June 2025

Standard Bank Limited: Non-compliance with 2022 Climate Change Shareholder Resolution

Just Share

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1. Introduction

On 28 March 2025, Standard Bank Limited (Standard Bank, the bank or SBG) released its 2024 integrated reports, including its Climate Related Financial Disclosures Report for the year ended 31 December 2024 (2024 climate report). It also published an updated Climate Policy (2025 Climate Policy).

In terms of a 2022 resolution co-filed by shareholders Just Share and Aeon Investment Management - the content of which was negotiated and agreed with the bank - Standard Bank was required, by 31 March 2025, to update its March 2022 Climate Policy to include short-, medium-, and long-term targets for its financed greenhouse gas (GHG) emissions from oil and gas. These targets were to be aligned with the Paris Agreement goal of limiting the global temperature increase to 1.5 degrees Celsius above pre-industrial levels (the Paris 1.5 degree goal).

In other words, the bank was required to disclose:

1. short-term,
2. medium-term, and
3. long-term

emission reduction targets:

4. for its financed emissions;
5. from its oil and gas exposure;
6. that are aligned with the Paris 1.5 degree goal.

The resolution was approved by 99.7% of Standard Bank's shareholders at Standard Bank's 2022 annual general meeting (AGM).

The bank has **failed, in material respects, to comply with this resolution**, as is set out below.

- Standard Bank has not disclosed its most material oil and gas exposure:
  - The bank has focused on disclosure of its **upstream** oil and gas assets (which it has also not comprehensively disclosed). It has not provided a timeline for setting targets for midstream and downstream exposure.
  - This is an incomplete picture of Standard Bank's oil and gas exposure. It allows the bank to downplay the significant impact that its involvement in midstream projects such as the East African Crude Oil Pipeline (EACOP) will have on its oil and gas exposure and financed emissions.
- The 2025 Climate Policy only provides a **short-term 2030 oil and gas target** (consisting of an average physical intensity target "combined with" a target to limit exposure).

- No medium-term targets or interim milestones are disclosed to achieve the bank's target to be net-zero by 2050, nor does the bank give any indication of its timeframe for setting interim targets.

- The bank's targets are not aligned with the Paris 1.5 degree goal.

- The targets in the 2025 Climate Policy are weaker than those contained in the bank's 2022 Climate Policy and allow the bank to significantly increase its exposure to oil and gas.

In addition, the bank's disclosures do not allow for clear analysis of its exposure to oil and gas, nor do they provide stakeholders with adequate information to monitor its progress in reducing this exposure. It has conflated exposure metrics, used ambiguous targets, and shifted the goalposts.

2. Background to the resolution

In April 2021, Just Share, with co-filers Aeon, Abax Investments, and Visio Fund Management (Pty) Limited, filed a non-binding advisory resolution at Standard Bank. The resolution requested that *"the Company and its Directors include, in its reporting to shareholders for the year ending 31 December 2021, the Company's plans, if any, to set and publish a strategy, and short-, medium-, and long-term targets, to reduce its exposure to fossil fuel assets on a timeline aligned with the goals of the Paris Agreement".* After extensive consultation, Standard Bank agreed to do what was required by the resolution, instead of tabling the resolution at its AGM.

In a May 2021 joint statement, the co-filers and Standard Bank recorded this agreement. Standard Bank also explained in that statement that it had taken "*the opportunity to resolve a previous misunderstanding with regard to Standard Bank's position on shareholders' rights to propose non-binding advisory resolutions. Standard Bank is not opposed to shareholders proposing non-binding advisory resolutions. The Board will give due consideration to any such resolutions. The Parties agreed to engage in a constructive manner on these matters going forward*".

The bank's March 2022 Climate Policy was published as the bank's attempt to comply with this 2021 commitment.

Having analysed the Climate Policy, Just Share and Aeon noted that it did not contain any short-term or medium-term targets for a reduction in Standard Bank's exposure to oil and gas. In relation to long-term targets, the Climate Policy did not envisage any reduction in absolute financed emissions from oil and gas until 2040 at the earliest.

Instead, the 2022 Climate Policy allowed Standard Bank to increase its financing of fossil fuels until at least 2040.

As a result, and following a period of extensive engagement with the bank, Just Share and Aeon co-filed a non-binding advisory resolution. The wording of the resolution was agreed with the bank, which indicated that it was "unable to provide financed greenhouse gas emission targets before 31 March 2025 because it does not have the required data to measure financed emissions". The resolution was tabled at that year's AGM and received commendable support, with 99.7% of votes in favour.

The resolution defined the following key requirements:

> *In order to promote the long-term success and sustainability of the Company, taking into account the significant risks and opportunities associated with climate change, and in accordance with the Company's stated support for the goals of the Paris Agreement, shareholders recommend and request that the Company and its Directors:*
>
> - *By no later than 31 March 2023, provide shareholders with a report on the Company's progress, in relation to each relevant country of operation, in calculating its financed greenhouse gas emissions from its exposure to oil and gas;*
> - *By no later than 31 March 2024, disclose the Company's baseline financed greenhouse gas emissions from its exposure to oil and gas; and*
> - *By no later than 31 March 2025, update the Company's March 2022 Climate Policy to include short-, medium-, and long-term targets for the Company's financed greenhouse gas emissions from oil and gas, aligned with the Paris Agreement goal of limiting the global temperature increase to 1.5 degrees Celius above pre-industrial levels.*[1]

3. The extent of Standard Bank's compliance with the requirements of the resolution

The strong support from shareholders for the 2022 resolution made it clear that investors expect greater disclosure from the group. The content of the resolution, including the timeline, was agreed with the bank, based on its own indication of what would be feasible. Despite this, Standard Bank has failed to comply fully with the requirements set out in the resolution.

The table on the following page summarises Standard Bank's compliance with the terms of the resolution in each of the three years in which the bank was required to fulfil its requirements.

[1] 2024 climate report, P21, https://www.standardbank.com/static_file/StandardBankGroup/filedownloads/RTS/2024/SBG_ClimateRelatedFinancialDisclosuresReport2024.pdf

Table 1: Standard Bank's compliance with the 2022 climate change shareholder resolution

Commitment	Standard Bank disclosures	Just Share comment
By no later than 31 March 2023, provide shareholders with a report on the Company's progress, in relation to each relevant country of operation, in calculating its financed GHG emissions from its exposure to oil and gas.	"Completed" according to SBG[2] Climate-related financial disclosures report 2022 (March 2023) SBG briefly reported on its progress in four countries in calculating its financed GHG emissions from its exposure to oil and gas, indicating that these are the countries in which its "material exposures currently reside".[3] It estimated that, overall, emissions have been estimated for 81% of exposures from these four countries, reporting that its emissions measurement work was on track, with "coverage to be extended and methodology reviewed". SBG stated that, as it progressed with this work, it would "include all other countries where we have, or will have, exposure".	SBG complied with the first part of its obligations in terms of the shareholder resolution – reporting on its progress in calculating its financed GHG emissions from its exposure to oil and gas.
By no later than 31 March 2024, disclose the Company's baseline financed GHG emissions from its exposure to oil and gas.	"Completed for upstream oil and gas" according to SBG[4] Climate-related Financial Disclosures Report 2023 (March 2024)	Although SBG states that it had, in 2024, "completed" its disclosure for upstream oil and gas, the bank only reported on its financed emissions for 82% of its total **upstream** oil and gas on-balance sheet loans and advances, which constituted **only 19% of its oil and gas portfolio**. This was contrary to the requirements of the resolution to disclose its baseline financed oil and gas emissions. The bank indicated to Just Share that its "intention is to broaden the value chain of the [oil and gas (O&G)] disclosures beyond upstream, now that we have the financed emissions process and methodology in place. We will cover finance[d] emissions for upstream O&G in all our markets in West, East and Southern Africa. We also intend to extend to midstream and other parts of the O&G value chain as we work on improving our data sources and engaging with our clients".[5]

[2] 2024 climate report, P21, https://www.standardbank.com/static_file/StandardBankGroup/filedownloads/RTS/2024/SBG_ClimateRelatedFinancialDisclosuresReport2024.pdf
[3] Nigeria (10% exposure in Corporate and Investment Banking, with emissions estimated for 94% of exposures); Angola (4% exposure and all emissions estimated); Ghana (4% exposure, with emissions estimated for 94% of exposures); and Uganda (more than 1% and SBG indicates that no emissions exposure has been estimated).
[4] 2024 climate report, P21.
[5] In a 17 May 2024 written response to questions from Just Share.

By no later than 31 March 2025, update the Company's March 2022 climate policy to include short, medium, and long-term targets for the Company's financed GHG emissions from oil and gas, aligned with the Paris Agreement goal of limiting the global temperature increase to 1.5°C above pre-industrial levels.	"Completed… "Target setting process described in [pages 21 to 22]" according to SBG[6] Climate Related Financial Disclosures Report 2024[7] SBG Climate Policy 2025 (March 2025)	• Standard Bank has updated its 2022 Climate Policy. • The 2025 Climate Policy expands on the bank's position on oil and gas as well as its approach to sustainable and transition finance. • The policy only provides a short-term 2030 oil and gas physical intensity target "combined with" a target to limit oil and gas exposure. No medium-term target or interim milestones are disclosed to achieve net-zero by 2050. • Targets are not aligned with Paris 1.5 degree goal. • The targets disclosed are **less ambitious** than those outlined in the 2022 Climate Policy. • The new targets are not based on absolute emission reductions and introduce unnecessary complexity that makes it more difficult for stakeholders to monitor progress. • The bank has focused on disclosure of its **upstream** oil and gas assets and has provided only partial disclosure even of these assets. This is an incomplete picture of Standard Bank's oil and gas exposure. It also allows the bank to downplay the significant impact that its involvement in midstream projects such as the EACOP will have on its oil and gas exposure and financed emissions. • There is no timeline for setting targets for mid and downstream exposure.

4. Problems with updated climate policy and recent disclosures

4.1. Incomplete disclosure of oil and gas exposure

Standard Bank's 2025 Climate Policy notes:

> *Upstream oil and gas producers account for a significant share of the operational emissions across the oil and gas value chain. Within Standard Bank's oil and gas portfolio, upstream producers account for almost 80% of Scope 1 and Scope 2 operational emissions.*[8]

Standard Bank has framed its focus on **upstream oil and gas relative to the operational emissions of the companies in its portfolio**.[9] Using upstream emissions as the defining materiality factor for its oil and gas targets underplays the significance of mid and downstream emissions in the bank's overall financed emissions. Based on its 2024 financed emissions inventory, mid and downstream scope 1 and 2 oil and gas emissions make up 69% of the bank's total disclosed oil and

[6] 2024 climate report, P21,
[7] P21-22.
[8] 2025 Climate Policy P11, https://www.standardbank.com/staticfile/StandardBankGroup/filedownloads/Climate%20Strategy/OurClimatePolicy.pdf
[9] 2024 climate report, P21-22.

gas financed emissions.[10] The bank appears only to have disclosed financed emissions for 73% of its total oil and gas portfolio.[11]

Financial exposure (in Rands) and emissions (in tCO_2e) are not interchangeable metrics for evaluating oil and gas exposure. Financial exposure is also not representative of the bank's disclosed financed emissions (tCO_2e). Standard Bank's decision to use the operational emissions of portfolio companies in anchoring its climate policy unduly complicates and conflates climate metrics, ultimately undermining the validity and transparency of its climate targets.

In February 2025, Standard Bank closed the first allocation of external financing for the controversial EACOP.[12] EACOP financing forms part of Standard Bank's midstream oil and gas exposure.[13] FirstRand, ABSA, Nedbank and Investec have publicly distanced themselves from the EACOP, leaving Standard Bank as the only one of South Africa's big five banks financing the project.[14] The pipeline project, which has already infringed on the rights of the communities who lie in its 1,443km path,[15] will have severe impacts on people, climate and wildlife.[16]

Despite the significance of midstream and downstream oil and gas assets in its oil and gas exposure, Standard Bank has not set any decarbonisation targets for these assets. Nor has the bank provided any indication of the timeline to do so. This failure means that material impacts of the bank's oil and gas exposure are ignored, and allows the bank to mask its involvement in controversial projects such as the EACOP. In a May 2025 meeting with Just Share, the bank indicated that it intended to disclose midstream and downstream emissions in the next reporting suite, once deals had closed.

4.2. Target setting not aligned with the Paris Agreement

Standard Bank's emission reduction targets are not aligned with the Paris 1.5 degree goal. Standard Bank has used the International Energy Agency (IEA)'s Announced Pledges Scenario (APS) (2030) - which is consistent with a temperature rise of 1.7°C. While the bank's 2025 Climate Policy mentions a 1.5°C modelling scenario, it offers no explanation for its failure to use the scenario conditions specified by the resolution.[17]

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[10] 2024 climate report, P29: Upstream oil and gas Scope 1 + 2 emissions: 587 043 tCO_2e; mid and downstream oil and gas Scope 1 + 2 emissions: 1 326 586 tCO_2e.

[11] 2024 climate report, P29: 25% total upstream oil and gas measured emissions and 48% total midstream and downstream oil and gas measured emissions.

[12] Reuters, Uganda's $5 billion EACOP pipeline gets funding boost, https://www.reuters.com/business/energy/ugandas-5-billion-eacop-pipeline-gets-funding-boost-2025-03-26/

[13] Note: Standard Bank's current mid and downstream oil and gas emissions do not include EACOP financing. Once the impact of EACOP is accounted for, mid and downstream emissions will be even more significant in Standard Bank's oil and gas exposure.

[14] #StopEACOP, Standard Bank isolated as other South African banks steer clear of Total's EACOP oil pipeline, https://www.stopeacop.net/our-news/standard-bank-isolated-as-other-south-african-banks-steer-clear-of-totals-eacop-oil-pipeline

[15] See, for example: https://www.banktrack.org/download/eacop_risk_update_no_5/eacop_risk_update_no5_february_2024.pdf and other resources on https://www.banktrack.org/project/east_african_crude_oil_pipeline.
https://www.banktrack.org/download/eacop_risk_update_no_5/eacop_risk_update_no5_february_2024.pdf

[16] See, for example: https://www.hrw.org/report/2023/07/10/our-trust-broken/loss-land-and-livelihoods-oil-development-uganda; https://cri.org/eacop-briefing-paper/; https://www.stopeacop.net/why-stop-eacop.

[17] 2025 Climate Policy P12.

In its 2024 climate report, the bank states that its physical intensity target “is below the IEA APS scenario performance benchmark”. The target, however, falls short of the IEA Net Zero by 2050 scenario (NZE scenario) decarbonisation pathway that limits temperature rise to 1.5°C in 2100. Standard Bank offers no explanation for its failure to comply with the resolution’s requirement that its targets be “aligned with the Paris Agreement goal of limiting the global temperature increase to 1.5 degrees Celsius above pre-industrial levels”.

4.3. Lack of medium-term targets and strategies to achieve net-zero by 2050

The 2025 Climate Policy uses the following timeframes in setting targets relating to climate risks and opportunities:

- Short-term: <5 years;
- Medium-term: 5 to 10 years; and
- Long-term: >10 years.[18]

Despite the resolution requiring the inclusion of short, medium and long-term GHG **targets**, the revised climate policy **only outlines short-term 2030 targets** for coal,[19] oil and gas.

The oil and gas target commits Standard Bank to:

> *10% improvement in the average physical intensity (kgCO_2e/boe) of the upstream oil and gas portfolio, focusing on operational emissions (2024 base year and 2030 target year), combined with a target to limit exposure to upstream oil and gas to less than 30% of the energy book and less than 3% of SBG's total loans and advances by 2030.*[20]

The changes weaken the bank’s oil and gas decarbonisation commitments in its 2022 Climate Policy, as is discussed in the next section.

While Standard Bank reiterates a commitment to net zero by 2050 in its 2024 climate report,[21] it provides no medium-term targets or clear strategies to achieve this. This is a notable oversight in meeting the terms of the resolution. Without clearly defined decarbonisation strategies and interim targets aligned with the Paris 1.5 degree goal, it is unclear how Standard Bank will achieve its net zero ambition.

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[18] 2025 Climate Policy P6.
[19] The coal target, which is unchanged from the 2022 Climate Policy, commits the bank to, “*“limiting thermal coal exposures as a percentage of Group loans and advances to 0.5% by 2030, and to reducing finance (as a % of total Group advances) to existing power sector clients generating power predominantly from coal to 0.15% by 2026, and 0.12% by 2030.”* (2025 Climate Policy P11).
[20] Climate Policy P12.
[21] 2024 climate report, P5.

4.4. Weakened targets not calibrated to reduce real-world emissions

The 2025 Climate Policy is less ambitious than the 2022 Climate Policy, and introduces complexity that makes it more difficult for stakeholders to monitor progress. Most consequentially, its targets enable further investment in fossil fuels - doing little to reduce real-world emissions. Concerns with the current targets are discussed below.

4.5. Problems with physical intensity target

Best practice guidance for climate target setting for banks calls for both absolute emissions targets and sector specific emissions intensity targets.[22] Reducing absolute emissions is essential for limiting the physical amount of climate-changing GHGs that enter the atmosphere. The use of absolute emissions also makes it easier for stakeholders to monitor decarbonisation progress. Relying on intensity targets can be detrimental to climate action, as the disclosed intensity targets of a bank can improve while absolute emissions continue to increase.[23]

Standard Bank has not set any absolute emission reduction targets for oil and gas. Rather, the bank has introduced a new physical intensity target based on the amount of carbon dioxide equivalent (CO_2e) emitted per barrel of oil equivalent ($kgCO_2e/boe$), a unit of measurement used to quantify the carbon intensity of oil and gas production. It is not an emissions intensity attribution method typically used by banks when setting climate targets. More common intensity attribution methods include:

- Absolute emissions intensity;
- Economic emissions intensity;
- Physical emissions intensity; and
- Weighted average physical unit intensity.[24]

While each of these attribution methods has points of volatility and limitations, they are all determined relative to a bank's financial portfolio.[25] Standard Bank's decision to use $kgCO_2e/boe$ as its intensity target allows the bank to **decouple its emissions from its financial exposure.** This creates a potential scenario where reductions in production intensity by oil and gas producers would allow Standard Bank to increase its financial investment in oil and gas.

In addition, Standard Bank has linked this physical intensity target to its upstream oil and gas emissions, with 2024 as its baseline and 2030 as the target year. As set out above, only linking financed emissions targets to upstream assets creates a false sense of the impact and materiality of the bank's financed emissions. Lastly, even if the factors discussed are ignored, the 10% reduction

[22] UNEP FI, Guidance for Climate Target Setting for Banks – Version 3, https://www.unepfi.org/industries/banking/guidance-for-climate-target-setting-for-banks-version-3/
[23] BankTrack, The Carbon Pollution of the World's Largest Banks, P13, https://www.banktrack.org/download/unsupervisedthecarbonpollutionoftheworldslargestbanks/unsupervised.pdf
[24] UNEP FI Guidance for Climate Target Setting for Banks – Version 3.S
[25] UNEP FI, Emerging Practice: Climate Target Setting for Oil & Gas Financing, P17, https://www.unepfi.org/industries/banking/climate-target-setting-for-oil-gas-sector-financing/; PCAF Standard A, P56-59, https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf

in physical intensity target is marginal and lacks the ambition required to meet the requirements of the Paris Agreement.

4.6. Moving the goalposts

In its 2022 Climate Policy, Standard Bank committed to *"reducing by 5% group advances to upstream oil by 2030".* [26] The bank did not disclose the baseline for this 5% measurement.

In the 2025 Climate Policy, this target was revised to a reduction of exposure to upstream oil and gas of "***less than 3% of SBG's total loans*** *and advances by 2030."*[27] In its 2024 climate report, the bank states that it has measured emissions for 25% of its total upstream oil and gas portfolio.[28] Upstream oil and gas appears currently to constitute 1.49%% of the bank's total loans and advances.[29] In other words, the **2030 target "limits" oil and gas exposure to a higher proportion of total loans and advances than the bank's current exposure**.

This revision has moved the goalposts and made it extremely hard to track the bank's progress. The 2022 climate policy did not specify a baseline for the 5% reduction to upstream oil and gas. The revised 2025 target of less than 3% exposure to upstream and oil and gas by 2030, has redefined the success metric midway through goal period. The fact that the size of Standard Bank's loan book will in 2030 is unknown further adds to the vagueness of its target setting approach.

When used in tandem with the kgCO_2e/boe physical intensity target, rather than ensuring the bank limits its oil and gas exposure and decarbonises along a Paris-aligned pathway, these financial targets **enable Standard Bank not only to continue, but to substantially increase its investments in oil and gas**. This is clearly not what was intended by the resolution and approved by 99.7% of the bank's shareholders.

In addition, the 2025 Climate Policy no longer contains - as the 2022 Climate Policy did[30] - a cap on total group advances for the financing of standalone gas-fired power plants providing general baseload, mid-merit or peaking power.

Unlike the 2022 Climate Policy,[31] the bank's 2025 Climate Policy does not cap financing to power sector clients generating power predominantly from oil.

Instead, these clients "must follow a physical intensity reduction pathway. This includes a demonstrable emissions reduction strategy, including a net zero by 2050 strategy".

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[26] "…to be reviewed thereafter in line with oil's contribution to the overall energy mix". Standard Bank Climate Policy, March 2022 P12.
[27] And "less than 30% of the energy book".
[28] 2024 climate report, P29.
[29] 2024 climate report P25-26; Standard Bank Group Annual financial statements 2024, P18, https://www.standardbank.com/static_file/Investor%20Relations/Documents/Financial-results/Annual-Results/SBG_2024_Annual-Financial-Statements.pdf.
[30] The bank committed, in 2022, to a cap of 0.75% of total group advances after 2026, from the level of 0.14%.
[31] The bank committed, in 2022, to limit this financing (from the 2021 level of 0.05% of total group advances) to 0.03% in 2026 and zero percent from 2030.

Standard Bank's revised oil and gas targets are weaker and less transparent than they were before, exacerbating the bank's failure to comply with the terms of the climate resolution and making it impossible for stakeholders to track progress on overall portfolio decarbonisation.

5. Conclusion

In both iterations of Just Share's *How Cool is your Bank? Report,* in which we analysed and compared the most recent climate-related disclosures, policies and practices of South Africa's five largest banks, Standard Bank has scored the lowest. This means that it continues to lag its peers in the integration of climate risks and opportunities into its financial decision-making, and the extent to which its lending and investment activities support the goals of the Paris Agreement.

Standard Bank also persists in setting up false dichotomies in relation to climate action and development; claiming, for example, that "some stakeholders … insist on immediate divestment from fossil fuels".[32] It does not identify these stakeholders. Just Share argues for a well-managed, just and science-aligned reduction of financial institutions' exposure to fossil fuels. The bank makes these arguments to justify its ongoing financial support for the exploitation of fossil fuels, with no acknowledgment of the harm already caused by these investments and the potential for the pursuit of a low-carbon development pathway to yield significant benefits.[33]

In addition, the bank's latest disclosures demonstrate that it has failed to comply with the terms of a resolution which it itself helped to draft and agreed was feasible, and which its shareholders overwhelmingly endorsed.

Investors should call on Standard Bank to explain this non-compliance and to commit to an urgent timeframe within which it will update its 2025 Climate Policy to include:

1. Short-, medium-, and long-term absolute emission reduction targets aligned with the Paris 1.5 degree goal.
2. Strategies to achieve all its targets.
3. Midstream and downstream oil and gas exposure targets.

Shareholders should also be asking all the big five banks about their positions on: transition planning; sustainable finance; transition finance; and financing gas.

To demonstrate climate leadership, banks must hold firm to their existing commitments to climate action and prioritise the strengthening of these commitments. Investors need to hold banks accountable, not only to their own commitments, but to the level of ambition that is increasingly required to prevent and limit and worst impacts of the climate crisis.

End

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[32] See, for example 2024 climate report P4.

[33] See, for example https://justshare.org.za/mailpoet/pre-agm-briefing-on-standard-banks-2023-climate-related-disclosures/ and https://justshare.org.za/media/news/new-report-published/