

STATEMENT MADE BY THE STANDARD BANK GROUP BOARD CHAIRMAN AT THE 52nd ANNUAL GENERAL MEETING HELD ON 2021-05-27 ON THE GROUP'S COMMITMENT TO REDUCE ITS EXPOSURE TO FOSSIL FUEL ASSETS

As you are aware, on 20 May 2021, representatives from Aeon Investment Management, Abax Investments, Visio Fund Management (Pty) Limited, Just Share NPC (the "Shareholders") and Standard Bank Group met to discuss the non-binding advisory resolution proposed by the Shareholders for inclusion at the Standard Bank Group Annual General Meeting scheduled for 27 May 2021.

For reference, the proposed resolution requested that *"the Company and its Directors include, in its reporting to shareholders for the year ending 31 December 2021, the Company's plans, if any, to set and publish a strategy, and short-, medium-, and long-term targets, to reduce its exposure to fossil fuel assets on a timeline aligned with the goals of the Paris Agreement (the "Paris goals")"*.

Standard Bank confirmed at the meeting with the Shareholders that:

- I. it is committed to publishing a climate strategy and short-, medium-, and long-term targets to reduce its exposure to fossil fuel assets on a timeline aligned with the Paris Goals; and
- II. it will do so as part of the group's 2021 reporting to shareholders.

The latter will be published in the first half of 2022.

The Shareholders recognise that there are significant challenges associated with the setting of meaningful and credible targets across the 20 countries in Africa in which the group operates. They were encouraged that Standard Bank Group has nevertheless committed to publishing a climate strategy in its 2021 reporting to shareholders.

Standard Bank Group also took the opportunity to resolve a previous misunderstanding with regard to Standard Bank Group's position on shareholders' rights to propose non-binding advisory resolutions. Standard Bank Group is not opposed to shareholders proposing non-binding advisory resolutions. The Board gives due consideration to all such proposed resolutions.

The Parties agreed to engage in a constructive manner on these matters going forward.

Furthermore, it was agreed that Standard Bank Group would make a formal statement at the AGM expanding on the commitments outlined above.

Accordingly, I now proceed to expand on the commitments as agreed.

Standard Bank Group will publish its climate strategy in its next TCFD Report. This climate strategy will be based on the following commitments:

1. The Group will set and publish science-based short-term, medium-term and long-term climate targets to support meeting the goals of the Paris Agreement and the goal of net-zero carbon by 2050.
2. The Group will adopt a phased and progressive approach to climate target-setting based on the principle of materiality. As such, we will start with the material sectors that are reported on in our latest TCFD Report. These sectors are oil & gas, thermal power, coal mining, renewables, and agriculture.

3. The Group will use appropriate climate scenarios to set its short-term, medium-term and long-term climate targets in line with the Paris Agreement.
4. The Group will annually report on its progress in achieving these targets in our annual TCFD Report.
5. The Group will annually report on action plans to achieve our targets in our annual TCFD Report.
6. The Group will regularly review its targets in accordance with current climate science.
7. Our climate targets will apply to the bank's lending and investment activities and will include clients' emissions, where material, and where data allows. Scope and sector coverage will increase between each review period, subject to data availability.
8. The Group's approach to climate-target setting is based on support for a just transition and the need to address Africa's energy deficit.

As stated above, the framework, climate strategy, and first set of climate targets will be included in our reporting to shareholders for the year ending 31 December 2021.

*****ENDS****