



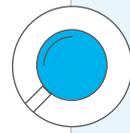
Oversight and assurance

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.