

ESG governance

The Standard Bank Group board is responsible for ensuring the group conducts itself as a responsible, ethical corporate citizen.

Dedicated board and management committees are responsible for the oversight of ethics, conduct, culture, stakeholder engagement and ESG risk management, to ensure our values and standards are reflected in all our day-to-day activities. In 2019, the group adopted a new ESG governance framework, which recognises ESG as a separate risk type within non-financial risk and assigns clear accountability for management of this risk area.



GROUP EXECUTIVE COMMITTEE

SBG BOARD

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| monitors adherence to group policies and standards, including values and code of ethics | practices are in place to identify risks, resolve issues and strengthen risk culture | ensures clear business ownership and accountability |
| ensures appropriate governance structures, policies, procedures, | drives business alignment with conduct and ESG strategies | oversees conduct dashboards prepared by business units and corporate functions |

GROUP RISK AND CAPITAL MANAGEMENT COMMITTEE (GRCMC)

oversees ESG risk, sets ESG risk appetite, approves group ESG risk standard and policy, considers risk associated with allocation of capital

GROUP SOCIAL AND ETHICS COMMITTEE

defines strategy, approves codes of conduct and relevant guidelines and policies, including human rights statement and code of ethics

governs and oversees group activities relating to conduct, ethical standards and stakeholder engagement

ensures material stakeholder issues receive attention from board and management

GROUP RISK OVERSIGHT COMMITTEE (GROC)

reports to the GRCMC, oversees all risk types, approves relevant risk governance policies, promotes risk management culture in the group, ensures effective ESG risk management, oversees processes implemented by business unit risk committees and mandated forums, including client and transaction screening and due diligence to assess potential human rights and environmental impacts

SOCIAL AND ETHICS MANAGEMENT COMMITTEE

reviews matters related to ethics, market conduct, personal conduct and societal conduct before these are submitted to the group social and ethics committee

CLIENT RISK COMMITTEES

assess issues related to ethics and conduct in relation to onboarding new clients, new client mandates, and existing client relationships, including conflicts of interest, anti-competitive behaviour and financial crime

assess new and existing clients in relation to risk level and proposed activities with a focus on sanctions, terrorist financing, bribery and corruption, money laundering and fraud

SUPPLIER RISK COMMITTEE

reviews issues related to ethics and conduct in relation to suppliers and third parties, including conflicts of interest, anti-competitive behaviour, human rights and conduct

BUSINESS UNIT AND CORPORATE FUNCTION HEADS

prepare conduct dashboards for quarterly reporting

GROUP OPERATIONAL RISK COMMITTEE

reviews non-financial risk as defined by the group non-financial risk governance framework

includes all heads of operational risk: technology, cyber, information, fraud, ESG and tax risk

PORTFOLIO RISK MANAGEMENT COMMITTEE

subcommittee of Corporate & Investment Banking (CIB) credit governance committee, sets concentration limits or thresholds of portfolios and risk appetite indicator guidelines for the group