



INVESTING IN RENEWABLE ENERGY TO DRIVE SUSTAINABLE ECONOMIC GROWTH

Renewable energy is a huge potential growth area for Africa. Research done by McKinsey estimates that Africa has 10 terawatts of potential energy capacity, mostly solar, and a potential of 350 GW of hydro, 109 GW of wind capacity, and 15 GW of geothermal. Kenya is the world's ninth largest producer of geothermal energy, and is rapidly developing its wind power resources. Ethiopia has one of Africa's largest wind farms. Ghana is building the world's fourth largest solar facility. South Africa has been recognised for one of the fastest rates of growth in the world for renewable energy investment through the Renewable Energy Independent Power Producers (REIPP) Programme, inclusive of wind, solar power and biogas.

Since 2012, we have dramatically increased the proportion of our energy investments directed toward renewable energy.

85% of the power infrastructure projects we have funded in the past four years have been solar, wind or hydro projects, while only 15% of our energy investment portfolio has been on fossil fuel projects. As a result of this shift, we've helped to finance 2 516 MW of energy across Africa since 2012.

We recognise, however, that coal continues to play a crucial role in Africa's energy mix, both as a major source of affordable energy and a key employment sector. We are therefore working with our stakeholders in industry and government to implement a gradual shift away from investment in fossil fuels, towards renewable energy projects.

Considering environmental and social risks

Our environmental and social (E&S) risk approach is centred mainly on large qualifying transactions in corporate and investment banking (CIB), and is managed according to the Equator Principles (EP). Standard Bank became a signatory of the EP in 2009, and was appointed chair of the EP Association in 2015.

During 2016,

- Three Equator Principle projects[✓] that reached financial close within 2016

Total number of Equator Principle projects that reached financial close within 2016 per category

Category	Count
Category A (HIGH RISK)	0
Category B (MEDIUM RISK)	2
Category C (LOW RISK)	1
Total number of projects financed	3[✓]

457 transactions screened overall for social and environmental associated risks.

For more information on our E&S risk screening and EP projects for 2016, please refer to our additional online content at <http://sustainability.standardbank.com>