

This addendum delineates the specifics relevant to Standard Chartered Bank AG (SCB AG) as the operating entity of Standard Chartered plc (Group) in Continental Europe to ensure compliance with local regulatory requirements. This addendum should be read in conjunction with the Green and Sustainable Product Framework (the Framework) and should be construed as an integral component thereof. Any references made herein to the Framework shall be deemed to include all relevant provisions, definitions, and guidelines contained therein. Accordingly, the provisions set forth herein are to be interpreted in a manner consistent with the overarching principles and objectives outlined in the Framework.

It is important to note that while the Framework endeavours to establish comprehensive guidelines for the eligible themes and activities Standard Chartered plc considers as 'Green' and 'Social', enabling the development of Sustainable Finance products and identification of eligible transactions, it may not fully align with the criteria set forth in the EU Taxonomy Regulation (Regulation (EU) 2020/852)¹ for the classification of economic activities as green and sustainable.

The links and documents referenced in this addendum are provided for informational purposes. Please be aware that these links may change over time, and the content of the referenced documents maybe updated or altered. While we strive to ensure the accuracy and relevance of the information provided, we cannot guarantee that all links will remain active or that the content will continue to reflect the original material. We recommend verifying the current status of any linked documents directly through the respective sources.

1.2.1 Sustainable Finance at Standard Chartered AG

This and the following paragraphs are intended to be read as continuation of section 1.2 'Our approach to Sustainable Finance' in the Framework.

All Sustainable Finance products offered by SCB AG are approved by the SCB AG Management Board in addition to existing approvals from the Sustainable Finance Governance Committee (SFGC) at Group level.

Further, all transactions linked to an approved Sustainable Finance product are assessed on a transaction-by-transaction basis to determine whether the transaction meets the requirements to be attributed an Sustainable Finance label (SF Label) under the Framework, and must be supported by a qualified Sustainable Finance Empowered Approver (EA) in SCB AG who has been empowered by SFGC and the SCB AG Management Board to approve that category of transaction.

In instances where transactions that received a SF Label are recorded as assets on the balance sheet of SCB AG, and as such conform with the eligible activities delineated within the Framework, these assets are accretive to SCB AG's and as such also to the Group's Sustainable Finance asset base (also referred to as Sustainable Finance Assets).

1.2.3 SCB AG's approach to mitigating Greenwashing risks

SCB AG maintains a steadfast commitment to mitigating greenwashing risks inherent in Sustainable Finance activities. To achieve this objective, a comprehensive array of measures has been implemented, encompassing transparency, expertise, governance, and external verification. Through the integration of these measures across the entirety of the value chain associated with Sustainable Finance activities, SCB AG ensures a robust framework aimed at mitigating greenwashing risks, details set out as follows:

Transparency

- Green and Sustainable Product Framework² – The first iteration of the Framework (which outlines our definition of green or sustainable themes and activities) was published in 2019 at a Group level. The

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32021R2139>

² [Green and Sustainable Product Framework, 2024](#)

Standard Chartered Bank AG Addendum to the Green and Sustainable Product Framework

Framework is publicly available and externally verified by Morningstar Sustainalytics (see more details under “Verification” (below)). Through this addendum, SCB AG refers to the complete set of eligible activities as defined in the Framework and incorporates specific SCB AG governance as required by the regulatory authorities in Germany. It is important to note that the Sustainable Finance product suite, which is outlined in the Framework, represents the current Sustainable Finance offering at the Group level, whereas the offering at SCB AG may only include a selected subset.

- Environmental and Social Risk Management Framework – The Environmental & Social Risk Management Framework (ESRM Framework) provides an overview of the Group’s approach to identifying, assessing, and managing the environmental and social risks associated with our client relationships. For over 20 years, the cross-sector ESRM Framework has allowed us to apply international standards and best practices across all our markets. The ESRM Framework is applied to all clients in the Corporate and Investment Bank including clients of SCB AG and is embedded into our client review and credit approval process. To ensure complete adherence to regulatory requirements established by authorities in Germany, SCB AG has integrated local particulars and required governance into the ESRM Framework accordingly.

Expertise

- Transaction-by-transaction approval – On a transactional basis, our approach requires that each Sustainable Finance transaction (across all products offered by SCB AG) is linked to a Sustainable Finance product which has been approved by the SFGC and the SCB AG Management Board. This approval process determines whether a specific Sustainable Finance product, as depicted in the Framework and thus offered at Group level, will subsequently be offered by SCB AG. The Sustainable Finance transaction must then be individually assessed and approved by an authorised EA at SCB AG level to ultimately obtain the SF label. The assessment process conducted by the EA at SCB AG level is augmented by the support and recommendations provided by an EA at the Group level. This arrangement optimises the utilisation of the Group’s Sustainable Finance expertise, while simultaneously preserving SCB AG’s complete authority over approval processes.
- Sustainable Finance training available to all staff – The Group provides training sessions to our business and product teams on Sustainable Finance products, relevant controls, processes and Environmental, Social and Governance in general. Since the launch of the foundational training curriculum in 2022, the Group developed and launched a second tier “Practitioner Level” curriculum for selected frontline staff, e.g., for Empowered Approvers it is mandatory and for coverage staff it is strongly recommended. Looking ahead, it is the Group’s aim to continuously seek to extend the curriculum to the rest of the frontline staff and other functions across the bank. In addition, regular sessions are conducted within SCB AG for senior management, coverage staff, risk and other relevant functions on key topics, regulatory changes and local specifics, thereby raising awareness. These sessions are facilitated by Sustainable Finance experts.

Governance

- Sustainable Finance Governance Committee – The SFGC is our Group forum for reviewing and approving the product controls and labelling of Sustainable Finance products and derives its authority from the Group Reputational and Responsibility Risk Committee. It is a majority second line committee with membership drawn from Sustainable Finance, Environmental and Social Risk Management, audit, compliance, legal, reputational and sustainability risk, finance and regulatory affairs.
- Sustainable Finance Forum – The SCB AG’s Sustainable Finance Forum which is approved by the SCB AG Management Board is responsible for assessing the risks of and recommending approaches and processes to Sustainable Finance products to the SCB AG Management Board. Moreover, it is incumbent upon the Sustainable Finance Forum to diligently monitor regulatory developments in Sustainable Finance and changes occurring at the Group level in Sustainable Finance and consider on the requisite implementation measures and their impact on SCB AG.

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The authorities of the Sustainable Finance Forum essentially include:

- to provide advice and recommendation to the SCB AG Management Board, about Sustainable Finance variants as described in the SCB AG Local Product Programmes.
- to introduce and suggest to the SCB AG Management Board a list of Sustainable Finance Empowered Approvers who can label a transaction within SCB AG with a SF Label.
- to review and recommend to the SCB AG Management Board the labelling of Sustainable Finance transactions marketed or booked within SCB AG in accordance with the Framework.
- To discuss new regulations connected to Sustainable Finance, changes on the Group level in Sustainable Finance and agree on the implementation needs and impact on SCB AG.
- Sustainable Finance Product governance – SCB AG has Local Product Programme Guidance documents which underpin each Sustainable Finance product variant that is offered by SCB AG, based on the advice from the Sustainable Finance Forum, signed off by relevant local AG stakeholders and ultimately approved by the SCB AG's Management Board. The Sustainable Finance product offering at SCB AG aligns with the offering of the Standard Chartered Group. The Sustainable Finance product offering as outlined in the Framework represents the maximum product universe for both SCB AG and the Group, even though the SCB AG currently offers only a subset of the Sustainable Finance product variants mentioned in the Framework. Specifically, the approval of any Sustainable Finance product variant at the SCB AG level must be preceded by approval of a corresponding Sustainable Finance product variant from the SFGC at the Group level. SCB AG is not permitted to introduce Sustainable Finance product variants for products that are not already approved at the Group level.

Verification

- External verification – The Group obtains external verification of the Framework and limited assurance of our Sustainable Finance assets. The Framework is co-authored with a third-party verification firm (Morningstar Sustainalytics) to ensure alignment with market practice in terms of the eligible activities in the Framework. The Group also ensures that on an annual basis, an independent third party reviews our Sustainable Finance asset base, giving limited assurance that the Sustainable Finance assets identified are aligned with the Framework.