Green Banking Report 2012

This document outlines information about Standard Chartered Bank’s environmental activities and performances in Bangladesh for the year 2011 and 2012 under the Policy Guideline for Green Banking of Bangladesh Bank.
Policy formulations and Governance

Standard Chartered takes a long term view of the environmental consequences of its actions, either directly from our operations or indirectly through our relationship with business partners. We ensure we build a sustainable business that brings benefit to our shareholders, society, the environment and local economies. The Environment and Climate Change (“ECC”) Policy provides a framework for managing our environmental impacts (including climate change) by establishing a set of group-wide commitments to deliver on the ECC strategy, developed by the Group Environment Committee (“GEC”).

In Bangladesh, Country Health, Safety and Environment Committee has been reviewing green banking and environment related initiatives and Green Banking Unit has been formed to monitor the activities as per the Green banking regulations as well as reporting the same to Bangladesh Bank.

Incorporation of Environmental Risk in Core Risks Management (CRM)

Environmental risk means the risk of causing pollution or destruction of the natural environment (land, water, air, natural habitats, animals and plant species), either through accidental or deliberate actions.

We recognise that our primary impact on the natural environment is through our relationship with our customers and the lending decisions we take. Therefore:

• All our lending proposals will include consideration of environmental and social issues where appropriate
• All lending proposals will take account of internationally acceptable environmental and social standards or local laws and regulations where these are more stringent
• The risks associated with both environmental and social issues will be properly recognised, evaluated and where appropriate mitigated
• The Businesses (both Wholesale Bank and Consumer Bank) will ensure that appropriate procedures are designed to meet these policy requirements e.g. Project and Export Finance proposals will be assessed in accordance with the Equator Principles.

As per the above principles, we have implemented Environmental Due Diligence from June 2011 and have applied the same as part of our risk assessment. Since June 2011, we have applied the Environment Risk Ratings to 100% of our projects that are applicable for such due diligence.
In-house Environment Management

Various steps have been taken to minimize the bank's direct operational impact to the environment:

To reduce Paper usage and help save Trees:
- Green Printing Guideline is being circulated among staffs through internal communication on regular basis.
- Soft archival of customer documents have been introduced for electronic access and retrieval reducing consumption of paper.
- Majority of internal memos, process notes and records are in electronic form.
- Efforts are underway to store transaction reports in digital form.
- Internal communications are done through electronic mails. Most of the staffs have dedicated email IDs for office use.
- Printing is discouraged by observing events like ‘No Print Day’.
- Many customer communications are being done through emails, SMS or ATM display instead of letter communication.

To reduce energy & water consumption:
- Energy saving T5 lights has been introduced in our Head-Office building. The same will be introduced in all our other buildings in phases.
- We have introduced renewable energy (Solar Power) in our premises in 2011 for 1 ATM machine as pilot.
- Old Diesel Generators are gradually being replaced by new generation diesel generators that consume less fuel.
- Catalytic Converters are being added to our Diesel Generators to reduce CO2 emission.
- Air-conditioning is centralized in most of our offices to save energy.
- Video conferencing with overseas offices and between offices in Dhaka and Chittagong has reduced the need for physical travel.
- Self-closing water taps installed in our Head-office.

Introducing Green Finance

As part of Introducing Green Finance in Bangladesh effort, we have financed:

- BDT 12,107 million to 32 projects having ETP in 2011.
- BDT 40,675 million to 151 projects having ETP in 2012.
- BDT 36.40 million in 1 project for installation of ETP in 2011.
- BDT 716.48 million in 2 projects for renewable energy in 2012.

By 2014, we strive to improve our position on Green Finance and have a bigger pie in the market.
Utilization of Climate Risk Fund
Standard Chartered Bangladesh partnered with the British Council for ‘Climate4Classrooms’ and ‘3000 miles to go’ campaigns to raise nationwide awareness on climate change issues, mostly amongst school children and teachers.

In 2011 and 2012, we have observed various events related to environment issues such as Earth Day or the Environment Day.

Introducing Green Marketing

Our Green Marketing and Products initiatives are:

1. Auto Coupon Encashment has been introduced for Sanchaypatra holders. Customers no longer need to visit Standard Chartered branch every time for their coupon encashment.

2. Fund Transfer to Third Party Accounts has been made available through Online Banking. As a result, customers can execute fund transfer through paperless and automated system.

3. Our Contact Centre (Call Centre) has been upgraded to provide improved and enhanced phone banking services to customers over phone. The new Contact Centre system has sophisticated capabilities like RAL authentication. More customers will use Phone Banking services through the Contact Centre and need not travel to the branches or use paper-based systems.

4. There have been vigorous programs initiated by Standard Chartered to raise awareness among customers to use the alternate banking channels such as Online Banking, e-Statement, SMS Banking, etc.
   a. Remote Rock-star: Staff incentive program to promote usage of alternate banking among customers.
   b. Online Banking Activation Program: Customer incentive program to promote usage of environment friendly and paper-less channel (i.e. Online Banking). Under this program, most active Online Banking customers would win attractive electronic devices.
   c. Customer Reward Points: Credit Card customers offered reward points for enrolment into e-Statement.
   d. Statement Envelope Branding: e-Statement enrolment promotional messages were communicated to customers through the statement envelope.
   e. Green Promotional Campaigns: We conducted product promotional campaigns through the use of paperless mediums such as ATM display, E-mail, SMS, Online Banking banners, etc.
   f. Online Banking Reward Program: Another programs in 2012 to promote usage of Online Banking. Under this program, top 5 users with maximum number of financial transactions within the promotion period will get a chance to win new iPad/Netbook.
5. Our credit card customers are offered 0% interest rate for CNG conversion of vehicles from INTRACO CNG LTD or purchase of Solar Panel from INTRACO RENEWABLE ENERGY LTD.

6. We have held 5 workshops in 2011 to promote our electronic banking services among clients. This would improve the Green banking cause.

7. In 2012, Fund Transfer to Other bank’s Accounts through BEFTN has been made available through Online Banking for the Consumer Banking Customers. As a result, customers can execute fund transfer through paperless and automated Online Banking over internet to any other account in Bangladesh.

8. We have discontinued the use of Paper PINs for credit cards and debit cards saving huge paper, printing and postage.

9. Our customers can pay mobile phone service providers, internet service providers, and insurance companies through Online Banking. We are gradually expanding the list so that our customers can do many other transactions within the comfort of their own home Online.

10. Our credit card customers can subscribe to auto-bills pay services for which various utilities payments are auto-debited from their accounts on due date.

**Online Banking**

Standard Chartered has been the pioneering bank in Bangladesh market in introducing various technological developments in providing customer services to reduce paper waste, saving gas and carbon emission, reducing printing costs and postage expenses. We take pride in our online banking achievements in Bangladesh. Some of these achievements are:

- All of our 19 branches, 9 cash booths, 20 financial kiosks, 94 ATMs, 3 call centres and own offices are connected to transaction processing systems via intranet. So, 100% of our service points (branches and other service points) are online.
- All VISA ATMs (around 4000) in Bangladesh accept our debit cards.
- As of year-end 2012, 52% of our customers are using internet banking. In 2011, this figure was 45%.
- As of year-end 2012, 77% of our customers are using SMS banking services.
- We are the pioneer in rolling out e-Statement in Bangladesh. We have saved 1 million sheets of paper in 2011 due to delivery of e-Statement instead of paper statement to the customers.
- In 2012, we have delivered 54% of all our customer statements through email which was 30% in 2011.
Employee Training, Consumer Awareness and Green Event

‘Health, Safety and Environment’ e-learning training is mandatory for all newly joined staffs in Bangladesh. In 2011, we have organized 4 workshops for our clients to have them acquire better knowledge on usage of BEFTN and internet banking platform Straight to Bank (S2B).

On World Environment Day 2012, 5 short-films were shown on climate change and a postcard exhibition was held showcasing the best pictures that won in the “3000 miles to go” campaign among the staff to raise awareness on climate change.

For our Corporate Relationship Managers to have in-depth understanding on Green Finance, we have introduced ‘Sustainable Finance Training’ in 2012.

Way Forward

Under the policy guidelines of Green Banking of Bangladesh Bank, Standard Chartered is committed to build a sustainable business that brings benefit to the society, environment and the economy of Bangladesh. To further consolidate our effort under Green Banking, we are formulating Green Strategic Planning which will be the guiding principles of all our green activities.