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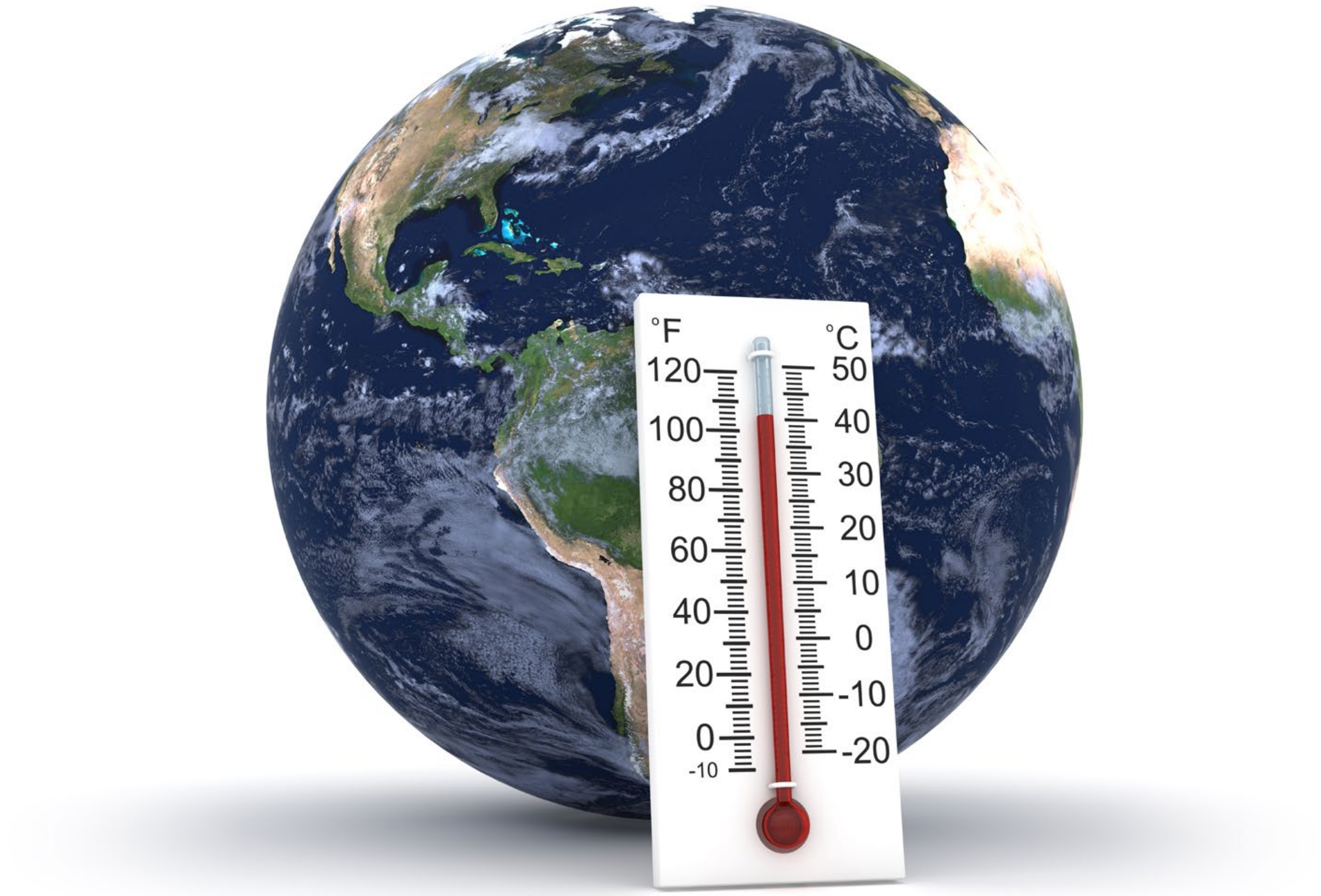
How cool is your bank?



An analysis of how South Africa's big five banks understand and manage climate risk

November 2023

About Just Share

Just Share is a non-profit shareholder activism organisation using responsible investment and sustainable finance to drive urgent action to combat climate change and reduce inequality.

We believe that the financial sector has the power to contribute to a more just, inclusive and sustainable economy, and that addressing climate change and transforming energy systems is key to tackling unacceptable and unsustainable levels of inequality.

Just Share is at the forefront of corporate accountability advocacy and activism in South Africa. Our work includes in-depth analysis of corporate disclosures, producing reports and investor briefings related to climate change and inequality, submissions on regulatory developments, and best practice guides and legal opinions on crucial questions of governance and accountability.

Visit justshare.org.za to find out more.

Acknowledgments

Just Share would like to acknowledge the support of our funders whose dedication to the global fight for climate justice makes our work possible. Details of our current funders are on our website.

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I.

Introduction

Many people are concerned about whether the institutions which hold and manage their savings are playing a positive role in addressing the climate crisis.

All of South Africa's major banks claim to support climate science and the goals of the Paris Agreement, and all have ongoing and highly visible marketing and advertising campaigns aimed at convincing customers and potential customers that they are leaders in sustainability.

This report aims to give South Africans the tools to make their own assessment of how serious their bank is about ending financing for fossil fuels, and playing a leading role in financing the transition to a sustainable, low-carbon economy.

Why banks should prioritise climate action

Financial institutions have an integral role to play in determining whether or not the goals of the Paris Agreement[1] are met. Through their lending, investment and underwriting, banks can either exacerbate the climate emergency, or play a leading and constructive role in urgently reducing greenhouse gas (GHG) emissions and financing the transition to a low-carbon, inclusive economy.

Just Share has analysed the most recent[2] climate-related disclosures, policies and practices of South Africa's five largest banks:[3] Absa Group Limited (Absa), FirstRand Limited (FirstRand), Investec Limited (Investec), Nedbank Group Limited (Nedbank), and Standard Bank Group Limited (Standard Bank), in order to evaluate the extent to which the "big five" banks are understanding, disclosing and integrating climate risks and opportunities into their financial decision-making, and the extent to which their lending and investment activities support their stated commitment to the goals of the Paris Agreement.

The overarching goal of the Paris Agreement is "to hold the increase in the global average temperature to well below 2°C above pre-industrial levels" and to pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels." However, since the Paris Agreement was signed in 2015, the United Nations' Intergovernmental Panel on Climate Change (IPCC) has made clear that exceeding a global average temperature increase of more than 1.5°C will result in significantly more severe climate impacts.

To limit global warming to 1.5°C, GHG emissions must peak before 2025 and decline by 43% by 2030. **Scientists estimate that the global average temperature has already increased by at least 1.1°C.**[4]

The IPCC highlights that "all global modelled pathways that limit warming to 1.5°C (>50%) with no or limited overshoot [...] involve rapid and deep and in most cases immediate GHG emission reductions in all Sectors".[5] "Deep GHG emission reductions by 2030 and 2040, particularly reductions of methane emissions, lower peak warming, reduce the likelihood of overshooting warming limits and lead to less reliance on net negative carbon dioxide (CO_2) emissions that reverse warming in the latter half of the century".[6]

One of the three main goals of the Paris Agreement is to "[make] finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". This means, amongst other things, that capital should urgently be directed away from high-carbon activities and towards low-carbon solutions.

Achieving the objectives of the Paris Agreement and limiting global average temperature increase to 1.5°C requires ambitious action from all sectors of the economy: financial institutions must adjust their business models in the short-, medium-, and long- term and develop decarbonisation strategies underpinned by robust, science-based emission reduction targets and action plans.

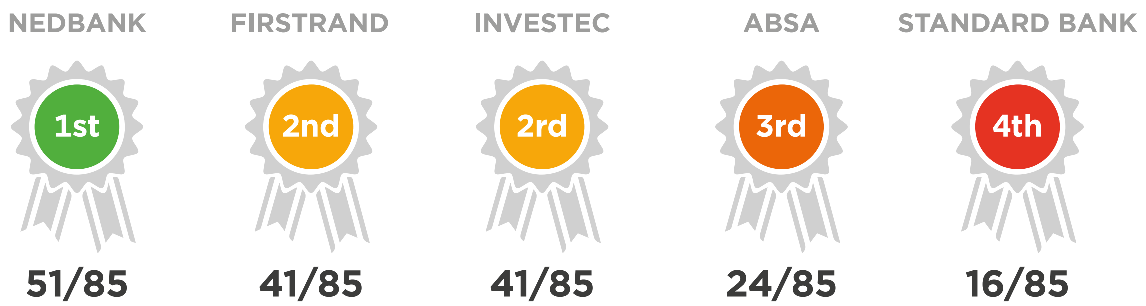
The United Nations-convened Net Zero Banking Alliance (NZBA),[7] which is the "climate accelerator for the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB),[8] and the sector-specific alliance for banks under the Glasgow Financial Alliance for Net Zero (GFANZ)", is founded on the recognition that **"banks play a key role in society. As financial intermediaries, it is [their] purpose to help develop sustainable economies and to empower people to build better futures."**[9]

Absa, FirstRand, Investec and Standard Bank are signatories to the PRB.[10] Nedbank states that it is "in support of the Principles for Responsible Banking," but has "elected not to officially sign up to the PRB".[11] Of the five, only Investec has signed on to the NZBA.[12]

However, despite the commitments made by banks under these initiatives, they continue to pour finance into the fossil fuel industry.[13]

How do the banks measure up?

The assessment was conducted across four categories comprising 20 indicators, with a total maximum score of 85 points.



Absa and Standard Bank lag significantly, largely due to their poor performance in the categories for emission reduction targets and governance and strategy.

Nevertheless, with even Nedbank achieving only 60%, none of the five banks is tackling climate risk robustly when assessed against the goals of the Paris Agreement, and what is required by climate science to achieve them.

Key findings

- Despite all the banks expressing their firm commitment to climate action, four of the five increased their financing and exposure to fossil fuels over the reporting year. Only Investec's fossil fuel financing and exposure decreased, due to a large and unexplained reduction in the bank's oil exposure.

- The large gap between leaders and laggards shows that qualified and climate-competent leadership at board level is key to banks' progress on climate issues. Internal rather than external factors drive performance across the 20 indicators.

- All of the banks have made progress in their stated recognition of climate risks and commitment to global climate goals. All five banks have published climate or energy policies, and although most banks are not members of the NZBA, they have all made a commitment to reduce their financed emissions[14] to net zero by 2050.

- All five banks have excluded financing for new coal-fired power generation, the only unqualified fossil fuel financing exclusion adopted by all of them.

- Although four of the five banks have adopted some interim targets to reduce their exposure to some fossil fuels, little action has been taken to set short-term, climate science-aligned emission reduction targets and to link executive remuneration and key performance indicators to clear, ambitious climate targets. It is crucial for executives to be incentivised to achieve near-term objectives that will underpin long-term science-aligned outcomes, and that they are held accountable for the actions required to reach those goals.

- The banks have made least progress in relation to recognising and acting on the climate risks of fossil gas. Nedbank is the only bank that has committed to zero fossil fuel exposure by 2045 (with the exception of backup supply for renewable energy projects).[15] It has indicated that it will continue to finance gas production "where it will play an essential role in facilitating the transition to a zero-carbon energy system by 2050". All the other banks indicate their intention to finance the exploration, extraction and production of gas in the medium- to long- term.

The report provides a comparative analysis of the banks across standardised indicators. Just Share has also published detailed standalone briefings[16] on the climate disclosures of each bank.

II.

Methodology

Sources

The information informing the analysis for this report has been drawn primarily from the banks' climate-related disclosures:

Absa:	**2022 Task Force for Climate-related Financial Disclosure Report** ("Absa 2022 climate report")
FirstRand:	**2022 Climate-related Financial Disclosures** ("FirstRand 2022 climate report")
Investec:	**Climate and nature-related financial disclosures 2023** ("Investec 2023 climate report")
Nedbank:	**Climate Report for the year ended 31 December 2022, aligned to the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)** ("Nedbank 2022 climate report")
Standard Bank:	**Climate-related financial disclosures report 2022** ("Standard Bank 2022 climate report")

Where necessary, information has also been drawn from the banks' other annual disclosures, financing policies, websites, and other research.[17]

Method

The assessment was conducted across four categories which together comprise 20 indicators. The maximum possible score for all categories is 85 points.

The four categories are:

- **A.** Fossil fuel exposure (current status)
- **B.** Emission reduction targets (future status)
- **C.** Governance and strategy
- **D.** Sustainable finance

These categories were selected as they represent the essential steps that financial institutions must take to facilitate the flow of finance away from high-carbon activities and towards a low-carbon economy.

Each of the 20 indicators has its own scoring framework and is weighted according to (1) its importance to decarbonisation, and (2) reasonable expectations for banks' progress on that indicator, factoring in global best practice and local context.

Each indicator is allocated a minimum, intermediate, and maximum score. The range of scores for each indicator also depends on the potential range in the banks' positions.

More information on each scoring framework is available below, and detailed scoring explanations are provided in each category's section of the report.

Categories and indicators

A. **Fossil fuel exposure:** 4 indicators, maximum 25 points

This category assesses the extent to which each bank has **already** limited its fossil fuel financing, and the extent to which each bank is exposed to fossil fuels via its financing activities (financed emissions):

1. Does the bank currently have fossil fuel financing exclusions in place?
2. What is the percentage change in the bank's fossil fuel exposure in the past financial year?
3. What is the percentage share of financing for renewables in the bank's total energy financing?[18]
4. Does the bank disclose its exposure to Eskom?

B. **Emission reduction targets:** 8 indicators, maximum 30 points

This category assesses each bank's measurement of and targets for reducing its scope 3 financed emissions:

5. Does the bank calculate and disclose financed emissions from fossil fuel lending?
6. Has the bank set short-term (up to 2025) targets for reducing its scope 3 (financed) emissions from fossil fuels?
7. Has the bank set medium-term (2025–2030) targets for reducing its scope 3 (financed) emissions from fossil fuels?
8. Has the bank set long-term (2030–2050) targets for reducing its scope 3 (financed) emissions from fossil fuels?
9. Has the bank committed to net zero by 2050 for scope 3 (financed) emissions?
10. Does the bank calculate and disclose its scope 3 (financed) emissions for sectors other than fossil fuels?
11. Has the bank set short-, medium-, and/or long- term targets for reducing scope 3 (financed) emissions from any other sectors than fossil fuels?
12. Does the bank disclose its strategies for meeting its targets, including clearly defined pathways, with milestones to assess progress against its targets?

C. **Governance and strategy:** 5 indicators, maximum 20 points

This category assesses how climate risks and opportunities are governed and integrated:

13. How many board members have climate-related qualifications, expertise and/or experience?
14. How many board members are potentially conflicted by virtue of their roles at fossil fuel companies?
15. Is executive remuneration linked to clear, ambitious climate targets?
16. Does the bank use scenario analysis to assess the resilience of its strategies and targets, and how those strategies and targets might change to address potential climate risks and opportunities?
17. Does the bank support financing gas as a "transition fuel"?

D. **Sustainable finance:** 3 indicators, maximum 10 points

The final category assesses each bank's approach to "sustainable finance":

18. Does the bank have a publicly available framework or categorisation detailing what it classifies as "sustainable finance"?
19. Does the bank disclose its lending to sustainable finance as a percentage of its total loan book?
20. Has the bank set short-, medium-, and/or long- term targets for increasing its sustainable finance?

Capitec Holdings Limited

Capitec Bank Holdings Limited (Capitec), the sixth largest bank in South Africa, was excluded from this assessment on the basis that it is a retail bank which does not have a corporate and investment banking division. Its financed emissions, therefore, would be insignificant in comparison with the five banks assessed in this report.

Capitec has explicitly ruled out financing carbon-intensive projects. Its Environmental Policy[19] states that "although Capitec's business strategy has never included corporate financing for carbon-intensive assets (i.e., assets or organisations tied to energy and utilities, excluding water and renewable electricity production, with a relatively high level of direct or indirect greenhouse gas (GHG) emissions), as a general principle we will not provide corporate financing towards new, or the expansion of existing, carbon-intensive projects."

III.

Findings

Summary of findings

	INDICATOR	SCORES					MAX SCORE
		Absa	FirstRand	Investec	Nedbank	Standard Bank	
Fossil fuel exposure		**11**	**9**	**16**	**13**	**7**	**25**
1	Does the bank currently have fossil fuel financing exclusions in place?	5	5	6	7	5	15
2	What is the percentage change in the bank's fossil fuel exposure in the past financial year?	0	0	4	2	0	4
3	What is the percentage share of financing for renewables in the bank's total energy financing?	4	2	4	4	0	4
4	Does the bank disclose its exposure to Eskom?	2	2	2	0	2	2
Emission reduction targets		**5**	**13**	**17**	**16**	**3**	**30**
5	Does the bank calculate and disclose financed emissions from fossil fuel lending?	0	3	3	3	0	5
6	Has the bank set short-term (up to 2025) targets for reducing its scope 3 (financed) emissions from fossil fuels?	0	0	0	0	0	4
7	Has the bank set medium-term (2025–2030) targets for reducing its scope 3 (financed) emissions from fossil fuels?	0	4	4	4	0	4
8	Has the bank set long-term (2030–2050) targets for reducing its scope 3 (financed) emissions from fossil fuels?	0	0	4	4	0	4
9	Has the bank committed to net zero by 2050 for scope 3 (financed) emissions?	3	3	3	3	3	3
10	Does the bank calculate and disclose its scope 3 (financed) emissions for sectors other than fossil fuels?	2	3	3	0	0	3
11	Has the bank set short-, medium-, and/or long- term targets for reducing scope 3 (financed) emissions from any other sectors than fossil fuels?	0	0	0	0	0	3
12	Does the bank disclose its strategies for meeting its targets, including clearly defined pathways, with milestones to assess progress against its targets?	0	0	0	2	0	4

INDICATOR		SCORES Absa	FirstRand	Investec	Nedbank	Standard Bank	MAX SCORE
Governance and strategy		4	13	6	12	0	20
13	How many board members have climate-related qualifications, expertise and/or experience?	0	3	2	3	0	4
14	How many board members are potentially conflicted by virtue of their roles at fossil fuel companies?	4	4	4	3	0	4
15	Is executive remuneration linked to clear, ambitious climate targets?	0	2	0	2	0	4
16	Does the bank use scenario analysis to assess the resilience of its strategies and targets, and how those strategies and targets might change to address potential climate risks and opportunities?	0	2	0	2	0	4
17	Does the bank support financing gas as a "transition fuel"?	0	2	0	2	0	4
Sustainable finance		4	6	2	10	6	10
18	Does the bank have a publicly available framework or categorisation detailing what it classifies as "sustainable finance"?	2	2	2	2	2	2
19	Does the bank disclose its lending to sustainable finance as a percentage of its total loan book?	0	2	0	4	2	4
20	Has the bank set short-, medium-, and/or long- term targets for increasing its sustainable finance?	2	2	0	4	2	4
TOTAL		24	41	41	51	16	85

A.

FOSSIL FUEL EXPOSURE

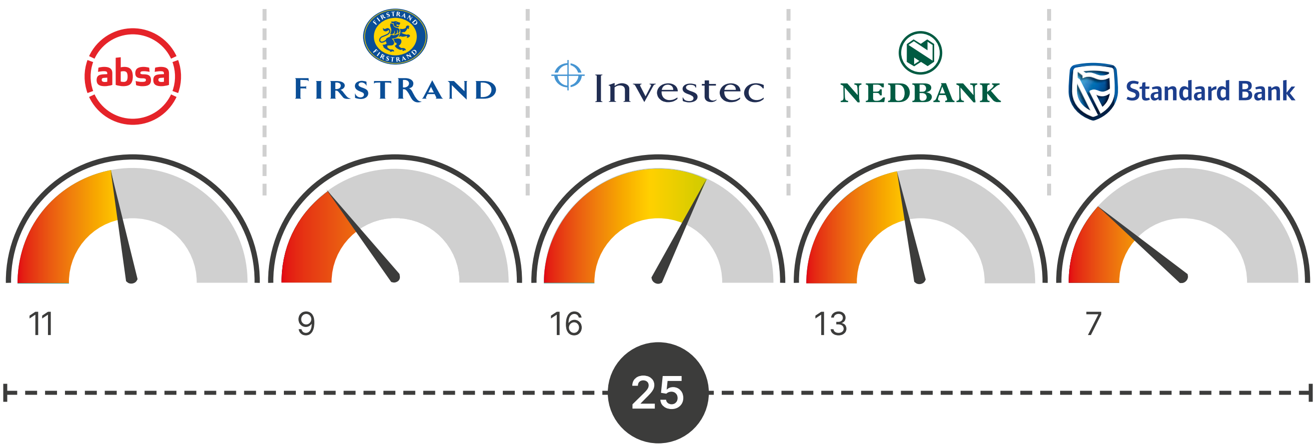
IMAGE: Getty Images © Bloomberg / Contributor

Fossil fuels – coal, oil, and gas – are by far the biggest contributors to climate change.[20] Wind and solar energy are the lowest-cost options for electricity generation, with the largest potential to reduce emissions by 2030.[21] Even continuing to operate existing fossil fuel infrastructure will likely result in the 1.5°C carbon budget being exceeded.[22]

A key requirement of the transition to low-carbon economies is that financial institutions urgently decrease their exposure to fossil fuels. For banks, this includes the lending and advisory services they provide to companies involved in the exploration for, and extraction and production of, coal, oil and gas.

In this category, the banks' fossil fuel exposure has been assessed across four indicators, for which there is a total score of 25.

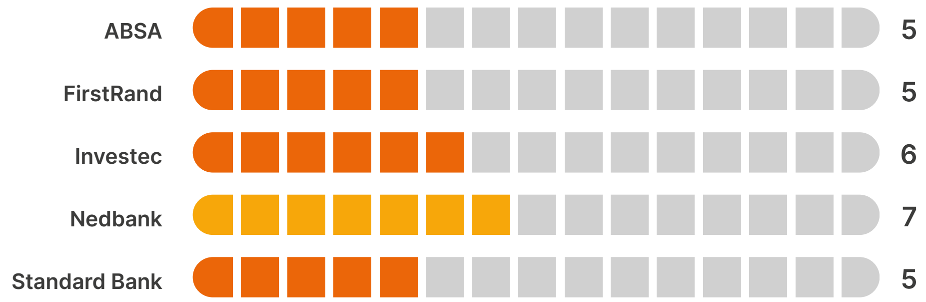
TOTAL SCORES FOR FOSSIL FUEL EXPOSURE



Indicator 1

Does the bank currently have fossil fuel financing exclusions in place?

Total scores (out of 15)



1.1. The bank excludes financing for new coal-fired power generation

	Total score out of 4
Absa	4
FirstRand	4
Investec	4
Nedbank	4
Standard Bank	4

1.2. The bank excludes financing for coal mining

	Total score out of 3
Absa	0
FirstRand	0
Investec	1
Nedbank	0.5
Standard Bank	0

1.3. The bank excludes financing for gas exploration, extraction and production

	Total score out of 2
Absa	0
FirstRand	0
Investec	0
Nedbank	1
Standard Bank	0

1.4. The bank excludes financing for gas-fired power generation

	Total score out of 3
Absa	0
FirstRand	0
Investec	0
Nedbank	0
Standard Bank	0

1.5. The bank excludes financing for oil exploration, extraction and production

	Total score out of 1
Absa	0
FirstRand	0
Investec	0
Nedbank	0.5
Standard Bank	0

1.6. Any other exclusions

	Total score out of 2
Absa	1
FirstRand	1
Investec	1
Nedbank	1
Standard Bank	1

In order to meet the goals of the Paris Agreement, a science-aligned phase-out of existing fossil fuels is required, and no new fossil fuel infrastructure must be built. For banks, this requires clear institutional policies that exclude the provision of finance to all new fossil fuels, as well as a phasing-out of existing exposure, in alignment with climate science.

To understand, assess, and manage the climate-related risks facing them, banks should be measuring and disclosing detailed information relating to their own exposure to fossil fuels. This includes regularly updated policies which set out the types of fossil fuels and activities the banks will not support and those in relation to which banks will provide limited financial support or services.

Scoring framework

This indicator is broken down into six sub-indicators. These cover banks' exclusion of financing to: new coal-fired power generation; coal mining; gas exploration, extraction and production; gas-fired power generation; and oil exploration, extraction and production. In addition, all the banks exclude financing to one or more activities which are not relevant to the African market, such as: tar/oil sands; drilling in the Arctic/polar regions; and/or drilling in the Amazon rain forest. These are therefore all grouped into one sub-indicator for "other" exclusions". The "other" category also includes oil-fired power generation.

For each sub-indicator, a bank can score either the maximum score for a full exclusion, a lower score for a qualified exclusion, or zero for no exclusion. In the case of coal mining and oil exploration, extraction and production, there was an additional score distinction between a minor exclusion and one that was more extensive (which scored higher than a minor exclusion). For example, although both Nedbank and Investec exclude the financing of thermal coal mines outside of South Africa, Investec scored higher because it also excludes limited recourse project financing for new thermal coal mines, regardless of jurisdiction; and financial services to new clients that export thermal coal.

The weighting of the scores varies according to the significance of the exclusion for reducing GHG emissions. As a result, a maximum score of four points is available for excluding new coal-fired power generation (since coal-fired power results in the most GHG emissions and is easiest to abate); three points for exclusions of coal mining and gas-fired power generation; two points for gas exploration, extraction and production, and for other exclusions; and one point for oil exploration, extraction and production, which is less relevant in the South African context.

Analysis

All five banks have adopted a policy which excludes financing of new coal-fired power generation, the area in which they have made the most progress on addressing climate risk.

Least progress has been made in relation to gas-fired power generation: none of the banks has any exclusion for this category, indicating that none has yet accepted the scientific fact that gas is not "clean", nor the multitude of evidence that demonstrates that large quantities of gas are not necessary to address energy poverty or energy security in Africa.[23]

Progress is slow for all banks in relation to excluding financing for the exploration, extraction and production of oil and gas. Only Nedbank scored any points in either of these sub-indicators: a partial score of one for excluding new gas exploration, but not extraction or production;[24] and a partial score of a half point for excluding new oil exploration, but not extraction or production.[25]

Investec scored one for having a qualified exclusion for coal mining: as set out above, it excludes financial services to new thermal coal mines outside of South Africa, to new clients that export thermal coal, and, since March 2023, excludes limited recourse project financing for new thermal coal mines regardless of jurisdiction.[26] Nedbank is the only other bank to score in this sub-indicator, scoring a half point for excluding financing to thermal coal mines outside of South Africa.[27] None of the other three banks has any exclusion in relation to coal mining.

All the banks score one for having one or more "other" exclusions.

Indicator 2

What is the percentage change in the bank's fossil fuel exposure in the past financial year?

Total score (out of 4)

It is necessary to understand the trajectory of a bank's exposure to high GHG-emitting sectors over time, especially as all five of the banks have committed to net zero by 2050, and all five state that they support the goals of limiting global temperature rise to 1.5ºC, which requires a global reduction in emissions of at least 43% by 2030.

While targets and commitments demonstrate a bank's future plans, tracking actual exposure to high-emitting sectors, and how this is changing from year to year, reveals the reality of where a bank is allocating its financing.

"Exposure" in this context means overall disclosed exposure to fossil fuels, in Rand terms, made up of loans to and investments in operations and companies associated with extracting, producing, and investing in fossil fuels.

All the banks have disclosed their Rand exposure to fossil fuels for more than one year, which made it possible to track whether this has increased or decreased in the past year. These disclosures are reported variably as on- and off- balance sheet, drawn exposure, or drawn exposure and transaction limits. This analysis only used the on-balance sheet, or drawn amounts if these were reported. Investec does not identify whether the amounts it discloses in its "energy lending portfolio" are on- and off- balance sheet, drawn amounts only, or drawn amounts and limits.

Scoring framework

Banks are scored according to how much their Rand exposure to fossil fuels has decreased or increased over the past year. Any decrease in fossil fuel exposure yields a score of four (out of four). Where exposure has increased, but by less than 10%, a bank scores two points; where exposure has increased by more than 10%, a bank scores zero points.

Analysis

In calculating the change in the banks' exposure to fossil fuels, each bank's total disclosed financing amounts to coal, oil, (upstream and downstream) gas, and electricity and utilities for the current and previous reporting years were compared, according to what each bank reported as its on-balance sheet or drawn exposure. The banks do not all provide this information in a consistent or comprehensive way.

Three of the five banks, Absa,[28] FirstRand,[29] and Standard Bank[30] have increased financing to fossil fuels by more than 30% in the reporting year. Nedbank[31] also increased its overall exposure to fossil fuels – by 9%. The increase for all four banks was due to a steep increase in financing for gas.

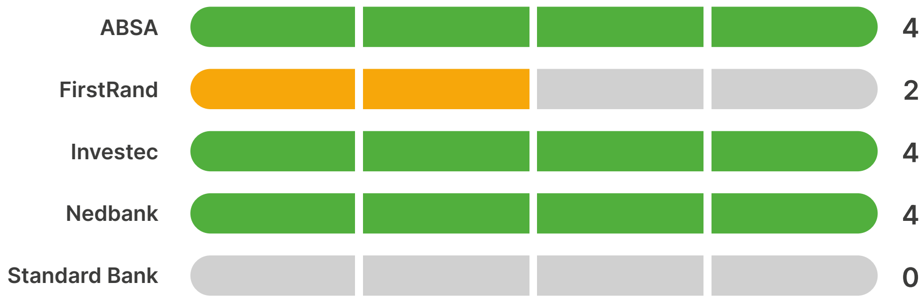
Nedbank has stated that the increase in its exposure to gas may be due to factors other than increased financing, such as clients drawing down on existing facilities, or to fluctuations in the dollar/rand exchange rate.[32]

Investec[33] is the only bank that has decreased its overall financing to fossil fuels compared to the previous reporting year, by approximately 32%. This is due to a significant reduction in Investec's exposure to oil, for which the bank does not provide an explanation. Like the other banks, Investec's financing to gas also increased over the year.

Indicator 3

What is the percentage share of financing for renewables in the bank's total energy financing?

Total score (out of 4)



The big five banks provide significant and increasing financing for renewable energy projects. However, in the context of climate action, and especially the urgent need to reduce GHG emissions, as important as how much a bank has increased its financing of renewable energy, is how much of the bank's total energy financing is directed towards renewable energy as opposed to fossil fuels. In other words, whilst financing renewable energy is crucial, banks must also urgently stop financing fossil fuels.

Scoring framework

Banks score four (out of four) points where the percentage of each bank's financing for renewable energy makes up more than 50% of its total energy financing, two points for 20–50%, and zero points where it makes up less than 20%.

As set out above, the information reported by the banks varies. This complicates a comparative analysis. The analysis for this section has been conducted according to what the banks report, as follows:

- For Standard Bank, on-balance sheet amounts were used.[34]
- For FirstRand,[35] Nedbank[36] and Absa[37] drawn exposure was used.
- For Investec,[38] the exposure from its energy lending portfolio was used.

Analysis

Lending to renewable energy makes up more than 50% of energy financing for Absa,[39] Investec,[40] and Nedbank, and 35% for FirstRand.[41]

It is encouraging to see significant levels of financing for renewable energy from South African banks, reinforcing the fact that renewables – particularly wind and solar – are now the cheapest forms of electricity generation, as well as being essential to limit the worst impacts of climate change.

Only Standard Bank's lending to renewable energy falls below 20% of its total energy financing, with its financing of renewables making up approximate 19% of its total energy financing. Its total exposure to fossil fuels (taking into account all its financing including power generation, exploration, extraction and production) is approximately 4.5 times higher than to renewable energy (for its total on- and off- balance sheet exposure, and 4.3 times higher for its on-balance sheet exposure).[42]

Indicator 4

Does the bank disclose its exposure to Eskom?

Total score (out of 2)

Eskom is the highest GHG-emitter in South Africa.[43] Eskom is also the world's most polluting power company in relation to its emissions of non-GHG toxic air pollutants, according to research by the Centre for Research on Energy and Clean Air (CREA).[44] The CREA report found that Eskom's sulphur dioxide (SO_2) emissions in 2019 exceeded those from the power sectors of each of China, the US and the EU. Eskom's emissions have severe health impacts.[45]

Acknowledging that Eskom plays an unavoidable role in the provision of electricity to the country, it is nevertheless crucial that the banks include their lending to Eskom in their disclosures, as well as in their targets and commitments to reduce their exposure to fossil fuels. The success of South Africa's decarbonisation in the next decade is intricately tied up with the future of Eskom – it cannot simply be left out of the banks' strategies.

Scoring framework

The banks score two (out of two) points where they include (or do not disclose excluding) lending to Eskom (electricity and utilities) in their disclosures, and zero points for specifically excluding it. It is possible that FirstRand, Standard Bank and Investec exclude lending to Eskom but fail to disclose this. They have been given the benefit of the doubt in the scores for this sub-indicator, but the opacity around this issue demonstrates that banks should disclose lending to Eskom as an explicit category in their climate-related financial disclosures.

Analysis

Nedbank[46] explicitly excludes its lending to Eskom from its disclosures, without providing any explanation as to why it has done so. Absa explicitly excludes Eskom from its "sensitive sector financing caps", which means that all future limits on its financing of fossil fuels exclude lending to Eskom. However, Absa does disclose its exposure to "Electricity, gas and water supply (excluding renewables),"[47] which we have assumed includes Eskom. For the purposes of this sub-indicator, therefore, Absa was awarded two points.

B.

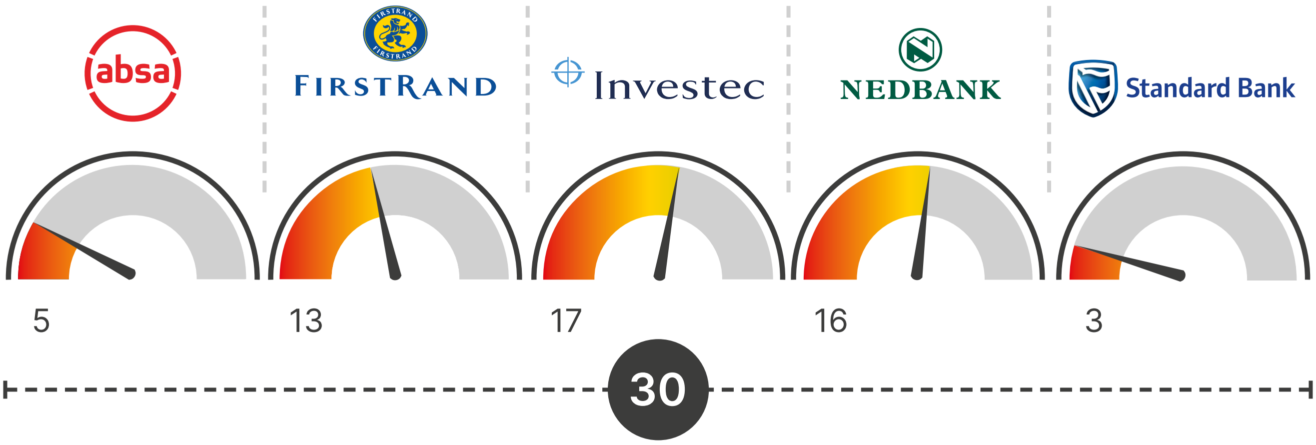
EMISSION REDUCTION TARGETS

IMAGE: Getty Images © Toa55

To increase the prospects of limiting temperature rise to 1.5°C, financial institutions must develop decarbonisation strategies underpinned by robust, science-based emission reduction targets and action plans.

In this category, the banks' target-setting has been assessed across eight indicators for which there is a total score of 30.

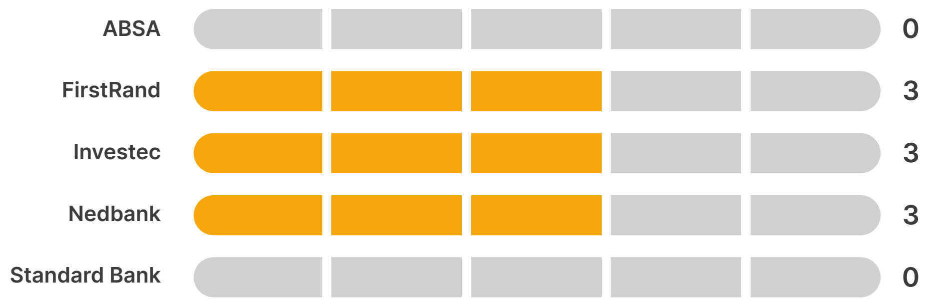
TOTAL SCORES FOR EMISSION REDUCTION TARGETS



Indicator 5

Does the bank calculate and disclose financed emissions from fossil fuel lending?

Total score (out of 5)



"Financed emissions" or scope 3 emissions,[48] refer to the GHG emissions associated with the bank's disclosed investment and lending portfolios – they are the emissions that derive from the activities of those investments and loans.

For banks, they present by far the highest emissions associated with their businesses. In 2021, the CDP reported that the emissions associated with financial institutions' investing, lending and underwriting activities are, on average, over 700 times higher than their direct emissions.[49]

The Partnership for Carbon Accounting Financials (PCAF) states that "measuring emissions associated with financial activities is the starting point for financial institutions to manage risk, identify opportunities associated with greenhouse gas emissions and begin the journey towards decarbonization".[50]

Calculating and disclosing these financed emissions is therefore fundamental, and the first step to being able to set targets to reduce emissions associated with the bank's lending and investment activities, and for being able to track progress over time.

Scoring framework

Calculating financed emissions is a foundational decarbonisation step which banks have been aware of for some time, particularly in relation to fossil fuel lending. Furthermore, the data and methodologies are available for calculating financed emissions. Banks that have failed even to start disclosing these financed emissions are significantly behind their peers.

A high maximum score has therefore been assigned for this indicator: five points for calculating and disclosing all financed emissions from fossil fuels; three points for calculating and disclosing some financed emissions from fossil fuels; and zero for not calculating and disclosing any financed emissions from fossil fuels. Indicator 10 addresses the status of the banks' calculation of such emissions for sectors other than fossil fuels, e.g. agriculture and real estate.

Analysis

The five banks are at significantly different stages of disclosure, with some banks' disclosure covering more than 75% of financed emissions, and others none.

Three of the five banks, FirstRand,[51] Investec,[52] and Nedbank,[53] score three as they have started to calculate and disclose some of their financed emissions from fossil fuel lending. FirstRand excludes "natural gas" from its disclosure;[54] Investec appears to only disclose financed emissions from fossil fuels in relation to power generation;[55] and Nedbank discloses financed emissions for thermal coal (excluding Eskom) and upstream oil and gas. It is not clear from Nedbank's disclosure whether this constitutes its entire portfolio of financed emissions from fossil fuel lending.[56]

Absa has only started to calculate and disclose financed emissions for its real estate and agriculture lending portfolios, not for fossil fuels.

In 2021, instead of tabling a non-binding advisory resolution co-filed by Just Share, Aeon Investment Management, Abax Investments, and Visio Fund Management,[57] Standard Bank agreed to do what that resolution required: i.e., to publish, in the first half of 2022, a climate strategy and short-, medium-, and long- term targets to reduce its exposure to fossil fuel assets on a timeline aligned with the Paris Goals.

Having analysed Standard Bank's 2022 Climate Policy, Just Share and Aeon shared a draft resolution[58] with the bank, asking that it update its policy to set short-term and medium-term absolute contraction targets for the bank's GHG emissions from its exposure to oil and gas, i.e. targets which reduce the physical amount of GHGs emitted into the atmosphere over time, as required by climate science. Following further engagement, the co-filers and the bank agreed on the wording for a resolution, which was formally filed[59] on 29 March 2022.

At the bank's 2022 AGM, 99,7% of shareholders voted in favour[60] of the resolution,[61] which requires Standard Bank to (1) report on its progress in calculating its financed GHG emissions from its exposure to oil and gas by no later than March 2023, (2) disclose its baseline financed GHG emissions from its exposure to oil and gas by no later than March 2024, and (3) publish short-, medium-, and long- term targets for its financed emissions from oil and gas, aligned with the Paris Agreement goal of limiting the global temperate increase to 1.5°C, by no later than March 2025.

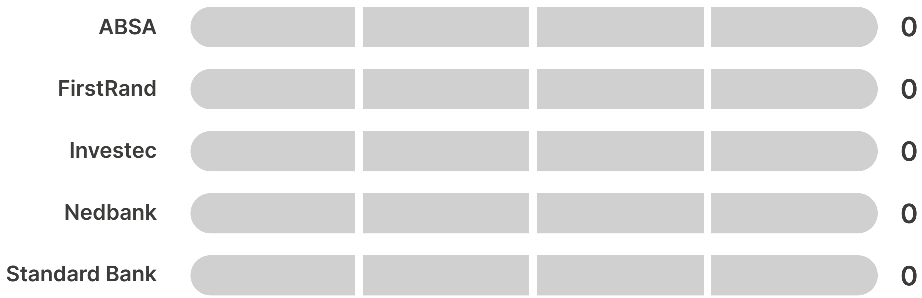
Standard Bank has not yet disclosed any of its financed emissions. Although it is not in breach of its obligations under the timeline presented in the resolution, there is no reason why the bank could not begin disclosing its financed emissions ahead of that timeline. Its justifications for not doing this – the challenge of obtaining reliable data, as well as "the absence of local regulation, multiple methodologies, and the evolving global standard setting process for climate-related disclosures"[62] – are undermined by the fact that three of the banks have done so (four, if Absa is included for disclosing its financed emissions from sectors other than fossil fuels).

All the banks have work to do to disclose their fossil fuel financed emissions comprehensively, but it is encouraging to see that most of them have begun the process and have committed to improving and expanding these disclosures.

Indicator 6

Has the bank set short-term (up to 2025) targets for reducing its scope 3 (financed) emissions from fossil fuels?

Total score (out of 4)



While long-term, science-aligned targets encourage banks to align their broader strategy with the goals of the Paris Agreement, interim targets, both short- and medium-term, are crucial to ensure that the necessary steps are being taken to meet the bank's long-term goals. They also allow stakeholders to monitor and track the bank's implementation of its climate strategy.

The UNEP-FI's Guidance for Climate Target Setting for Banks[63] provides detail about the appropriate periods for interim targets, what they should include, and how often they need to be reviewed to keep pace with developing climate science.[64]

Scoring framework

Banks score four (out of four) points for having set any short-term targets expressed in absolute emissions reduction;[65] two points for having set any targets up to 2025 but expressed as a percentage of total loan book, rather than an absolute reduction target; and zero points for not having set any such targets up to 2025. The assessment does not evaluate whether any targets are aligned with the latest climate science. In other words, banks could receive maximum points simply for setting targets.

Analysis

None of the banks has set any targets to reduce its financed emissions from fossil fuels in the short term, either expressed in absolute GHG reductions or as a percentage of loan book. This means that the earliest that stakeholders will be able to assess the adequacy of any of the banks' climate actions against their own targets, will only be after 2025. As appears from the next section on medium-term targets, some banks have also not set any medium-term targets, pushing out any accountability even further into the future.

This is wholly inadequate, given that climate science demonstrates that drastic action must be taken this decade. Short-term targets are a crucial way to assess whether institutions are on track to meet that requirement.

Indicator 7

Has the bank set medium-term (2025 to 2030) targets for reducing its scope 3 (financed) emissions from fossil fuels?

Total score (out of 4)

As with short-term targets, medium-term targets are crucial for being able to determine whether the banks are on track to meet their long-term commitments. The UNEP FI's Guidance for Climate Target Setting for Banks states that "intermediate targets shall include a target for 2030 (or sooner)."[66]

Scoring framework

Banks score four (out of four) points for setting any targets between 2025 and 2030 expressed in absolute emissions reduction, two points for setting any such targets but expressed as a percentage of its total loan book, rather than an absolute reduction target, and zero points for not having set any such targets.

Analysis

FirstRand[67] has an absolute target not to provide direct financing to new coal mines from 2026, and another to limit its existing lending to thermal coal to 1.5% in 2026 and to 1% in 2030; Investec[68] has an absolute target of zero coal exposure in its South African loan book by March 2030; and Nedbank[69] has absolute reduction targets not to provide financing for new coal mines from 2025 and to limit its financing of thermal coal to less than 0.5% of gross loans and advances by 2030.

Although these three banks score four points for this indicator, apart from Nedbank's qualified target relating to gas-fired power generation, these targets only relate to financing emissions from coal. Targets to reduce financed emissions from other fossil fuels – especially gas – are notably absent.

Absa and Standard Bank have not set any medium-term targets to reduce their financed emissions from any fossil fuels.

Indicator 8

Has the bank set long-term (2030 to 2050) targets for reducing its scope 3 (financed) emissions from fossil fuels?

Total score (out of 4)

Long-term targets cover targets between 2030 to 2050. By 2050, all the banks must achieve their commitment to be net zero (addressed in the next section). This will be a crucial period for significant reductions in exposure to take place, requiring as many granular targets as possible to ensure that banks are on track to achieve their long-term net zero commitments.

Scoring framework

Banks score four (out of four) points for setting any targets between 2030 and 2050 expressed in absolute emissions reduction, two points for setting any such targets but expressed as a percentage of its total loan book, rather than an absolute reduction target, and zero points for not having set any such targets.

Analysis

Only two banks have set any targets between 2030 and 2050. Investec[70] targets no new oil and gas extraction, exploration, or production from 2035, which it has determined will allow it to run down its existing oil and gas exposures by 2050. Nedbank[71] targets no new financing for utility-scale/ embedded gas-fired power generation (other than to support the transition) from 2030, and has a more limited target of no new oil production from 2035. Both banks score four points.

These are both limited targets, while the other three banks have not set any long-term targets to reduce their financed emissions from fossil fuels. Progress in setting targets, especially short- and medium- term targets, is much too slow from all the banks.

Indicator 9

Has the bank committed to net zero by 2050 for scope 3 (financed) emissions?

Total score (out of 3)

A commitment to net zero by 2050 is inadequate on its own, but it is an important signal as to whether a bank is incorporating climate risk into its business and acknowledges the global movement away from financing high-carbon activities.

The UN Secretary General tasked the High Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities with "addressing net zero pledges and commitments from nonstate actors including corporations, financial institutions, and local and regional governments".[72] In its 2022 report 'Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions' ("the HLEG report"), the expert group confirms that such actors "cannot claim to be net zero while continuing to build or invest in new fossil fuel supply".[73]

The HLEG report indicates that, to be credible, a net zero pledge must, among other things:

- represent a company's **"fair share"** of the required global climate mitigation effort;
- contain **interim targets** (including targets for 2025, 2030 and 2035)[74] and a pathway to net zero generated using a robust methodology consistent with limiting warming to 1.5°C with no or limited overshoot;[75] and
- include **plans to reach net zero in line with climate science**, i.e., with IPCC or International Energy Agency net zero GHG emissions modelled pathways that limit warming to 1.5°C with no or limited overshoot, and with global emissions declining by at least 50% by 2030, reaching net zero by 2050 or sooner. Net zero must be sustained thereafter.[76]

Scoring framework

Banks score three (out of three) points for making a clear commitment to being net zero by 2050 (or sooner), and zero points for failing to do so.

Analysis

All five of the banks have committed to net zero by 2050. The challenge, however, will be in meeting this target and, importantly, whom to hold accountable if the banks fail to achieve it, given the very long timeline until 2050, and the lack of meaningful, science-aligned short- and medium-term targets.

Indicator 10

Does the bank calculate and disclose its scope 3 (financed) emissions for sectors other than fossil fuels?

Total score (out of 3)

Construction, vehicles and transport, mining, real estate, and agriculture are all carbon-intensive sectors to which banks provide lending and other financial services. Emissions related to these sectors contribute to banks' financed emissions and must be reduced in order to limit climate change.

In fact, although most of the work to date on climate and financial institutions relates to fossil fuels (establishing financing policies, calculating and disclosing the emissions from fossil fuels, and setting targets to reduce exposure), these often only make up a fraction of a bank's total financed emissions. It is therefore imperative that banks extend this work beyond fossil fuels.

Scoring framework

Banks score three points (out of three) for calculating and disclosing their financed emissions from four to six sectors other than fossil fuels, two points for one to three other sectors, and zero points for no sectors other than fossil fuels.

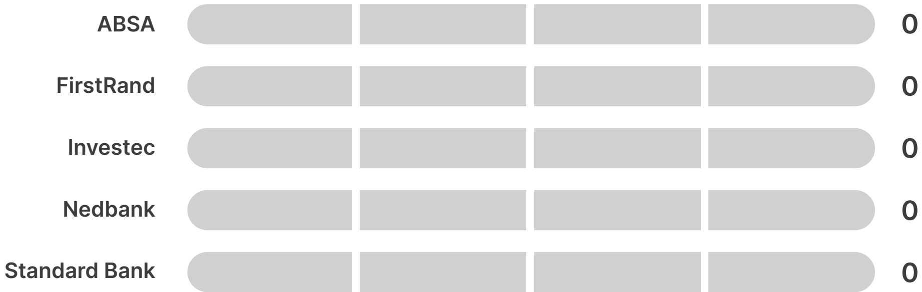
Analysis

Three banks have started to calculate and disclose financed emissions from non-fossil fuel sectors. Absa[77] (which has not calculated or disclosed financed emissions from fossil fuels) has done so for its financed emissions from agriculture and real estate exposure for 2021 and 2022; FirstRand[78] has done so for mortgages, commercial property, motor vehicle, agriculture and other commercial sectors; and Investec for real estate, motor finance, aviation, mortgages, and listed equities. Nedbank and Standard Bank have not disclosed financed emissions from other sectors.[79]

Indicator 11

Has the bank set short-, medium-, and/or long- term targets for reducing scope 3 (financed) emissions from any sectors other than fossil fuels?

Total score (out of 3)



As with fossil fuels, the calculation of a bank's financed emissions from other sectors is a precursor to setting targets to reduce those emissions. The commitment to net zero by 2050 – which all five banks have made – requires rapid reduction of all financed emissions, which means the banks must have targets and strategies for exposure to all high-carbon sectors.

Scoring framework

Considering that the banks are behind in setting targets for reducing emissions from sectors other than fossil fuels, banks score three (out of three) points for setting either short-, medium-, or long-term targets, and zero points for failing to set any such targets.

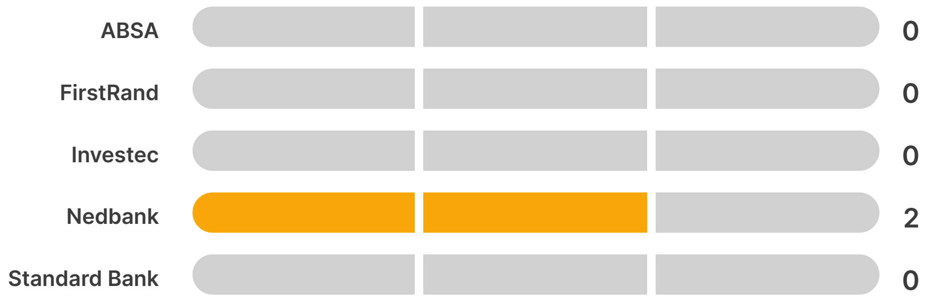
Analysis

None of the banks has set any targets to reduce emissions from sectors other than fossil fuels. Given the significant portion that some of these sectors comprise in the banks' financing and other activities, this must be an urgent priority for all five banks.

Indicator 12

Does the bank disclose its strategies for meeting its targets, including clearly defined pathways, with milestones to assess progress against its targets?

Total score (out of 4)



After disclosing financed emissions, and setting targets to reduce them, the next step is to provide concrete detail in terms of how a bank will achieve its targets. This must be more than statements and commitments – it must include milestones and targets against which leadership can be held accountable. These strategies should also be reviewed and updated as appropriate.

Scoring framework

Banks score four (out of four) points for disclosing clear strategies as to how they plan to meet their targets, which include clearly defined pathways, with milestones to their targets; two points for disclosing some strategies although without clear pathways or milestones; and zero points for not disclosing any strategies for meeting their targets.

Analysis

Only one bank scored any points in this indicator. Nedbank began piloting decarbonisation pathways ("glidepaths") for its power sector generation and fossil fuel portfolios in 2023 and has committed to disclosing these "glidepaths" for both portfolios in its upcoming reports in 2024.

The remaining four banks have not disclosed any strategies for meeting their targets. This demonstrates that the banks' failure to make significant progress in setting and disclosing ambitious, science-aligned targets, is necessarily hampering their ability to develop strategies for achieving such targets. It is indicative of the slow, iterative way the banks are addressing climate risk, rather than taking bold, ambitious action in line with their stated commitments to tackling climate change.

C.

GOVERNANCE AND STRATEGY

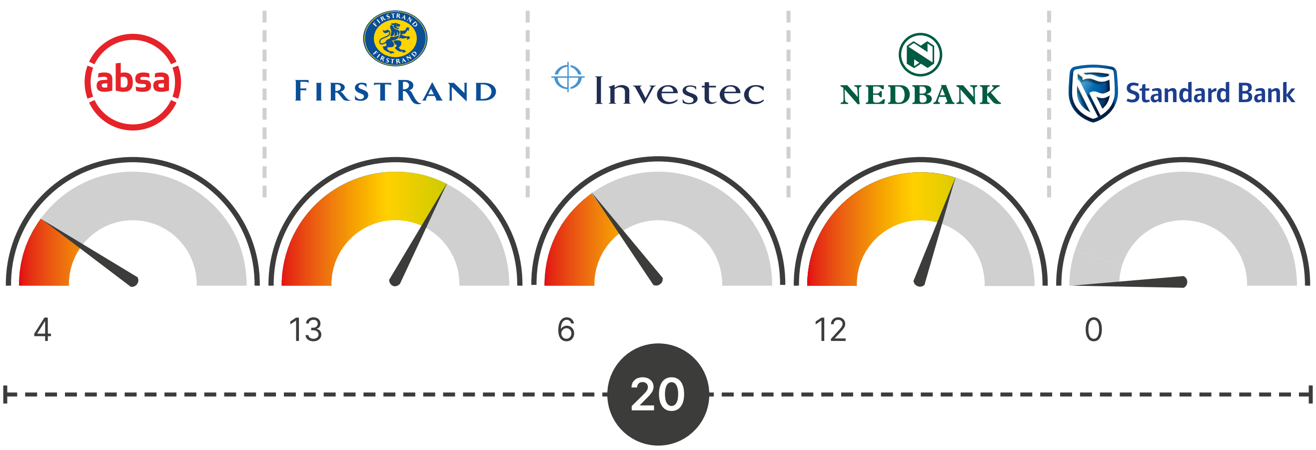
IMAGE: Getty Images © Sergi Escribano

Climate change leadership for banks' strategic direction is crucial and urgent. Financial institutions must play a key role in supporting the transition to net zero, by directing financial flows away from high-carbon industries and into the sustainable industries that will drive low-carbon economies.

This is an immense challenge, requiring changes to the way banks do business, and it requires leadership, and specialist skills, knowledge and experience. Leadership must be properly equipped and incentivised to effectively foresee and address climate-related challenges and opportunities.

The banks' governance and strategy are assessed across five indicators for which there is a total score of 20.

TOTAL SCORES FOR GOVERNANCE AND STRATEGY



Indicator 13

How many board members have climate-related qualifications, expertise and/or experience?

Total score (out of 4)

Climate skills and/or expertise are specific, specialised and distinct from general "sustainability" skills and/or experience. Overstating a board's climate competence misleads stakeholders into believing that the board has the requisite skills and experience to steer their company through a highly complex transition.

Banks should not only ensure that the requisite climate-related skills, qualifications and expertise exist on their boards, but should also disclose how they define and measure what constitutes such expertise, and demonstrate how and why they have determined that a particular board member qualifies as having it.

Scoring framework

Banks score four (out of four) points for having more than three board members with climate-related qualifications, expertise and/or experience; three points for having between two and three such board members; two points for just one climate-qualified director; and zero points for having no board members with any climate-related qualifications, expertise and/or experience.

Analysis

The climate skills, expertise and/or experience of the banks' directors were assessed based on the biographies of their directors provided by the banks, supplemented by independent desktop research.

FirstRand reported that all of its board have "ESG/stakeholder engagement skills"[80] and that three board members (Shireen Naidoo, Sibusisu Sibisi and Roger Jardine) have "climate-related experience".[81] However, this assessment was only able to identify two directors with such expertise: Naidoo and Sibisi.

At the time of Nedbank's reporting, it identified four then-current board members as having "climate change experience" (Brian Dames, Linda Makalima, Phumzile Langeni and Mpho Makwana (who resigned in June 2023)). Nedbank indicated that Daniel Mminele, who would be joining the board in May 2023, also had this experience.[82]

Elsewhere, Nedbank reported that three of its then board members (Makwana, Dames and Mike Davis)[83] had "environment and climate" skills and experience, and identified this as including key environmental, social, and governance (ESG) and key risk management experience.

However, at the time of this assessment,[84] only two Nedbank board members with climate-specific experience (Mminele and Dames) could be identified.

Investec reported that 11 of its then 14 board members had "sustainability expertise"[85] – which it did not define, nor did it identify which directors these are. At the time of this assessment, the board consisted of 11 directors of which one (Nicola Newton-King) could be identified as having climate skills, experience and/or expertise.

Despite reporting that seven of its then 16 board members had "environmental/social" skills,[86] Standard Bank did not identify which directors it regarded as having these skills. The bank defined these skills as "knowledge and experience in how the group's activities affect the environment (including impact on climate change) and society (including consumer protection, community development and protection of human rights, etc.)"[87] and stated that "These skills enable the board to oversee and monitor on an ongoing basis its status as a responsible corporate citizen".[88]

This assessment was not able to identify any Standard Bank director with specific climate-related expertise or experience.

Similarly, Absa reported that six of its then 14 directors have "sustainability – climate change and environmental skills",[89] but did not identify which directors they were, nor did it define what it meant by "sustainability – climate change and environmental skills". It was not possible to identify anyone on the Absa board with specific climate-related expertise or experience.

Indicator 14

How many board members are potentially conflicted by virtue of their roles at fossil fuel companies?

Total score (out of 4)

It is a potential climate-related conflict of interest when directors of financial institutions have significant ties (in this assessment, executive or non-executive positions which can be identified using publicly available information) to coal, oil and gas companies. It is not in the interests of these companies for financial institutions to phase out their lending to the fossil fuel industry.

Board members with ties to the fossil fuel industry, therefore, may well hamper the board's ability to interrogate the financial wisdom and social responsibility of continued lending to fossil fuel companies.

In terms of section 75(5) of the Companies Act, 2008, there are particular steps that must be taken if a company director has a personal financial interest in respect of a matter to be considered at a meeting of the board, or knows that a related person has a personal financial interest in the matter. That director:

a. must disclose the interest and its general nature before the matter is considered at the meeting;
b. must disclose to the meeting any material information relating to the matter, and known to the director;
c. may disclose any observations or pertinent insights relating to the matter if requested to do so by the other directors;
d. if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in paragraphs b or c;
e. must not take part in the consideration of the matter, except to the extent contemplated in paragraphs b and c;
f. while absent from the meeting in terms of this subsection —
   » is to be regarded as being present at the meeting for the purpose of determining whether sufficient directors are present to constitute the meeting; and
   » is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
g. must not execute any document on behalf of the company in relation to the matter unless specifically requested or directed to do so by the board.

In other words, directors with ties to the fossil fuel industry who sit on the boards of financial institutions must manage the potential conflict of interest in terms of the requirements of the Companies Act. To allay potential concerns about such conflicts, banks should disclose potential conflicts of interest and indicate how they have addressed these.

Scoring framework

Banks score four (out of four) points for having no potentially conflicted directors, three points where fewer than 10% of directors are potentially conflicted, two points where more than 10% but fewer than 30% of directors are potentially conflicted, and zero points where more than 30% of directors are potentially conflicted. Any conflicts that could result from board members' relationships with "related persons" (as defined in the Companies Act)[90] were excluded from the assessment.

Analysis

Standard Bank[91] has seven potentially conflicted directors:

- Nonkululeko Nyembezi is an independent non-executive director of Anglo American Plc;[92]
- Jacko Maree is an independent non-executive director of Phembani Group Limited; [93]
- Trix Kennealy and Nomgando Matyumza are both independent non-executive directors of fossil fuel company Sasol Limited;
- Geraldine Fraser-Moleketi is the lead independent director of coal miner Exxaro Resources Limited; and
- Xueqing Guan is the board secretary of the Industrial and Commercial Bank of China (ICBC) and Li Li is a non-executive director of ICBC Standard Bank Plc and the Chief Representative Officer of ICBC Africa Representative Office. Although links with other financial institutions were generally excluded from the definition of a climate conflict, the ICBC is a special case given (1) its significant shareholding in Standard Bank and (2) its known role as a major player in financial facilitation for the oil and gas sector in Africa.

Nedbank[94] has one potentially conflicted director: Stanley Subramoney who is an independent non-executive director of Sasol Limited.

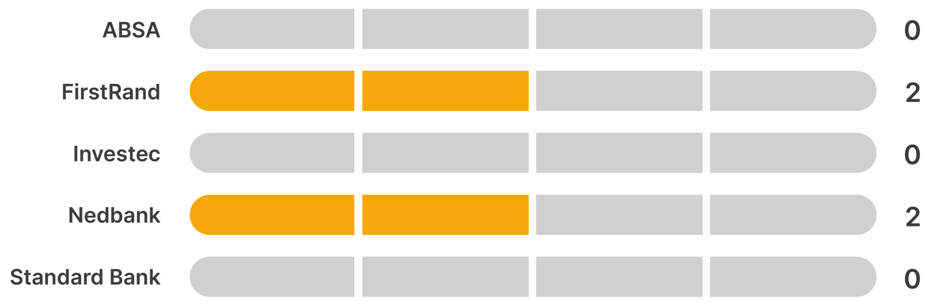
Neither Standard Bank nor Nedbank has disclosed what steps, if any, are taken to manage these potential conflicts.

The other three banks' board members do not appear to have potential conflicts.

Indicator 15

Is executive remuneration linked to clear, ambitious climate targets?

Total score (out of 4)



The linking of executive remuneration to key performance indicators (KPIs) is a well-established practice which aims to incentivise executives to achieve certain company objectives or goals. Although this practice is increasingly being extended broadly to ESG metrics – including those related to climate – given the vague nature of the metrics, they can potentially be used to pad compensation without leading to any real incentive to achieve longer-term and more ambitious goals.

This assessment therefore looked beyond merely linking executive remuneration to broad ESG metrics, and assessed whether any aspect of the remuneration of the banks' executives is linked directly to clear, ambitious climate-related targets that are measurable and can be tracked over time – such as reducing scope 3 financed emissions in line with short-, medium-, and long-term targets.

Scoring framework

Banks score four (out of four) points where they have linked executive remuneration clearly to ambitious climate targets, two points for partially doing so (for example, linking clearly to unambitious climate targets), and zero points where banks have only linked executive remuneration to ESG or to "sustainability" outcomes, or have failed to make any link at all.

Analysis

Only two banks received a partial score of two points for this indicator: FirstRand[95] allocates 20% of the overall weighting assigned to executives' scorecards to ESG outcomes which expressly include climate outcomes, and the bank provides a range of activities that constitute climate actions.[96] Although this does not constitute the setting of clear, ambitious targets, it does provide some level of transparency as to what is considered a climate-related KPI.

Nedbank[97] makes the most explicit link to climate outcomes, including in its 2022 long-term incentive scheme which requires delivery of progress on its energy policy, its sustainable finance goals, and timelines and targets including fossil fuel-related "glidepaths".

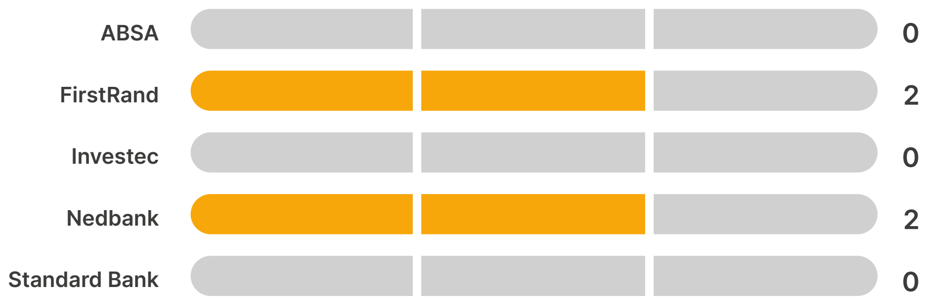
Although Absa[98] links executive remuneration to sustainability outcomes for its long-term incentives and climate outcomes for its short-term incentives, it measures this according to external ESG rating agencies – with the result that this evaluation is neither clear nor ambitious. Investec[99] only links executive remuneration to ESG metrics generally.

Standard Bank makes no link between executive remuneration and ESG or sustainability.

Indicator 16

Does the bank use scenario analysis to assess the resilience of its strategies and targets, and how those strategies and targets might change to address potential climate risks and opportunities?

Total score (out of 4)



Scenario analysis is a well-established method to develop and test the resilience of strategies and targets against a range of future hypothetical situations. According to the Task Force on Climate-Related Financial Disclosures (TCFD), scenario analysis is an "important and useful tool for an organisation to use both for assessing potential business implications of climate-related risks and opportunities, and for informing stakeholders about how the organization is positioning itself in light of these risks and opportunities."[100]

Scoring framework

According to the TCFD, climate scenario analysis is a two-part process: first is testing the resilience and flexibility of an organisation's strategy against plausible scenarios, and second is disclosing how the outcomes of the analysis are informing the company's strategic priorities. In the context of climate scenarios, these include its short-, medium-, and long- term targets that are aligned with climate science.

Banks therefore score four (out of four) points for disclosing (1) their consideration of different climate-related scenarios, including a 1.5°C-aligned scenario, and (2) how their strategies might change to address potential climate-related risks and opportunities identified by their analysis; two points for only disclosing the details of the analysis; and zero points for a failure to conduct a scenario analysis. Note that banks which mentioned certain climate scenarios but failed to analyse these in relation to the implications of the scenarios for their own organisation scored zero.

Analysis

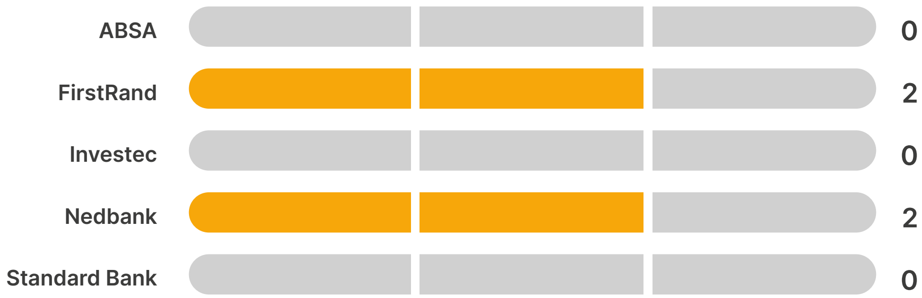
None of the banks is conducting scenario analysis in line with the Recommendations of the TCFD.[101] Only two banks score partial scores in this category: FirstRand[102] and Nedbank,[103] for providing the most detailed disclosure of their scenario analyses and some evidence of stress-testing of their strategies against climate scenarios. The other three banks refer to climate scenarios and discuss what they mean in general terms, but have not provided any information as to how different scenarios will impact their strategic planning.

Standard Bank[104] is notable for its fundamental misapplication of climate scenarios, which it uses as **evidence** for continued exploitation of fossil fuels, rather than a description of how a hypothetical path of development might lead to a particular outcome. Instead of using its scenario analysis to inform its strategy based on the likely effect on its business of various climate impacts and transition risks, Standard Bank has instead treated its selectively chosen scenario as evidence for its strategic decision to increase investment in oil and gas.

Indicator 17

Does the bank support financing gas as a "transition fuel"?

Total score (out of 4)



A bank's position on gas as a "transition fuel" – and for how long it may be required as such – is a strong indicator of the extent to which it understands climate risk and is committed to climate action.

The largest component of so-called "natural" gas is methane, a fossil fuel. Methane emits less carbon dioxide (CO_2) than coal when it is combusted, but methane leaks are ubiquitous throughout the gas value chain.[105] In addition, methane is, according to the IPCC, some 83 times more potent a GHG than CO_2 over a 20-year period, and about 30 times more potent over a 100-year period.[106]

To limit warming to 1.5°C with no or limited overshoot, global methane emissions must fall by 34% by 2030 relative to 2019.[107] The IPCC highlights the importance of reducing methane emissions.[108] As set out above, even continuing to operate existing fossil fuel infrastructure could exceed a 1.5°C carbon budget.[109]

Arguments about Africa's "need" for gas for its "development" or that Africa's development must be "balanced" against its transition away from fossil fuels – are not supported by climate science, nor by the wealth of evidence demonstrating that gas is not clean nor climate- or environmentally-"friendly"; that it does not bring economic prosperity; and that the power sector does not require significant quantities of gas for energy access or security.

In fact, multiple studies and analyses by globally respected institutions, including the Organisation for Economic Cooperation and Development,[110] the United Nations Economic Commission for Africa,[111] and the International Institute for Sustainable Development,[112] demonstrate that sustainable energy, and in particular decentralised renewable energy, represents the fastest, most cost-effective option for addressing energy poverty across the African continent.[113]

Scoring framework

Banks score four (out of four) points for an unequivocal recognition of the climate science related to emissions from gas, two points for any partial recognition of the science, and zero points if they claim, without evidence to substantiate this claim, that gas is necessary for African development and/or the alleviation of energy poverty.

Analysis

None of the banks has taken an unequivocal stance recognising climate science and the risks in relation to gas.

FirstRand and Nedbank both scored two points for qualifying their positions on gas. FirstRand states, that "in the short to medium term gas is likely to play a role as a transition fuel, however, in the long-term demand will fall due to its emissions profile."[114]

Nedbank reports that it will continue to finance gas production "where it will play an essential role in facilitating the transition to a zero-carbon energy system by 2050".[115]

The other banks, in contrast, are committed to ongoing financing of increased fossil gas regardless of its climate impacts.

Standard Bank states that "natural gas will play an important role in the transition from the use of carbon-intensive energy sources like wood and coal to more efficient energy sources for households and companies like LPG and natural gas" and "Oil and gas will continue to play a pivotal role in the South African energy matrix, with Government pushing for the growth of the gas economy. This brings a host of opportunities, especially in the midstream and downstream components of the oil and gas value chain."[116]

Standard Bank uses a hypothetical Network for Greening the Financial Sector (NGFS) net zero 2050 scenario which **assumes insufficient climate action** to keep global temperature increases to no more than 1.5°C, as the basis for its decision to continue to fund fossil fuels. The bank states that "the NGFS net zero 2050 scenario shows demand for gas in Africa continuing to grow until 2050. As such, the group will continue to finance gas over the medium to long-term subject to conditions outlined in our group climate policy".[117]

Investec states that fossil gas "provides a relatively cleaner alternative compared to traditional fossil fuels" and that "it is essential to balance the need for energy security, affordability, and environmental sustainability."[118]

Absa states that it will continue to finance gas at least until 2050.[119]

D.
SUSTAINABLE FINANCE

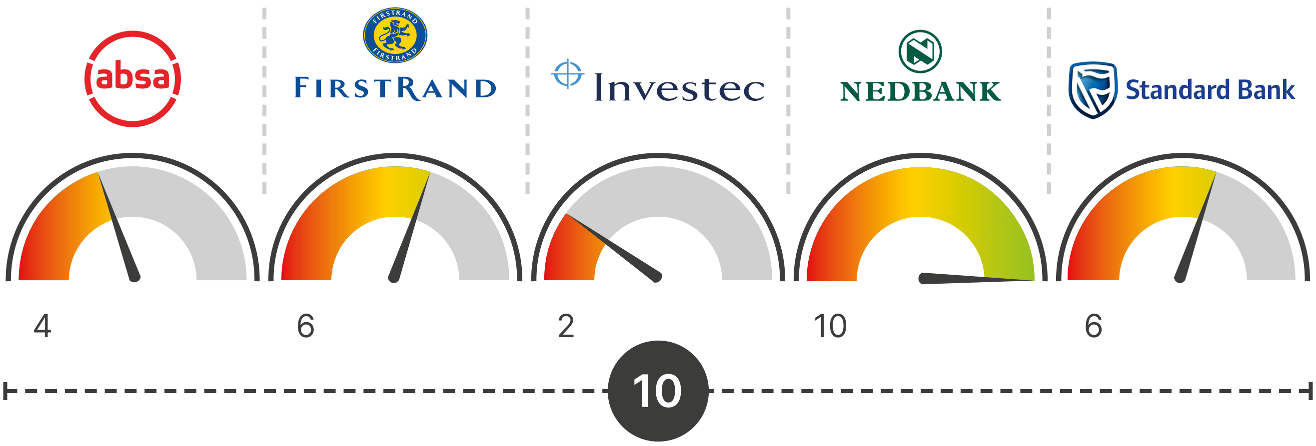
IMAGE: Getty Images © shayes17

The Paris Agreement highlights the importance of "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".

For banks, the just transition to low-carbon economies must not only be about reducing their exposure to high-carbon sectors. It is as important that banks also dramatically increase financial flows into sectors, companies, and products that are clean and sustainable and that will contribute to the development of those new economies.

The banks' approach to sustainable finance was assessed across three indicators for which there is a total score of 10.

TOTAL SCORES FOR SUSTAINABLE FINANCE



Indicator 18

Does the bank have a publicly available framework or categorisation detailing what the bank classifies as "sustainable finance"?

Total score (out of 2)

An effective way to determine whether a bank's claims regarding sustainable finance are robust is for banks to disclose a clear and detailed set of parameters setting out what it regards as constituting sustainable finance. A framework should set out the ESG criteria the banks require to be fulfilled when providing sustainable finance/advisory services.

Scoring framework

Banks score two (out of two) points for having a sustainable finance framework, and zero points for not having one.

Analysis

In its 2021 Technical Paper, *Financing a Sustainable Economy*, National Treasury recommends the following definition for sustainable finance in South Africa:

> *Sustainable finance contributes to the delivery of the sustainable development goals, and a just transition to a low carbon and climate resilient economy and financial stability. Sustainable finance encompasses financial models, services, products, markets and ethical practices to deliver resilience and long-term value in each of the economic, environmental, social and governance aspects.*
>
> *This is achieved when the financial sector: Evaluates portfolio and transaction-level environmental and social risk exposure and opportunities, using science-based methodologies and best practice norms; discloses and mitigates these risks and links these to products, activities and capital allocations.*[120]

The Technical Paper goes on to state that:

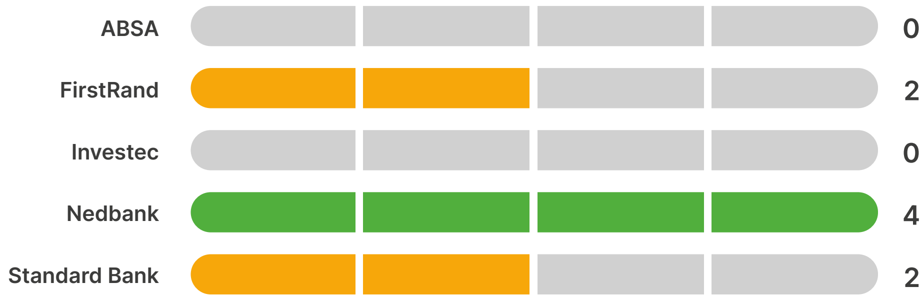
> *Sustainable finance should therefore comprise the collective set of actions, processes, policy, regulations, goods and services that actors in the financial service sector give effect to in the enablement of the global Sustainable Development Goals or the closely-correlated National Development Plan 2030 (NDP), with consideration for the short, medium and long-term interests of South African citizens. In line with global definitions, Sustainable Finance incorporates climate finance, green finance, and social finance.*[121]

Although they differ in the degree of detail and the topics covered, all five banks scored two points for having a publicly available sustainable finance framework.[122]

Indicator 19

Does the bank disclose its lending to sustainable finance as a percentage of its total loan book?

Total score (out of 4)



A key question when assessing a bank's commitment to climate and sustainability is what proportion of its financing is considered sustainable, as a percentage of its overall financing. Disclosing only the amount loaned which is categorised as sustainable is of limited use, given that most stakeholders will not understand its significance within the context of the bank's total loan book.

Scoring framework

Banks score four (out of four) points for disclosing their lending to sustainable finance as a percentage of their total loan book, two points for disclosing only the number in absolute Rand terms, and zero points for not disclosing their lending to sustainable finance.

Analysis

Only Nedbank[123] discloses its lending to sustainable finance as a percentage of its total loan book: sustainable finance constitutes 14% of its total loans and advances.

Standard Bank and FirstRand disclose their lending to sustainable finance but only in Rand terms. This demonstrates how important this context is. Standard Bank,[124] for example, reports that it has "mobilised" R54.5 billion in sustainable financing. However, its total loans and advances for that period were R1.4 trillion,[125] meaning that its sustainable finance only makes up 3.89% of its total loan book.

FirstRand[126] reports that it "facilitated R26.4 billion in sustainable and transition finance" during the 2022 financial year. However, it is not possible to determine the significance of this number because FirstRand does not report clearly what its total book was for the period.

Absa and Investec have not reported the total Rand amount loaned to activities which they categorise as sustainable finance.

Indicator 20

Has the bank set short-, medium-, and/or long- term targets for increasing its sustainable finance?

Total score (out of 4)

As with banks' exposure to financed emissions, clear and ambitious targets must be set for increasing financing to sustainable sectors, companies, and products to ensure that financial flows supports the achievement of a just transition to a low-carbon and climate-resilient economy. These targets will allow stakeholders to monitor and hold the banks accountable, as well as ensuring that individuals responsible can be incentivised to achieve them.

Scoring framework

Banks score four (out of four) points for disclosing short-, medium-, and/or long- term targets for increasing sustainable finance as a percentage of their total loan book, two points for short-, medium-, and/or long- term targets in absolute Rand amounts, and zero points for not having any such targets.

Analysis

Investec is the only bank that does not disclose any sustainable finance targets. The other banks all received partial scores.

Absa[127] aims to mobilise R100 billion in sustainable finance by the end of 2025.

FirstRand[128] aims for R35 billion in sustainable and transition finance in 2023; and R140 billion between 2024 and 2026.

Standard Bank[129] aims to increase its sustainable finance by R5 billion per year, from R50 billion in 2023 to R65 billion in 2026.

All these targets are expressed in Rand and do not reference sustainable finance as a proportion of total lending and investment, which is essential for an assessment of whether the banks are moving towards predominately sustainable financing.

Nedbank[130] is the only bank to set a target as a percentage of its loan book: a short-term target only, to increase sustainable finance to "around 20% of the group's (gross loans and advances) by the end of 2025".

Endnotes

1 https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

2 The assessment was completed on 15 September 2023, and the latest information available at that date was used. Any changes to the banks' disclosures, policies or board composition that have occurred after 15 September 2023 have not been included in this assessment. Four of the five banks had released their 2023 disclosures by 15 September. FirstRand had not yet released its 2023 reports and so the analysis is based on its reports released in 2022.

3 https://www.statista.com/statistics/1346932/leading-banks-in-south-africa-by-capital/.

4 https://www.ipcc.ch/report/ar6/wg3/; https://earthobservatory.nasa.gov/world-of-change/global-temperatures.

5 IPCC AR6 WGIII, SPM, C.3.

6 IPCC ARG WGIII, SPM, C.2.

7 https://www.unepfi.org/net-zero-banking/.

8 https://www.unepfi.org/banking/bankingprinciples/.

9 https://www.unepfi.org/wordpress/wp-content/uploads/2023/03/10-NZBA-PRB-Commitment-statement-D3.pdf.

10 https://www.unepfi.org/banking/prbsignatories/.

11 https://www.nedbank.co.za/content/nedbank/desktop/gt/en/aboutus/green-and-caring/responsible-finance-/unep-fi.html.

12 https://www.unepfi.org/net-zero-banking/members/.

13 https://actionaid.org/publications/2023/how-finance-flows-banks-fuelling-climate-crisis;
https://www.bankingonclimatechaos.org/.

14 Financed emissions are the emissions that banks and investors finance through their loans and investments. These fall under scope 3, category 15 (investments) of the Greenhouse Gas Protocol.

15 Nedbank Group energy policy available at https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2021/Nedbank%20Group%20Energy%20Policy.pdf.

16 https://justshare.org.za/resource-categories/investor-briefings/.

17 This report relies on information provided in the banks' climate-related disclosures, which focus primarily on their loan and investment portfolios. It must be noted, however, that the banks are also exposed to significant climate-related risks via their involvement in issuing and underwriting corporate bonds. None of the banks explicitly states whether its disclosures include the issuing and underwriting of corporate bonds for fossil fuel companies or projects. This is a potentially crucial omission, as "the bond market has become a safe haven for fossil fuel companies to fund their expansion" (see https://toxicbonds.org/).

In addition, there is a lack of uniformity in the banks' climate-related disclosures, including in the way they categorise and present financial information, and in the use of language: for example, some banks report exposure as on- and off-balance sheet, others as drawn exposure and limits – or only drawn exposure, and another as its lending portfolio. There does not appear to be a standard way of reporting total loans and advances, and the banks do not specify what is included in "lending and investments".

The various frameworks meant to standardise climate-related disclosures in order to make them comparable and understandable to stakeholders should be updated to provide recommendations for standardisation of the terms used to describe financing activities. There is also a need for clear guidance regarding the disclosure of banks' exposure resulting from debt.

18 Energy financing means any financing for the exploration, extraction and production of coal, oil, gas, and any form of renewable energy, as well as related infrastructure.

19 Available at https://www.capitecbank.co.za/globalassets/pages/esg/environment-policies/environmental-policy.pdf.

20 https://www.un.org/en/climatechange/science/causes-effects-climate-change#:~:text=Fossil%20fuels%20%E2%80%93%20coal%2C%20oil%20and,of%20all%20carbon%20dioxide%20emissions.

21 IPCC AR6 SYR, SPM, C.3.

22 IPCC AR6 SYR, SPM, A.6.

23 See, for example: https://www.e3g.org/publications/the-failure-of-gas-for-development-mozambique-case-study/; https://www.iisd.org/publications/natural-gas-finance-clean-alternatives-global-south; https://www.iisd.org/publications/report/south-africa-no-need-for-gas; https://justshare.org.za/media/news/just-shares-comments-on-the-dmres-gas-masterplan-basecase-report/ and the references therein; https://zerocarbon-analytics.org/archives/energy/rapid-phasedown-of-natural-gas; https://climateactiontracker.org/publications/natural-gas-in-africa-why-fossil-fuels-cannot-sustainably-meet-the-continents-growing-energy-demand/; https://www.ran.org/wp-content/uploads/2023/04/BOCC_2023_vF.pdf; https://www.banktrack.org/download/locked_out_of_a_just_transition_fossil_fuel_financing_in_africa/07_md_banktrack_fossil_fuels_africa_rpt_hr_1.pdf; https://dont-gas-africa.org/cop27-report; https://justtransitionafrica.org; https://researchspace.csir.co.za/dspace/handle/10204/11483; https://meridianeconomics.co.za/our-publications/a-vital-ambition-determining-the-cost-of-additional-co2-emission-mitigation-in-the-sa-electricity-system-july-2020-for-the-best-quality-display-save-the-file-locally-and-open-it-with/.

24 P 1 Nedbank Group energy policy.

25 P 1 Nedbank Group energy policy.

26 P 6 Investec fossil fuel financing policy available at https://www.investec.com/content/dam/south-africa/welcome-to-investec/corporate-responsibility/Investec-Fossil-Fuel-policy-June-2023.pdf.

27 P 1 Nedbank Group energy policy.

28 P 35 Absa 2022 climate report, p 16 Absa 2021 climate report available at https://justshare.org.za/wp-content/uploads/2022/11/Absa-Group-TCFD-report-2021-final.pdf.

29 P 64 FirstRand 2022 climate report.

30 P 24 Standard Bank 2022 climate report.

31 P 60 Nedbank 2022 climate report.

32 Response by Nedbank CEO Mike Brown to a question about the bank's increased financing for gas at its 2023 AGM.

33 P 73 Investec 2023 climate report.

34 P 24 Standard Bank 2022 climate report.

35 P 38, p 64 FirstRand 2022 climate report.

36 P 60-61 Nedbank 2022 climate report.

37 P 35 Absa 2022 climate report.

38 P 73 Investec 2023 climate report.

39 P 35-36 Absa 2022 climate report.

40 P 73 Investec 2023 climate report.

41 P 60 Nedbank 2022 climate report.

42 P 23 Standard Bank 2022 climate report.

43 See for example: https://www.eskom.co.za/dataportal/emissions/.

44 https://energyandcleanair.org/wp/wp-content/uploads/2021/10/Eskom-is-now-the-worlds-most-polluting-power-company.pdf.

45 See, for example: https://energyandcleanair.org/wp/wp-content/uploads/2023/10/CREA_Health-impacts-of-delaying-coal-power-plant-decommissioning-in-South-Africa_10.2023.pdf.

46 P 60 Nedbank 2022 climate report.

47 P 34 Absa 2022 climate report.

48 GHG Protocol; https://ghgprotocol.org/global-ghg-accounting-and-reporting-standard-financial-industry.

49 https://www.cdp.net/en/articles/media/finance-sectors-funded-emissions-over-700-times-greater-than-its-own.

50 https://carbonaccountingfinancials.com/.

51 P 68 FirstRand 2022 climate report.

52 P 75 Investec 2023 climate report.

53 P 59 Nedbank 2022 climate report.

54 P 68 FirstRand 2022 climate report.

55 P 77 Investec 2023 climate report.

56 P 59 Nedbank 2022 climate report.

57 https://justshare.org.za/media/news/standard-bank-delays-response-to-shareholders-on-tabling-advisory-resolution-on-climate-risk/.

58 https://justshare.org.za/media/news/standard-bank-climate-change-shareholder-resolution-2022-climate-policy-analysis/.

59 https://justshare.org.za/wp-content/uploads/2022/11/220329_-Advisory-resolution_Climate-Risk_March-2022_Just-Share-and-Aeon_final.pdf.

60 https://justshare.org.za/wp-content/uploads/2022/06/220615-2022-AGM-Roundup-1.pdf.

61 https://justshare.org.za/wp-content/uploads/2022/11/SBGNoticeofAnnualGeneralMeeting2022.pdf.

62 P 5 Standard Bank 2022 climate report.

63 UNEP FI 'Guidance for Climate Target Setting for Banks' available at https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/ UNEP-FI-Guidelines-for-Climate-Change-Target-Setting.pdf.

64 The Guidelines outline key principles (ambition, scope, targets, impact in the real economy, governance, implementation, review dates, reporting, and application) to underpin the setting of credible, robust, impactful and ambitious targets in line with achieving the objectives of the Paris Agreement. According to the Guidelines, banks shall: (1) set and publicly disclose long-term and intermediate targets to support meeting the temperature goals of the Paris Agreement, (2) establish an emissions baseline and annually measure and report the emissions profile of their lending portfolios and investment activities, (3) use widely accepted science-based decarbonisation scenarios to set both long-term and intermediate targets that are aligned with the temperature goals of the Paris Agreement, and (4) regularly review targets to ensure consistency with current climate science.

65 An absolute target aims to reduce GHG emissions by a set amount. A target expressed as a percentage of total loans, however, is an intensity measure that sets the emission target relative to the organisation's whole loan book. This means that if the overall loan book increases, the bank's exposure to fossil fuels can also increase, while still meeting the target of reducing exposure as a percentage of its total loan book.

66 P 5 UNEP FI 'Guidance for Climate Target Setting for Banks'.

67 P 11 FirstRand 2022 climate report.

68 P 8 Investec 2023 climate report.

69 Nedbank Group energy policy.

70 P 8 Investec 2023 climate report.

71 Nedbank Group energy policy.

72 https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf.

73 P 7 UN 'Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions' available at https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf.

74 Covering all scope emissions and all operations along its value chain in all jurisdictions (with any omission properly reported).

75 This should be verified by a third party such as: the Science Based Targets Initiative (SBTi), the Partnership for Carbon Accounting Financials (PCAF), The Paris Agreement Capital Transition Assessment (PACTA), The Transition Pathway Initiative (TPI), or the International Organization for Standardization (ISO).

76 P 15–16 HLEG report.

77 P 32 Absa 2022 climate report.

78 P 68–71 FirstRand 2022 climate report.

79 As addressed in indicator 5, only Nedbank, FirstRand and Investec have started to calculate and disclose some of their financed emissions from fossil fuels.

80 P 11 FirstRand 2022 corporate governance report available at https://www.firstrand.co.za/media/investors/annual-reporting/firstrand-corporate-governance-report-2022.pdf.

81 P 22 FirstRand 2022 climate report.

82 P 21 Nedbank 2022 climate report.

83 P 27 Nedbank 2022 integrated report available at https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2023/2022%20Nedbank%20Group%20Integrated%20Report_.pdf.

84 P 28 Nedbank 2022 integrated report.

85 P 140 Investec 2023 integrated report.

86 P 128 Standard Bank 2022 integrated report available at https://thevault.exchange/?get_group_doc=18/1680198603-SBG2022AnnualIntegratedReport.pdf; P 29 Standard Bank 2022 governance and remuneration report available at https://thevault.exchange/?get_group_doc=18/1680198968-SBG2022GovernanceandRemunerationReport.pdf.

87 P 128 Standard Bank 2022 integrated report; p 29 Standard Bank 2022 governance and remuneration report.

88 P 29 Standard Bank 2022 governance and remuneration report.

89 P 85 Absa 2022 integrated report available at https://www.absa.africa/wp-content/uploads/2023/03/2022-Absa-Group-Limited-Integrated-Report.pdf.

90 "Related persons" include both individual and juristic persons and includes the following: spouses, domestic partners, and those "separated by no more than two degrees of natural or adopted consanguinity or affinity"; a juristic person directly or indirectly controlled by an individual; and juristic persons related to each other (if either of them directly or indirectly

controls the other (as defined in the Act), or the business of the other; either is a subsidiary of the other; or a person indirectly or directly controls either of them).

91 P 9–15 Standard Bank 2022 governance and remuneration report.

92 Anglo American is the world's third largest steelmaking coal exporter. See https://www.angloamerican.com/products/steelmaking-coal?product=coal.

93 Phembani is a South African based industrial holding company with a focus on investing in, as well as operating businesses and interests in, the oil and gas sectors in Africa. See https://www.phembani.com/index.php/our-investments/.

94 P 14 Nedbank 2022 governance report available at https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2023/2022%20Governance%20Report-.pdf.

95 P 24 FirstRand 2022 climate report.

96 P 19 FirstRand 2022 remuneration report.

97 P 22 Nedbank 2022 climate report; p 85 Nedbank 2022 governance report.

98 P 12 Absa 2022 climate report.

99 P 23 Investec 2023 climate report.

100 https://www.tcfdhub.org/scenario-analysis/.

101 https://www.fsb-tcfd.org/recommendations/.

102 P 54–58 FirstRand 2022 climate report.

103 P 38 and 49 Nedbank 2022 climate report.

104 P 10 Standard Bank 2022 climate report.

105 See for example, https://www.iea.org/reports/global-methane-tracker-2022/overview, and https://www.unep.org/news-and-stories/story/how-secretive-methane-leaks-are-driving-climate-change.

106 https://www.ipcc.ch/report/ar6/wg1/chapter/chapter-7/.

107 IPCC AR6, SYR, SPM, B.6.2.

108 IPCC ARG WGIII, SPM, C.2.

109 IPCC AR6 SYR, SPM, A.6.

110 https://www.oecd.org/environment/cc/climate-futures/.

111 https://www.irena.org/publications/2022/Feb/Towards-a-prosperous-and-sustainable-Africa.

112 https://www.iisd.org/publications/natural-gas-finance-clean-alternatives-global-south.

113 https://www.oecd.org/environment/cc/climate-futures/Achieving-clean-energy-access-Sub-Saharan-Africa.pdf.

114 P 52 FirstRand 2022 climate report.

115 P 36 Nedbank 2022 climate report.

116 https://www.standardbank.co.za/southafrica/business/products-and-services/business-solutions/industry/natural-resources/oil-and-gas.

117 P 10 Standard Bank 2022 climate report.

118 P 88 Investec 2023 climate report.

119 P 35 Absa 2022 climate report.

120 P 16 National Treasury 2021 Technical Paper 'Financing a Sustainable Economy' available at https://www.treasury.gov.za/comm_media/press/2021/2021101501%20Financing%20a%20Sustainable%20Economy.pdf.

121 P 16 National Treasury 2021 Technical Paper 'Financing a Sustainable Economy'.

122 Absa: https://www.absa.africa/wp-content/uploads/2022/10/Absa-SFIF-SPO-30-May-2022.pdf; FirstRand: https://www.firstrand.co.za/media/investors/governance/firstrand-sustainability-bond-framework.pdf; Investec: https://www.investec.com/content/dam/south-africa/welcome-to-investec/corporate-responsibility/Group-Sustainable-Finance-Framework-April22.pdf; Nedbank: https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2023/2023%20Nedbank%20Sustainable%20Development%20Financial%20Inclusion%20Criteria.pdf; Standard Bank: https://reporting.standardbank.com/wp-content/uploads/2020/02/GMS-13262-Sustainable-Bond-Framework-Final.pdf.

123 P 7 Nedbank 2022 climate report.

124 P 23 Standard Bank 2022 climate report.

125 https://reporting.standardbank.com/overview-financial-results-2022/.

126 P 35 FirstRand 2022 climate report.

127 P 2 Absa 2022 climate report.

128 P 11 FirstRand 2022 climate report.

129 P 23 Standard Bank 2022 climate report.

130 P 7 Nedbank 2022 climate report.

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