

# Our approach to integrated thinking

To create a shared future for our clients, our people and our stakeholders, our strategy is consistent with integrated thinking.

## Influencing our integrated thinking

### Our clients

Our clients are central in building a digitally enabled, integrated Standard Bank Group. Client focus aligns our efforts to redesign our operating models, develop our people and shift our culture to ultimately create sustainable competitive advantage in a changing industry.

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### Our stakeholders

Our stakeholders are the providers of the financial and non-financial capitals we need to create value. Our proactive engagement with stakeholders informs the execution of our business strategy and activities, shapes products and services, helps us to manage and respond to their concerns and expectations, minimises reputational risk and influences our operating environment.

 AIR | Read more on page 5.

 RTS | Read more online.

### Our operating context

Our organisational agility supports flexible strategic responses to the cyclical pressures in our markets while aligning our business effectively to the structural shifts in our industry over the longer term. We identify focused opportunities for revenue generation, and use well-developed risk models to anticipate and manage the impact of risks that are heightened during times of economic stress. We align our risk appetite to changes in our operating environment, instil a risk-aware culture throughout the group and continually enhance our risk management capabilities.

 AIR | Read more on page 12.

### Our strategy

Our group strategy is focused on creating sustainable value. It represents our commitment to the shared future we are creating for our clients, our people and our other stakeholders. Our strategic value drivers and focus areas align our allocation of resources to our strategy. They direct and provide the basis for measuring the value we create.

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## Our material issues

Our material issues synthesise the interests of the group and our stakeholders, taking into account structural shifts and cyclical pressures in our operating context.

They inform our priorities in managing our strategic value drivers.

### OUR ABILITY TO CREATE AND PROTECT VALUE

Our governance approach promotes strategic decision-making that combines long-term and short-term outcomes to reconcile the interests of the group and society in our pursuit of sustainable value. Our governance framework supports the creation and protection of value in our activities which enabled ethical and effective leadership, corporate citizenship and a sustainable organisation.

#### Performance linked to value creation

Our high-performance culture is supported by an environment in which our people are empowered and motivated to deliver exceptional client experiences and are rewarded for their contribution towards realising our purpose and vision.

#### Remuneration that drives value over time

Our reward philosophy reflects the group strategy and is aligned to our value drivers through the lenses of client experience, productivity and shareholder value.

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## Material issues impacting the group

## Strategic value drivers

- Deliver a compelling value proposition for our clients in an increasingly competitive environment.
- Protect and maintain the integrity of client data.
- Work with our customers to mitigate over-indebtedness (including sales-in-execution).



### CLIENT FOCUS



- Diversity and inclusion (with a particular focus on gender equity).
- Transformation in South Africa.
- Impact of digitisation and automation on workforce requirements.
- Build and retain local skills and capabilities in countries of operation.



### EMPLOYEE ENGAGEMENT



- Cybersecurity.
- Stability, security and speed of IT systems.
- Reputational and operational risk associated with third-parties, counterparties and suppliers.
- Card fraud.
- Policy, regulatory and legal risks in key markets.
- Constructive relationships with regulatory authorities.
- Increase in physical security threats/incidents in Africa Regions.



### RISK AND CONDUCT



- Returns on IT investment.
- Maintain resilience of our balance sheet.
- Improve efficiencies and manage the cost base.
- Sustainable revenue growth.



### FINANCIAL OUTCOME

- Contribute to job creation, enterprise development in countries of operation.
- Deepen financial inclusion across Africa with appropriate digital offerings.
- Balancing Africa's power energy needs with the negative impact of climate change.
- Adaption and mitigation of climate change, especially in relation to water in key sectors and markets.



### SEE IMPACT

## Allocating our resources

We apply a formal decision-making framework to optimally deploy our resources and align our relationships to drive growth, deepen resilience and deliver sustainable value for all our stakeholders.

### GROWTH

#### STRATEGY

- Does the investment or opportunity align with our strategy?
- Does it create value for our clients and support our ability to deliver an integrated financial services offering?
- Does it drive Africa's growth?

### RESILIENCE

#### CAPABILITY

- Does the investment or opportunity fall within our risk appetite and available resources, and can we deliver it through our existing expertise, processes and digital platforms?

### RETURNS

#### VALUE

- Will the investment or opportunity provide us with an adequate return and unlock future opportunities to create value?

YES

The investment or opportunity will be assessed for acceptability by considering the trade-offs between our stocks of capital.

The investment or opportunity will either be ranked lower or subject to trade-off decisions or will not be accepted.

NO