OUR ENVIRONMENTAL AND SOCIAL IMPACT

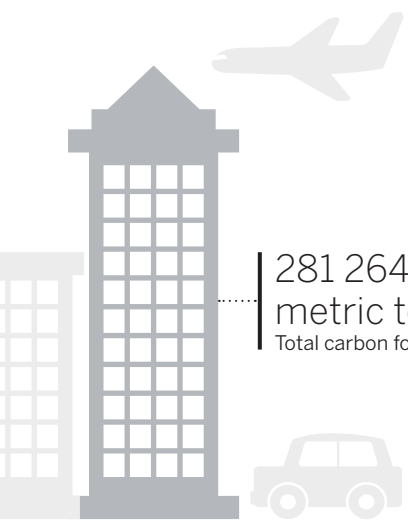
The financial services industry generally has a low direct impact, but potentially large indirect impacts, on the environment. We aim to mitigate potential negative impacts related to our financing activities, and are proactive in our approach to environmental and social risk management – going beyond minimum compliance.

Our direct impact

Given the large number of premises we occupy and manage, our investment in resource efficiency projects is making a positive difference to our direct impact.

Resource consumption and emissions

We have systems in place to track and manage our direct impact on the environment in terms of energy, water, carbon emissions and waste, and have put processes in place to reduce our environmental footprint. We continue to improve the integrity of our data for all environmental indicators.



281 264
metric tons
Total carbon footprint

Energy

Energy use within our property portfolio is our primary focus. Managing and reducing our energy consumption reduces our direct environmental impact and lowers operational costs. Actively managing our energy consumption also mitigates the impact of climate change, rising electricity costs, pending carbon tax costs and energy supply concerns. In-line of these challenges Standard bank has developed an Energy Management Strategy aligned with international best practices. We have set ourselves an ambitions target to reduce our overall energy consumption by 15% by 2020 compared to our 2014 consumption.

In support thereof, our online Energy Monitoring System is constantly improved to monitor the increasing number of our facilities in a more detailed manner in order to reduce uncertainty. We expanded on our metered sites to represent just over half of our property portfolio.

Our commitment to minimising our direct carbon footprint is evident by us adopting green building principles in our new build projects. In 2016 we won the Energy Efficiency Award at the 2015-16 Eco-Logic Award for our head office building in Baker Street, Rosebank, and Johannesburg. Ten of our branches are currently in the Green Building Council of South Africa certification process.

We also embarked on implementing Energy Management Systems aligned to the principles of ISO50001 in some of our headquarters and our data centres. Our Global Leadership Centre in Morningside was the first commercial facility in South Africa to receive an ISO50001 certification in 2016. This achievement was awarded the Sub-Saharan Energy Project of the Year in 2016 by the American Association of Energy Engineers.

Our three biggest energy consumers in our facilities are heating, ventilation and air-conditioning (HVAC) systems; lighting and information technology (IT). To address these areas, we are replacing fluorescent lighting with LED lighting, we are installing motion sensors to optimize our working environment, we are optimising our HVAC systems, and we utilize computer software to minimize night-time IT related electricity wastage.

Since 2016, we have invested over R25 million in energy efficiency improvements and renewable energy solutions. Our energy consumption across our South African operations reduced by 6% to 263 gigawatt hours in 2016.

Our renewable energy solutions provided 1 471 megawatt hours of renewable energy during 2016, reducing carbon emissions. Our total installed capacity of 1.7MW of Rooftop Solar PV was integrated with electric car charging stations, boasting the largest private green charging network in Africa.

Carbon footprint

Our carbon footprint has been calculated according to the International Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard. We use the operational control approach to determine what is included in our scope of reporting. SBSA's CO_2 equivalent for 2016 was 281 264 metric tons, 6% lower than 2015.

Key indicators	Metric	2016	2015
Energy – SBSA	kWh		
Diesel (generators)	kWh	**3 304 819.91**	8 659 398
Electricity purchased: premises	kWh	**179 600 352**	193 979 353
Electricity purchased: ATMs	kWh	**4 116 713**	3 881 348
Electricity purchased: datacentres	kWh	**47 082 081**	48 108 233
Natural gas purchased	kWh	**21 651 441.9**	23 875 788
Renewable energy generated	kWh	**1 470 750**	782 320
Paper consumption – SBSA			
Paper consumed	tons	**1 404**	1 925
Paper recycled	tons	**351**	676
Water consumption – SBSA			
Standard bank South Africa	kilolitres	**653 581**	698 018

Water consumption

We have made progress in improving the scope and accuracy of our water consumption in South Africa. During 2016, we installed additional meters at key sites in South Africa and gathered historic consumption patterns. A total of 53 sites are now being metered – up from 44 in 2015.

Using this data, we have developed a methodology similar to that used to measure electricity, which has enabled us to extrapolate water consumption for all our local premises. Water saving initiatives include the retrofit of water-cooled equipment with air-coolers, the installation of low flush toilets and low flow showerheads, timers for bathroom taps, rain water harvesting systems for irrigation and monitoring equipment that eliminates the need for garden sprinklers during the rainy season.

These water efficiency improvements, together with better measurement systems, resulted in a reduced water consumption in 2016 of 176 209 kilolitres or 21%.

Waste generated

In South Africa, we prioritise waste practices such as minimisation, reuse, recycling and responsible disposal. We receive disposal, reuse and recycling certificates from our service providers. We also undertake campaigns to raise employee awareness about minimising and sorting waste, and specific interventions such as the reuse of stationery and the use of recycling bins are in place.