standard chartered

Principles for Responsible Banking (PRB) Reporting and Self-Assessment 2022

Contents

Independent Limited Assurance

Our responses to certain sections within this PRB Reporting and Self-Assessment document have been subject to independent limited assurance by Ernst & Young LLP (EY), in accordance with PRB's Guidance for assurance providers titled "Providing Limited Assurance for Reporting" (Version 2 updated in October 2022). This includes the content within the "High-level summary of Standard Chartered PLC's response" to criteria 2.1, 2.2, 2.3, and 5.1.

Related to financed emissions, the scope of EY's limited assurance process covered the following sectors: Coal Mining, Oil and Gas, Automotive Manufacturers and Shipping. These are the sectors, which had targets and progress as disclosed in our 2022 Annual Report (AR). For Oil and Gas, our methodology changed from a revenue-based intensity metric and target to an absolute financed emission metric and target as announced in April 2023 ahead of the Group's Annual General Meeting. However, this sector had absolute financed emission progress disclosed in the AR. The scope of EY's limited assurance process did not cover the following sectors:

- Power and Steel: Revenue-based intensity metrics are being replaced by production-based intensity metrics and will be disclosed in our 2023 AR.
- Aviation: Standard Chartered announced the sale of its global aviation finance leasing business and the majority of its aviation lending book in August 2023.
- Other Metals and Mining and 'Other' sectors, which includes manufacturing, wholesale and retailers, commercial real estate, aluminium and cement sectors

Principles for Responsible Banking (PRB)

Created by the United Nations in partnership with founding banks, the PRB are designed to be integrated into banks' strategies and across their portfolio of activities, bringing purpose, vision and ambition on sustainable finance to the core of the organisation.

Some of the information included in this PRB Reporting and Self-Assessment document has been extracted from our 2022 Annual Report and other sustainability-related materials.

This report predominantly covers our actions and progress between 1 January and 31 December 2022. However, it also refers to processes that started before or ended after this period. As such, further information can be found throughout our sustainability reporting suite, which can be accessed via sc.com/sustainabilityhub.

Our approach to Sustainability and ESG reporting

We adopt an integrated approach to sustainability reporting, embedding non-financial information throughout our 2022 Annual Report. We also produce a standalone Sustainable Finance Impact Report, Modern Slavery Statement, Fair Pay Report and an ESG Reporting Index. The latter sets out our reporting against selected indicators of the Global Reporting Initiative (GRI) Standards, the SASB Standards and the World Economic Forum (WEF) Stakeholder Capitalism Metrics framework. All relevant publications can be accessed by visiting sc.com/sustainabilityhub.

Save where extracted directly from the financial statements under our 2022 Annual Report, the financial information contained in this PRB Self-Assessment document does not constitute financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the 2022 Annual Report and financial information published by the Group.

Principle 1: Alignment
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and Self-Assessment Requirements

1.1 Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

High-level summary of Standard Chartered PLC's response

We are a leading international cross-border bank with more than 170 years of history. Guided by our Purpose – to drive commerce and prosperity through our unique diversity – we connect the world's most dynamic markets, backing the people and businesses who are the engines of global growth. As our brand promise makes clear, we are here for good. We serve three client segments:

1. **Corporate, Commercial and Institutional Banking (CCIB)** – Supporting clients with their transaction banking, financial markets, corporate finance and borrowing needs, Corporate, Commercial and Institutional Banking provides solutions to more than 20,000 clients in the world's fastest-growing economies and most active trade corridors.
2. **Consumer, Private and Business Banking (CPBB)** – Serving more than 10 million individuals and small businesses, Consumer, Private and Business Banking focuses on the affluent and emerging affluent in many of the world's fastest-growing cities.
3. **Ventures** – Ventures promotes innovation, invests in disruptive financial technology and explores alternative business models. Its pipeline of over 30 ventures includes two cloud-native digital banks.

FY22	CCIB	CPBB	Ventures	Central & other items (segment)	Total
Total operating income USD million (underlying basis)	10,045	6,016	29	165	16,255
As a percentage of total	61.8%	37.0%	0.2%	1.0%	100%

We operate in the world's most dynamic markets which set the pace for global growth. Our unique footprint connects high-growth and emerging markets in Asia, Africa and the Middle East with more established economies in Europe and the Americas. Our presence in over 50 diverse markets across the world – and spanning all stages of development – gives us the opportunity to support the transition to a net zero world and channel capital where it's needed most.

We serve clients in three regions:

1. **Asia** – More than twenty markets including some of the world's fastest-growing economies. Hong Kong and Singapore are the highest income contributors.
2. **Africa and Middle East (AME)** – More than twenty markets of which the most sizeable by income are UAE, Pakistan, Kenya, Nigeria, South Africa and Ghana.
3. **Europe and the Americas (EA)** – Centered in London, with a growing presence across continental Europe, and New York, we operate in both North America and several markets in Latin America.

76% of our loans and advances are allocated to customers in Asia, 17% to customers in Europe and Americas and 7% to customers in Africa and the Middle East.

FY22	Asia	Africa and Middle East	Europe and Americas	Central & other items (segment)	Total
Total operating income USD million (underlying basis)	11,213	2,606	2,353	83	16,255
As a percentage of total	69.0%	16.0%	14.5%	0.5%	100%

Links and references

The following pages of our [Annual Report 2022] provide further information:

Pages 02-03: Who we are and what we do

Pages 04-05: Where we operate

Page 26: CCIB segment overview

Page 27: CPBB segment overview

Page 28: Ventures segment overview

Page 29: Asia region overview

Page 30: Africa and Middle East region overview

Page 31: Europe and Americas region overview

Principle 1: Alignment
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
1.2 Strategy alignment Describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	For over 170 years we've provided banking services that help people and companies to succeed, creating wealth, jobs and growth across some of the world's most dynamic regions – Asia, Africa and the Middle East. Supporting sustainable and responsible growth and catalysing finance towards the UN Sustainable Development Goals (SDGs) represent a significant opportunity for us. In pursuing this opportunity, we are guided by our brand promise: Here for good. We are committed to promoting economic and social development in the markets we serve, doing so sustainably and equitably in line with our three valued behaviours: 'Never settle', 'Better together' and 'Do the right thing'. As reported in our Annual Report 2022, a critical component of the Group's transformation agenda included a focus on defining three Stands, which is our name for long-term ambitions on societal challenges: – Accelerating Zero (the Climate Stand) – Lifting Participation (the Equality and Economic Inclusion Stand) – Resetting Globalisation (the Globalisation and Trade Facilitation Stand) The Stands are not an add-on or separate from the strategy, but instead are aligned and executed through the strategy and business priorities. During 2022, the Culture and Sustainability Committee (CSC) and the Remuneration Committee of the Board reviewed and supported the Management Team's proposals on how the Stands would be embedded across the organisation and aligned to executive compensation. In its terms of reference, the CSC continues to monitor the progress of leaders delivering on the Stands. Since their launch in 2016 our Sustainability Aspirations provide us with a valuable framework and a set of forward-looking measurable targets associated with embedding sustainable and responsible practices across our business, operations and through our community programmes. Business outcomes from delivering on our Sustainability Aspirations have been mapped to the United Nations Sustainable Development Goals (UN SDGs). Since 2018 we have been working on aligning our operational and financed emissions to the Paris Agreement's aim of keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. In 2021, we formally recognised Sustainability as a core component of our Group's strategy. In Sustainability, in line with our Stands, we continue to focus on sustainable and transition finance, achieving net zero carbon emissions for our operations, supply chains and financing. We provide access to finance, networks and training to disadvantaged young people through our corporate philanthropy. We support companies in improving their environmental, social and governance standards, ratings, and net zero trajectories. We aim to promote social and economic development and deliver sustainable outcomes in support of the SDGs. We are: – Leveraging climate risk management processes and tools to support clients in managing their climate risk and identifying transition opportunities, e.g., mobilising green and sustainable finance – Integrating Sustainable Finance as a core component of our customer value proposition and delivering product solutions – Continuing to promote economic inclusion in our footprint through our global community initiative Futuremakers by Standard Chartered and also through our newly appointed Head of Social Sustainability (July 2023), who oversees the organisation's commercial proposition related to social impact and linked to our Lifting Participation Stand – Targeting net zero carbon emissions in our operations by 2025, and in our supply chain and financed emissions by 2050, with interim 2030 targets for our highest-emitting sectors	The following websites provide further information: Our philosophy Our long term ambition Contributing to sustainable economic growth Prohibited Activities Position Statements The following pages of our Annual Report 2022 provide further information: Page 23: Strategic priorities Page 24: Our Stands Page 65: Creating our inaugural Chief Sustainability Office Page 67: Our net zero plan Pages 74-83: Reducing our emissions

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
	Our footprint in Asia, Africa and the Middle East includes some of the markets worst hit by environmental and social challenges. Our **Prohibited Activities** list details those activities that we will not support Our **Position Statements** outline the standards we encourage and expect from our clients, and are based on industry-wide benchmarks such as the International Finance Corporation and the Equator Principles Our ambition is to build on our financial expertise, governance frameworks, technology and geographical reach to help get capital to the markets where it matters the most. We are committed to promoting sustainable development in our markets through our banking services. We have over 30 product variants within our Sustainable Finance family. These include 'Use of Proceeds', 'Sustainability-Linked' and Sustainable Finance liabilities products. Our **Green and Sustainable Product Framework** governs our Sustainable Deposits products and suite of Sustainable Trade Products, and sets out what qualifies as 'green', 'social' or 'sustainable'. It sets out underlying eligible themes and activities. We have mapped these against the relevant SDGs. The **Sustainability Bond Framework** governs our debt products, providing transparency and guidance on the use of proceeds and the impact of the green, social and sustainable bonds issued by the Group. We have outlined our approach to defining Transition Finance in our **Transition Finance Framework**. This Framework is informed by the IEA NZE 2050 scenario. We present the impact of our Sustainable Finance assets on a portfolio basis, covering the whole range of our $13.5bn worth of assets in our **Sustainable Finance Impact Report**.	The following documents provide further information: Sustainable Finance Impact Report 2022 Net zero approach – Methodological white paper Green and Sustainable Product Framework Sustainability Bond Framework

Self-assessment summary

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes

☐ No

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☒ UN Guiding Principles on Business and Human Rights

☒ International Labour Organization fundamental conventions

☒ UN Global Compact

☒ UN Declaration on the Rights of Indigenous Peoples

☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Task Force on Climate-Related Financial Disclosures (TCFD)

☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: The Modern Slavery Act 2015

☐ None of the above

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
2.1 Impact Analysis (Key Step 1) Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):	**1. Strategic Analysis: Defining Our Stands** Over the course of 2020, a group of Managing Directors from across the Group worked together to articulate a set of bold Stands, defining the impact areas and the difference our Group can make in the world. We conducted an iterative process to define our Stands, which included desktop research, external consultation with members of our International Advisory Council as well as some of our partners and clients. This process involved active input from members of our Group Management Team and was signed off by the Board. We executed a soft-launch with leaders across our Group in November 2020 and formally launched our Stands internally and externally in early 2021. Our three Stands demonstrate how we aim to use our unique ability to work across boundaries and connect capital, people, ideas and best practices to help address some key socio-economic challenges and enable a just transition to a low carbon economy. – -Accelerating Zero – The need for a just transition to an inclusive, net zero economy brings with it a huge opportunity for innovation and growth for our clients and our Group. – Lifting Participation – Inequality, along with gaps in economic inclusion, mean that many young people, women and small businesses struggle to gain access to the financial system to save for their futures and grow their businesses. – Resetting Globalisation – We advocate a new, more inclusive model of globalisation based on transparency and fairness. **2. Climate-related Impact Analysis: Accelerating Zero** To understand the climate-related impacts of the financing we provide to our clients, we calculated our financed emissions baseline and targets. Our methodology has been based on global standards and scientific pathways, including those set by the Partnership for Carbon Account Financials (PCAF), the Net Zero Banking Alliance (NZBA), the International Energy Agency (IEA) and the Mission Possible Partnership (MPP). In 2021, we measured the absolute financed emissions baseline of our CCIB corporate lending portfolio. In 2022, 61% of the Group's absolute financed emissions was related to the emissions of counterparties in the eight high carbon sectors for which the Group has set 2050 net zero targets. These eight emission-intensive sectors represented 14.4% of the CCIB lending book as of 30 September 2022. **3. Segment-level Impact Analysis** In 2022-23, we conducted a business-wide impact analysis to better understand the impacts associated with both CCIB and CPBB business segments using the UNEP FI Portfolio Impact Analysis Tool for Banks (UNEP FI tool). The methodology applied by this tool is aligned with PRB requirements and provides a view of Standard Chartered's impact footprint and the drivers of this impact. Additionally, the Global Impact Database (GID) developed by our third-party advisor, the Impact Institute, was applied to the CCIB lending portfolio to add further understanding of sectoral supply chain-related impacts. Together these assessments provide a comprehensive view of the impacts associated with our business activities and validated earlier analysis conducted by the Group's strategic analysis as well as its climate-related impact analysis.	The following websites provide further information: Our long term ambition International Advisory Council Accelerating the transition to net zero The following pages of our Annual Report 2022 provide further information: Pages 23: Strategic priorities Page 67: Our net zero plan Page 78: Loans and advances and undrawn balances to high carbon sectors Pages 74-83: Reducing our emissions

Principle 2: Impact and Target Setting

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Reporting and Self-Assessment Requirements

a) **Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

b) **Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope.

High-level summary of Standard Chartered PLC's response

a) Scope

The detailed scope of the analysis is presented in the table below. The majority of our consumer banking customers (CPBB) were covered well as outstanding loans to businesses and corporates (CPBB and CCIB).

Proportion of Standard Chartered PLC's operating income Underlying basis (FY21)		Proportion of CPBB segment's operating income Underlying basis (FY21)	Scope of segment-level impact analysis Data as at 31 December 2021	Assessment approach: UNEP FI tool	Assessment approach: Global Impact Database (GID)
CPBB	39.0%	Consumer Banking: 58.6%	10 key markets (out of 25) covering 88% of total customers	Completed in 2022	N/A
		Business Banking: 2.2%	8 key markets (out of 18) covering 88% of outstanding loans	Completed in 2022	
		Private Banking: 38.8%	0%	N/A	
CCIB	57.1%	N/A	49 markets (out of 49), 99% of outstanding loans	Completed in Q1 2023	Completed in Q1 2023
Central and other items	3.9%	N/A	Not included	N/A	N/A

Products and services included in this analysis were:

- **CPBB Consumer Banking:** Credit Card, Personal Loan, Mortgage, Auto Loan, Treasury Product, Time Deposit, Current Account and Savings Account holdings.
- **CPBB Business Banking:** All sectors financed were under analysis. The type of sectors differ per market. SME financing was not included due to lack of available data.
- **CPBB Private Banking:** Equity investments, insurance and mutual fund holdings were not included in the analysis due to these not being covered by the UNEP FI tool.
- **CCIB:** All sectors in our corporate lending portfolio were included in the analysis.

Limitations:

- For assessing positive impacts, only the UNEP FI tool was used.
- The UNEP FI tool only looks at the percentage of the portfolio that is associated with an impact, not realised impact.
- The UNEP FI tool only takes direct impact into account, not indirect impact.
- The GID analysis used sector averages to estimate the impact of the portfolio, thus impact may be underestimated or overestimated.

b) Portfolio Composition

As required by the UNEP FI tool, the impact analysis took into consideration the segment-level geographical, product and sector breakdown of the portfolio to assess the impact drivers. These elements were considered in the following ways:

- **CPBB Consumer Banking**: For the ten markets selected as part of the scoping step, the majority of consumer retail products were included in the impact analysis – see section a) – with the analysis based on number of customer per product. The resulting analysis presented the impact associations per market and product.

Links and references

The following documents provide further information:

Net zero approach – Methodological white paper
Pages 3-5: Methodology

The following pages of our Annual Report 2021 provide further information:

Page 02: Who we are and what we do

Page 441: Analysis of underlying performance by key market

Page 442: Analysis of operating income by product and segment

Principle 2: Impact and Target Setting

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Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
c) Context: What are the main challenges and priorities related to sustainable development in the main countries / regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis. This step aims to put your bank's portfolio impacts into the context of society's needs.	– **CPBB Business Banking:** For the eight markets selected as part of the scoping step – see section a) – all sectors included in the respective market's portfolio were included in the impact analysis, with the analysis based on outstanding loans per sector. The resulting analysis presented the impact association per market and sector. – **CCIB:** For the UNEP FI tool, the impact analysis for CCIB focused on the sector breakdown for the global portfolio, with the analysis based on outstanding loans per sector. The top fifty sectors were included in the analysis, comprising ca. 90% of outstanding loans. Unlike the CPBB segment, which is market focused, the CCIB segment also facilitates cross-border financing and therefore market-level data does not accurately reflect the level or nature of business activities undertaken by CCIB clients. For this reason, the portfolio was further analysed using the GID (Global Impact Database) methodology due to this being able to provide more accurate estimates of supply chain and financing flows that underpin impacts typically associated with CCIB's client industry sectors. Together, these two methodologies provided a more robust understanding of impact associations related to CCIB clients. **c) Context** We operate in the world's most dynamic markets which set the pace for global growth. Our unique footprint connects high-growth and emerging markets in Asia, Africa and the Middle East with more established economies in Europe and the Americas. The UNEP FI tool's Context Module enabled us to understand the environmental, social and economic context of the countries where our CPBB segment operates. – **CPBB – Consumer and Business Banking:** The Context Module of the UNEP FI tool has been applied to assess the broader SDG priority needs in selected CPBB markets (10 in total): • Asia: Bangladesh, Hong Kong, India, Korea, Malaysia, Singapore, Taiwan • Africa and Middle East: Botswana, Kenya, Pakistan – This assessment applied a market lens to understand what the priority needs are in each of the selected ten markets, independent of CPBB's impact, and in turn helping us to understand the environmental, social and economic context of the markets in which we are operating. – The assessment is based on the twelve impact areas of UNEP FI's Impact Radar, which aims to translate the SDGs into the impact pathways that businesses can influence. The level of need in each market was informed by data and statistics from independent and credible sources (e.g. UN, World Bank, WHO, IMF) and followed guidance from UNEP FI. For seven out of the ten selected markets, the aforementioned data had already been compiled by UNEP FI and was populated automatically in the UNEP FI tool. In the case of Botswana, Taiwan and Pakistan, there was no market need data readily available in the database. Additional research was required, and statistical data was populated using the same sources that were used to populate the needs assessment for the other markets. We have not validated these results with external stakeholders in the selected ten markets. – **CCIB:** The portfolio impact assessment was conducted at a global level, rather than a market level i.e., we assessed key impact areas associated with the global sectoral portfolio. Market level data doesn't accurately reflect the activity patterns of multinational clients and where the impacts are most felt or realised. The GID tool was used to address this gap. For this reason, the context assessment was not conducted for additional markets beyond those assessed as part of the CPBB assessment.	

Principle 2: Impact and Target Setting

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Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least 2) significant impact areas did you prioritize to pursue your target setting strategy?	The results from the segment-level impact analysis validated that the most significant impact areas to the businesses and markets under analysis align to our Accelerating Zero and Lifting Participation Stands namely that: – Under the "Natural Environment" pillar "Climate stability", "Air Pollution", "Circularity", and "Biodiversity & Healthy Ecosystems" impacts are key to most of the markets. – Under the "Social" pillar the impact area "Availability, Accessibility, Affordability, Quality of Resources & Services" also stood out as a priority need in most of the markets. **Priority Indicators** Standard Chartered identified the following impact areas as being most prominent across the businesses, both of which have positive and negative aspects: **Climate Action** – Aligned to our Accelerating Zero Stand and SDG 13: Climate Action and validating our efforts to date to set out our net zero ambition and pathway. – Positive aspects associated with this impact area may relate to the transition to an inclusive, net-zero economy through our financing activities. Additionally, we can mobilise capital to help businesses, governments and communities adapt to a changing climate and adopt climate-resilient approaches to agriculture, industry and infrastructure. – Negative aspects associated with this impact area may relate to the direct and indirect carbon emissions associated with our lending and financing activities for corporates and businesses – particularly those operating in the most GHG-intensive and GHG-emitting sector. Slow or ineffective sectoral transition to a low carbon business model could impede the world's ability to reach net-zero carbon emissions by 2050 to stave off the worst effects of climate change. **Access to Finance** – Aligned to our Lifting Participation Stand and SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth and SDG 10: Reduced Inequalities. – Positive aspects associated with this impact area may relate to companies being able to take advantage of business opportunities and individuals being able to invest in education, save for retirement, and insure against risks. Access to Finance may cover several elements for individuals and companies: managing day to day finances to meet short term needs, capacity to absorb financial shocks, capacity to reach future goals and feeling secure and in control of finances. – Negative aspects associated with this impact area may relate to individuals and companies not being able to smoothly manage their current financial obligations and have confidence in their financial future.	

Principle 2: Impact and Target Setting

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Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
d) **Performance measurement** for these (min. two prioritized impact areas): Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.	**Climate Action – Accelerating Zero** For CPBB segment, Consumer and Business Banking products were in-scope for the segment-level analysis. Therefore, the impact potential related to Climate Action is related to residential mortgages that we provide to individuals as well as loans provided to small business clients. As noted earlier, CPBB Private Banking products (equity investments, insurance and mutual fund holdings) were not included in the analysis due to these not being covered by the UNEP FI tool. For CCIB segment the impact potential related to Climate Action is associated with lending and financing activities provided to local and large corporations, governments, banks and investors. We invested significant resources in developing a systematic analysis of the climate impact of our CCIB corporate lending portfolio and utilised this work to set relevant targets. Within each of the sectors our CCIB segment finances, material climate impacts may relate to the various scopes of GHG emissions in clients' value chains. As per our Net-Zero Banking Alliance (NZBA) commitment, we have prioritised the most GHG-intensive and GHG-emitting sectors within our portfolio, which are key to the transition to a net zero carbon economy. As set out in our 'Net zero approach - Methodological white paper', our 2021 and 2022 Annual Reports and related press release ahead of our Annual General Meeting in 2023, we took account of sectoral differences when setting our baselines and targets: 1. Coal Mining[1] – Scope 1, 2 and 3 absolute baseline and target (million tonnes of CO2 equivalent) 2. Oil and Gas – Scope 1, 2 and 3 absolute baseline and target (million tonnes of CO2 equivalent) 3. Steel – Scope 1 and 2 intensity baseline and target (million tonnes of CO2 equivalent per dollar of revenue earned in sector)[2] 4. Other Metals & Mining – Scope 1 and 2 intensity baseline and target (million tonnes of CO2 equivalent per dollar of revenue earned in sector)[2] 5. Power – Scope 1 and 2 intensity baseline and target (million tonnes of CO2 equivalent per dollar of revenue earned in sector)[2] 6. Aviation - Scope 1, 2 and 3 intensity baseline and target (grams of CO2 equivalent per revenue tonne kilometre) 7. Shipping – Scope 1 intensity baseline and target (±% alignment delta against current IMO 2050 trajectory) 8. Automotive Manufacturers – Scope 1, 2 and 3 intensity baseline and target (grams of CO2 equivalent per vehicle kilometre) Our work related to setting interim 2030 sectoral targest for emission-intensive sectors has continued in 2023 with four further deep dives in the following sectors: – CCIB – Aluminium, Cement, Commercial Real Estate – CPBB – Residential Mortgages Standard Chartered has had a longstanding commitment to Sustainable Finance and supporting the movement of capital from developed to emerging markets. Our markets represent unique challenges, with rapid urbanisation, heightened vulnerability from the effects of climate change, and significant social and economic disruption brought by the COVID-19 pandemic or the recovery from it. We believe finance plays a role in addressing these challenges and supporting a just transition to a low carbon economy.	The following documents provide further information: Net zero approach – Methodological white paper The following pages of our Annual Report 2022 provide further information: Pages 23: Strategic priorities Page 67: Our net zero plan Pages 74-83: Reducing our emissions The following documents provide further information: Sustainable Finance Impact Report 2022

[1] 'Coal Mining' in this document refers to upstream extraction of thermal coal. The in-scope activities for coal relate solely to thermal coal mining as defined in our Net Zero approach – Methodological white paper and our Extractive industries Position statement. The financed emissions for other coal activities are calculated at year-end in our 'Other' portfolio.

[2] Sectoral net zero baselines and targets for Steel, Other Metals and Mining and Power were excluded from the scope of the limited assurance due to an ongoing change in the underlying calculation methodology. As noted in our Annual Report 2022, we have committed to enhancing these targets and moving to production-based intensity metrics for these sectors. This would better reflect our progress without the impact by changes in commodity prices influencing revenue-based financed emission intensity calculations. Our 2023 Annual Report will contain the updated baselines and targets.

Principle 2: Impact and Target Setting

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Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
	At Standard Chartered we have over 30 product variants within our Sustainable Finance family. These include a combination of 'Use of Proceeds', 'Sustainability-Linked' and Sustainable Finance liabilities products. We annually report on the impacts of our Sustainable Finance assets on a portfolio basis. Our **Sustainable Finance Impact Report** presented the positive social and environmental impacts associated with our USD 13.5bn worth of Sustainable Assets. This has increased from USD 10.4bn in September 2021, representing a 30% year-on-year growth. 90% of our Sustainable Finance assets are located in Asia, Africa and the Middle East. **Methodology limitations** We state assumptions and limitations associated with our performance measurement approach in our "Net zero approach Methodological White Paper" published in October 2021 as well as in subsequent annual reports of the Group. As standards and methodologies evolve, and data quality and availability improves, we will continue to refine our emissions calculations further. Please refer to "Important notices" section in this document. **Access to Finance – Lifting Participation** To date, we have established a baseline and set targets for one impact area: Climate Action. During the course of 2023, we have commenced further research related to the second impact area: Access to Finance. This work is expected to help us better understand the sectors, clients, markets that are correlated with positive and negative impacts. Additionally, we have created a new senior role for Head of Social Sustainability as of July 2023. This role oversees the organisation's commercial proposition related to social impact linked to our Lifting Participation Stand.	

Self-assessment summary

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:	☒ Yes	☐ In progress	☐ No
Portfolio composition:	☒ Yes	☐ In progress	☐ No
Context:	☐ Yes	☒ In progress	☐ No
Performance measurement:	☐ Yes	☒ In progress	☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

1. Climate Action

2. Access to Finance

How recent is the data used for and disclosed in the impact analysis?

☐ Up to 6 months prior to publication

☐ Up to 12 months prior to publication

☐ Up to 18 months prior to publication

☒ Longer than 18 months prior to publication*

* As noted above, the Group has used data up to 31 Dec 2021 for the segment-level impact analysis.

Principle 2: Impact and Target Setting
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
2.2 Target Setting (Key Step 2) Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately: **a) Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant?	**To date, we have published targets for one impact area: Climate Action.** We have committed to setting targets related to the second impact area: Access to Finance. **Accelerating Zero – Climate Action – Target Setting** In October 2021, we announced plans to reach net zero carbon emissions from the activities we finance by 2050. Our plans include setting interim targets for our most carbon-intensive sectors and mobilising USD 300 billion of sustainable finance[3]. We deploy a growing suite of sustainable finance product variants, aim to enable a just transition in priority sectors through the deployment of a Transition Acceleration Team and help our clients reach their net zero targets. We aim to be net zero in our own operations by 2025 (target date was brought forward from 2030 to 2025 in 2022) **a) Alignment** Since 2018, we have been working on aligning the emissions from both our own operations and our financing activities to the Paris Agreement's goal of keeping a global temperature rise in this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. To calculate our financed emissions baseline and targets, our methodology has been based on global standards and scientific pathways, including those set by the Partnership for Carbon Account Financials (PCAF), the Net Zero Banking Alliance (NZBA), the International Energy Agency (IEA) and the Mission Possible Partnership (MPP). Where necessary, we have adapted our methodology to meet the following challenges presented by our footprint markets: – Many of our clients do not yet measure their own emissions. As such we have supplemented this with estimates of client emissions based on statistical regression analysis at sector level. We expect data to improve over time and we intend to integrate it as it becomes available. – We use sector-specific global scientific scenarios to assess the evolution of emissions up to 2050. In 2021, we developed financed emissions baselines and 2030 targets for five sectors: Oil & Gas, Power, Coal Mining, Other Metals and Mining and Steel. In 2022, we developed financed emissions baselines and 2030 targets for three additional sectors: Automotive Manufacturers, Aviation, and Shipping. In 2023, we've set and published an absolute emissions target and trajectory for the Oil and Gas sector. This target replaced the previous 2030 revenue-based intensity target for the sector. We are further working on changing revenue-based intensity targets to production-based intensity targets for Steel, Power and Other Metals and Mining. In 2023 we have also committed to expanding our coverage to facilitated emissions, aiming to align to PCAF's Capital Markets Facilitated Emissions methodology when finalised. As per our Net-Zero Banking Alliance (NZBA) commitment, we have prioritised the most GHG-intensive and GHG-emitting sectors within our portfolios, which are key to the transition to a net-zero carbon economy. Our net zero timeline in our Annual Report 2022 (Page 73) outlines how we make progress and deliver on the Group's net zero ambition going forward. In 2024 we plan to develop 2030 emissions baseline and targets for the last of the high carbon sectors per NZBA, being the Agriculture sector.	The following documents provide further information: Net zero approach – Methodological white paper Sustainable Finance Impact Report 2022 The following pages of our Annual Report 2022 provide further information: Page 67: Our net zero plan Pages 74-83: Reducing our emissions The following websites provide further information: How banks can channel finance for a just transition everywhere

[3] Mobilisation of Sustainable Finance is defined as any investment or financial service provided to clients which supports: (i) the preservation, and/or improvement of biodiversity, nature or the environment; (ii) the long-term avoidance/decrease of CO_2 emissions, including the alignment of client's business and operations with a 1.5 degree trajectory (known as transition finance); and (iii) a social purpose.

Principle 2: Impact and Target Setting
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Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? **c) SMART targets** (including key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target?	**b) Baseline and c) SMART targets** The following baselines and interim 2030 targets have been set for carbon-intensive sectors, which form part of our overall net zero ambition and roadmap: – Coal Mining – 85% reduction in absolute financed emissions compared to 2020 baseline of 3.34 MtCO2e by 2030 – Oil and Gas – 29% reduction in absolute financed emissions compared to 2020 baseline of 13.1 MtCO2e by 2030 – Steel – 33% reduction in revenue-based carbon intensity compared to the 2020 baseline of 2.16 kgCO2e / dollar client revenue by 2030[4] – Other Metals & Mining – 33% reduction in revenue-based carbon intensity compared to the 2020 baseline of 0.95 kgCO2e / dollar client revenue by 2030[4] – Power – 63% reduction in revenue-based carbon intensity compared to the 2020 baseline of 3.67 kgCO2e / dollar client revenue by 2030[4] – Aviation – 34% reduction in production-based carbon intensity compared to the 2021 baseline of 1,152 gCO2e / revenue tonne kilometre by 2030 – Shipping – Reduction in alignment delta calculated against current IMO trajectory, moving from 2021 baseline of +2.6% to 0% by 2030 – Automotive Manufacturers – 49% reduction in production-based carbon intensity compared to the 2021 baseline of 160 gCO2e / vehicle kilometre by 2030 We anticipate that our methodological framework will need to evolve over time, for example, as a result of enhancements in data availability, the reinforcement of existing standards, and the development of new ones. We aim to provide updates on progress against the emissions targets outlined in this paper, as well as being transparent around enhancements to our methodology. We acknowledge that targeting net zero in our financed emissions will not be a linear pathway, especially for a bank, which operates primarily in the emerging markets and recognises its role in helping to support a just transition. As one of the leading international banks with a significant footprint in high-growth and emerging markets we note that an enabling policy environment for transitioning economies to net zero carbon emissions by 2050 is not yet present in a number of our significant markets. China and Indonesia have 2060 net zero targets and India has a 2070 target. Notwithstanding this, we are setting out our net zero ambition and pathway on a portfolio basis for 2050.	The following pages of our Annual Report 2022 provide further information: Pages 74-83: Reducing our emissions

[4] Sectoral net zero baselines and targets for Steel, Other Metals and Mining and Power were excluded from the scope of the limited assurance due to an ongoing change in the underlying calculation methodology. As noted in our Annual 2022, we have committed to enhancing these targets and moving to production-based intensity metrics for these sectors. This would better reflect our progress without the impact by changes in commodity prices influencing revenue-based financed emission intensity calculations. Our Annual Report 2023 will contain the updates baselines and targets.

Principle 2: Impact and Target Setting
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe	**d) Climate Action – Implementation and Operationalisation** The following policies, processes and systems support the implementation and delivery of our Group's net zero ambition as well as sectoral financed emission targets. The following processes detail how we assess and manage climate-related risks and opportunities as well as potential environmental and social risks related to our financing and lending activities related to CCIB clients and sectors. – **Environmental and Social Risk Assessments (ESRAs)** – Our Position Statements and Prohibited Activities list – including our cross-sector position statement on Climate Change – outline the expectations and standards we apply to assess whether to provide financial services to our corporate clients. We embed our framework directly into our credit approvals process. Before we provide financial services to CCIB clients, our relationship managers carry out an Environmental & Social Risk Assessment (Client ESRA). This allows us to evaluate their performance against our Environmental & Social (E&S) criteria. In the case of in scope project finance and project-related corporate loans for instance, we will also carry out a separate Transaction-level ESRA. If there's any cause for concern following the completion of the ESRA, we'll agree an action plan with the client to improve their risk profile and engage external specialists if appropriate. The Client ESRA is reviewed each year to capture any changes to the client's risk profile. All our relationship managers and credit officers get training to help them assess environmental and social risk according to our criteria, as well as access to a suite of online resources. – **Climate Risk Assessments (CRAs)** – Our client-level CRAs help us assess the potential financial risks from climate change using both quantitative and qualitative information across five key pillars: (1) Governance and Disclosures; (2) Gross Physical Risk; (3) Physical Risk Adaptation; (4) Gross Transition Risk; (5) Transition Risk Mitigation. These assessments present a consolidated view of how a company has performed with regards to overall Climate Risk, how it sits within the sector as well as a regional view against benchmarks. We embed Climate Risk Assessments in our existing credit process for clients in high Transition Risk sectors, e.g. Oil and Gas, Mining and Power. – **Net zero tools** – We have been investing in our net zero modelling and reporting capabilities to develop internal tools that provide the necessary data and insights at a sector and client level. This enables the monitoring of financed emissions related to the Group's portfolio, facilitates client conversations and helps identify sustainable and/or transition finance opportunities. These tools will help with quarterly monitoring of our exposure to carbon-intensive sectors, setting risk appetite against financed emission calculations and enabling sector teams to deliver on our portfolio decarbonisation pathway. – **Sustainable Finance** – We integrate Sustainable Finance as a core component of our customer value proposition and delivering product solutions. We continue to expand and develop our suite of sustainable products in line with our Sustainable Finance product frameworks. We regularly review these frameworks and obtain external verification on the Sustainable Finance asset pool annually. We present the impact of our Sustainable Finance assets on a portfolio basis, covering the whole range of our USD 13.5bn worth of assets in our **Sustainable Finance Impact Report**. Our teams across the CSO Organisation actively collaborate with CCIB and CPBB segments to identify, capture and manage opportunities, supporting our clients with their decarbonisation financing needs. – **Transition Acceleration** – We look at sectoral transition plan implementation in our markets to help CCIB clients prepare for a low carbon future. Identifying the most relevant transition levers in our footprint markets helps us provide guidance to our clients and share learnings across our Group that spans markets in Asia, Africa and the Middle East. We have outlined our approach to defining Transition Finance in our **Transition Finance Framework**. This Framework is informed by the IEA Net Zero Emissions by 2050 Scenario (NZE) scenario. – **ESG Advisory** – We work with select CCIB clients with a mandate to focus on sustainability solutions for assessing and managing Environmental, Social and Governance (ESG) risk and opportunities, disclosures governance, assisting engagement with ESG rating agencies as well as strategic and net zero support.	The following websites provide further information: Prohibited Activities Position Statements The following pages of our Annual Report 2022 provide further information: Pages 84-87: Catalysing finance and partnerships for transition Page 88: Mitigating Environmental and Social Risk Page 102: CCIB Credit Risk Pages 103-104: Our Climate Risk client-level assessment for Credit Risk and data sources The following documents provide further information: Sustainable Finance Impact Report 2022 Transition Finance Framework

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your…

	Climate Action	Access to Finance
Alignment	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No
Baseline	☐ Yes ☒ In progress ☐ No	☐ Yes ☒ In progress ☐ No
SMART targets	☐ Yes ☒ In progress ☐ No	☐ Yes ☒ In progress ☐ No
Action plan	☐ Yes ☒ In progress ☐ No	☐ Yes ☒ In progress ☐ No

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Climate Action – Target Implementation and Monitoring

Please refer to section 2.2 d) related to the actions that we have taken to implement our net zero pathway. We continue to evolve our approach and are monitoring the developments related to the UK Transition Plan Taskforce and related Disclosure Framework. We aim to refine our action plans and sectoral decarbonisation levers alongside methodological refinements in the coming years.

During 2022, we measured progress against our emission targets in three forms: absolute financed emission (Coal mining and a baseline for Oil and gas), revenue-based carbon intensity (Oil and gas, Power and Metals and mining), and production-based intensity (Auto manufacturers, Aviation and Shipping).

Measurement and progress of our financed emissions: sectoral deep dives

Sector	Absolute Financed Emissions $MtCO_2e$		Intensity Financed Emissions $kgCO_2e$		Change YTD 22 vs YTD 21	2030 target	Target based on
	2022[1]	2021[8]	2022[1]	2021[8]			
Standard Chartered Group	**58.5**[7]	**45.2**					
Oil and gas	**10.2**	13.7	**2.8**	3.0	-8.3%	-30%	Revenue Emissions Intensity
Power	**6.3**	7.7	**2.1**	3.7	-43.6%	-63%	Revenue Emissions Intensity
Coal mining	**2.3**	3.3			-30.3%	-85%	Absolute Emissions
Metals and mining	**0.4**	0.4	**0.9**	1.0	-7.4%	-33%	Revenue Emissions Intensity
Steel	**2.7**	2.7	**1.9**	2.2	-12.0%	-33%	Revenue Emissions Intensity
Transport	**13.9**	2.7	**–**	–	**415%**		
Auto Manufacturers[2]	**4.3**		**160g CO_2e/Vkm**		NA	-49%	Production Emissions intensity[5]
Aviation[3]	**2.2**		**1,152g CO_2e/ Rtk**		NA	-34%	Production Emissions intensity[5]
Shipping[4]	**7.4**		**+2.6% delta**		NA	0%	Production Emissions intensity[5]
Other[6]	**22.7**	**14.7**			**NA**		

[1] 2022 financed emissions are calculated based on 31 December 2021 data
[2] Vkm means vehicle per km
[3] Rtk means per revenue tonnes km
[4] An alignment delta is an asset by asset plot against a set curve, either below (being negative which means less CO2 per asset than the curve) or above (being positive which means more CO2 per asset than the curve). In this instance the assets are ships and how they plot against the International Maritime Organisation trajectory
[5] Sector specific intensity being CO2 per distance travelled
[6] Other includes manufacturing, wholesale and retailers, commercial real estate, aluminium and cement sectors
[7] The exposure to clients is from the Group's systems, however, the ability to find counterparty EVIC's (economic value including cash) and carbon disclosed is evolving and currently relies on third party inputs and individual searches for financial information. EVIC information is usually found via external aggregators, internal risk systems and individual financial information searches. For emissions, this is done through external aggregators and where not available; regression analysis and proxy information is used
[8] 2021 financed emissions are calculated based on 31 December 2020 data

Links and references

The following pages of our Annual Report 2022 provide further information:

Page 67: Our net zero plan

Pages 74-83: Reducing our emissions

Principle 2: Impact and Target Setting
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Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references

Oil and Gas sector emissions have shown movement compared to both revenue-based intensity as well as the absolute financed emission baselines. There was a decrease in absolute emissions, due to increasing EVIC (economic value including cash) figures and methodological refinements.

Coal Mining sector exposure decreased to less than USD 100 million; this is a run-down book with no new coal mining loans made in the year.

Steel financed emissions remain widely flat across 2021-2022, decarbonisation of steel will be a long-term journey with limited short-term impact.

Power on a revenue-based intensity basis saw a significant decrease, primarily attributed to macroeconomic factors of increased commodity prices passed onto customers with resulting higher revenues. The Power portfolio does however have approximately 25% of its exposure to renewable energy counterparties, which is also bringing this intensity metric down.

PCAF data quality scores are based on in-scope weighted on-balance sheet exposure at year end in accordance with PCAF (2022) The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. The PCAF data quality scoring is between 1 to 5, score 1 representing highest data quality and score 5 representing the lowest data quality and is specific to each asset class. Whilst a score of 5 reflects relatively low data quality, due to a lack of available data, it represents the necessary starting point for financial institutions.

Sector	PCAF Weighted Scope 1 and 2 Data Quality Score	PCAF Weighted Scope 3 Data Quality Score
Automotive Manufacturers	2.90	2.90
Shipping	1.00	Not yet calculated in line with Poseidon Principles
Oil & Gas	3.17	3.52
Coal Mining	3.83	3.00

Please refer to the note on "Independent Limited Assurance" on Page 2 of this report related to the scope of EY's assurance scope which covered the following sectors: Coal Mining, Oil and Gas, Automotive Manufacturers and Shipping.

Access to Finance

We have committed to setting targets related to the second impact area.

Principle 3: Clients and Customers
We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
3.1 Client engagement Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.	**Mitigating Environmental and Social (E&S) Risk** Our Position Statements, approved by the Group Responsibility and Reputational Risk Committee (GRRRC), outline the standards we apply to assess whether to provide financial services to our clients, and help us to identify and assess E&S risks related to our Corporate, Commercial and Institutional Banking (CCIB) clients. Before we provide financial services to a CCIB client, our relationship managers carry out an Environmental & Social Risk Assessment (Client ESRA). This allows us to evaluate the client's performance against our Environmental & Social (E&S) criteria. In the case of in scope project finance and project-related corporate loans for instance, we will also carry out a separate Transaction-level ESRA. If there's any cause for concern following the completion of the ESRA, we'll agree an action plan with the client to improve their risk profile and engage external specialists if appropriate. The Client ESRA is reviewed each year to capture any changes to the client's risk profile. All our relationship managers and credit officers get training to help them assess environmental and social risk according to our criteria, as well as access to a suite of online resources. Our approach is embedded directly into our credit approval process and supports us to work with our stakeholders to identify, manage, mitigate and monitor the potential impacts that stem from our financing decisions. **Integrating climate-related risks into overall risk management** In relation to climate, we encourage all clients in emission-intensive sectors to have a strategy to transition their business. The Climate Risk Standard, effective from 1 July 2022, mandates all new and existing corporate clients with an advised limit greater or equal to USD 20m to be assessed for Climate Risk considerations. In 2022, Client Risk Assessments were performed for over 2,100 entities covering approximately 65% of corporate net nominal exposure. In 2023, we aim to refresh existing assessments as well as expand our coverage to c.4,000 clients covering 80% of the overall corporate net nominal exposure. We aim to support and guide our clients to a low-carbon pathway and offer them sustainable financing. This does not mean walking away from our existing clients, but instead working with them to finance investment in low-carbon methods and technologies, particularly across Asia, Africa and the Middle East where investment could have the biggest impact. **Insights from the client engagement** We were able to gather useful insights from undertaking the client assessment and related engagement programme. The benefits included: – Improvement of our data coverage, especially where data was not publicly available, and strengthening the quality of our risk assessments and modelling capabilities. – Clients were interested in seeing their Climate Risk profiles, as well as the tools and methodologies we use to quantify their Transition Risk. They were also interested in how to improve their climate-related reporting and disclosures. – Internal capability-building of our banking and risk teams, with all affected frontline staff required to complete internal climate-risk training.	The following webpages provide further information: Our framework Our position statements Prohibited activities The following pages of our Annual Report 2022 provide further information: Page 88: Mitigating Environmental and Social Risk Page 100: Processes for managing Climate Risk Pages 101-108: Credit Risk

Principle 3: Clients and Customers
We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
3.2 Business opportunities Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on.	In recent years, sustainability has moved from a predominantly risk-based initiative to become a value driver for many banks as they seek opportunities to mitigate climate change and its effects, and tackle social issues through the provision of finance. Our Opportunity 2030 report, published in 2020, identified a $10 trillion investment opportunity in contributing to the SDGs. It is this opportunity which we are targeting through our low-carbon products and services. With our strong emerging markets footprint, we recognise our role in facilitating a just transition, directing capital and specialised support to the regions that need it most to support sustainable economic growth. We have set ourselves targets to achieve Sustainable Finance income of USD 1 billion by 2025 and mobilise USD 300 billion of Sustainable Finance between 2021 and 2030. In our Annual Report 2022, we reported USD 0.5 billion Sustainable Finance related income. Additionally, we mobilised USD 23.4 billion through our sustainable financing activities, bringing our cumulative sustainable finance total towards this target to USD 48 billion since 2021. More than 90% of our Sustainable Finance assets are located in Asia, Africa and the Middle East. We have over 30 product variants within our Sustainable Finance family. These include 'Use of Proceeds', 'Sustainability-Linked' and Sustainable Finance liabilities products. – Our **Green and Sustainable Product Framework** governs our Sustainable Deposits products and suite of Sustainable Trade Products, and sets out what qualifies as 'green', 'social' or 'sustainable'. It sets out underlying eligible themes and activities. We have mapped these against the relevant SDGs. – The **Sustainability Bond Framework** governs our debt products, providing transparency and guidance on the use of proceeds and the impact of the green, social and sustainable bonds issued by the Group. – We have outlined our approach to defining Transition Finance in our **Transition Finance Framework**. This Framework is informed by the IEA Net Zero Emissions by 2050 Scenario (NZE) scenario. In 2022, we published our third annual **Sustainable Finance Impact Report**. This report quantifies the impact of our Sustainability Bond issuances and discloses the USD 13.5bn of Sustainable Assets in our Sustainable Finance portfolio. These include loans to renewable energy, healthcare, education as well as microfinance and SME lending in least developed, low and lower-middle income countries.	The following documents provide further information: Sustainable Finance Impact Report 2022 Opportunity 2030 - The Standard Chartered SDG Investment Map Green and Sustainable Product Framework Sustainability Bond Framework Transition Finance Framework The following pages of our Annual Report 2022 provide further information: Pages 84-87: Catalysing finance and partnerships for transition

Self-assessment summary

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Principle 4: Stakeholders
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
4.1 Stakeholder identification and consultation Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.	As an international bank operating in over fifty markets, stakeholder engagement is crucial in ensuring we understand local, regional and global perspectives and trends which inform how we do business. Ongoing feedback from our stakeholders provides an important input to defining approach to sustainability, including the implementation of the Principles. Our key stakeholder groups and their interests include: – Clients – Differentiated product and service offering; Digitally enables and positive experience; Sustainable finance; Access to international markets. – Regulators and governments – Strong capital base and liquidity position; Robust standards for conduct and financial crime; Health economies and competitive markets; Positive sustainable development; Digital innovation in financial services; Operational resilience; Customer protection. – Investors – Safe, strong and sustainable financial performance; Facilitation of sustainable finance to meet the SDGs; Progress on ESG matters, including advancing our net zero agenda. – Society – Climate change and decarbonisation; Biodiversity and animal welfare; Human Rights; Financial inclusion; Social impact. Listening and responding to stakeholder priorities and concerns is critical to achieving our Purpose and delivering on our brand promise: Here for good. In our Annual Report, we set out how we strive to maintain open and constructive relationships with a wide range of stakeholders including regulators, lawmakers, clients, investors, civil society and community groups. For more information on how we engage stakeholders to understand their interests please see our 2022 Annual Report (Pages 55 to 63). Our engagement takes many forms, including one-to-one sessions using online channels and calls, virtual roundtables, written responses and targeted surveys. These conversations, and the issues that underpin them, help inform our business strategy, sustainability priorities and support us to operate as a responsible business. Stakeholder feedback, where appropriate, is communicated internally to senior management through the relevant forums and governing committees such as the Sustainability Forum, and to the Board's Culture and Sustainability Committee (CSC) which oversees the Group's approach to sustainability and its main relationships with stakeholders. Please refer to Section 5.1 of this document. We build our knowledge and understanding of key issues and share best practice through our membership of industry and sector organisations, adoption of global commitments, and implementation of guiding frameworks. For more information please refer to page 87 of our 2022 Annual Report.	The following pages of our Annual Report 2022 provide further information: Pages 54-63: Stakeholders Page 87: A shared ambition – working in partnership

Principle 4: Stakeholders
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references

Climate Action – Accelerating Zero

Working in Partnership

We have identified several opportunities for the Group to play an active role in shaping global standards ranging from net zero to carbon markets. We are actively involved in the leadership of several standard-setting or standard-influencing efforts.

- Our Group Chairman is the Co-Chair of the United Nations' Alliance of Global Investors for Sustainable Development (GISD).
- We are active participants of the Glasgow Financial Alliance for Net Zero (GFANZ) Principals Group, an ambitious programme to generate the commitment, investment and alignment needed to drive forward the transition to net zero. Together with the CEO of Macquarie Group, our CEO is the Co-Chair of the GFANZ Working Group on Capital Mobilisation to Emerging Markets and Developing Economies, and throughout 2022.
- Our Group Head, Conduct and Financial Crime and Compliance has chaired the Net Zero Banking Alliance (NZBA), the industry-led banking element of GFANZ.
- Our Group CEO and CSO are part of the World Economic Forum's Alliance of CEO Climate Leaders. This is a CEO-led community committed to raising bold climate ambition and accelerating the net zero transition by setting science-based targets, disclosing emissions and catalysing decarbonization and partnerships across global value chains.
- We are a member of the Integrity Council for the Voluntary Carbon Markets (IC-VCM) which is focused on developing a high quality international carbon market. Our Group CEO sits on the Distinguished Advisory Group of the IC-VCM, which is involved in the development of carbon markets around the world.
- We are a member of Ocean Risk and Resilience Action Alliance (ORRAA). ORRAA's mission is to catalyse the investment of at least USD 500 million into coastal and marine natural capital through the development and deployment of finance products that build the resilience of 250 million climate vulnerable coastal people, by 2030.
- Our Head of Biodiversity is an invited member of the Ocean Investment Protocol Steering Committee convened by the UN Global Compact Ocean Stewardship Coalition.

Investing in Climate Research

Our four-year partnership with Imperial College London covers long-term research on Climate Risk, advisory on shorter-term, internally focused projects to enhance Climate Risk capabilities and training of our colleagues, Management Team and Board.

In 2022, we sponsored a research project on 'Investing in Nature to Tackle Biodiversity Loss and Enhance Food Security', which explored the risks and opportunities facing the global agricultural sector from climate change.

Self-assessment summary

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups[5]) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

[5] Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Principle 5: Governance and Culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
5.1 Governance Structure for Implementation of the Principles Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.	The Board – Assisted by its Culture and Sustainability Committee (CSC), the Board oversees the Group's overall net zero approach and pathway. Our Board is collectively responsible for our long-term success, and for ensuring that the Group is led within a framework of effective controls. The Board sets our strategic direction, approves our strategy and takes appropriate action to ensure that we have the resources we need to achieve our strategic aspirations. The Board considers the impact of the decisions it makes, and its responsibilities to all our stakeholders, including colleagues, shareholders, regulators, clients and suppliers, as well as to the environment and the communities where we operate. Our five Board committees play an important role in supporting the Board. The committees all consist of non-executive directors, and our Audit and Board Risk Committees also have two external advisors. During 2022, The Board's responsibilities included: – Oversee the Group's overall net zero approach – Responsible for the net zero pathway shareholder advisory vote proposal During 2022, topics discussed included: – Discussed and reviewed the Group's net zero pathway, approved its approach and reviewed the progress on delivery – Completed training focusing on how Climate Risk is being embedded across the three lines of defence The Board received climate-related inputs twice during 2022: – Climate Risk updates delivered via Group Chief Risk Officer reports **Culture and Sustainability Committee (CSC)** – The CSC monitors the development and implementation of the sustainability framework to align with the Group's net zero approach. The Committee reports to the Board on its key areas of focus following each Committee meeting. An Independent Non-Executive Director (INED) chairs the CSC, which included at least three other INEDs over the course of 2022. The Committee reports to the Board on its key areas of focus following each Committee meeting. Sustainability-related responsibilities of the Committee include: **a)** **Sustainability Strategy** - Review the Group's overall Sustainability Strategy. Execution of the Sustainability Strategy - Review progress against the Group's external commitments, Sustainability Aspirations and delivery against key sustainability priorities including Sustainable Finance, Position Statements, Human Rights and Community Engagement. Monitor the development and implementation of the bank's public commitment to net zero emissions by 2050 and deliver intermediate targets across scope 1, 2 and 3, the first being 2023, consistent with that plan. **b)** **Tactical Sustainability Initiatives** - Monitor emerging sustainability issues that require board-level oversight and/or external stakeholder engagement (investors, NGOs, civil society, etc.). During 2022 the CSC reviewed Group Sustainability Strategy (including climate) and discussed Board engagement protocols on sustainability. **Sustainability Forum** – The Sustainability Forum oversees development and implementation of the Group's sustainability strategy as well as endorse a coordinated Group-wide approach to key sustainability themes, including climate change. In 2022, our cross-business and cross-functional Sustainability Forum was responsible for helping to develop and challenge the Group's Sustainability Strategy (which is ultimately approved and owned by the Group Management Team). In 2022 this Forum was chaired by the Group Head, Corporate Affairs, Brand and Marketing from January to July, and from August onwards by the Chief Sustainability Officer.	The following pages of our Annual Report 2022 provide further information: Pages 113-19: Governance of our Sustainability Agenda The following webpages provide further information: Our Board Terms of references for our Board Commitees Our Management Team

Principle 5: Governance and Culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
	Chief Sustainability Officer (CSO) organisation – In 2021, we formally recognised Sustainability as a core component of our strategy, elevating it to a pillar of our Group Strategy. In July 2022, we took this a step further and appointed a Chief Sustainability Officer, to help drive our sustainability agenda and bring together our existing Sustainable Finance, Net Zero Programme Management and Sustainability Strategy Teams. The dedicated CSO organisation harmonises our existing efforts in sustainability and is responsible for creating and executing the Group-wide sustainability strategy, including delivery against our net zero pathway. **Additional relevant information:** – **Remuneration linked to sustainability targets:** Please refer to section 5.2 of this document as well as Pages 118 and 200 of our Annual Report 2022. – **Education and training related to sustainability, climate-related financial and non-financial risk and sustainable finance:** Please refer to section 5.2 of this document as well as Page 118 of our Annual Report 2022. – Policies and due diligence processes addressing environmental and social risk in our portfolio: Please refer to section 5.3 of this document. – **Governance Structure for Impact Areas #1: Climate Action** Please refer to pages 114-116 of our Annual Report 2022 for detailed information on governance committees and steering groups with responsibility for managing climate-related risks and opportunities. Page 117 of our Annual Report 2022 provides information on the teams across our businesses and functions that are either dedicated to, or spend a proportion of their time working on climate-related activities. – **Governance Structure for Impact Area #2: Access to Finance** As noted earlier, work is underway to define performance measure(s), baseline(s) as well as target(s) for the second impact area. We will report on relevant governance structures related to the second impact area in the future.	
5.2 Promoting a culture of responsible banking Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).	**Understanding Sustainability' training** We are encouraging all employees across our footprint to grow their understanding of sustainability and climate, how we embed it into our business, operations and communities, and how they can actively play their part in this journey. In April 2022, we launched our 'Understanding Sustainability' online learning, and more than 12,800 (15%) of colleagues voluntarily completed this programme during the year. To recognise their engagement, we planted a tree for each employee completing the training in our 'Standard Chartered Forest', which spans seven of our footprint markets and is tended by local NGOs. **Climate-related financial and non-financial risk training** For Climate Risk specifically, the Board were given training that provided an overview of how Climate Risk is being embedded across the three lines of defence, as well as what this means for our clients and colleagues. In addition, we launched Risk-wide mandatory e-learnings, and provided 35 hours of bespoke classroom-based training for almost 4,000 colleagues across CCIB, CPBB, Risk and Audit. Recordings of these sessions are available to all staff to access as convenient. In Q1 2023, we intend to embed Climate Risk-related credit training material into both our first and second line Credit Risk curricula. Additionally, in partnership with our academic partner Imperial College London, we also aim to launch a detailed online training programme available to all impacted staff.	The following pages of our Annual Report 2022 provide further information: Pages 113-19: Governance of our Sustainability Agenda Page 118: Education and training Page 200 – Performance Measures for 2023-25 LTIP awards

Principle 5: Governance and Culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
	Sustainable Finance and Environmental and Social Risk Management training In 2022, we focused on educating colleagues across all levels of the Group on our net zero pathway and Sustainable Finance initiatives. We launched foundational sustainability and Sustainable Finance curricula across the Group; provided dedicated training on our Sustainable Finance product suite and Position Statements; hosted panel discussions on key themes including greenwashing risk and ESG ratings; and held topical sessions on net zero and Transition Finance concepts, such as carbon capture, utilisation and storage, and decarbonisation market trends. Starting in 2023, our Sustainable Finance education programmes will include the roll-out of a tiered practitioner-level learning curriculum, and further modularisation of our Sustainable Finance training to help us improve knowledge and awareness across our Group. **Climate-related incentive structure** Variable remuneration is applicable to employees through the Group Scorecard and the Long-Term Incentive Plan (LTIP). This is overseen by the Remuneration Committee. Selected sustainability targets, including those with a climate change dimension, are incorporated into our annual Group Scorecard which informs variable remuneration for all colleagues under our Target Total Variable Compensation plan, including executive directors and the Group Management Team. Sustainability has also been included in the 2023–25 LTIP performance measures, with an increased focus on the broader impact of client activity, rather than on our internal operations. The sustainability measures in the 2023–25 plan include: – Sustainable Finance income in excess of $1 billion by 2025 – Delivery of the net zero roadmap – Contribution to the advancement of sustainability ecosystem	
5.3 Policies and due diligence processes Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.	Our prohibited activities list details those activities that we will not support. Our position statements outline the standards we encourage and expect from our clients, and are based on industry-wide benchmarks such as the International Finance Corporation and the Equator Principles. Our Environmental and Social Risk Management (ESRM) team within the CSO organisation aims to drive growth while managing the environmental and social (E&S) risks associated with financing related to our CCIB clients. Our approach is embedded directly into our credit approval process and supports us to work with our stakeholders to identify, manage, mitigate and monitor the potential impacts that stem from our financing decisions.	The following webpages provide further information: Prohibited activities Our position statements

Self-assessment summary

Does your bank have a governance system in place that incorporates the PRB?
☒ Yes ☐ In progress ☐ No

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?
☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?
☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?
☒ Yes ☐ In progress ☐ No

Principle 6: Transparency and Accountability
We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
6.1 Assurance	In alignment with UNEP FI requirements, responses to sections 2.1, 2.2, 2.3 (including selected impact area performance metrics) and 5.1 are within the scope of EY assurance. Read note on page 02 as well as the 2023 EY Assurance Statement on page 28 for further details on the scope, respective responsibilities, work performance, limitations and conclusions.	N/A
6.2 Reporting on other frameworks	Please refer to self-assessment summary table below.	N/A

Self-assessment summary

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?
☒ Yes ☐ Partially ☐ No

Does your bank disclose sustainability information in any of the listed below standards and frameworks?
☒ GRI
☒ SASB
☒ CDP
☒ IFRS Sustainability Disclosure Standards (to be published)*
☒ TCFD
☒ Other: World Economic Forum (WEF) Stakeholder Capitalism Metrics

* These standards were not finalised before the publication of the Group's most recent annual report. We closely monitor the jurisdictional implementation progress related to the ISSB / IFRS Sustainability Disclosures Standards (published in June 2023) and intend to comply with related reporting requirements in line with the Group's listing locations and regulatory obligations.

6.3 Outlook What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis , target setting and governance structure for implementing the PRB)? Please describe briefly.	In the next twelve months, Standard Chartered plans to: • Finalise scope, performance measurement, target-setting and governance framework for the second impact area • Develop financed emissions baselines and 2030 sectoral targets for four additional sectors • Update sectoral revenue-based intensity targets to production-based intensity targets for relevant sectors • Continue to measure progress against all net zero sectoral financed emission targets • Update our net zero white paper and methodological document (first published in October 2021)	N/A
6.4 Challenges Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.	☐ Embedding PRB oversight into governance ☐ Gaining or maintaining momentum in the bank ☐ Getting started: where to start and what to focus on in the beginning ☐ Conducting an impact analysis ☐ Assessing negative environmental and social impacts ☒ Choosing the right performance measurement methodologies ☐ Setting targets ☐ Customer engagement ☐ Stakeholder engagement	N/A

Principle 6: Transparency and Accountability
We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Reporting and Self-Assessment Requirements	High-level summary of Standard Chartered PLC's response	Links and references
What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).	☒ Data availability ☒ Data quality ☐ Access to resources ☐ Reporting ☐ Assurance ☐ Prioritising actions internally ☐ Other: ...	N/A

Important notices

Forward-looking statements

This document may contain 'forward-looking statements' that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'continue' or other words of similar meaning.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions; future exchange and interest rates; changes in environmental, social or physical risks; legislative, regulatory and policy developments, including regulatory measures addressing climate change; the development of standards and interpretations, including evolving practices in Environmental, Social and Governance reporting; the ability of the Group to mitigate the impacts of climate change effectively; risks arising out of health crises and pandemics; changes in tax rates, future business combinations or dispositions; and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to the Group's latest Annual Report for a discussion of certain of the risks and factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Basis of Preparation and Caution Regarding Data Limitations

Standard Chartered PLC is incorporated in England and Wales with limited liability, and is headquartered in London. The Group's head office provides guidance on governance and regulatory standards. Standard Chartered PLC. Stock codes are: LSE STAN.LN and HKSE 02888.

The reader should be aware that this document and the information contained within it, has been prepared on the following basis:

i. this document and its contents are unaudited;

ii. all material contained in this document is subject to change without notice;

iii. the material in this document does not constitute any investment, accounting, legal, regulatory or tax advice or an invitation or recommendation to enter into any transaction;

iv. this document has been prepared using models, methodologies and data which are subject to certain limitations. These limitations include: a lack of reliable data (due, amongst other things, to developing measurement technologies and analytical methodologies); a lack of standardisation of data (given, amongst other things, the lack of international coordination on data and methodology standards); and future uncertainty (due, amongst other things, to changing projections relating to technological development and global and regional laws, regulations and policies, and the inability to make use of strong historical data);

v. some of the models, external data and methodologies used in this document are subject to adjustment which is beyond our control;

vi. any opinions and estimates should be regarded as indicative, preliminary and for illustrative purposes only. Expected and actual outcomes may differ from those set out in the document (as explained in the "Forward-looking statements" section);

vii. some of the information appearing in this document may have been obtained from public and other sources and, while the Group believes such information to be reliable, it has not been independently verified by the Group and no representation or warranty is made by the Group as to its quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information;

viii. for the purposes of this document, a number of key judgements and assumptions have been made. It is possible that the assumptions drawn, and the judgement exercised may subsequently turn out to be inaccurate. The judgements and data presented in this document are not a substitute for judgements and analysis made independently by the reader;

ix. any opinions or views of third parties expressed in this document are those of the third parties identified, and not of the Group, its affiliates, directors, officers, employees or agents. By incorporating or referring to opinions and views of third parties, the Group is not, in any way, endorsing or supporting such opinions or views;

x. the data contained in this document reflects best estimates at the relevant time;

xi. where the Group has used the methodology and tools developed by a third party, the application of the methodology (or consequences of its application) shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the application of the methodology;

xii. where the Group has used underlying data provided or sourced by a third party, the use of the data shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the use of the data;

xiii. this Important Notice is not limited in applicability to those sections of the document where limitations to data, metrics and methodologies are identified and where this Important Notice is referenced. This Important Notice applies to the whole document;

xiv. further development of reporting or other standards could impact the metrics, data and targets contained in this document (it being noted that Environmental, Social and Governance reporting and standards are subject to rapid change and development); and

xv. while all reasonable care has been taken in preparing this document, neither the Group nor any of its affiliates, directors, officers, employees or agents make any representation or warranty as to its quality, accuracy or completeness, and they accept no responsibility or liability for the contents of this material, including any errors of fact, omission or opinion expressed.

You are advised to exercise your own independent judgement (with the advice of your professional advisers as necessary) with respect to the risks and consequences of any matter contained in this document. The Group, its affiliates, directors, officers, employees or agents expressly disclaim any liability and responsibility for any decisions or actions which you may take and for any damage or losses you may suffer from your use of or reliance on this material.

Building a better working world

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF STANDARD CHARTERED PLC ON THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE BANKING (‘UN PRB’) REPORT AND SELF ASSESSMENT TEMPLATE FOR THE YEAR ENDED 31 DECEMBER 2022

EY was engaged by Standard Chartered plc (the ‘company’) to perform a limited assurance engagement in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020), in respect of selected sections (the ‘Subject Matter’) from responses within Standard Chartered plc’s United Nations Environment Programme Finance Initiative’s (UNEP FI) Principles for Responsible Banking (PRB) Reporting and Self-Assessment Template (the ‘Report’). The Subject Matter includes the “high-level summary of Standard Chartered plc’s response” to the following sections:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring – including performance measurement of the following financed emissions sector baselines for the year to 31 December 2021 only:
    - Oil and Gas (Absolute Financed Emissions $MtCO_2e$)
    - Coal Mining (Absolute Financed Emissions $MtCO_2e$)
    - Shipping (Production Emissions Intensity alignment delta %)
    - Auto Manufacturers (Production Emissions Intensity gCO_2e/Vkm)
    - Aviation (Qualitative statement)
- 5.1 Governance Structure for Implementation of the Principles

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion or conclusion on this information.

This report is produced in accordance with the terms of our engagement letter dated 30 August 2023 for the purpose of reporting to the Directors of Standard Chartered plc in connection with Subject Matter for the year-ended 31 December 2022.

This report is made solely to the company’s Directors, as a body, in accordance with our engagement letter dated 30 August 2023. Those terms permit disclosure on Standard Chartered’s website, solely for the purpose of Standard Chartered showing that it has obtained an independent assurance report in connection with the Subject Matter. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Directors as a body, for our examination, for this report, or for the opinions we have formed.

Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the company.

Responsibilities of the company

As Directors of the Company you are responsible for the Subject Matter. The Directors of the Company remain solely responsible for presenting the Subject Matter in accordance with (i) the Reporting and Self-assessment Requirements of the UNEP FI PRB Reporting and Self-Assessment Template and (ii) the Financed Emissions disclosures referred to within have been calculated in accordance with the Financed Emissions standard set by the Partnership for Carbon Accounting Financials (the ‘Criteria’).

Responsibilities of Ernst & Young LLP

It is our responsibility to provide a conclusion on the Subject Matter based on our examination and utilising the UNEP FI ‘Guidance for Assurance Providers: Providing Limited Assurance for Reporting (Version 2)’. The Criteria has been used as the basis on which to evaluate the measurement and presentation of the Subject Matter.

Our approach

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020) *Assurance engagements other than audits or reviews of historical financial information* (“ISAE (UK) 3000 (July 2020)”) as promulgated by the Financial Reporting Council (FRC). For the purpose of the engagement, we have been provided by the Directors with the Subject Matter, for which the Directors of the company remain solely responsible.

In performing this engagement, we have applied International Standard on Quality Management (ISQM) 1 and the independence and other ethical requirements of the Institute of Chartered Accountants of England and Wales (ICAEW) Code of Ethics (which includes the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA)).

We have performed the procedures agreed with you and set out in our engagement letter dated 30 August 2023. Our work included:

- Interviewing management to understand the systems and processes in place to collect data and prepare the United Nations Environment Programme Finance Initiative’s Principles for Responsible Banking Reporting and Self-Assessment Template;
- Reading the Report and considering the appropriateness of the description of the processes, activities and outcomes and whether these sufficiently reflect the actions taken by the Company;
- Obtaining evidence, on a sample basis, to test the accuracy of the statements within sections 2.1, 2.2, 2.3 and 5.1 of the Report;
- Our procedures were data and evidence based and limited to the statements made in sections 2.1, 2.2, 2.3 and 5.1 of the Report. The individual assessment of whether the Group is aligned with the requirements of the PRB and is meeting its commitments will be undertaken by a sustainability expert within the UNEP FI Secretariat.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Subject Matter. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Our examination excludes audit procedures such as verification of all assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the subject matter is not fairly stated, in all material respects, based on the applicable criteria.

Ernst & Young LLP

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

12th October 2023