SBG's approach to sustainability reporting

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INTEGRATED REPORTING COMMITTEE (IRC) OF SOUTH AFRICA

ANNUAL CONFERENCE

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#IRCConf26

1. Reporting suite structure, reporting standards and frameworks



Annual integrated report

Concise information on strategy, risks, opportunities, performance and outlook

- *Integrated Reporting Framework*
- *Companies Act*
- *JSE Listings Requirements*
- *SARB Regulations*
- *SA Banks Act*
- *Basel framework*
- *King V for 2026 reporting*



Sustainability reporting

- **Sustainability Disclosures Report** – Material sustainability risks, opportunities and impacts and how we manage these
- **Report to Society** – Impacts in 4 areas
- **Climate-related Financial Disclosures Report** – TCFD 4 pillars

- *JSE Sustainability Disclosure Guidance*
- *Principles for Responsible Banking*
- *TCFD*
- *Working toward TNFD*
- *Working toward IFRS S1, S2*
- *Reference SASB, GRI – but do not fully align*



Financial, risk and governance reporting

- Annual financial statements
- Risk and capital management report
- Governance report
- Remuneration report

- *IFRS Accounting Standards*
- *Basel framework*

2. Location of sustainability disclosures (ISSB, GRI, other)

Sustainability Disclosures Report

- Governance of Sustainability Risks, Opportunities and Impacts – Roles of Board and Management
- Strategy – How approach to sustainability aligns with purpose, business priorities, value drivers
- Process for determining materiality (financial and impact - double materiality), material sustainability issues, associated KPIs and targets
- Detail on each issue, including metrics and targets

- JSE Sustainability Disclosure Guidance
- *Reference SASB, GRI – but do not fully align*
- *S1 alignment will require clearer quantification of financial risks and opportunities per issue*

Report to Society

- Focuses on the 4 areas in which SBG can make the greatest impact – Financial health and inclusion, Economic growth and job creation, Energy and infrastructure, Climate change and a just transition

- *References UN SDG targets*
- *As per Principles for Responsible Banking – targets for main impact areas*

Climate-related Financial Disclosures Report

- IFRS S2 structure: Governance, Strategy, Risk management, Metrics and targets
- Working toward quantifying financial risks & opportunities

- *TCFD*
- *Working toward TNFD*
- *Working toward IFRS S2 - requires clearer quantification of financial risks and opportunities*







3. What sustainability information goes into the AIR

Five tests determine what earns a place in the integrated report

01 VALUE
Does it affect value creation, preservation or erosion?

02 DECISION USEFULNESS
Will it help investors understand strategy, risks, opportunities, performance or outlook?

03 MATERIALITY
Does it reflect an enterprise risk or a broader stakeholder priority or impact?

04 RESPONSE
Can we summarise how we engaged, responded and performed against relevant KPIs?

05 CONNECTIVITY
Can the AIR clearly point to detailed sustainability, climate, society, governance and remuneration disclosures?

The AIR connects material issues, our response, key impacts and performance; specialist reports provide the supporting detail.



4. Materiality, and avoiding duplication across different reports

DETERMINING WHAT MATTERS

- Double materiality combines financial and impact lenses
- Top and Emerging Risks add the internal view
- Stakeholder engagement brings the impact view
- Group consultation aligns issues, KPIs and targets
- The board approves; the process receives limited external assurance

DECIDING WHERE IT BELONGS

- Financially material issues are connected in the AIR
- Specialist reports carry governance, strategy, risk management, metrics and targets
- One accountable owner and approved source for each metric
- Common data, coordinated reviews and digital cross-references limit duplication



M2 PEOPLE, CAPABILITY AND CULTURE

Why this matters

Our success is deeply intertwined with the commitment and motivation of our people, who are at the heart of our purpose and the primary enabler of our strategic priorities. Our ability to attract, develop, engage and retain talented people directly determines our capacity to innovate, serve clients, manage risks and execute our strategy. In an intensely competitive talent environment characterised by digital transformation, evolving workplace expectations, hybrid working arrangements and accelerating skills obsolescence, the financial services sector faces critical skills shortages in the areas of data science, AI, cybersecurity and digital innovation.

Impact on us

Our people are central to our ability to deliver operational efficiency and excellent client experiences underpinned by innovation capacity, effective risk management and meeting our financial targets. Motivated and engaged teams deliver enhanced client experiences, accelerate digital transformation and improve return on capital employed. High employee turnover increases recruitment and development costs, erodes institutional knowledge, weakens client relationships and reduces productivity.

Our response

We focus on creating a work environment that inspires excellence and both preserves our strong culture and shapes it for the future.

- **Effective talent attraction and retention strategy:** we offer attractive employee value propositions that include competitive remuneration and benefits, clear career pathways and succession opportunities, and flexibility aligned with market benchmarks and have retention mechanisms in place. We provide employees with a personalised career pathing capability, providing suggested paths, a skills gap analysis, and ways to bridge these gaps.
- **Focused employee development initiatives:** we invest in upskilling our employees through employee training, leadership development programmes, the provision of training facilities and dedicated learning resources to create tailored content focused on technical upskilling and capability building for digital and AI competencies.
- **Culture and engagement:** we have a range of engagement mechanisms including our annual 'Are you a Fan' employee survey, and have embedded inclusive workplace policies, mental health and wellness programmes and robust recognition systems. In 2025, we refreshed our values, confirming these as the non-negotiable standard for being part of the group to which all employees are held.
- **Diversity and inclusion:** we actively leverage our people's different perspectives and experiences to provide better solutions for our clients and to serve our local communities with purpose and relevance, with diversity and inclusion strategies tailored to balance group and local priorities.

Read more in our **people and culture** section

CAPITALS HC IC

OUR VALUE DRIVERS

RELATED EMERGING RISKS c h i

OUR STAKEHOLDERS

Opportunities:

Time horizon: HORIZON 1 HORIZON 2

Outlook

We expect intensifying competition for specialised talent, requiring sustained investment in our employees. We are committed to building a diverse, high-performing organisation capable of thriving in an AI-enabled financial services environment.

Classified as Confidential

5. Processes, tools, AI

01	02	03	04	05
PLAN	**COLLECT & DRAFT**	**REVIEW & RECONCILE**	**ASSURE**	**APPROVE & PUBLISH**
Shared calendar, owners and reporting boundaries	Workiva-supported source data and narratives	Align metrics, claims and disclosures across reports	Challenge evidence, controls and selected metrics	Complete governance sign-off and release

- Recognise the importance of moving away from manual processes, Excel dependency
- Migrated full reporting suite to Workiva platform this year
- Not yet using the full functionality – working on developing skills and capacity in-house
- Responsible use of AI to support research, benchmarking, identification of gaps
- People remain accountable for content verification, judgement, approval

Closing

- SBG Published our first
  - Report to Society in 2016
  - ESG report in 2019
  - Climate report in 2022
- Huge evolution and maturation over the past ten years – but also lots more work to do
- Quantification of the sustainability risks, opportunities, impacts is our biggest challenge, and requires close collaboration across reporting teams, business and finance
- Emerging regulatory frameworks will help create consistency and transparency