorter-term outcomes to reconcile the interests of the group, stakeholders and society to create sustainable value. We see corporate governance as an enabler that creates competitive advantage through enhanced accountability, effective risk management, clear performance management, greater transparency, and effective leadership.

We support responsible investment through assessing and managing our **environmental, social and governance (ESG)** risks and opportunities. This helps to ensure that our investors gain comfort from implementation of our ESG policies, processes and performance, to inform our decision-making.

Our **ESG Report** provides an overview of the processes and governance structures we have in place to support our commitment to doing the right business, the right way. It provides an update on our progress towards enhancing our positive social and environmental impacts, and mitigating negative impacts, through our core business activities.

For more information about our approach to corporate governance, please see the **Standard Bank Group's Annual Integrated Report** and our **Governance and Remuneration Report**.

For information about how Standard Bank applies the King IV corporate governance principles, please visit the group's 2018 application of the King IV Principles.



https://www.standardbank.com/pages/StandardBankGroup/web/docs/16012_SBG%20King%20IV%20application%20of%20principles.pdf



Engaging our stakeholders and determining our material issues

Material issues during the reporting period

Our material issues are those that matter most to our key stakeholders and providers of capital, and which impact on our ability to create value in the short, medium and long term. We therefore consider an issue to be material if it has the potential to substantially impact on our commercial viability, our social relevance and our relationships with our stakeholders. Our material issues are informed by the expectations of our stakeholders, and the economic, social and environmental context in which we operate (the triple bottom line).

We measure our ability to create shared value in terms of our five strategic value drivers – **client focus**, **employee engagement** and **risk and conduct**, which determine our **financial outcomes** and our **social, economic and environmental (SEE) impacts**. Our material issues encompass the risks and opportunities in relation to each of these value drivers.

While material issues evolve over time, in response to changes in our operating environment and stakeholder expectations, the broad themes tend to be relatively stable. We view the materiality determination process as a business tool that facilitates integrated thinking.

HOW WE DETERMINE OUR MATERIAL ISSUES



Identification

of issues based on engagement with internal and external stakeholders to generate a list of material issues, categorised by value driver, and supplemented by a review of internal reports, emerging risks and strategic priorities, stakeholder engagement and media coverage.



Engagement

with stakeholders to test the completeness of the list of material issues and define priorities.



Discussion

by group executive committee members to develop a final list of material issues.



Review and approval

of final material issues by the group social and ethics committee.

OUR VALUE DRIVERS



Client focus



Employee engagement



Risk and conduct



Financial outcomes



SEE impacts

Place the **client at the centre** of everything we do

Make Standard Bank a **great place to work**

Do the **right business, the right way**

Deliver **superior value** to our shareholders

Create and maintain **sustainable value**

OUR MATERIAL ISSUES

- Deliver a compelling value proposition for our clients in an increasingly competitive environment
- Protect and maintain the integrity of client data
- Work with our customers to mitigate overindebtedness (including sales-in-execution)

- Diversity and inclusion (particular focus on gender equity)
- Transformation in South Africa
- Impact of digitisation and automation on workforce requirements
- Build and retain local skills and capabilities in countries of operation

- Cybersecurity
- Stability, security and speed of IT systems
- Reputational and operational risk associated with third parties, counterparties and suppliers
- Card fraud
- Policy, regulatory and legal risks in key markets
- Constructive relationships with regulatory authorities
- Increase in physical security threats/incidents in Africa Regions

- Returns on IT investment
- Maintain resilience of our balance sheet
- Improve efficiencies and manage the cost base
- Sustainable revenue growth

- Contribute to job creation and enterprise development in countries of operation
- Deepen financial inclusion across Africa with appropriate digital offerings
- Balancing Africa's power and energy needs with the negative impact of climate change
- Adaptation to and mitigation of climate change, especially in relation to water in key sectors and markets

SEE provides us with a lens to assess how we create value for our stakeholders and Standard Bank:

What is our ‘SEE impact’ all about?

Standard Bank’s business activities have social, economic and environmental (SEE) impacts in the economies and communities in which we operate.

We are committed to understanding these impacts, which are direct and indirect, and using this understanding to inform our decision-making at every level. This enables us to maximise the positive impacts of our business, and minimise and mitigate the negative impacts, while simultaneously generating new business opportunities and financial returns for the group. We’ve adopted SEE impacts as one of the five value drivers which inform our strategy, and against which we measure our performance.





Managing E&S risks and opportunities

The greatest impact we have as a financial institution is through our financial activities. We have developed a comprehensive framework which will ensure that the group proactively identifies, manages, monitors and embeds **environmental and social (E&S) risk management** into its lending processes. Standard Bank aims to drive Africa's growth with minimal negative reputational, social, economic and environmental impact.

Managing and mitigating indirect environmental and social risk

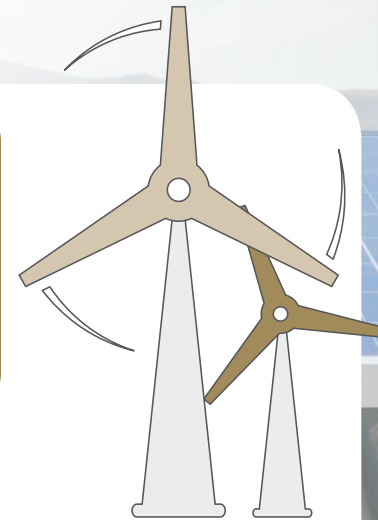
We define E&S risk as:



Potential adverse effects on the natural environment and social fabric arising from emissions, waste and resource depletion, and potential adverse effects on the health, human rights, livelihoods and cultural heritage of communities that may arise from our business activities



Threats to assets arising from environmental and social impacts, such as extreme weather events and industrial unrest



The E&S risks associated with our financing and banking services depend on the type of financial products; the sectors in which our clients operate; the nature of clients' operations and the location of clients' activities. E&S risk cross cuts credit, operational, legal, reputational and shareholder value risk. **Assessment and management of E&S risk is undertaken at multiple points during the transaction life cycle**, including when taking on new clients, assessing pre-credit and credit applications, and developing and offering new products and services.

Our **environmental and social management system (ESMS)** enables us to better assess, mitigate, document and monitor impacts and risks associated with financing and investing globally.

It has played a role in ensuring that E&S risks and opportunities are appropriately screened, managed and monitored throughout the transaction life cycle. **Our ESMS has also helped highlight the need to develop new business areas by targeting environmental/green/climate and social finance opportunities or sectors.**

Opportunities

We promote green and social investments and support clients and stakeholders who want to improve their business processes in an environmentally and socially sound manner. This includes:

- Green investments relating to environmental goods and services that prevent or reduce any form of environmental degradation and conserve and maintain natural resources
- Investments relating to social good such as education, health care, infrastructure, housing and employment creation
- Public policies that support the green transformation of the economy (such as feed-in-tariffs for renewable energies)
- Financial system components that protect the environment by utilising financial instruments such as green credit, green bonds, green stock indices, carbon finance, structured green funds and related products.

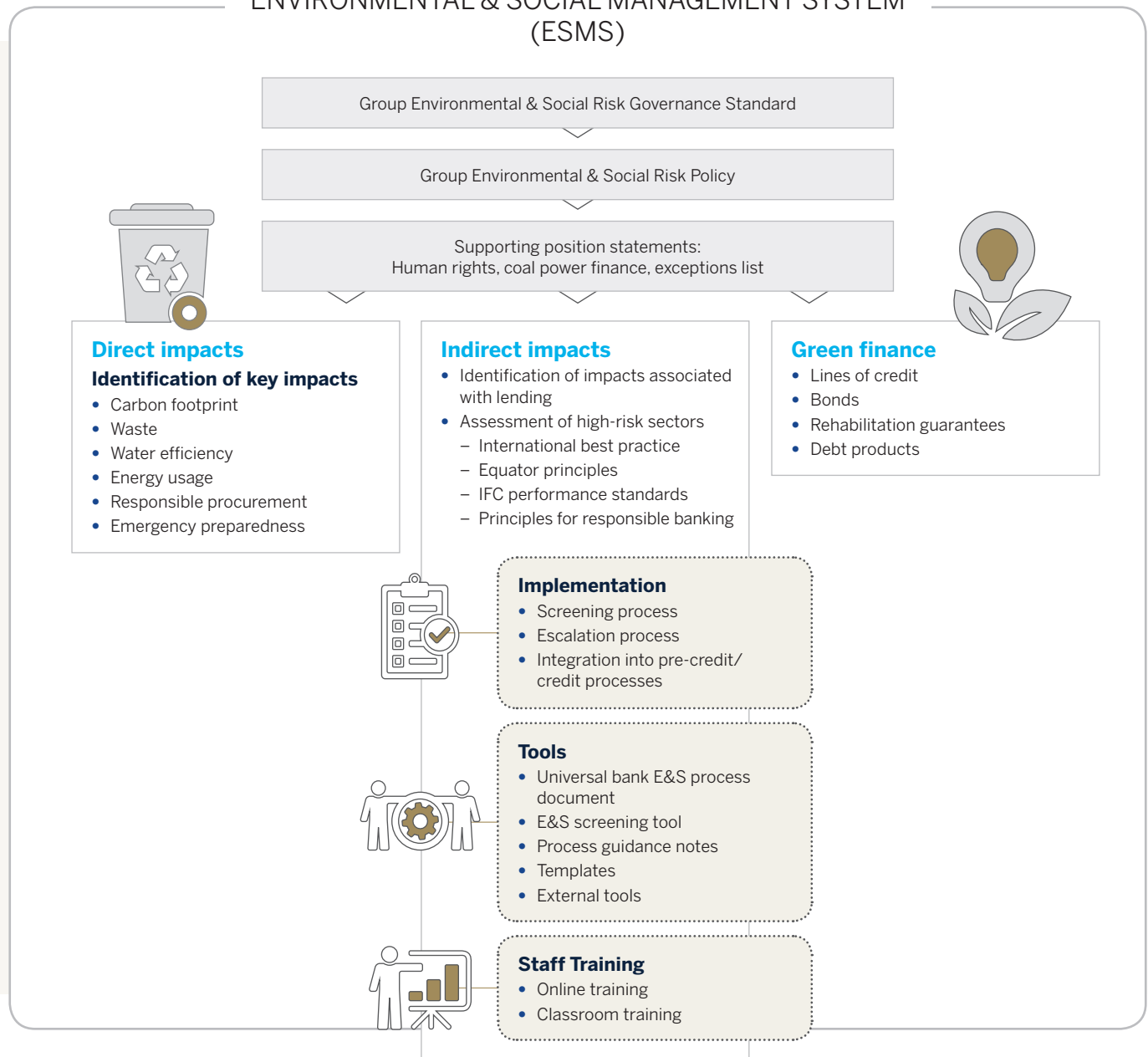


Environmental and social management system

We have a comprehensive framework to help identify and manage E&S risk. The group Environmental & Social Risk and Finance (GESRF) team is responsible for ensuring that all environmental, social and related risks are correctly identified, evaluated and managed, and for ensuring that green, social and carbon financing opportunities are identified and acted upon.

Our E&S risk assessment processes are based on international best practice and are proactively embedded into lending practices at an early stage. This enhances E&S consideration and accountability in investment decision-making and monitoring, assists clients in managing their material E&S impacts and risks and, in so doing, improves their performance and guards against unforeseen risk. Our assessment processes have been broadened and are being systematically expanded across all business units within the group (CIB, PBB, Wealth). Our new, broader ESMS integrates E&S screening, management and monitoring into business and credit functions globally, enabling us to assess, mitigate, document and monitor impacts and risks associated with financing and investments. The expansion and integration of these management measures ensure E&S issues and opportunities are truly embedded in our overall performance. New environmental/green/climate and social opportunities are being explored in appropriate sectors and with similar-minded clients.

ENVIRONMENTAL & SOCIAL MANAGEMENT SYSTEM (ESMS)





E&S risk management

Our E&S risk management process aims to ensure E&S consideration and accountability in investment decision-making, monitoring and banking activities.

ESG | Read more on E&S governance on page 43.

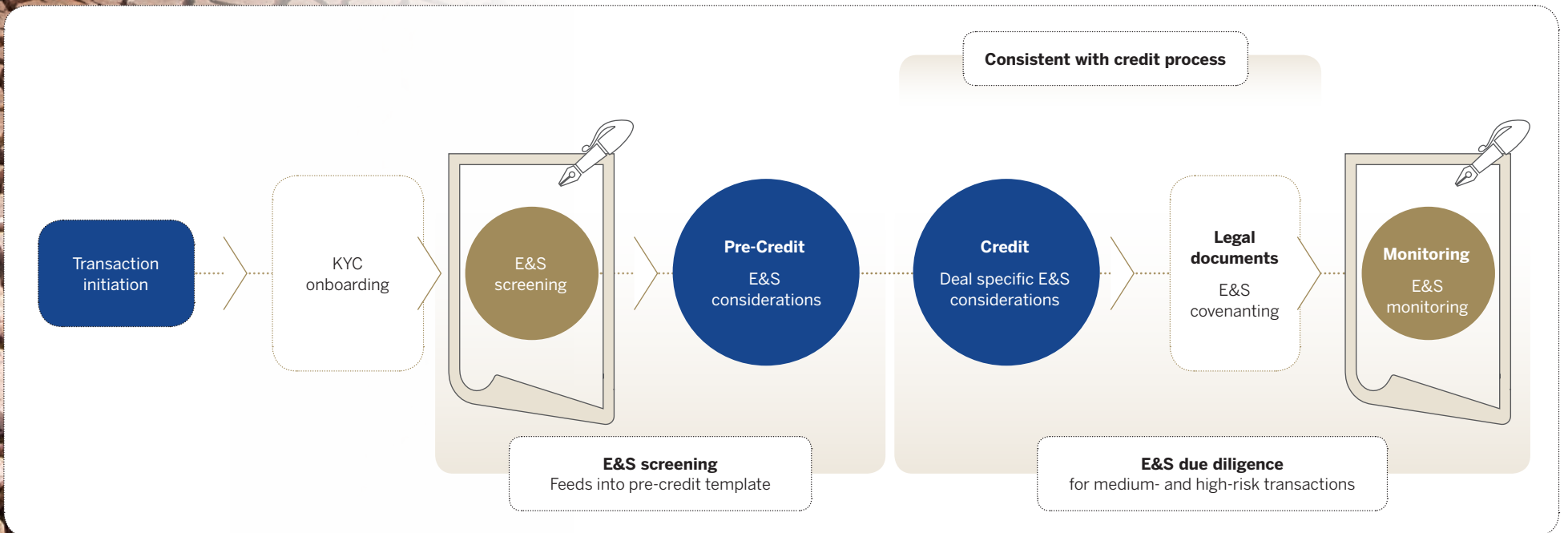
Standard Bank encourages clients to meet relevant internationally accepted E&S standards and to develop action plans to close any gaps between these and their current E&S performance. We work with our clients to assist them to manage their material E&S risks and impacts.



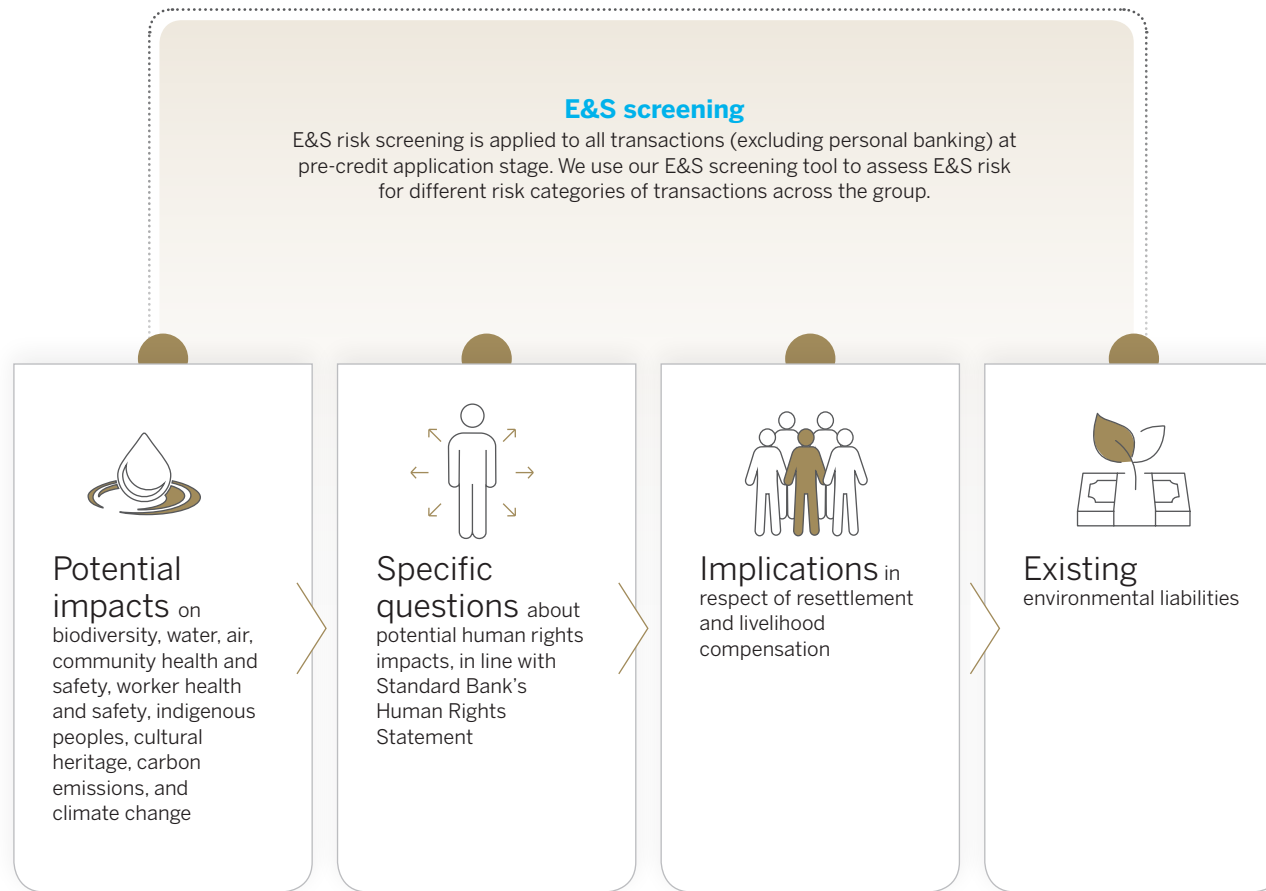
Our exceptions list has several general and regional exclusions with respect to the type of activities for which we will not provide banking or lending facilities. It is reviewed at least annually. It consists of two lists:

Exclusions list: Activities prohibited for financing in all Standard Bank/Stanbic Group operations

Restrictions list: Activities for which we have regional or sector-specific restrictions, based on policies and practices applicable at group and regional level.



E&S Risk management is undertaken throughout the transaction life cycle from pre-credit to post financial close.



We apply national laws and standards and our exceptions list when assessing all transactions. In addition, and where applicable, we apply the International Finance Corporation (IFC) Performance Standards and the Equator Principles (an international benchmark for identifying and managing E&S risk).

Screening of new transactions

Pre-credit committees are responsible for ensuring that E&S risks are identified at application phase. Screening provides an indication of whether to proceed with a transaction, and whether further assessment is required.

Screening provides for three levels of assessment for new transactions. These are applied according to the type of financial product, the quantum and tenor of the transaction and the sector. We assess the E&S risk involved in the activities related to:



The transaction: consideration of the nature of the transaction or project's E&S impacts, and the sector; and



The client: consideration of the client's ability to manage E&S risk and their historical track record.

Risks are rated low, medium or high. All project-related transactions and medium- and high-risk outcomes are escalated to the group environmental & social risk finance (GESRF) team, which works with the business and credit teams to examine and mitigate such risks. Where appropriate, we undertake an enhanced due diligence and ongoing monitoring to ensure risks are properly managed. Decisions on transactions rated as high E&S risk require sign-off from the head of GESRF.

Screening of existing exposures

Our E&S screening tool is also applied by our credit managers in their regular reviews of existing transactions and clients. This enables any E&S risks that emerge after financial close to be flagged and assessed. Transactions or clients identified as high E&S risk are reviewed annually, in addition to the client having a negative change in their annual E&S rating. Where required, GESRF team members engage with clients to gain a better understanding of issues. Where appropriate, we may require implementation of mitigating actions, or additional reporting requirements.



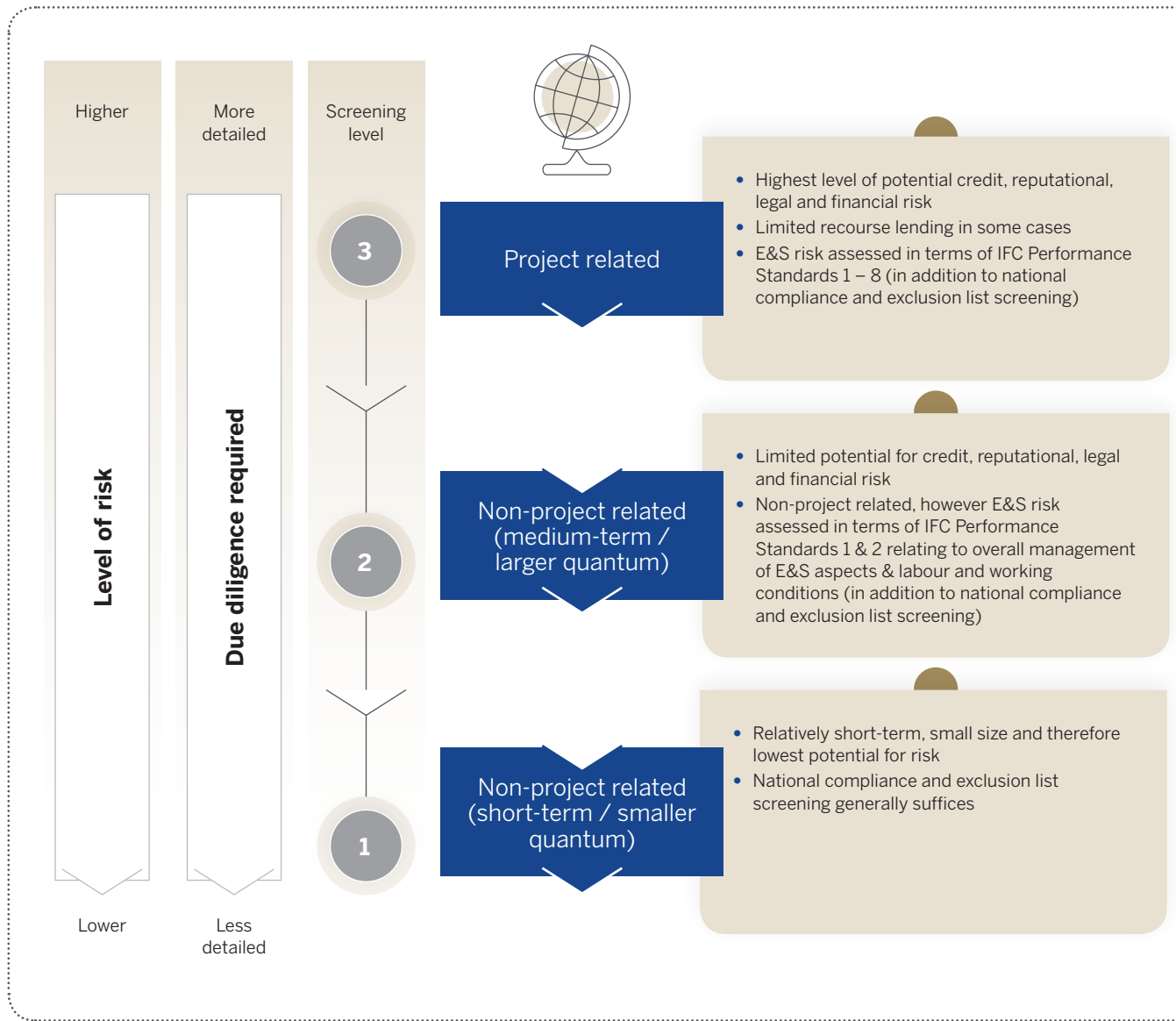
E&S due diligence

Different financial products carry different levels of environmental and social risk. The depth of environmental and social due diligence is based on the level of risk, with enhanced due diligence for transactions that represent significant risk to the bank, society and environment.

The scale and scope of due diligence is determined per transaction, as advised by the GESRF team. **Our E&S assessment process aims to ensure that the level of due diligence is commensurate with the potential level of E&S risk associated with a transaction.** Due diligence may include sector or issue specific questions, direct client engagement and site visits. GESRF is responsible for determining whether a full due diligence process using independent external consultants is required.

Due diligence highlights issues requiring mitigation or management, and actions required to ensure transactions comply with relevant international and national standards and legislation, including IFC performance standards where applicable. **We maintain a database of all project-related transactions and high-risk transactions, and monitor these from pre-credit to financial close, and during the monitoring period post financial close.**

In some cases, trade-offs may be required. For example, solar energy production requires large tracts of land, with associated environmental impacts. Careful analysis of the relative benefits, risks and costs is necessary to find the 'greater good', together with exploring the optimal mitigation of any necessary trade-offs, e.g. utilising already degraded land for solar projects. These decisions are always made on the strict provision that any such trade-offs never compromise the bank's commitment to upholding human rights and must always adhere to all applicable laws and regulations.





E&S monitoring

E&S risk management includes monitoring of relevant transactions to ensure E&S commitments are met. Frequency and type of monitoring is determined according to the type of transaction being financed and the level of E&S risk.

High-risk transactions, and transactions categorised as Category A and where appropriate as Category B under the Equator Principles, are monitored on an ongoing basis.

Where necessary, GESRF undertakes site visits to ensure that E&S performance is being managed appropriately. In relevant cases we use independent external professionals to monitor implementation and progress. **The GESRF team conducts portfolio-wide reviews of specific sectors where E&S risks are considered high.**

In cases where clients are not compliant with E&S requirements, we work with them to achieve the necessary standards. If there is no progress toward meeting requirements within agreed timeframes, remedies may include:

- 1 Additional monitoring and revised, more stringent action plans
- 2 Specialist/independent intervention
- 3 Re-evaluation of the loan



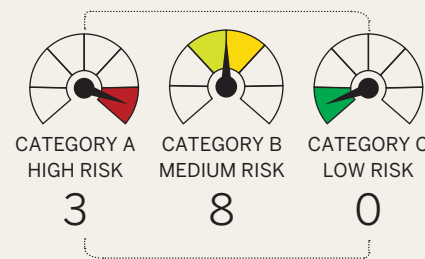
Our application of the Equator Principles framework

The Equator Principles (EP) is a global risk management framework for determining, assessing and managing environmental and social risk in project related transactions. Standard Bank currently chairs the committee of the Equator Principles Association. EP financing institutions categorise projects proposed for financing based on the magnitude of potential environmental and social risks and impacts (Category A, B or C). The GESRF team provides the categorisation for EP transactions and is involved in the ongoing due diligence to be conducted for all category A and B projects. GESRF applies the EP and associated IFC Performance Standards on Environmental and Social Sustainability (Performance Standards) and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) to all relevant project-related financing.

In 2018, no active EP deals were terminated due to E&S non-compliance. In one case, we are exploring remedies linked to E&S compliance timelines to promote E&S compliance.

TRANSACTIONS SCREENED AGAINST THE EQUATOR PRINCIPLES

Total number of Equator Principle projects that reached financial close within 2018



Total number of EP projects financed

11[✓]

CASE STUDY: Environmental due diligence on Alten Hardap

In Namibia, Standard Bank partnered with Proparco, a French development finance institution, to develop the funding structure for the 37 MW Mariental solar PV plant. Stanbic Namibia was co-mandated lead arranger and under-writer with Proparco. The plant is the first large-scale independent power producer project in Namibia, and one of the largest PV plants in Africa outside South Africa. It will increase Namibia's generation capacity by 5%, generating 120 000 MW hours per year for over 25 years.

Standard Bank undertook an E&S risk due diligence on Alten Solar Power (Hardap) Proprietary Ltd, the consortium selected to construct the plant, prior to the pre-credit application. We reviewed the project's environmental and social impact assessment and commissioned an independent environmental audit against IFC performance standards. On the basis of gaps identified in the audit, Alten developed a comprehensive Environmental and Social Management System (ESMS) for the project. This included specific commitments applicable to pre-construction, and during construction and operation. Quarterly independent E&S audits were carried out during construction to ensure compliance with the IFC performance standards, ESMS and specific commitments of the financing. The main concerns related to the construction phase included labour recruitment and accommodation. Audit findings were addressed with corrective action plans, which were followed up to ensure implementation. An independent audit will be undertaken during the first year of operation to further ensure E&S compliance. Ongoing monitoring and annual reporting will continue for the tenor of the transaction.



Read more in Reporting to Society on page 49.



Codes, standards and guidelines

The following codes, standards and guidelines underpin the group's approach to sustainable governance. Liberty has its own environmental and social risk management frameworks.

Banking Association of South Africa

As a member of the Banking Association of South Africa (BASA), we have adopted a Code of Conduct for Managing Environmental and Social Risk which codifies the role of financial institutions in protecting, promoting and fulfilling social, economic and environmental rights in South Africa. The code covers our operations, procurement, lending practices, products and services and sets a benchmark for effective management of these risks.

United Nations Environmental Programme Finance Initiative

As a member of the United Nations Environmental Programme Finance Initiative (UNEP FI) we are committed to raising awareness and understanding about how the financial sector impacts society, and how a shift in priorities and ways of working is crucial for the sector to remain relevant and legitimate in the future. Standard Bank is the Deputy Chair of the UNEP FI Banking Committee, and one of the 28 founding member banks of the Principles for Responsible banking.

International Finance Corporation

We are updating and aligning our systems and processes to be consistent with relevant International Finance Corporation (IFC) Performance Standards.

Equator Principles

We are signatories of the Equator Principles (EP), a global standard for screening social and environmental risk. The EP provides a minimum standard for due diligence and monitoring to support responsible risk decision-making. This requires us to

ensure that, when we lend or provide advisory services to clients, actions are taken to evaluate and actively avoid and mitigate any negative social or environmental impacts. Standard Bank is the longest serving Chair of the Equator Principles Association and the first African bank to be elected to this position. Currently 92 Equator Principles Financial Institutions (EPFIs) in 37 countries have adopted the EPs.

External Assurance

We undertake independent external assurance of our approach and outcomes for our projects financed (both advisory and project related lending).

United Nations Universal Declaration of Human Rights

Human rights are the basic and universal rights that underpin each person's inherent freedom, dignity, and equality as outlined in the United Nations Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. We have used these universal benchmarks as our starting point for defining human rights and have based our human rights statement on the UN Universal Declaration of Human Rights.

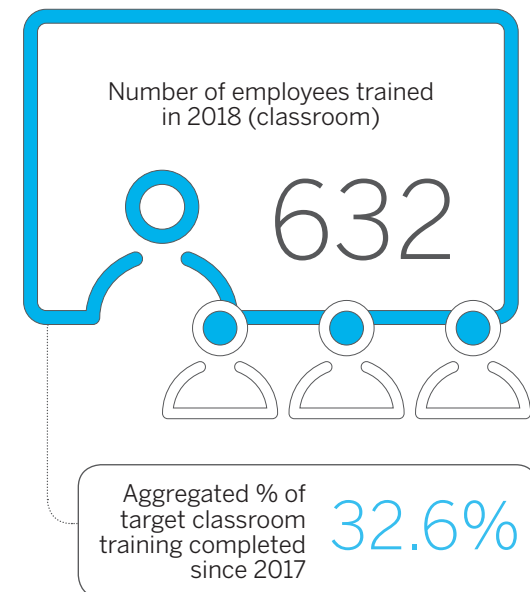
Financial Sector Code

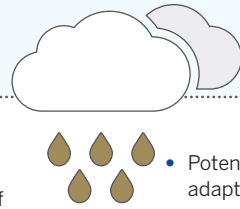
Standard Bank was recently certified as a Level 1 BEE Company, under the newly revised Financial Sector Code. Standard bank realises the need for transformation and continual development of a company culture that accommodates diversity and inclusion. This includes transparent engagement within the Group, from Board members to general staff, on issues that impact on our ability to accelerate transformation; Ensuring that our core business makes a substantial contribution to enabling economic activity and driving economic transformation; and Partnering with third parties to develop black-owned businesses as suppliers to Standard Bank.

E&S internal training and awareness

Staff training focuses on general environmental and social risk awareness, Standard Bank's environmental and social risk management process, and relevant environmental guidelines, standards and requirements. In 2018, we provided classroom training on the E&S screening process for investment banking, commercial banking, property finance, credit and legal teams. Selected teams in corporate, business, commercial, and investment banking will be required to undertake online E&S courses during 2019, on our internal e-learning portal. Bespoke classroom or one-on-one training is provided to select teams or individuals, such as legal teams, group executives, sector-based teams and in-country or regional E&S coordinators.

ENVIRONMENTAL AND SOCIAL RISK TRAINING





Climate change risk management

As a bank with operations across Africa, we are aware of Africa's vulnerability to the negative impacts of climate change. We are committed to balancing the need to meet Africa's energy and infrastructure demands with the challenges posed by climate change and the need for a just transition to a lower-carbon economy over time.

In support of our commitment to drive inclusive and sustainable economic growth in Africa, and in line with our E&S risk governance standard, we are:

- Committed to facilitating access to affordable energy in African economies, while minimising the negative environmental impacts arising from our project finance activities;
- Working with individual businesses and households to enable them to implement small-scale green energy solutions and adapt to and mitigate the impacts of climate change on their activities and livelihoods; and
- Committed to reducing our carbon and water usage and reducing waste across our internal business operations, at office and branch level.

We are in the process of collecting and assessing data to develop a climate change strategy and embed consideration of climate related risks in our decision-making processes. This includes:

- Working with our clients to mitigate or adapt to climate change events (such as rising sea levels, extreme weather events, changes in weather patterns or ambient temperatures);
- Reducing/mitigating the negative impact of human development on climate change (such as greenhouse gas emissions); and
- Encouraging positive impact opportunities, such as green energy development.

We will be analysing our data and portfolio to identify:

- High-risk sectors where climate impacts can have a substantive change on our clients' business operations, revenue and expenditure (with knock-on impacts for the group) such as mining, agriculture, and power industries;
- Geographies where climate change risk management interventions are required or areas that present a significantly higher risk; and

- Potential opportunities for new products that will aid in adaptation and mitigation.

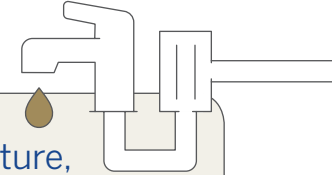
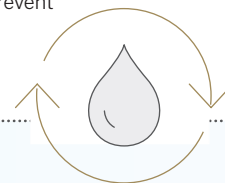
We consider physical and transitional risk in our portfolio and lending analysis. Transition/regulatory risks can have financial, reputational and community support impacts on a client's operations. Risks include:

- Policy and legal risks, such as policy constraints on emissions, imposition of carbon tax and other applicable policies, water or land use restrictions or incentives;
- Shifts in demand and supply due to technology and market changes;
- Reputational risks reflecting changing customer or community perceptions of an organisation's impact on the transition to a low carbon and climate-resilient economy; and
- Physical risks can disrupt a project's operations and supply chain and/or damage physical assets. They may include current and future location specific impacts, and resilience of the project to flooding and sea-level rise (in coastal zones or designated flood zones), drought and water stress, heatwaves and high peak temperatures, increased storm frequency and severity and bushfires.

Water risk management

Water availability and security of supply, water and related ecosystem pollution, and potential risks related to changes in rainfall and water supply resulting from climate change pose potential risks in relation to lending and investment. We're in the process of developing a strategy to manage our exposure to water-related risks. This will include:

- The promotion of water-efficient technologies, and re-use and recycling of water;
- Encouraging adaptation measures to reduce reliance and encourage efficient use of water especially for developments located in areas affected by drought, low rainfall, or where climate change is anticipated to reduce rainfall and/or increase dry periods; and
- Ensuring development does not adversely pollute ground and surface water resources and, where this can occur, to ensure adequate engineering measures to prevent or minimise pollution of ground and surface water.



Funding water infrastructure, an increasingly scarce resource

During 2016 and 2017, much of East and Southern Africa suffered from severe drought. South Africa's Western Cape was particularly hard hit, resulting in the looming approach of Day Zero, the day the taps would run dry in the city of Cape Town, in early 2018. While strict water management, concerted efforts by residents, and long-awaited rains have delayed Day Zero, however, Cape Town remains a severely water-stressed city.

The municipality of Cape Town required an alternative feedstock for the production of potable water and given the city's proximity to the Atlantic and Indian oceans, seawater desalination technology was selected.

Standard Bank provided finance for the installation of two desalination plants in Monwabisi and Strandfontein.

This included a marine intake, onshore process plant, product injection and brine return pipeline. The plant was built in a modular format to enable future expansion. **Both plants are currently running at capacity and each produces about 7 million litres of potable water per day.** The plants will operate as a temporary solution to the city's urgent water requirements. PROXA and Water Solutions SA, together with the city, collaborated with the local communities to promote job creation during the project construction phase. At the time of plant decommissioning the area will be rehabilitated, and the buildings used to house the plants could be converted to community halls or other facilities which will benefit the local communities.

This provision of financing for the desalination plants with revenue collected from the supply of water into the city's existing reticulation system, assisted the city in meeting its emergency needs.



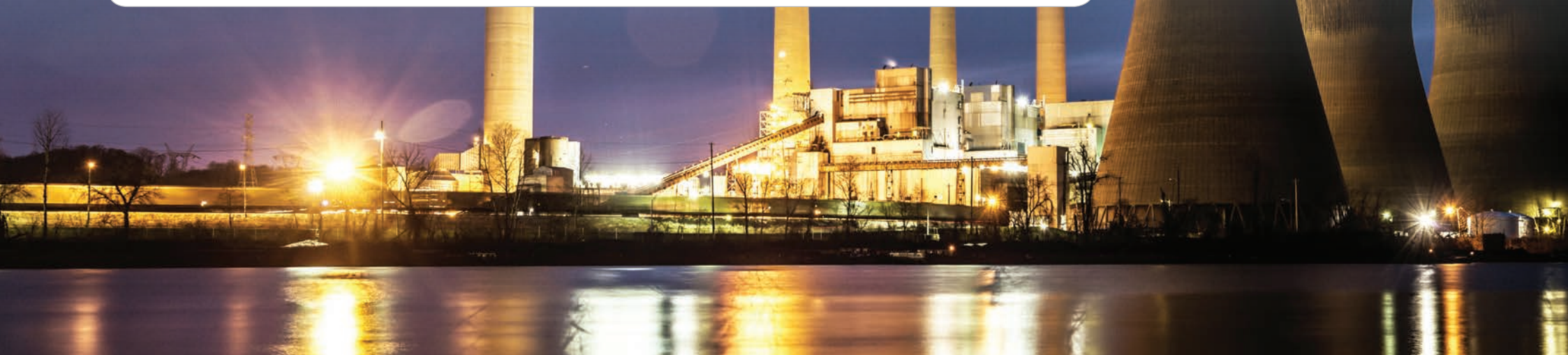
Standard Bank Group's policy on financing new coal-fired power plants

The policy and regulatory landscape regarding the responsibilities of financial institutions in relation to environmental impacts and climate change mitigation is evolving, while pressure from investor activists and civil society organisations to disinvest in polluting industries is simultaneously increasing. Our 2018 AGM saw shareholders raise questions about our position on financing coal-fired power stations, with a focus on proposed new independent power producers in South Africa. We have identified the risks associated with new investment in coal-fired power stations, together with the importance of adaptation and mitigation of climate change, especially in relation to water in key sectors and markets, as an important issue for Standard Bank. These issues received close attention from our executives and board members during 2018. We also continue to engage with a range of external stakeholders to understand a broad range of perspectives and potential impacts.

We recognise that, while coal is a major contributor of greenhouse gas emissions, it is also a critical component of the

energy mix in certain African regions, and a source of affordable energy for underserved communities.

We have adopted a policy broadly in line with the OECD Export Credit Agency Coal-Fired Power Finance Guidelines, limiting the financing of coal-fired power generation depending on a country's energy poverty, technology and size of plant. We undertake enhanced due diligence when assessing proposals for coal-fired generation, which involves an assessment of the current energy situation in the region and future energy demand, the proposed technology, alternative options, and compliance with national environmental and social laws, relevant international conventions, standards and treaties, IFC Performance Standards and Equator Principles, and IFC Industry Guidelines on thermal power plants, electrical power transmission and distribution. Our funding parameters set limitations on new build coal power stations. While funding is not excluded, the funding requirements for new coal power stations are based on geography, technology and size of power plant. If a proposed development does not meet our criteria, we will not provide finance. We also undertake post-finance monitoring on an ongoing basis in line with Standard Bank Group's environmental and social policy.





Responsible finance

Standard Bank works with its clients to advise on structure and arrange socially and environmentally responsible financial products. These include:

- Investments relating to environmental goods and services that prevent or reduce environmental degradation and conserve and maintain natural resources;
- Investments relating to positive social outcomes such as education, health care, infrastructure, housing and employment creation; and
- Financial system components that protect the environment by using financial instruments such as green credit, green bonds, green stock indices, carbon finance, structured green funds and related products.

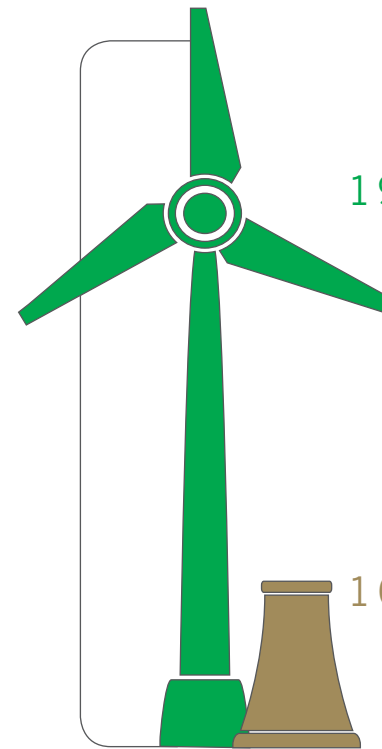
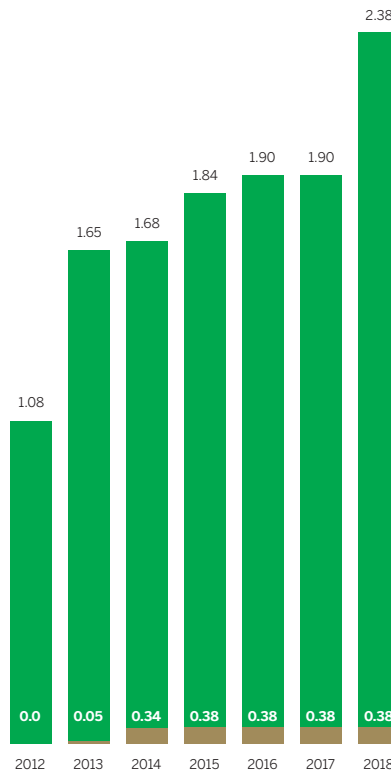
Investment in renewable energy

Standard Bank supports the expansion of affordable renewable energy solutions across Africa. This includes working with governments, renewable energy companies and development finance institutions to facilitate large-scale infrastructural development. Over the past several years we have significantly increased the proportion of our energy loan book committed to green energy and decreased the proportion of finance committed to fossil fuels.

Since 2012, we have financed the construction of new power projects to the value of USD2.77 billion in Africa. 86% of this funding was for renewable energy. Lending to fossil fuel power projects represented 14% of our investments (12% natural gas and 2% heavy fuel oil/thermal, 0% coal).

CUMULATIVE GREEN vs BROWN UNDERWRITE VALUE OF ENERGY INVESTMENTS FROM 2012 – 2018

USD billion



1 953 MW

TOTAL

2 989 MW

USD2.77 billion

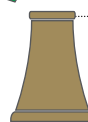
1 036 MW

GREEN
86%
of underwrite value

BROWN
14%
of underwrite value



GREEN – Annual cumulative underwrite (USD BN) from 2012 – 2018 of project finance power generation transactions directed towards green energy. This includes clean, non-polluting and renewable energy sources that are naturally replenished over time, e.g. solar or wind.



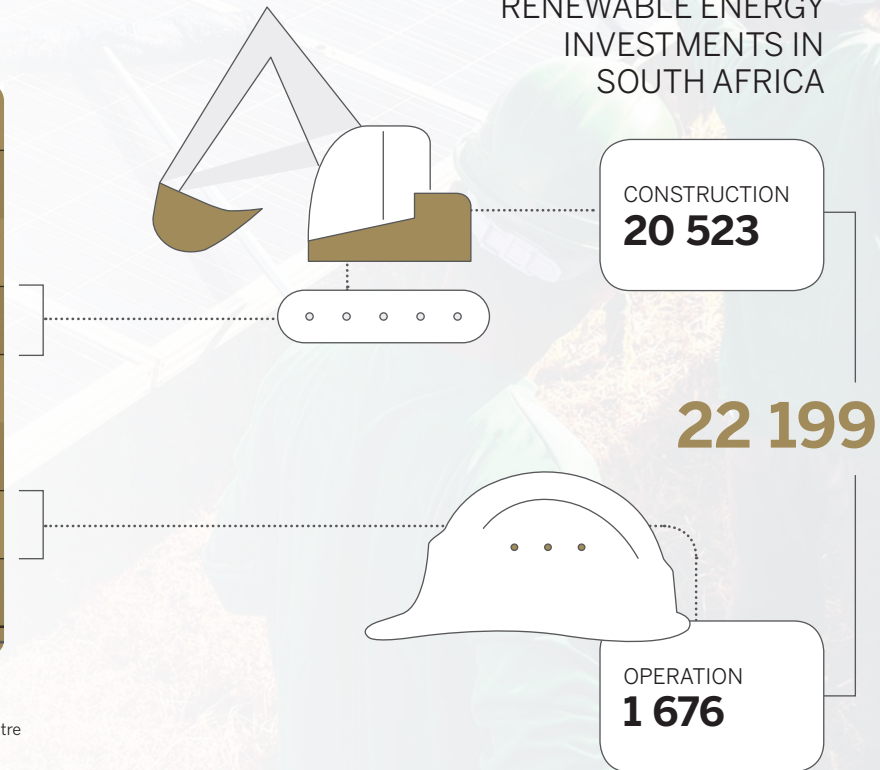
BROWN – Annual cumulative underwrite (USD BN) from 2012 – 2018 of project finance power generation transactions directed towards brown energy, derived from conventional fossil-fuel based energy sources that release pollutants during processing and are finite/not replenished over time, e.g. coal, oil or natural gas.



ESTIMATED JOBS CREATED FROM STANDARD BANK'S INVESTMENTS IN SOUTH AFRICAN RENEWABLE ENERGY PROJECTS (2012 – 2018)

	PV	CSP	WIND	TOTAL
Construction (direct)	6 264	2 719	4 116	13 099
Construction (supplier)	3 530	994	2 900	7 424
Construction total	9 794	3 713	7 016	20 523
Operations (direct)	673	117	715	1 505
Operations (supplier)	113	13	45	171
Operations total	786	130	760	1 676
Total jobs	10 580	3 842	7 776	22 199

JOBS CREATED FROM RENEWABLE ENERGY INVESTMENTS IN SOUTH AFRICA



References
Macroeconomic assumptions from Department of Energy Integrated Energy Plan
Average capacity factors from statistics of utility-scale solar PV, wind and CSP in South Africa in 2017 by CSIR Energy Centre

ESTIMATED HOUSEHOLDS EQUIVALENT POWERED FROM STANDARD BANK'S INVESTMENTS in South African renewable energy projects from 2012 – 2018



Average household electricity consumption sourced from Exon Consulting – How much electricity does my home use, August 2016



Examples of projects financed in 2018 and the SEE impacts

	SCATEC SOLAR	WESLEY WIND FARM	COPPERTON WIND FARM
Industry description	Power	Power	Power
Project description	Construction of three new photovoltaic (PV) projects (Dyason's Klip 1, Dyason's Klip 2, Sirius Solar PV) with an installed capacity of 75 MW each. All three projects are located adjacent to one another close to Upington in the Northern Cape province of South Africa.	Construction of the new Wesley 33 MW wind farm in the Eastern Cape, South Africa.	Construction of a new 102 MW wind farm in the Northern Cape, South Africa.
Social impact	<ul style="list-style-type: none"> Approximately 300 – 395 jobs will be created for each project during construction, which will be targeted at the local communities. Approximately 60% will be available to low-skilled workers and 15% to semi-skilled workers. (The construction phase is expected to last 14 – 18 months.) During the operations phase, it is anticipated that between 40 and 50 jobs will be created per project. 	<ul style="list-style-type: none"> Approximately 127 direct full-time equivalent jobs during the construction phase. About eight direct full-time equivalent jobs during the operations phase. Opportunities for SMMEs in rural areas. Provision of bursaries. Grassroots Youth Development Socioeconomic Development Programme. 	<ul style="list-style-type: none"> More than 83% of employees are South African, and 24.85% of these are from local communities. Provision of 160 jobs during construction and 80 jobs for operations.
Economic impact	<ul style="list-style-type: none"> At least 5% of each project will be owned by the local community. Scatec has committed to 1.5% of revenue being spent on socioeconomic development and 0.6% on enterprise development. The injection of income into the area in the form of wages will represent a significant opportunity for the local economy and businesses in the Upington and Keismoes area. The establishment of a community trust funded by revenue generated from the sale of energy also creates an opportunity to support local development. 	<ul style="list-style-type: none"> The project has been developed in partnership with affected landowners and farmers in the former Ciskei homeland. EDF Renewables' business model ensures that the Uncedo Lwethu Winds of Change equity in the project was free. An agreement entered into between the project and the Department of Energy ensures the use of dividends generated from equity for community upliftment projects. 	<ul style="list-style-type: none"> 36% of the project company shareholding is black. 5% of the project company is owned by the local community. Increase in renewable energy contribution to SA's energy mix.
Environmental impact	<ul style="list-style-type: none"> All three projects will produce 225 MW renewable energy, thereby avoiding the release of approximately 463 185 tonnes of CO₂ equivalent into the atmosphere*. 	<ul style="list-style-type: none"> The project will produce 33 MW renewable energy, thereby avoiding the production of approximately 97 825 tonnes of CO₂ equivalent*. Use of land already degraded by overgrazing. 	<ul style="list-style-type: none"> The project will produce 102 MW renewable energy, thereby avoiding the production of approximately 302 367 tonnes of CO₂ equivalent*.

*Carbon abatement calculated using project MWs and grid emission factor of 0.94t CO₂e/MWh



	ALTEN PV SOLAR PLANT	SOLAR CAPITAL ORANGE
Industry description	Power	Power
Project description	Construction of a new 37 MW photovoltaic (PV) power plant in Hardap, Namibia.	Construction of a new 75 MW PV plant located in the Northern Cape.
Social impact	<ul style="list-style-type: none"> The project fulfils the energy need of 3% of Namibia’s population, or approximately 70 000 people. Provided around 400 jobs during construction and will provide an average of eight to 23 jobs (the latter at the peak months) during operations. 	<ul style="list-style-type: none"> The project will create approximately 800 construction phase jobs at the peak construction period, over a period of 12 months for this first phase. 80% of the employment opportunities will be available to low-skilled and semi-skilled workers with the majority available to local residents. Approximately 50 jobs per month will be created during the operations phase. 70% of the construction and operations employees from phase 1, will be retained in phase 2.
Economic impact	<ul style="list-style-type: none"> Largest photovoltaic power plant in sub-Saharan Africa outside South Africa. Reduces Namibia’s reliance on imported electricity from its neighbours. 	<ul style="list-style-type: none"> The Solar Capital Community Trust holds 5% shareholding in the project company – dividends will be used to fund projects identified by local beneficiaries. 0.65% of revenue is allocated for enterprise development to fund the Annual Solar Capital Entrepreneurial Programme. Members of the community enter the programme and are mentored over eight months in the development of sustainable enterprises. 1.61% of revenue is allocated for socioeconomic development and will be used to implement social programmes that were identified during stakeholder engagement (e.g. recreation facilities and upgrading of the health care facility).
Environmental impact	<ul style="list-style-type: none"> The plant avoids the production of around 33 000 tonnes of CO₂ equivalent every year. The site had low biodiversity and low agricultural value and was not in productive use. The plant connects to an existing substation on adjacent land, avoiding lengthy transmission lines to connect to the grid. 	<ul style="list-style-type: none"> The project will produce 75 MW renewable energy, thereby avoiding the release of approximately 154 395 tonnes of CO₂ equivalent* into the atmosphere.

*Carbon abatement calculated using project MWs and grid emission factor of 0.94t CO₂e/MWh





INDORAMA (ELEME PETROCHEMICALS)

Industry description

Manufacturing

Project description

The construction of phase two of a nitrogenous fertiliser plant within the existing Indorama Eleme Petrochemical complex located in Port Harcourt Nigeria. This phase entails an ammonia plant, urea plant, and supporting infrastructure and utilities.

Social impact

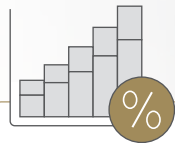
- At the peak of construction approximately 4 000 direct and indirect jobs will be created. This will assist in addressing the growing job demand of the young Nigerian population.
- Indorama will invest in community development projects such as the construction of schools, community health centres, markets, teachers' quarters, youth corpers lodges, community town halls, roads and drainage systems, water supply facilities and substations and transformers to enhance electrification and water supply facilities.
- Skills acquisition programmes for young men and women, micro grant schemes for women and annual scholarships for students in tertiary institutions will also be implemented.

Economic impact

- The additional fertiliser production capacity will allow Nigeria to be placed on the global fertiliser map as a producer and exporter, which will allow for a significant boost in the country's non-oil based revenues.
- The provision of much needed fertiliser to farmers across the country will improve crop yield.

*Carbon abatement calculated using project MWs and grid emission factor of 0.94t CO₂e/MWh





Financial instruments to promote positive social and environmental impacts

Standard Bank is working on further developing positive social and environmental instruments and products in the group, some of which include:



Green lines of credit/investments: Standard Bank partners with green finance investors and development finance institutions (DFIs) for lines of credit that have lending criteria linked to green/climate change requirements.



Green, social, climate bonds: We're working with clients to assist in structuring, asset approval and monitoring of green bonds.



Environmental rehabilitation guarantees: African countries are increasingly formalising requirements for environmental rehabilitation at the end of mine operation (planned and unscheduled closure). This has resulted in the tightening of financial provision requirements over the life of an operation to enable rehabilitation, and ongoing monitoring thereafter.

Working with businesses and households to implement small-scale green energy solutions

Standard Bank assists our clients to adopt greener solutions for their homes and businesses, for example:

- In South Africa, our VAF solar asset solution enables our business and commercial banking clients to apply for finance of up to R1.5 million bond free to install small-scale renewable energy solutions at their businesses. The focus has been mainly on small-scale, grid-tied solar PV solutions. By September 2018, we had invested about R48 million in small-scale embedded generation projects.
- In Zimbabwe, we provided a forex loan of R7 million to enable our client to import solar panels, batteries and other key components, to establish a 190 kW capacity solar plant on their premises. The plant is the third largest in Zimbabwe. Solar stands have been constructed in the car park, with the panels doubling as parking shades.



Supporting our agricultural clients during drought – update on 2016 drought

Standard Bank works closely with our clients in the agricultural sector to help them to adapt to and mitigate the impacts of climate change. **In 2016 and 2017, we reported on how we worked with agriculture clients in South Africa to reduce the financial burden created by the country's severe drought conditions.**

In 2018, we again identified distressed farmers early in the season and made proactive plans to assist them. We needed to take a careful, tailored approach to each client, recognising that their circumstances differ widely. We spent time with each client to design solutions for their unique challenges. 72 distressed agriculture clients' overdrafts were maintained and capital payments on term loans postponed, to service only interest due. This lowered cash-flow pressure for the farmers. We also engaged with our clients to discuss more sustainable farming practices, including rotation cropping and precision farming. We introduced multi-peril insurance, which covers a broad set of conditions, to lower the risk to farmers and the bank, which led to improved cash-flow monitoring.





Human rights

Standard Bank amended our human rights statement in 2017 to ensure alignment with universal principles, including the UN Guiding Principles for Business and Human Rights. The process involved consultation with internal and external stakeholders. Human rights issues, including discrimination, child labour, forced or compulsory labour and the rights of indigenous people, are assessed as part of the screening and due diligence processes associated with financing. All employees are responsible for ensuring that Standard Bank demonstrates our commitment to human rights.

Standard Bank Group statement on human rights

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

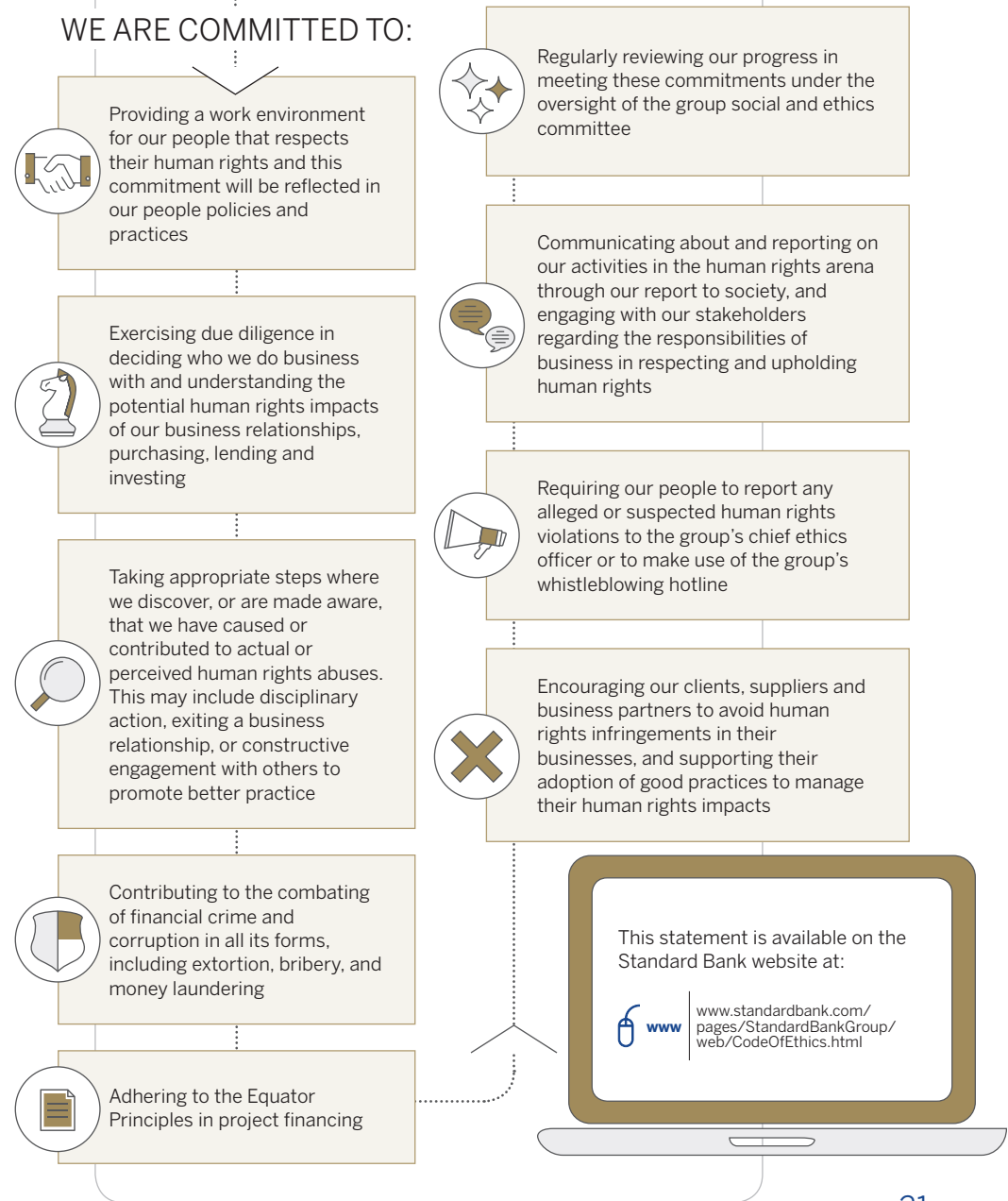
Human rights are the basic and universal rights that underpin each person's inherent freedom, dignity and equality as outlined in the United Nations Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. We have used these 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 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 seek 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. **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:





Due diligence and human rights

The Standard Bank Group exercises due diligence in deciding who we do business with. This includes understanding the potential human rights impacts of our business relationships, purchasing, lending and investing.

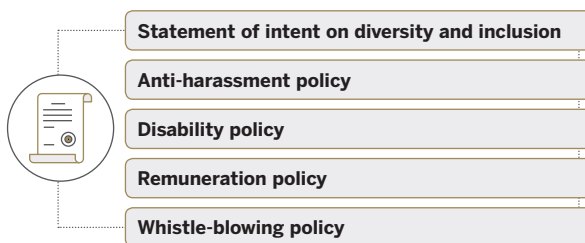
- **We assess the social, economic and environmental impacts**, including human rights, associated with our business decisions, including entering customer relationships and issuing of loans in line with Standard Bank Group E&S risk standard and policy, and exceptions list.
- **We comply with regulations and standards in respect of anti-money laundering, sanctions, and anti-bribery and Corruption** in all our countries of operation, and actively work to support the combating of financial crime and corruption in all its forms, including extortion, bribery, and money laundering.
- **We respect the privacy of our clients** and abide by data privacy and protection laws.
- **We commit to ensuring that new financial products and services are assessed in terms of potential social, economic and environmental impacts**, including human rights considerations, and that any risks should be evaluated and mitigated.

Our policies require that, if any human rights risk is identified as a result of a client relationship, project, product or other client interaction, the issue should be referred to GESRF, or the group's chief ethics officer, or reported via the whistle-blowing hotline (depending on the nature of the issue). 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. This may include disciplinary action, exiting a particular business relationship, or constructive engagement with others to promote better practice.

Human rights in relation to our employees

Our employees have the right to enjoy fair and just conditions of work. Our commitment to respecting this right is reflected in our human capital policies and practices, which are underpinned by our values and code of ethics. While these policies do not necessarily mention 'human rights' specifically, they nonetheless promote human rights directly or indirectly and are consistent with our human rights statement. Relevant policies include:



Human rights in relation to procurement

Standard Bank's procurement policy commits us to ethical procurement. It specifies that:

- **All procurement transactions must be objective, transparent and fair, in line with sound corporate governance principles**, and the highest procurement and ethical standards must be applied to all such transactions.

- **All suppliers should respect basic human rights and establish a clean and safe working environment.** This includes not allowing forced labour, child labour or discrimination, and paying appropriate wages, regulating working hours and respecting everyone's freedom of association.
- **The bank strives to procure goods and services that have a lesser or reduced impact on the environment** and on the health and safety of workers and communities.
- **All contractors, suppliers and consultants must comply with the bank's internal requirements and with the South African Occupational Health and Safety Act** and regulations at a minimum, and with environmental and social legislation in the relevant country.
- **Procurement should be aimed at supporting local suppliers** while at the same time ensuring alignment to Standard Bank standards for quality, sustainability and commerciality.

Grievance mechanisms and reporting

We currently do not have a formal grievance mechanism for transaction related E&S concerns/issues. However, we actively engage with our stakeholders, including human rights and environmental organisations, and the relevant ombudsman. **We have an anonymous whistle-blowing hotline in place for employees, and employees are actively encouraged, through regular communications, to report any behaviours or activities that may conflict with Standard Bank's values and ethics.**



Our direct environmental performance

Operational carbon footprint management

The carbon footprint of our direct operations is not as material as the carbon footprint associated with what we finance. Nonetheless, **as a responsible corporate citizen, climate change adaptation and mitigation continue to remain key objectives of our journey to managing our own carbon footprint.** This drive is based on the continuous improvement of our performance, which has seen some improvement through the introduction of innovative technologies, processes and management systems.

Electricity consumption in South Africa makes up close to 90% of our carbon footprint and remains a primary focus area for continuous improvement. A target of 15% (45 MWh) consumption reduction by 2020 against a 2014 base year was set to guide our efforts. Key significant energy uses in our portfolio are headquarters, data centres and branches. Within these facilities energy is consumed by air-conditioning, lighting and IT systems.

Operational changes, right-sizing and equipment upgrades while still maintaining indoor comfort levels and meeting statutory requirements yielded positive results with good returns on investments. An additional pressure was the move away from water-cooled systems to air-cooled systems to alleviate pressure on the water grid of South Africa. We understand that South Africa is a water scarce country and although water-cooled air-conditioning systems have benefits in energy conservation, we have fast-tracked the replacement of air-conditioning systems in areas of water risk.

Our major head offices in Johannesburg have been retrofitted with LED technology lighting systems. The lighting layout was in many cases also redesigned to adapt to new furniture layouts and change in office space utilisation. Many of the systems have been equipped with technologies that enable individual and zone remote control according to a user specified requirement. Our strategy is to equip our strategic facilities with networks and equipment, thereby ensuring we are ready to meet the changing needs of business units by best utilisation of new technologies within our built environment.

Energy efficiency plays an important role during the design stages of our branch rollout and revamp programme. This results in branches that have optimised lighting systems, air-conditioning systems and automated control of non-essential equipment outside of banking hours.

Our solar photovoltaic (PV) installation drive saw the implementation of close to 2 MW rooftop solar PV plants to date. This is sufficient to power over 4 000 houses for a year. These plants are monitored daily through our energy monitoring system to ensure that the renewable energy generated is sustained and the expected financial results achieved. In many of our Gauteng facilities, to promote the use of electric vehicles amongst our people, we have equipped some parking bays with electric vehicle charging facilities.

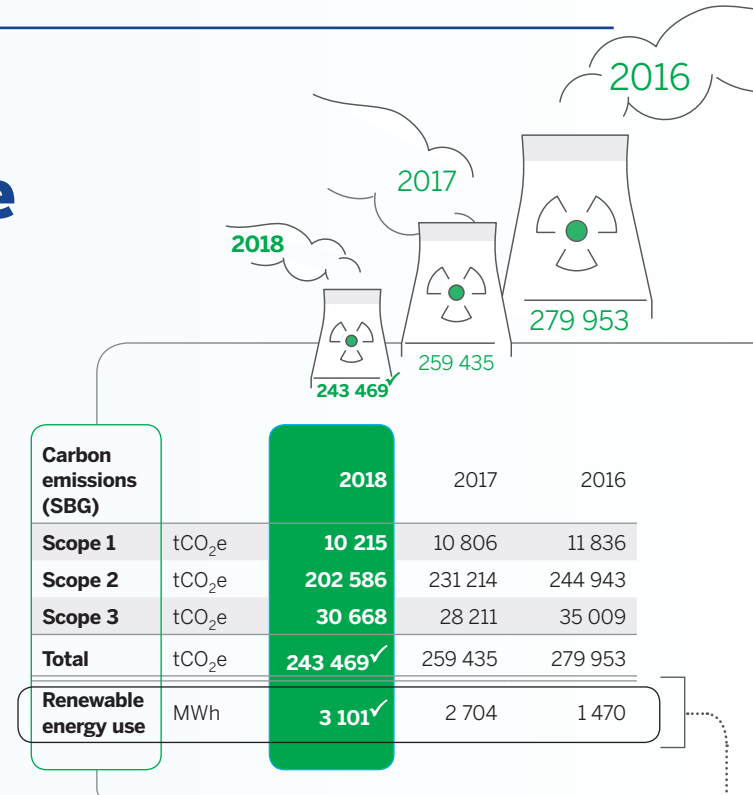
Energy efficiency targets

The combination of energy efficiency, behaviour changes and electricity generated from renewable sources saw our electricity consumption reduce by 24%, from 307 GWh in 2014 to 232 GWh in 2018. This is significant progress towards our intended target of a 15% reduction and a demonstration of our commitment towards effectively managing our use of energy.

We are continuously improving our transition to a low-carbon economy, migrating from an energy intensity-based target calculation methodology to one that is carbon-based. In 2018 we decided to pursue a science-based target (SBT) on our direct emissions that is aimed at preventing global temperature rises by 1.5°C.

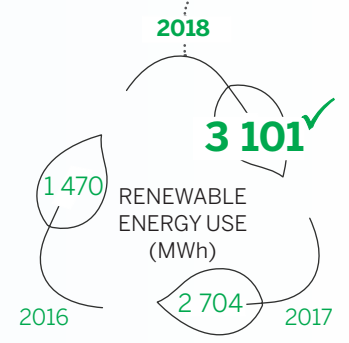
Strategic energy management in South Africa

In 2018, SBSA investigated the various methods available through science based targets that take into consideration the unique energy context as well as the future growth of developing countries within which we operate. We piloted the Equity Method proposed by South African based Promethium Carbon with the intent to guide other African-based organisations in managing their direct carbon footprint, should the pilot be successful. The target would initially focus on our South African operations and would be expanded to all our African operations as part of our improvement journey.



ESG For more on our carbon emissions refer to the metrics section on page 47.

The method defined a clear target for Standard Bank operations in South Africa to reduce direct emissions by 79% by 2040 when compared to the 2014 base year. The model used was aligned to limit global temperature rises to below 1.5°C, which means that the organisation is required to do more. In 2019 we intend to set the example and this will require us to break the norms of conventional building designs and aim to develop facilities that are able to sustain operations in the absence of resources and target the development of net zero facilities, green buildings and adopting low carbon energy sources.





Strategic water management in South Africa

South Africa is classified as a water stressed country as human and ecological demand for fresh water outstrips supply. The country has already started to feel the impacts of climate change which is evident through the occurrence of extreme weather systems such as prolonged droughts and heat waves.

The success of our strategic approach to energy management required a similar strategy to be developed for water, which are inherently linked to each other. Since our facilities require both energy and water resources to be used efficiently to maintain business continuity, our facilities need to be sustainable in the usage of these resources to both mitigate and adapt to the impacts of climate change.

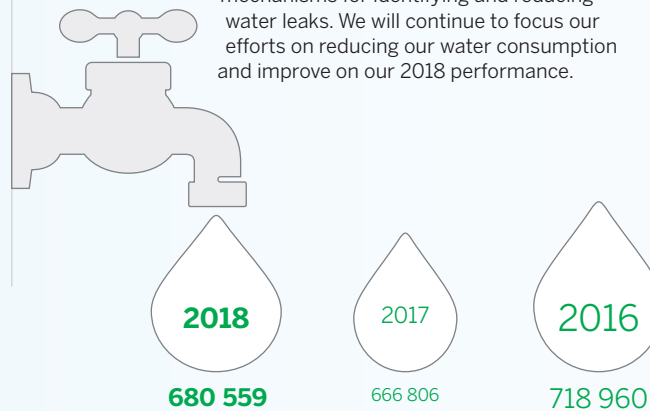
Building on the successes of the energy strategy, its key principles were used as the foundation to develop a water management strategy to drive water performance improvement.

Our water strategy has been developed to ensure that strategic facilities are water efficient, have a reliable source of water when there is an interruption to supply from the municipality and ensuring that these facilities are environmentally sustainable by eliminating wastage. A fundamental step in the development of the water strategy was to base it on accurate data. In the past three years, water meters have been installed to develop this understanding of water usage. This was the foundation to benchmark each facility's water efficiency against each other and against industry benchmarks. Benchmarking allows us to identify

those facilities with a high intensity, develop a target to reduce and prioritise water reduction efforts to eliminate water wastage based on areas of water risk.

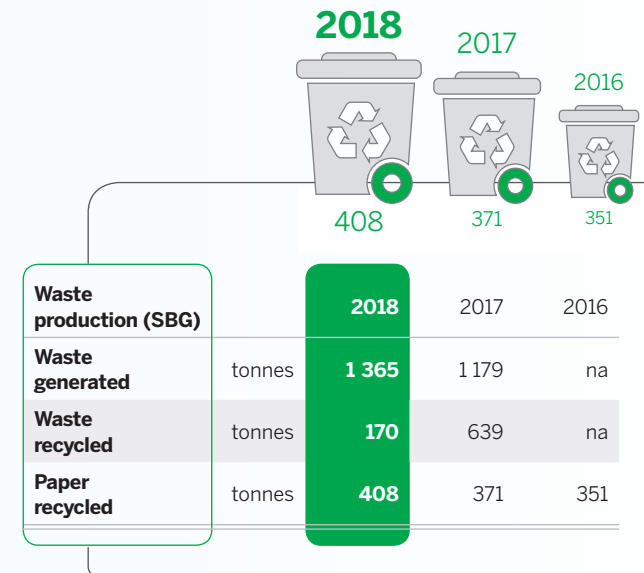
An absolute target to reduce water usage by 110 000 kL (16%) at metered sites by 2021 against the 2017 base year was developed in 2018. Sites displaying high intensities are prioritised and operations in areas of significant water risk is also a factor that is integral in determining water efficiency and water security efforts.

The development of this strategy however did not halt our water saving efforts as we continued our water saving journey through initiatives such as the retrofit of water-cooled equipment with air coolers, the installation of low flush toilets, showers and bathroom taps, the use of rain water harvesting systems and borehole water for irrigation in addition to innovative mechanisms for identifying and reducing water leaks. We will continue to focus our efforts on reducing our water consumption and improve on our 2018 performance.

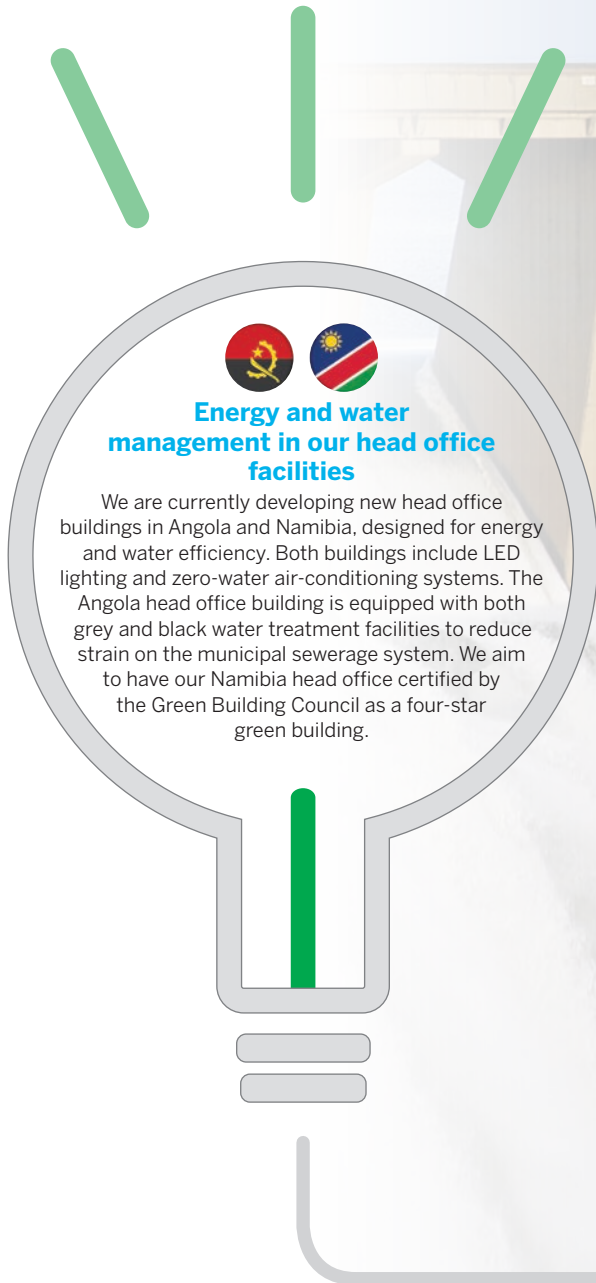


Reducing waste

We effectively manage our waste and what is sent to landfill sites, by reducing, reusing and recycling. Our waste comprises paper (which is mostly recycled) and hazardous and wet waste from our canteens and restaurants. These sources of waste are mostly sent to landfill sites where it reduces the available airspace on the landfill sites and contribute to climate change by emitting methane gases. In our efforts to reduce our waste to landfill, we have installed a composter at one of our facilities that takes our wet waste and turns it into compost. The compost is used in our gardens, which further reduces operational cost as it does not need to be bought in. **The trial facility has reduced the waste generated at the facility by more than 2 400 kg per month.** Due to this successful demonstration and the positive impact on the environment, we are expanding the technology to our other facilities with high wet waste quantities.



Water (SBG)		2018	2017	2016
Water consumption (municipal)	kL	680 559	666 806	718 960
Water consumption (grey)	kL	0	0	0
Total water consumption	kL	680 559	666 806	718 960
Reduction/Increase	%	2	(8)	(16)
Target for water consumption reduction	%	6	na	na



Our major facilities in Malawi are metered for accurate energy benchmarking and baseline development. Our strategy focuses on energy security to ensure facilities remain operational during power outages, energy efficiency to reduce operational costs and environmental sustainability to reduce our reliance on natural non-renewable energy sources.

To improve the energy security at our head office, all generators are monitored through a web-based monitoring system. We are now introducing this successful energy management system in some of our other countries of operation, including Nigeria, which is one of the major energy consumers in our property portfolio.



Stanbic Bank Ghana

The Government of Ghana has set a target to increase the proportion of renewable energy sources in the country's energy mix from 1% in 2017 to 10% by 2030, to meet the requirements of the Paris Accord 2015 and SDGs. In line with this, **Principle 6 of Ghana's sustainable banking guidelines calls for the promotion of resource efficiency, and sustainable consumption and production.**

Stanbic Ghana started its renewable energy journey in 2015. Our Bank on Solar project aims to contribute toward the SDGs and set the benchmark in sustainable banking in Ghana.

In 2015, we fitted 22 ATMs with 5 kWp off-grid solar systems. In 2016, we partnered with Northlite Solar Ltd and Ecoligo GmbH to implement a pilot project to connect three Stanbic branches to solar electricity, as part of a global Renewable Energy Solutions Programme run by the German Energy Agency (dena). The Kasoa branch and Tema branch systems have a capacity of 10 kWp each, while the Dansoman branch in Accra has a capacity of 20 kWp – bringing our total installed solar capacity (branches and ATMs) to 150 kW. The three facilities will provide 30% of the electricity used by the branches and are expected to save 27 tonnes of CO₂ emissions every year, and to generate significant cost savings for the bank.

The Stanbic facilities team monitors performance of the systems in real time, using a remote access performance management tool installed at the branches. Our target is to have 50% of the bank's branches on solar energy within the next five years. We have also changed most of our office lighting systems to energy efficient LED bulbs. Together, these initiatives save 665.92 tonnes of CO₂ emissions annually.

Stanbic Ghana aims to encourage Ghanaians to adopt solar energy solutions and is making finance solutions available to our customers to help them to do so. The bank has also urged government to make renewable energy policy more flexible and to encourage the shift toward renewable energy.



Valuing our people

We understand that to become the leading financial services organisation in, for and across Africa, we must contribute to the long-term prosperity of the communities and countries in which we operate, by facilitating inclusive economic growth and social development.

To do this effectively we must ensure our relevance to social needs and our capacity to help advance national objectives. Our vision commits us to contributing to socioeconomic development in a way that is consistent with the nature and size of our operations in the countries we serve.

Diversity and inclusion

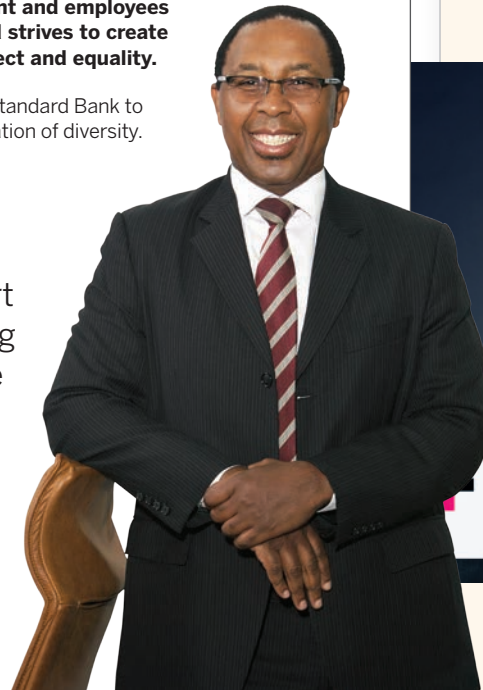
Standard Bank aims to ensure that all our employees feel valued and included, and that diversity is welcomed as a business advantage. In South Africa, for example, our employee diversity and inclusion forums meet regularly, to ensure that both employees and management engage on key diversity and inclusion challenges and opportunities. The forums underpin our commitment to achieving a broad and united approach to diversity and inclusion.

Prism, a forum for LGBT+ employees and allies, was launched in South Africa in 2017. It provides support and guidance to line management and employees on understanding sexual orientation in the workplace and strives to create a working environment that encourages a culture of respect and equality.

In 2018, we ran an internal communications campaign across Standard Bank to encourage greater awareness of unconscious bias and appreciation of diversity. Many employees have undergone unconscious bias training.

“Standard Bank’s culture has changed over the past decade to focus more on diversity, inclusion and making an effort to understand where people are coming from, in terms of their own views of the world, and the value they bring to the organisation.”

Kenny Fihla
Chief executive, Corporate & Investment Banking,
Standard Bank Group



Promoting gender equality

We’re not yet where we want to be in terms of gender parity at executive and senior management level, and we’re actively working toward increasing the representation of women at these levels.

Reflective of this commitment, our Group CE Sim Tshabalala became one of UN Women’s HeForShe Thematic Champions in 2018. HeForShe is rooted in the understanding that gender equality will only be achieved with the involvement of men. The movement invites all people to stand together to create a gender-equal world. Sim stands alongside other leaders such as Dr Jim Yong Kim, President of the World Bank Group, & the presidents of Ghana, Rwanda and Malawi.

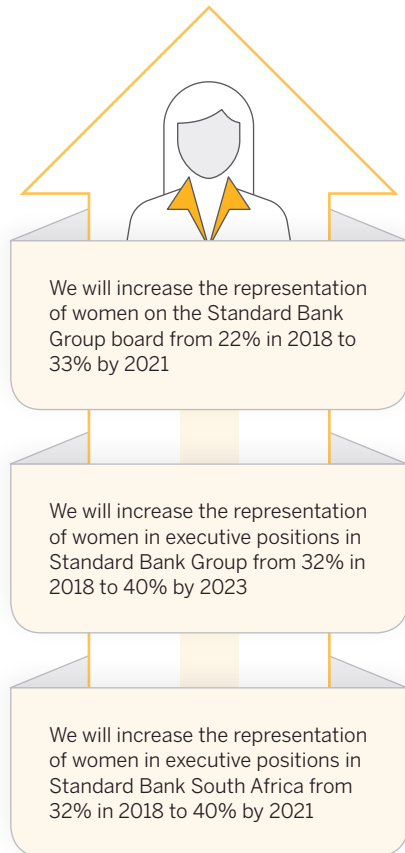
“Achieving gender equity is a moral duty, a business imperative, and just plain common sense. Women embody half the world’s talent, skills and energy – and more than half of its purchasing power. Every sensible business leader must be committed to achieving gender equity in their company and to contributing to gender equity in the societies in which we operate.”

Sim Tshabalala
Chief executive, Standard Bank Group





STANDARD BANK GROUP HAS COMMITTED TO MAKING CHANGE FROM WITHIN:



WE'RE ON THE RIGHT TRACK:

GENDER EQUALITY IN STANDARD BANK GROUP

INDICATOR DESCRIPTION	2018	2017	2016
Number of women in the bank	27 387	27 915	28 128
Number of men in the bank	20 032	20 407	20 494
Percentage of women in Standard Bank (%)	57.8	57.8	57.9
Women in executive management positions (%)	32.2 [✓]	31.5	30.4
Women in senior management positions (%)	39.4 [✓]	38.2	37.5
Women in middle management positions (%)	44.9	44.8	45.0
Women in junior management positions (%)	50.9	50.9	51.2

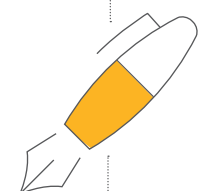
Women in executive management positions

2018
32.2% ✓



Women in senior management positions

2018
39.4% ✓





Wealth International sponsored 'The Big Debate' in October, held in London's City Hall. The panel discussion, entitled 'Closing the Gap: How can gender equality be achieved in Africa?' covered key issues facing women in Africa and highlighted positive changes currently taking place.

One of the ways in which we have sought to increase the number of women in senior management and executive positions has been through delivery of a variety of women's leadership and development programmes. These include programmes at group level, such as CIB Ignite, designed to grow women in upper middle and senior management, our Female Progression Programme, which targets women with the potential to assume chief executive positions, and group IT's Women as Leaders programme, as well as numerous programmes implemented at country level.

During 2018 we conducted a review of these programmes and other initiatives across Standard Bank to assess the range of programmes offered, and their impact. **Our review demonstrated that we have invested significantly in women's development programmes and have made a clear commitment to driving the development and advancement of women across the group.** We believe, however, that we can enhance the impact of the programmes by involving men more

"We need to redefine African culture and address what truly inhibits women and girls from fulfilling their full potential. It is important to unlearn those things drilled into us from childhood. For daughters it is often to find a husband, but for sons, the world is their oyster. Women and men need to address their cultural issues together."

Pindie Nyandoro,
Regional chief executive, Standard Bank Group

deliberately. We must also do more to deliver programmes that target broader audiences (not country or business area specific) to support the integration, expand networks and build relationships across the group.

Going forward, we recognise that to increase the impact of these programmes, we need a deeper understanding of the various barriers to advancement of women within Standard Bank, and how these differ across business area, region and country, to inform the design of impactful interventions. We'll be taking this forward in 2019.

At the same time, we recognise that fairness is not about treating everyone the same, but about treating people in a way which enables them to achieve their full potential. In line with the UN HeforShe ethos, we aim to create an inclusive culture, and to engage men and women to interrogate and address the systemic and societal constraints that many women face. This includes making it easier for all employees, men and women, to manage the often-conflicting demands of work and home life, making it easier for women to integrate back into their positions after maternity leave, and offering opportunities for employees to take sabbaticals and extended leave periods when certain conditions are met.

Discrimination and harassment

While we have robust anti-discrimination and anti-harassment policies in place, we are unfortunately not able to eliminate such instances entirely.

Our aim is to minimise incidents of discrimination and harassment, to ensure that all cases are promptly and justly handled, and that victims of abuse are supported. Standard Bank's board and the social and ethics committee devoted considerable attention to these issues during 2018, assessing the robustness of Standard Bank's grievance and disciplinary processes in relation to harassment and discrimination, whether the environment empowers employees to raise complaints, and whether hearings are fair and just.

After reviewing our existing policies and alignment to best practice, we revised and enhanced our group policies on harassment, sexual harassment and discrimination. These policies establish non-negotiable principles and standards on these issues, while allowing for in-country adaptations to dealing with complaints.

In 2018, we ran an internal communication campaign reiterating our zero-tolerance approach to harassment and discrimination. We encourage victims to come forward and commit that all complaints will be taken seriously, that the victim will be provided with the necessary support, and will in no way be prejudiced or disadvantaged as a result of having laid a bona fide complaint.

We also distributed a sexual harassment survey to a sample of employees across Standard Bank. This survey revealed that the majority of those sampled had not personally experienced sexual harassment in the preceding 12 month period. **Most respondents were aware of our harassment policy and agreed that Standard Bank does not tolerate sexual harassment.** The one area of concern that did emerge was the low level of reporting of potential incidents of sexual harassment. Going forward we need to strengthen awareness of the processes available to anyone who may experience sexual harassment.



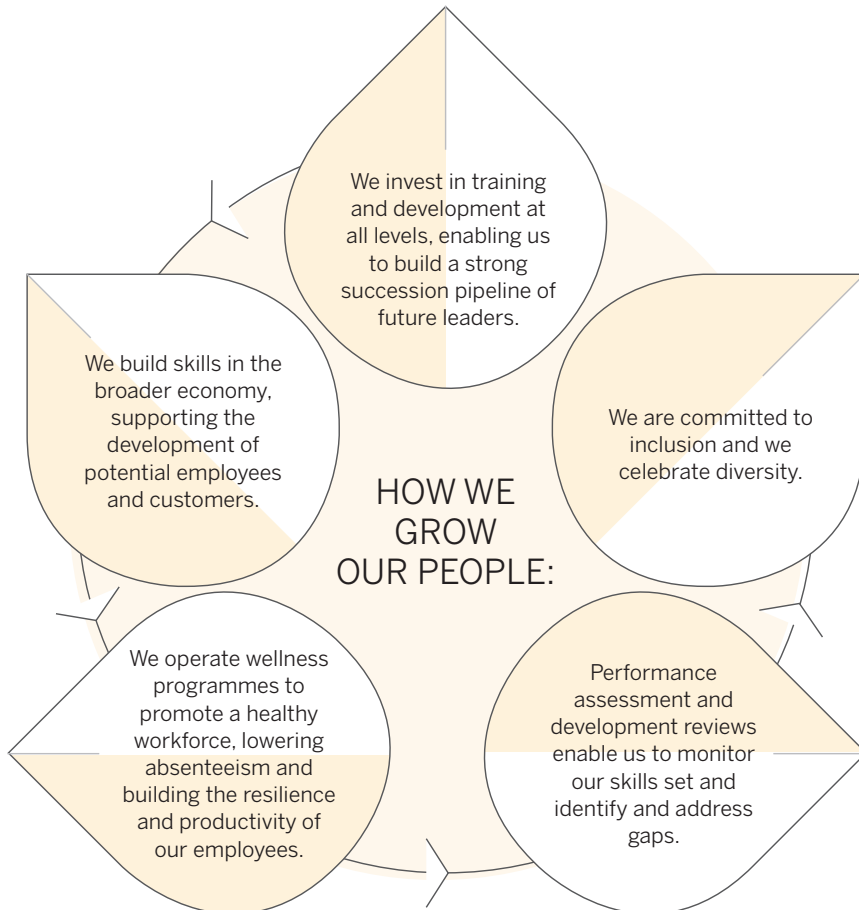


Growing our people

To deliver our purpose we need the right people, in the right roles, with the required skills and capabilities. We work in a fast-paced, highly competitive industry with ever-changing demands as we build a digital bank. **Our people must be equipped with the necessary skills to drive a client focused approach now and into the future.**

Our preference is to promote from within. Our internal careers website provides our people with access to information on potential career opportunities in the group. We are investing in our leadership pipeline across our various business lines and geographies, and successfully promoted several of our people into key leadership positions across the group during the year.

Our people are critical to the successful delivery of our strategy. **We are committed to supporting our people to reach their full potential and remain effective and motivated.** Recruiting, retaining and motivating great people is at the core of driving business value.

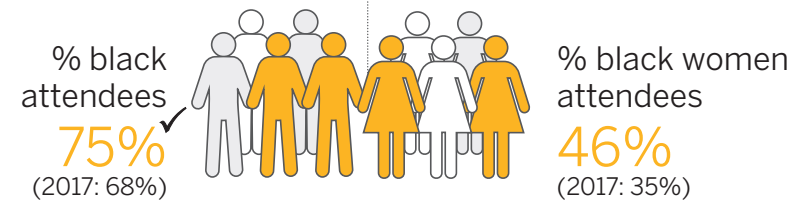


TOTAL TRAINING SPEND OF STANDARD BANK GROUP IN 2018

R931 million



IN SOUTH AFRICA THERE WERE 4 920 ATTENDEES IN 2018

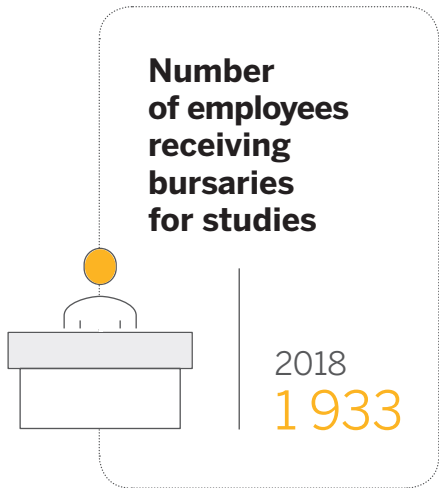




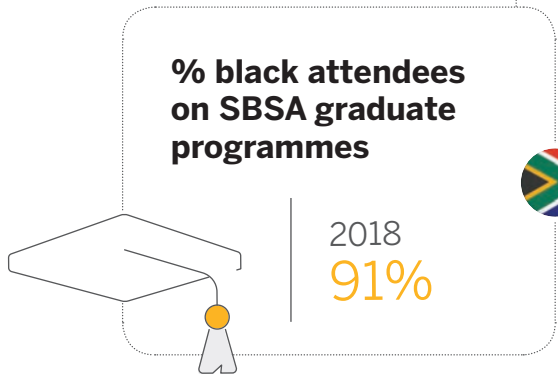
Training and development

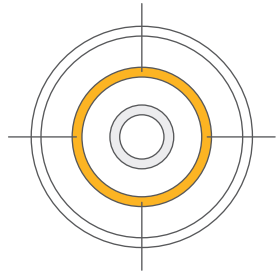
Read more in Reporting to Society on page 69.

	SCOPE	MEASURE	2018	2017	2016
Training spend (SBG)	SBG	Rm	931	925	890
Internal bursary spend	SBG	Rm	52	23	14
Learnership					
Number of employees receiving bursaries for studies	SBG	Number	1 933	934	724
Number of Africa regions attendees across all GLC courses	SBG	Number	687	1 017	na
SBSA graduate programmes – % of black attendees	SBSA	%	91	89	81
SBSA graduate programmes – % of black African attendees	SBSA	%	75	40	na
SBSA learnership/graduate programmes – total number	SBSA	Employees	1 009	924	1 037
% of learnership students absorbed into permanent employment	SBSA	%	64	83	72



- Number of employees receiving bursaries for studies
- Number of Africa regions attendees across all GLC courses
- SBSA graduate programmes – % of black attendees
- SBSA graduate programmes – % of black African attendees
- SBSA learnership/graduate programmes – total number
- % of learnership students absorbed into permanent employment





Employee performance management

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;
- A global, online performance management system, which includes the ability to give and receive feedback, and
- Flexibility for fit-for-purpose application to support specific ways of working.

Voluntary staff turnover and regrettable voluntary staff turnover

Our overall and voluntary employee turnover has shown a year-on-year reduction with voluntary regrettable turnover remaining stable. Our turnover is well below global financial industry benchmarks for overall turnover (14.4%) and voluntary turnover (9.9%) in 2018. (Source: Gartner CEB Global benchmarks: 2017.)

Turnover	Scope	2018	2017	2016
Voluntary turnover rate (%)	SBG	4.9 ✓	5.5	5.6
Voluntary turnover rates (African) (%)	SBSA	5.0	5.5	5.7
Voluntary turnover rates (Black Females) (%)	SBSA	4.3	4.5	4.9
Black female hires as a percentage of total hires (%)	SBSA	52.5	46.1	54.5
Overall turnover	SBG	8.3	8.8	9.1
Voluntary regrettable turnover (%)	SBG	2.3	2.3	2.1
Voluntary turnover at executive level (%)	SBG	4.8	4.3	5.6

Standard Bank runs an annual Are You a Fan Survey. In 2018, 31 409 employees across all our geographies completed the survey, a 62% participation rate. **The employee net promoter score (eNPS) improved from +14 to +23**, meaning that more employees are willing to recommend Standard Bank as a great place to work. Our eNPS score is well above the SA companies benchmark, and in line with the SA Financial Services eNPS.

The emotional promoter score ('How I feel about working for SBG') rose to +58. There has been positive movement on all questions since the 2017 survey.

Employees showed a strong connection to the Standard Bank purpose and brand:

- 96% of respondents are willing to go the extra mile to make Standard Bank successful
- 94% understand their contribution to the broader Standard Bank purpose
- 90% are proud to be associated with the Standard Bank Group

While most employees are satisfied with their opportunities for career growth and skills development, there is some room for improvement:

- 81% are satisfied with the work they do
- 81% believe they have opportunities for development
- 71% have opportunities to grow and advance their careers

Most employees feel supported at work and have good relationships with their colleagues and managers, but the group needs to do more to ensure that employees feel their voices are heard:

- 96% report that they have good relationships with their colleagues
- 81% trust their immediate leader to act with integrity
- 78% have a caring immediate leader
- 74% feel heard when voicing their views

In South Africa, Standard Bank won the LinkedIn Best Employer Brand Award 2018 in the category of 500+ employees. The criteria were engagement, reach, LinkedIn life page completeness score and employer branding posts score. SBG also scored high in the corporate category at the LinkedIn Marketing Awards SA 2018.

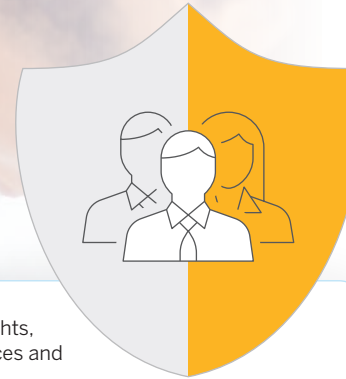
Stanbic Bank IBTC Nigeria won five of nine awards at the HR People Magazine Awards 2018 in Lagos: Best Training, Learning & Development Strategy, Outstanding Employee Engagement Strategy, Employer of Choice (large corporate), HR Manager of the Year, HR Champion of the Year (to the Group CE for outstanding commitment to growing people).



Working conditions and employee wellbeing

The Standard Bank 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. It includes our commitment to:

- Protection of human rights, fair employment practices and non-discrimination.
- Freedom to express concerns arising in the workplace through established 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.
- Freedom of association, and the freedom not to associate, including the right to collective organisation and representation.



Employee wellbeing

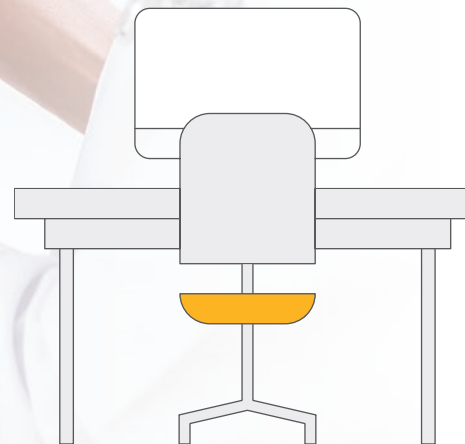
In South Africa, we've been using the cost of total sick leave as a percentage of total payroll as our key measure of sick absenteeism since 2015. In 2018, this equated to 1.2% (2017: 1.1%) which is below the current South African financial sector norm of 2.3%. (This norm was increased in February 2017 from 1.7% to 2.3%.)

We started to extend our sick absence management framework to our other countries of operation and a programme to manage short-term incapacity leave was designed and implemented across South Africa.

We encourage our employees to take responsibility for their wellbeing by seeking advice and assistance on health, wellness and/or financial challenges. We provide a wide range of health and wellness services, including individual and team counselling services to assist our employees to manage personal problems, work stress, change, indebtedness, and illness. We train managers in managing absenteeism and appropriately supporting employees who display symptoms of psychosocial or health challenges.

Employees can participate in wellness days, medical assessments for executives and senior managers, and a range of training and upskilling initiatives focusing on building personal resilience and coping skills. In South Africa, we piloted a smoking cessation intervention as well as a series of critical conversations on women and men's health. Pilot programmes also included the development and implementation of line manager and human capital upskilling to manage mental health issues and sexual harassment in the workplace.

During 2018, we continue to provide financial wellness training and access to financial counselling services for our employees. **We have partnered in this with our credit customer assist unit in PBB, which offers support with, amongst others, debt consolidation.** Employees continue to have access to financial coaching, focusing on budgeting and improving behaviour related to personal money management.





Health and safety

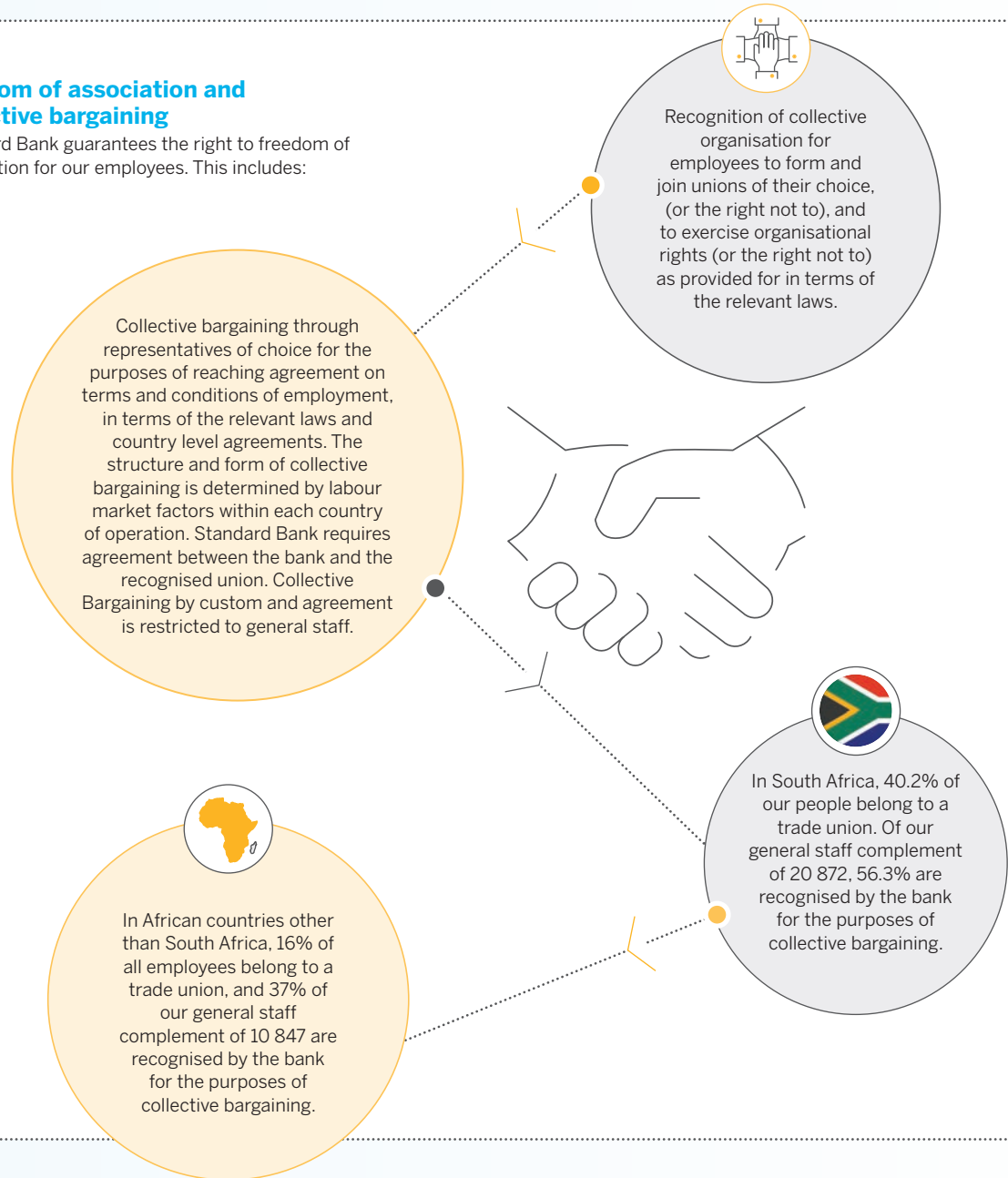
Standard Bank is committed to providing a healthy and safe working environment for our employees. We do so by complying with all applicable legislation and regulatory and supervisory requirements. **Our occupational health and safety (OHS) policy seeks to achieve high standards of environmental care and provide a healthy and safe workplace for employees, contractors, clients, visitors and other relevant persons.** Any risks to the health and safety of employees and stakeholders resulting from hazards in the workplace and/or potential exposure to occupational illness, as well as the group's exposure to the risk of impacting directly on the environment through our business, are managed by the safety, health and environmental risk management team and are supported by executive management accountability structures.

Our operations across Africa comply with national occupational health and safety standards and legal requirements, or the bank's minimum standards, whichever is more stringent. Effective OHS practices provide protection against the direct costs of health and safety violations and minimise legal, regulatory and reputational risks, while simultaneously ensuring shareholder value by looking after our biggest asset, our people.

We continuously strive to ensure that a healthy and safe workplace is provided for all employees, contractors, customers and visitors across all geographies, in pursuance of all applicable health and safety legal requirements and best practices. As an employer we understand that our duty of care places an obligation on us to integrate occupational health and safety management programmes as part of our policies and management arrangements at the workplace. **We empower our people with appropriate knowledge and training that will enable them to effectively execute their health and safety responsibilities.** We also provide our service providers and contractors with information on their health and responsibilities and how their activities may impact the bank'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, whilst preventing, minimising and managing health and safety risks, working closely with all the relevant stakeholders.

Freedom of association and collective bargaining

Standard Bank guarantees the right to freedom of association for our employees. This includes:





Investing in communities

Africa's growth depends on her people having access to quality education, and the promotion of skills training and lifelong learning opportunities in the context of the fourth industrial revolution.

Standard Bank aims to create shared value through our **corporate social investment (CSI)** initiatives – addressing social needs in a sustainable manner, while also seeking business opportunities.

Our **corporate social investment policy in South Africa** insures that our initiatives continue to drive value for all stakeholders, by ensuring that our CSI initiatives deliver in respect of:

- Enhancing our reputation;
- Improving our employee experience;
- Situating us favourably in the competition for client business;
- Growing new markets; and/or
- Demonstrating that we are locally relevant and responsive.

In South Africa, the Financial Sector Code requires us to spend 0.6% of net profit after tax on socioeconomic development. We focus our investment in education, with the objective of enhancing access to quality education for all, from early childhood development to higher education, and improving educational outcomes. Education spend accounted for just under R96.6 million, about 68% of our total CSI spend of R141.2 million, in 2018. Standard Bank SA's total CSI spend amounts to 0.88% of net profit after tax.

 **RTS** | Read more in Reporting to Society on page 59.

Our corporate social investment programmes focus primarily, but not exclusively, on education, from early childhood development to tertiary education. In South Africa, Standard Bank's Tutuwa Community Foundation, established following the conclusion of Standard Bank's Tutuwa black economic empowerment deal, supports a range of child development, educational initiatives, and youth work readiness schemes.



“Focused and deliberate corporate social investments contribute to the social and economic transformation of the countries in which we operate. This is a critical contribution that the bank can make towards growing Africa and achieving our purpose. Properly implemented CSI demonstrates that the bank is a responsible and responsive corporate citizen.”

Dr Wendy Orr,
Head: Group inclusion, Standard Bank Group





Supporting early childhood development

Extensive empirical research has demonstrated that developmental stimulation during the earliest years of childhood is critical to future intellectual, emotional and physical wellbeing. In South Africa, Standard Bank and the Tutuwa Community Foundation support early childhood development (ECD) through a number of targeted initiatives. We invested more than R11.6 million in 2018.



The Tutuwa Community Foundation in collaboration with the DG Murray Trust and the National Department of Social Development aims to improve the effectiveness of the ECD Conditional Grant implementation. If the project is successful and achieves the defined outcomes, National Treasury will institutionalise the ECD conditional grant framework. This will provide greater equity and access, improved efficiencies, and improved delivery of ECD programmes for the children being subsidised.

The Tutuwa Community Foundation is part of the Impact Bond Innovation Fund (IBIF), a first-of-its-kind social impact bond for ECD. The IBIF was launched in September 2018, in collaboration with Mothers2Mothers and Foundations for Community Work. It's led by the Western Cape Department of Social Development, in a matched funding arrangement with ApexHi Charitable Trust, and supported by a coalition of investors, including Tutuwa. With an investment of R3.5 million over three years, the IBIF aims to improve the cognitive and socio-emotional development outcomes of more than 3 000 children in two low-income communities in the Western Cape. If successful, the IBIF model could be replicated and scaled up, creating a new model for public-private funding to tackle pressing social challenges.

The Tutuwa Foundation and Standard Bank CSI are investing in upskilling ECD practitioners. The Tutuwa Foundation partners with the Bright Kid Foundation, while Standard Bank CSI works with the Ntataise Lowveld Trust in Mpumalanga and Fundisani Thuto in the Eastern Cape.



Supporting quality schooling

We support primary and secondary school interventions in several of our countries of operation. Our programmes include teacher support for crucial subjects, as well as learning materials for both teachers and pupils.

Teacher upskilling



In South Africa, our focus is primarily on supporting the teaching of mathematics and science through teacher upskilling, Saturday school programmes and other programmes which aim to prepare high school learners for tertiary education through a focus on academic support together with leadership skills, self-mastery and study skills. In 2018, we invested in:

- After-school and Saturday tutoring sessions for 225 learners in Grades 9 to 12, across three provinces, through the Ikamva Youth Development Programme.
- Participation of 50 learners from six schools in three provinces in the Wits University Targeting Talent Programme, which engages with learners from Grade 10 through to 12 to support university readiness.
- Scholarships for young people from disadvantaged communities to attend high-performing public and independent schools.
- Ongoing participation in the National Education Collaboration Trust, a collaboration between businesses, labour, civil society and government to influence and support the implementation of government's education reform agenda in primary and secondary schools.

Teaching and learning materials



Stanbic Bank Ghana supports the Medie Presby 2 Basic and Junior High School in the Greater Accra Region. In 2018, we provided teachers and pupils with teaching and learning materials and a monetary donation. Stanbic employees also participated with pupils in interactive discussions on drug abuse, teenage pregnancies and creating a savings culture. We're also funding the refurbishment of the school's sick bay, providing the necessary drugs and first aid equipment. We've selected 15 children for Stanbic's Student Mentor Scheme – they'll receive advice, guidance and material support to help them become the next generation of Ghanaian professionals.



Stanbic IBTC Nigeria is sponsoring 10 indigent children, aged six to 18, to get them back to school. Our sponsorship of N6.3 million (R250 000) covers tuition fees, uniforms, books and other essential supplies. We're working with a partner organisation to provide all-round development for the children, helping to provide them with a solid foundation. We've also created a N1.5 million (R60 000) education trust for the *Together4 A Limb* initiative that supports indigent children who have lost limbs to access quality education and live a full life. The initiative, launched in 2017, has benefited 19 young Nigerians.



Sponsorship of
N6.3 million (R250 000)



In Malawi, we support a mentorship programme for girls, run in partnership with Malawi's Ministry of Education and UNICEF. Female employees of the partner agencies, together with Malawi Girl Guides, visit rural areas to mentor girls on career development and financial literacy. The programme, which has been running since 2016, is currently mentoring 230 girls. There has been a visible improvement in the academic ranking of girls. 25 Standard Bank employees participated as mentors, with an investment from Standard Bank of MK4.2 million (R83 000).



Stanbic Malawi's Bring the Girl Child to Work campaign, launched in 2017, saw 246 girls participating in 2018. Our investment in the programme was MK10 million (R198 000), with participation from 85 Stanbic employees in three locations.



Wealth partners with three charities to support education and long-term sustainable development in Uganda and Ghana. In 2018, we supported the construction of two pre-primary school classrooms in Western Ghana, in partnership with Island Aid for World Children; we raised GBP32 000 (R586 000) for Mifumi Primary School in Uganda; and we continued our partnership with Send a Cow, investing GBP13 300 (R244 000) in the Orphans Project in Uganda to fund skills development.



Without a solid grounding in numeracy, literacy and life-skills in the foundation phase of schooling, children will struggle to perform to their full potential in further schooling and higher education.

In South Africa, Standard Bank CSI works in partnership with a range of organisations to improve the teaching of foundation skills through a focus on upskilling teachers in numeracy, literacy and life-skills teaching, largely through in-classroom mentoring by skilled and experienced retired educators. In some instances, the mentoring is supplemented with workshops, the provision of learner workbooks and literacy workshops for parents. We also fund the Little African Scientist Project, which forms part of the teacher development programme run by the Faculty of Education at North West University. It aims to support foundation phase teachers in mathematics and science education.

“Education remains an effective tool to a self-sustainable country which is able to lessen and possibly eradicate the inequality gap on many levels, hence our pledge to support education.”

Harry Opoku Agyemang,
Head of personal markets, Stanbic Ghana



Our bursary programmes support deserving students to obtain degrees in critical skills areas. We also partner with government institutions in some countries. In 2018, we funded 389 students.

We provided 296 bursaries for students at South African universities, to the value of R35.7 million. 130 of these bursaries were directly awarded and managed by Standard Bank and 166 were funded through the Ikusasa Financial Aid Programme (ISFAP). ISFAP is a public-private partnership between government and corporates, aimed specifically at addressing the funding gap for the so-called 'missing middle'. In 2017, Standard Bank funded full cost bursaries for 172 students. We continued to fund these students in 2018, less the six that exited the programme.

In 2018, 12 of our bursary recipients who graduated in 2017 were employed by Standard Bank. They include:



- **Lindokuhle Twala**, who received a bursary to complete his engineering degree from the University of KwaZulu-Natal. While studying, he worked as a petrol attendant to support his family. In 2018, he joined the bank's graduate programme.



- **Mmakole Mphalele**, the first person in her family to be awarded a degree. She excelled in her internship at the bank in 2017, earning further sponsorship to complete her post-graduate degree in risk management. She'll be joining the bank's risk graduate programme in 2019.



- **Olwethu Myeza**, who received a bursary in 2015 to study computer science at the University of Cape Town. Circumstances delayed the completion of his studies, but his resilience and tenacity caught the attention of our leaders who offered him mentorship in his final year. He graduated in 2018 and will participate in a Standard Bank graduate development programme in 2019.

Standard Bank and the University of Johannesburg have partnered to support 10 exceptional students through their undergraduate and post-graduate studies, through the Actuationist programme. Two of these students started their careers in Standard Bank in 2019.

We also run specific bursary programmes in key countries in Africa Regions. For example: Standard Bank Malawi has launched a MK120 million (USD165 000) bursary programme, to run for four years. Bursaries have been provided to six students from each of the five public universities in Malawi, totalling 30 students.

The Standard Bank Chairman's Scholarship (previously known as the Derek Cooper Scholarship) welcomed its fourth intake of 10 students in October 2018. Our 2018 investment of R7.8 million brings the total number of beneficiaries to 33, across eight African countries (South Africa, Ghana, Zambia, Nigeria, Uganda, Tanzania, Kenya and Zimbabwe). The scholarship is awarded to a small number of exceptional African graduates, who we believe have the potential to become influential leaders in business, politics and/or civil society, to pursue post-graduate studies at top international universities. Our alumni include:

- **Zainab Haruna**, who completed an MSc in African development in 2017, at the London School of Economics and Political Science and has established a youth-led social enterprise in her home country, Nigeria, aimed at building entrepreneurs and sustainable enterprises and improving the quality of education.

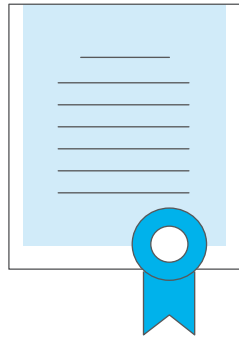


- **Lesego Holzapfel**, who has co-founded Raise the Children International, a registered non-profit organisation in South Africa which supports orphans from impoverished and rural communities and mobilises resources for these children to access higher education. As a former volunteer teacher in a rural school near her hometown of Mmabatho, Lesego believes in education-based solutions to poverty. She's also the founder and CEO of Bokamoso Impact Investments, a social enterprise dedicated to uplifting remote underdeveloped areas of the country through agriculture and entrepreneurship.





Promoting sound governance and integrity



The group social and ethics committee is responsible for ensuring that we act ethically in relation to internal and external stakeholders, and society more broadly.

The committee meets quarterly and includes executive and non-executive directors. Key issues discussed by the committee during 2018 included progress on embedding an ethical culture in Standard Bank; group-wide principles for stakeholder engagement; measures to accelerate gender and racial transformation within South Africa, and gender equity across the group; effectiveness of group policies and processes to minimise instances and support the victims of discrimination and sexual harassment; issues raised by environmental and social rights groups; and employee wellbeing.

Governance structures and accountability



Client risk committees operate in each of the business units to address client risk management matters. These committees include specific consideration of ethical considerations. The bank may choose to exit a client relationship based on consideration of commercial factors, contractual obligations to the client, compliance, reputational and other risk considerations.

Our **supplier risk committee** oversees supplier relationships, including risks arising from the ethical behaviour of suppliers, as well as financial crime and reputational risks including conflicts of interest, anti-competitive practices and human rights violations. A new third-party risk management framework has been approved by the group risk oversight committee.

Our **group procurement policy** is based on the matrix operating model of the organisation. All procurement transactions must be objective, transparent and fair, in line with sound corporate governance principles, and the highest procurement and ethical standards must be applied to all such transactions. We require all our suppliers to respect basic human rights and establish a clean and safe working environment. This includes not allowing forced labour, child labour or discrimination, and paying appropriate wages, regulating working hours and respecting everyone's freedom of association. Suppliers, consultants and contractors to the bank must comply with all the environmental and social legislation applicable, and they must follow good environmental and social practice that applies to their sector and to the goods or services supplied. The bank strives to procure goods and services that have a lesser or reduced impact on the environment and on the health and safety of workers and communities.



Privacy and confidentiality are core to the way we do business. We are committed to protecting client information, and adhere to the relevant codes and regulations, including South Africa's Code of Banking Practice. Standard Bank's data privacy policy provides for measures to ensure that the group processes personal information in a lawful and responsible manner. These measures, together with other relevant policies, inform the security safeguards necessary to protect personal information from unlawful and unauthorised access, use, destruction or loss. These measures cover all processing activities within the group. South Africa's Protection of Personal Information Act (POPIA) has been a driver for the implementation of further controls to protect client privacy. We are well prepared to meet the requirements of POPIA, and the European General Data Protection Regulation in the relevant jurisdictions. Our privacy statement and Standard Bank South Africa Limited's Privacy Statement is published on the following websites:

[www | standardbank.com](http://www.standardbank.com) standardbank.co.za

Employees and other stakeholders can seek advice or report concerns about unethical or unlawful behaviour anonymously. Information on our policy and processes for **whistle-blowing** is readily available to all employees. Employees have access to an independent, confidential whistle-blowing hotline. They are actively encouraged to make use of this should they feel that the group's values or code of ethics is being compromised. Standard Bank commits to protecting employees who whistle blow in accordance with the procedures set out in our whistle-blowing policy.



OUR VALUES

serve as beacons for the behaviour and qualities that define us as we execute our strategy.

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

The chairman and the board set the ethical tone for the group. The board, through the relevant board committees, provides oversight of the group's activities, assesses adherence to our values and ethics, and monitors compliance with regulatory and legislative requirements, based on reporting by executive management, internal auditors and external auditors on measures implemented to ensure compliance with regulatory and legislative requirements. **The group chief executive, together with the chief ethics officer, are responsible for embedding the group's values and code of ethics across the group.** They are supported by business unit ethics officers at an operational level.

Standard Bank's code of ethics is informed by relevant anti-corruption and corporate governance legislation in our countries of operation, globally recognised standards, including the King IV Code of Governance, industry best practice, and Standard Bank's eight corporate values. It is certified by the Ethics Institute of South Africa as conforming to the highest

Our values-driven culture

Our culture is 'the way we do things'. Our work to shift our culture for the better recognises that how we do things is as important as the things we do. Our culture is determined by our purpose, vision, values and our approach to ethics. **Our code of ethics guides us to be responsible and respectful** in our dealings with all our stakeholders as we work to become Africa's leading financial services organisation. It outlines acceptable business conduct and is an important reference point for employees acting on behalf of Standard Bank. These clearly defined parameters empower us to make faster, more confident decisions that have the interests of our clients, and the people of Africa, at heart.

We are focusing on three critical behaviours that will shift our culture and make the biggest difference in supporting our strategic journey:

- Connect every team's work to the group's larger purpose of **servicing our clients with integrity.**
- **Create common goals** across different areas and follow through urgently.
- Enable people to **take ownership** of their work and help to remove obstacles.

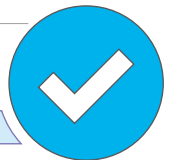
standards of international best practice. **Our code of ethics is integrated into our governance standards and policies, our group-wide conduct programme, and our compliance training** programmes. It applies to all our banking operations and is aligned to group standards, policies and procedures. It is currently published in English, French and Portuguese.

Our code of ethics and our group values serve as the primary reference for employees when resolving any ethical issue. Our employee handbook, which is available online to all employees, sets out our policies, principles and ways of working, and has a section devoted to our code of ethics and culture. Our values and ethics also form part of our employee performance management system.

All new employees are inducted into our ethics culture as part of our employee orientation programme. Internal employee engagement mechanisms are used to deliver ongoing communication on our ethics stance and culture. All employees are required to complete an online training course on our code of ethics, on an annual basis. Course content is regularly updated and incorporates learning from real incidents.

Our code of ethics addresses the following:

- Treating customers fairly
- Providing secure banking facilities
- Providing professional development opportunities
- Evaluating performance objectively
- Sustainable value creation for shareholders
- Adhering to good corporate governance
- Engaging in political activities responsibly
- Protecting intellectual property
- Avoiding anti-competitive behaviour
- Rewarding innovation
- Working in unity
- Respecting human dignity
- Protecting our physical assets
- Honesty
- Addressing conflicts of interest
- Combating unethical and criminal activities
- Prohibiting giving and receiving of bribes
- Prohibiting facilitation payments
- Responsibly giving and receiving gifts





Conduct risk management framework

Standard Bank Group's conduct risk framework uses a **culture-led strategy** to achieve the culture, ethics and conduct we expect to see from our employees. We've put in place effective governance structures with clear responsibility and oversight to promote fair and effective customer outcomes. The board and senior management play a prominent role in supporting awareness and embedding conduct standards.

Since launching our **treating customers fairly** (TCF) programme in July 2014, we've undertaken a significant amount of work to embed the TCF principles. This work is based on sound tenets of business ethics and is aligned to our values. As part of the evolution of the TCF journey, we have strengthened our governance environment with the institutionalisation of our conduct risk management framework. The framework defines the group's conduct risk appetite and informs our approach to identify, assess and manage conduct risk through enhanced reporting and monitoring that considers fair customer outcomes in material business decisions.

Different areas across the group are required to complete monthly **conduct dashboards**, which are submitted to the relevant group management committee. **Conduct dashboards monitor indicators related to conduct culture and governance.** The dashboards include metrics related to employee turnover, absenteeism, registration of gifts and entertainment, personal account trading, declaration of outside business interests, data privacy and protection, and client complaints. They provide a barometer of a significant dimension of the prevailing ethical climate. All business units and corporate functions submit their conduct dashboards to group executive committee on a quarterly basis.

Our **conflicts of interest policy** forms part of our conflicts of interest management framework. The policy is aimed at ensuring that **Standard Bank and all our employees comply with the applicable statutory and regulatory obligations by ensuring that all reasonable steps have been taken to prevent or fairly manage potential conflicts of interest, and thereby mitigate the effect that such conflicts could have on our clients,**

as well as the bank. 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. It also serves to ensure that there are processes, procedures and mechanisms in place to identify, prevent or manage conflicts of interest to:

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

Our **money laundering and terrorist financing control** framework and structures for managing our money laundering and terrorist financing risk are **designed and maintained to ensure compliance with Financial Action Task Force recommendations and in-country legislative requirements in all jurisdictions.**



“The process of embedding good conduct is underpinned by the group's code of ethics and values. The group holds itself and its stakeholders to high ethical standards and will continue to focus on doing the right business in the right way, by balancing sustainable returns for our stakeholders with fair client outcomes and good business practices.”

Isabel Lawrence,
Group chief compliance and data officer, Standard Bank Group

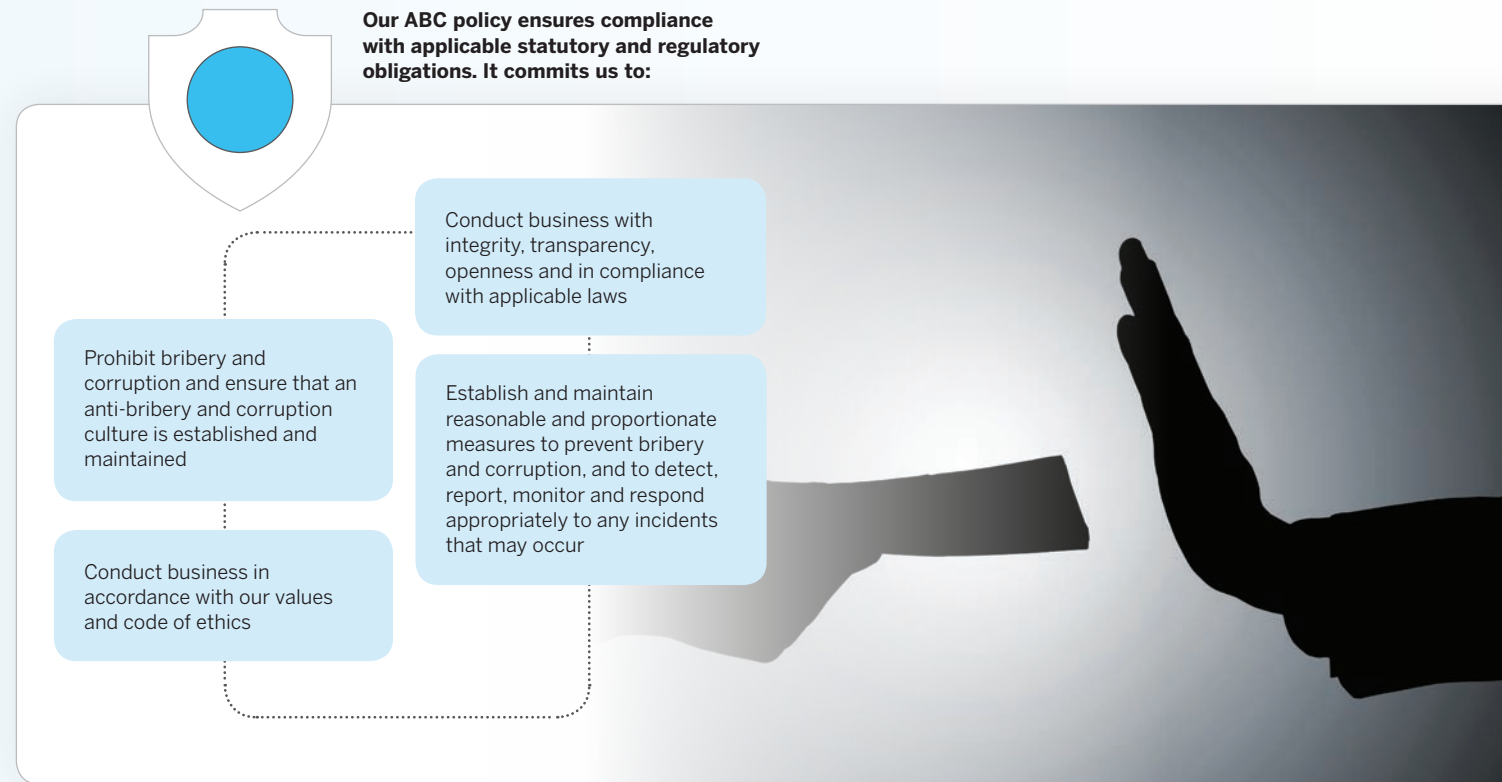


The South African Financial Intelligence Centre Act has been amended to incorporate a risk-based approach to compliance in relation to the anti money laundering/ combating the financing of terrorism (AML/CFT) regulatory framework. This includes the requirement to develop, document, maintain and implement a risk management and compliance programme that must demonstrate the group's ability to effectively apply a risk-based approach.

Our money laundering control policy and our financial sanctions and terrorist financing policy comply with applicable statutory and regulatory obligations and ensure that:

- The risks arising from money laundering, terrorist financing (ML/TF) and financial sanctions are well understood, mitigated and proactively managed;
- Standard Bank's reputation and integrity is protected by taking all reasonable steps to prevent its use for ML/TF and the circumvention of financial sanctions; and
- A framework is established that will enable the recognition, investigation and reporting of suspicious activity and all reportable transactions to competent authorities.

Standard Bank manages our **anti-bribery and corruption** (ABC) risk in accordance with the Organisation for Economic Co-operation and Development's Guidance for Multinational Enterprises. Oversight of ABC is provided through the bribery and corruption review committee. An ABC risk assessment for the group was completed in 2018 and presented to the group social and ethics committee. Specialised training has been developed for areas that are perceived as being more susceptible to risk of bribery and corruption.



We've introduced several **automated solutions** across our countries of operation to improve efficiency in money laundering control and declaring outside business interests.

All Standard Bank employees must complete compulsory compliance training, which is available online and can be accessed via a computer or mobile device. Training uses case studies and course assessments and provides immediate feedback. We also hold regular 'compliance conversations' 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.

We **track fines and penalties** issued against the group to assist us to identify problems areas that need attention and to implement appropriate remedial action.



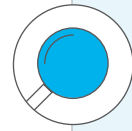
Oversight and assurance

Regulatory and compliance risk

Our executives, senior management and compliance teams work together to reinforce a compliance culture across the group. This encompasses our approach to business risk conduct, dealing with client risk and personal conduct risk. **Group compliance assists in ensuring that we continuously manage our regulatory, supervisory and conduct risk.** Group internal audit provides independent, objective assurance and advice to improve risk management, control and governance processes. **Group governance and group compliance ensure that we meet our regulatory requirements in terms of Banks Act requirements, company law, financial sector regulation and corporate governance.** We have expanded our compliance capability over the past year and have worked closely with middle management to emphasise its role in driving a culture of compliance at all levels across the group.

Our **combined assurance model** includes group internal audit, group compliance monitoring and integrated operational risk, which together ensure a coordinated approach to providing assurance on whether top risks are effectively managed in the group.

The Standard Bank Group **audit committee** is responsible for:



Monitoring and reviewing the adequacy and effectiveness of accounting policies, financial and other internal control systems and financial reporting processes



Providing independent oversight of the group's assurance functions, with focus on combined assurance arrangements, including external audit, internal audit, compliance, risk and internal financial and other internal control systems and financial reporting processes



Reviewing the independence and effectiveness of the group's external audit, internal audit and compliance function



Assessing the group's compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports, thus providing independent oversight of the integrity thereof. Committee composition, skills and experience

Environmental and social risk

The board's responsibility for environmental and social (E&S) risk management oversight is delegated to the group risk and capital management committee, which has delegated functional E&S risk responsibility to the group risk oversight committee. This committee is responsible for ensuring effective E&S risk management in line with the bank's risk appetite, and overseeing the processes implemented by business unit risk committees and mandated forums. **The group environmental and social risk and finance (GESRF) team is responsible for ensuring that environmental and social risks are identified, evaluated and managed and that green, social and carbon financing opportunities are identified and pursued.**

Standard Bank's new E&S risk governance standard, adopted in March 2018, provides the principles under which we identify, measure, manage and report on environmental and social risk. **The E&S risk governance standard aims to ensure that Standard Bank upholds its commitment to manage and mitigate negative environmental and social impacts arising from our activities, support conscious risk-taking, and enable the development and implementation of solutions with positive social and environmental impacts.** It covers all forms of environmental and social risk, and applies across Standard Bank globally, while acknowledging differences in economic and social priorities and regulatory, compliance and legal frameworks in different geographies. The E&S risk governance standard will be reviewed and updated every two years to reflect changes in the bank's strategy or to address new and emerging environmental and social perspectives.

The E&S risk governance standard is supported by the group's revised E&S policy, also adopted in March 2018. The policy applies to the group globally and covers all legal entities across our countries of operation, with the objective of ensuring that all our operations effectively assess and manage E&S risk associated with all business transactions, irrespective of size, nature of business or location. The policy is primarily applicable to business, commercial and corporate clients, and includes our main financing products such as project finance, commercial debt and equity, short-term banking facilities and trade finance. The E&S policy is supported by the exceptions list.



To view a list of Standard Bank's governance policies, refer to page 54 and 55.



SINCE 2004, STANDARD BANK HAS SOUGHT TO STRENGTHEN DEMOCRACY AND POLITICAL PARTICIPATION IN SOUTH AFRICA THROUGH OUR DEMOCRACY SUPPORT PROGRAMME.

Political party funding

Strengthening democracy through political party funding, South Africa



The programme is reviewed by the group social and ethics committee every five years. Political parties require funding to organise, formulate policy proposals, conduct research, prepare for Parliamentary debates, represent their members' interests and effectively compete in free and fair elections. Standard Bank provides funding to parties represented in the National Assembly using a funding formula based on that implemented by the Independent Electoral Commission: 10% of the annual disbursement amount is divided equally between all parties represented in the National Assembly, and 90% is assigned in proportion to the number of seats held by each party.



Representatives of the bank meet with the leadership of each party on an annual basis to receive a report on how funds were used, and to discuss matters of mutual interest. In 2018, Standard Bank South Africa allocated R2.6 million to funding political parties.



The bank also provides funding to research organisations and organised business, which play an important role in supporting evidence-based policymaking; supporting a conducive and sustainable business environment; promoting transformation and inclusive growth; and supporting social dialogue. In 2018, we disbursed R5.5 million to these organisations, in varying amounts.



ESG Metrics

Environmental and social risk management (indirect)

GREEN VS BROWN ENERGY INVESTMENT (SBG)

Indicator description	Measure	2018	2017	2016
Cumulative underwrite of energy transactions – since 2012	USD bn	2.77	2.28	2.28
Green (renewables)	USD bn	2.38	1.90	1.90
Brown (fossil fuel based)	USD bn	0.38	0.38	0.38
Ratio: Green (renewables)	%	86 [✓]	83	83
Ratio: Brown (fossil fuel based)	%	14 [✓]	17	17
Number of energy transactions financed per year		7	0	1
Green (renewables)	MW	472	0	34
Brown (fossil fuel based)	MW	0	0	0

E&S screening and risk management

Indicator description	Scope	Measure	2018	2017	2016
Number of employees trained on E&S risk	SBG				
Total number of employees trained per year	SBG	Number	632	248	na
Aggregated % of target classroom training completed	SBG	%	32.6	9.2	0



Environmental and social risk screening in 2018

In CIB a total of 319 transactions were screened* in line with our internal E&S screening process. The outcome of this E&S screening is illustrated below in terms of client risk and transaction risk.

	Measure	Client risk	Transaction risk
Low risk	%	95	82
Medium risk	%	4	14
High risk	%	1	4
		100	100

*Screening numbers based on submissions to regional and global pre-credit committee

EQUATOR PRINCIPLE TRANSACTIONS THAT REACHED FINANCIAL CLOSE WITHIN 2018 ✓

	Project finance (10)			Project related corporate loans (1)			Advisory (0)		
	Category			Category			Category		
	A	B	C	A	B	C	A	B	C
Total projects	3	7	0		1				
Sector									
Oil and gas	1								
Mining		7							
Power					1				
Infrastructure	2								
Others									
Region									
Americas									
Europe, Middle East and Africa	3	7			1				
Asia Pacific									
Country designation									
Designated									
Non-designated	3	7			1				
Independent review									
Yes	3	7			1			na	
No									



Our direct environmental impacts

CARBON EMISSIONS (SBSA)

Indicator description	Measure	2018	2017	2016
Scope 1 diesel generators	Tonnes CO ₂	1 153	1 660	831
Scope 1 fleet vehicles	Tonnes CO ₂	1 969	2 603	3 486
Scope 1 natural gas	Tonnes CO ₂	3 742	3 363	3 984
Scope 1 refrigerants	Tonnes CO ₂	3 350	3 180	3 536
Total Scope 1	Tonnes CO ₂	10 215	10 806	11 836
Scope 2 (purchased electricity)	Tonnes CO ₂	202 586	220 408	233 107
Total Scope 1 and 2	Tonnes CO ₂	212 801	231 214	244 943
Scope 3 flights	Tonnes CO ₂	29 107	25 762	32 824
Scope 3 rental cars	Tonnes CO ₂	422	412	278
Scope 3 paper	Tonnes CO ₂	337	1 378	1 404
Scope 3 waste disposed	Tonnes CO ₂	802	669	504
Total Scope 3	Tonnes CO ₂	30 668	28 221	35 009
Total emissions	Tonnes CO ₂	243 469 [✓]	259 435	279 953



ENERGY SOURCES 2018 (SBSA)

Indicator description	Electrical energy (kWh)	CO ₂ emissions (kg)
Purchased electricity	212 282 646.6	202 586 483.1
Diesel generators	4 335 954.7	1 153 363.9
Natural gas	18 525 348.5	3 742 120.4
Renewable	3 101 012.3 [✓]	0
Total	235 143 950.0	207 481 967.5

WASTE MANAGEMENT 2018 (SBSA)

Indicator description	Total kg	Total (tonnes)
General waste	1 365 234.4	1 365.2
Recyclable waste	170 308.2	170.3
Hazardous waste	1 379.0	1.4
Waste to landfill	1 366 613.4	1 366.6

Paper consumption in tonnes (SBSA)	2018	2017
Total	352.9	1377.6
CO ₂ tonnes	337.3	2663.7

WATER CONSUMPTION (SBSA)

Indicator description	Measure	2018	2017	2016
Total water consumption	cubic litres	680 559	666 806	718 960
Reduction target	%	6	na	na



Social indicators

OUR PEOPLE

Indicator description	Scope	Measure	2018	2017	2016
Total number of employees by type of employment contract (Banking)	SBG	Employees	52 147	54 047	54 238
Permanent	SBG	Employees	47 419	48 322	48 622
Non-permanent	SBG	Employees	4 728	5 725	5 726
Total number of employees by gender (Permanent)	SBG	Employees	47 419	48322	48 622
Male	SBG	Employees	20 032	20407	20 494
Female	SBG	Employees	27 387	27915	28 128
SBSA diversity & inclusion – Black employees (South African citizens)	SBSA				
Top management	SBSA	%	41.9 [✓]	34.1	22.2
Senior management	SBSA	%	46.3 [✓]	43.1	40.7
Middle management	SBSA	%	71.3	69.5	68.0
Junior management	SBSA	%	88.3	87.5	86.6
Total number of employees by region	SBG	Employees	47 419	48 322	48 622
South Africa	SBG	Employees	32 162	32 876	33 332
Africa Regions	SBG	Employees	14 618	14 831	14 693
Standard Bank International	SBG	Employees	639	615	597

STAFF TURNOVER

Indicator description	Scope	Measure	2018	2017	2016
Voluntary turnover rate	SBG	%	4.9 [✓]	5.5	5.6
Voluntary turnover rates (African)	SBSA	%	5.0	5.5	5.7
Voluntary turnover rates (Black women)	SBSA	%	4.3	4.5	4.9
Black female hires as a % of total hires	SBSA	%	52.5	46.1	54.5
Overall turnover	SBG	%	8.3	8.8	9.1
Voluntary regrettable turnover ²	SBG	%	2.3	2.3	2.1
Voluntary turnover at executive level	SBG	%	4.8	4.3	5.6



LEADERSHIP

Indicator description	Scope	Measure	2018	2017	2016
Training spend (SBG)	SBG	Rm	931	925	890
Number of staff that attended a Leadership Programme	SBG	Employees	5 939	4 592	4 307
Number of leaders participating in customised leadership training programmes (non-Global Leadership Centre)	SBG	Employees	517	757	872
Number of staff receiving bursaries for studies	SBG	Number	1 933	934	724
Internal bursary spend	SBG	Rm	51.8	22.7	14.0
Number of Africa Regions attendees across all GLC courses	SBG	Number	687	1 017	na
Leadership training and Graduate programmes					
SBSA leadership training – total number	SBSA	Employees	4 920	3 543	2 460
SBSA leadership training – % of black attendees	SBSA	%	75	67.5	67.0
SBSA leadership training – % of black African attendees	SBSA	%	46	34.8	na
SBSA learnership/graduate programmes – total number	SBSA	Employees	1 009	924	1 037
SBSA graduate programmes – % of black attendees	SBSA	%	91	89	81
SBSA graduate programmes – % of black African attendees	SBSA	%	75	39.7	na



Training and development

NETWORK NEXT – DIGITAL PLATFORM TRAINING

Indicator description	Scope	Measure	2018	2017	2016
Number of courses offered on Network Next	SBG	Number	5 969	13 425	na
Uptake of courses by grade	SBG				
Junior management	SBG	%	42.1	18.6	na
Middle management	SBG	%	37.4	16.0	na
Senior management	SBG	%	24.6	8.9	na
Executive	SBG	%	10.8	3.4	na
Number of digitisation courses offered on Network Next	SBG	Number	139	na	na
% of black attendees at all digitisation courses	SBSA	%	85.7	na	na
% of women attendees at all digitisation courses	SBSA	%	71.3	na	na

STUDENT LOANS, BURSARIES AND SCHOLARSHIPS

Indicator description	Scope	Measure	2018	2017	2016
Number of students with Standard Bank bursaries and scholarships	SBG	Number	389	320	150
Value of above bursaries and scholarships	SBG	Rm	46.1	51.6	7.5

GRADUATE PROGRAMME

Indicator description	Scope	Measure	2018	2017	2016
Number of graduates on the programme	SBG	Number	243	139	207
% of graduates employed for permanent positions	SBG	%	100		
Value of bursaries and scholarships	Scope	Measure	2018	2017	2016
Total number of bursaries awarded	SBG	Number	2 322	1 084	864
Value of all bursaries	SBG	Rm	97.9	74.3	na



Gender equality

GENDER EQUALITY

Indicator description	Scope	Measure	2018	2017	2016
Gender equality					
Number of females in the bank	SBG	Number	27 387	27 915	28 128
Number of males in the bank	SBG	Number	20 032	20 407	20 494
Percentage of women in:					
Executive management	SBG	%	32.2 [✓]	31.5	30.4
Senior management positions	SBG	%	39.4 [✓]	38.2	37.5
Middle management positions	SBG	%	44.9	44.8	45.0
Junior management positions	SBG	%	50.9	50.9	51.2
Percentage of men in:					
Executive management	SBG	%	67.8	68.5	69.6
Senior management positions	SBG	%	60.6	61.8	62.5
Middle management positions	SBG	%	55.1	55.2	55.0
Junior management positions	SBG	%	49.1	49.1	48.8

LABOUR STANDARDS

Indicator description	Scope	Measure	2018	2017	2016
Freedom of association					
Percent of total number of employees covered by an independent trade union or collective bargaining agreements	SBG	%	40.17	na	na
Staff turnover and temporary staff					
Total employee costs	SBG	Rm	34 904	33 340	31 119
Defined contribution pension plan expense	SBG	Rm	4 483	na	na
Absenteeism					
Total number of person days lost due to absenteeism	SBG	Number	187 194	179 887	na



CORPORATE SOCIAL RESPONSIBILITY (SBSA)

Indicator description	Measure	2018	2017	2016
Education	Rm	89.6	82.6	59.5
Standard Bank 150 Bursaries	Rm	7	4.7	7.5
Provincial allocation	Rm	2.9	3.0	2.7
Staff matching	Rm	1.1	2.4	1.6
Employee community involvement	Rm	12.4	12.8	11.6
Executive discretionary fund	Rm	0.8	1.1	1.8
Humanitarian relief	Rm	0	0.0	0.0
Arts & culture and sports development	Rm	17.2	8.8	7.9
Global fund	Rm	4.6	na	na
Total administration & operational costs	Rm	5.6	6.6	5.6
Total CSI spend (South Africa)	Rm	141.2	106.0	95.7
CSI spend as a % of NPAT	%	0.88	0.8	0.67



Standard Bank Group policies

Compliance Policies

Anti-bribery and corruption policy
Chinese walls policy
Competition policy
Complaints management policy
Compliance risk management policy
Conflicts of interest policy
Data privacy policy
EU Short selling policy
FAIS Conflict of interest management policy
Financial sanctions and counter terrorist financing policy
Gifts and entertainment policy
Market abuse control policy
Money laundering and terrorist financing control policy
Need to know information policy
Outside business interest policy
Personal account trading policy
Research policy
Watch and restricted list policy
Complaints management (SBSA) policy
Exchange control interaction (SBSA) policy
Occupational Health and Safety (SBSA) policy

Human Capital

Assessment policy
Benefits philosophy
Bursary policy
Chronic diseases policy
Cross border transfer policy
Disability policy
Employee referral scheme policy
Harassment in the work place policy
International mobility for project based assignments
Annexure 2 Tier 2
International mobility for skills deployment assignments
Annexure 3 Tier 2
International mobility for strategic assignments
Annexure 1 Tier 2
International mobility Tier 1
Non-permanent resources policy
Policy for non-permanent resources
Recognition policy
Remuneration policy
Resourcing policy
Retirement funds and benefits policy
Smoke free policy
Staff movements_SALL_ICBC_SBG Policy
Substance abuse policy
Talent and succession policy
Time off in lieu (TOIL) of overtime policy
Corporate social investment policy

Credit Risk

Equity policy
Intragroup transactions lending to related connected parties policy

Investigations and Fraud Risk

Anti-Fraud policy
Whistle-Blowing Policy

Operational Risk

AMA capital model development policy
Business resilience policy
Managing the risk of outsourcing policy
New and amended business product and services policy
Operational risk management (ORM) policy
Stanbic international insurance Ltd (SIIL) risk management policy
Start-up acquisition and disposal transaction policy



Market Risk

Market risk policy

Model Risk

Credit risk model governance

Global markets and liquidity risk model validation policy

Operational risk model validation policy

Environmental and Social Risk

Environmental and social risk policy

Coal fired power finance policy

Information Risk

Acceptable use of information assets policy

Card data protection policy

External party information risk management policy

Information lifecycle policy

Information risk policy

Logical access management policy

Mobile device policy

Records management policy

Policy Regulatory Advocacy and Sustainability

Group Human rights statement

Stakeholder relations policy

Trade association policy



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