

Prohibited Activities

(Effective October 2024)



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Our commitment

Standard Chartered is committed to promoting economic and social development in the markets we serve. We seek to drive positive impact whilst at the same time reducing potential negative impacts to people and planet through managing environmental and social (E&S) risks.

There are a minimum set of standards that we apply to our clients regardless of the sector in which they operate and these are set out in our cross sector Position Statements on [human rights](#), [climate change](#) and [nature](#). Our approach is informed by international standards including the IFC Performance Standards, the Equator Principles, OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. Furthermore, clients must comply with all applicable laws and regulations and we expect that their approach be guided by international conventions, international standards and best practice.

Negative threshold criteria from our cross sector and sector specific Position Statements are captured below. These should be read in conjunction with those Position Statements. How we apply our Position Statements is explained in our [Environmental and Social Risk Management \(ESRM\) Framework](#).

Cross sector requirements

We will **not** provide financial services to clients who:

- We find are involved in child labour or forced labour.
- Have operations that adversely impact upon the Outstanding Universal Value of UNESCO World Heritage Sites.
- Trade or process species listed on the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES).

We will **not** provide financial services directly towards projects or activities that:

- Adversely impact upon the ecological character of wetlands, designated under the Ramsar Convention on Wetlands of International Importance.
- Convert or degrade High Conservation Value (HCV), High Carbon Stock (HCS) forests, or peatlands.

Agribusiness

Please see our [Agribusiness Position Statement](#).

We will **not** provide financial services to clients who:

- Convert or degrade High Conservation Value (HCV) areas, including forests or High Carbon Stock (HCS) forests, peatlands, Key Biodiversity Areas (“KBA”) or International Union for Conservation of Nature (IUCN) Protected Area categories I-III for new plantations or farmland
- Use fire, including for land clearance, and/or in the preparation of land for planting.
- Use pesticides categorized as 1A or 1B by the World Health Organisation (WHO); substances banned under the Stockholm Convention on Persistent Organic Pollutants (POP); or substances listed in Annex III of the Rotterdam Convention in their operations– applicable to producers.

Animal welfare

We will **not** provide financial services directly towards:

- The production, manufacture or trade of fur, angora wool or exotic leather¹.
- Production systems using layer cages for poultry or caged rearing systems for livestock, including gestation and farrowing crates for sows – applicable to producers.

Aquaculture and wild fisheries

We will **not** provide financial services to clients who:

- Practice shark finning, commercial whaling or process or trade shark fin and/or whales – applicable to wild capture fisheries.
- Use driftnet fishing, deep sea bottom trawling or fishing with the use of explosives or cyanide – applicable to wild capture fisheries.
- Conduct Illegal Unreported and Unregulated (IUU) fishing, or use vessels known to have conducted IUU fishing – applicable to wild capture fisheries.
- Harvest, trade or process species listed on the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Biofuels

We will **not** provide financial services directly towards:

- Operations that grow, process or manufacture biofuels grown on HCV-HCS land or recently deforested land; where it directly competes with food sources; or in areas of high-water stress.

Forestry

We will **not** provide financial services to clients who:

- Use fire in forestry or plantation operations including in the clearance and preparation of land for planting.
- Are involved in illegal logging or trading activities.

Palm oil

We will **not** provide financial services to clients who:

- Develop new plantations by converting or degrading:
 - High Conservation Value Forests (HCV)
 - High Carbon Stock Forests (HCS)
 - Primary forests;
 - Designated, national or international legally protected or preserved areas;
- Develop new plantations on fragile soils, including swamps and peat, regardless of depth.
- Use fire in their plantation operations, including in the clearance and preparation of land for planting.
- Exploit people or local communities – we expect consent to have been obtained through a credible Free Prior Informed Consent (FPIC) process (as applicable).

Soy

We will **not** provide financial services to clients who:

- Grow, process or trade soy from the Brazilian Amazon in contravention of the Amazon Soybean Moratorium implemented in 2006.
- Grow soy in the Brazilian Cerrado.

Chemicals & manufacturing

Please see our [Chemicals and Manufacturing Position Statement](#).

Chemicals

We will **not** provide financial services to clients who:

- Manufacture or produce goods containing ozone depleting substances, persistent organic pollutants (POPs), pesticides, and industrial chemicals and compounds such as mercury, in contravention of international restrictions, phase-outs or prohibitions.
- Conduct testing on animals for personal care products and household care products, unless mandated by law.

Manufacturing

We will **not** provide financial services to clients who:

- Trade or manufacture asbestos-containing products.
- Produce products that contain plastic microbeads for personal care products such as cosmetics and cleaning agents.

Extractive industries

Please see our [Extractives Position Statement](#).

Metals & mining

We will **not** provide financial services directly towards:

- Asbestos mines
- Mines that conduct direct marine and riverine tailings disposal
- Mines that conduct Appalachian mountaintop removal
- The exploration or production of deep-sea mining projects
- Greenfield mines in UNESCO World Heritage Sites or Ramsar Sites



Oil & gas

We will **not** provide financial services directly towards projects or activities, including associated export facilities, which involve the exploration or production of:

- Oil and gas in the Arctic region (defined as the total area covered by the Arctic Circle, the Arctic 10° C Isotherm, and the Arctic National Wildlife Refuge);
- Oil and gas in the Amazon Basin;
- Oil from tar sands;
- Extra heavy oil (defined as API equal to or below 10°)

We will **not** provide financial services directly towards:

- Greenfield projects, including associated export facilities, which involve the exploration or production of oil and gas in UNESCO World Heritage Sites or Ramsar Sites.

Power generation

Please see our [Power Generation Position Statement](#).

Fossil fuel power

We will **not** provide financial services directly towards:

- New non-captive single-fuel Heavy Fuel Oil (HFO) Fired Power Plants.

Thermal coal

Please see our [Thermal Coal Position Statement](#).

Project or asset level criteria

We will **not** provide new financial services and will phase out existing financial services towards Thermal Coal Assets.

Client entity level criteria

We will **not** provide new financial services and will phase out existing financial services to client entities who:

- (i) Acquire or invest in Thermal Coal mines or Thermal Coal-fired power plants;
- (ii) Develop Thermal Coal Assets; or
- (iii) Are:
 - More than 80 per cent. dependent on Thermal Coal Activities (based on percentage of revenue);
 - By 2025, more than 60 per cent. dependent on Thermal Coal Activities (based on percentage of revenue);
 - By 2027, more than 40 per cent. dependent on Thermal Coal Activities (based on percentage of revenue); or
 - By 2030, more than 5 per cent. dependent on Thermal Coal Activities (based on percentage of revenue).

Client entity level criteria do not apply to client entities who:

- (i) Are 5 per cent. or less dependent on Thermal Coal Activities (based on percentage of revenue).
- (ii) Use Thermal Coal for captive purposes to support the manufacturing process in industries such as aluminum, cement and steel where there is no economically viable alternative.

Client entities undertaking Thermal Coal Activities will be subject to Enhanced Due Diligence. Where we phase out the provision of existing financial services under this position statement, we will do so in accordance with existing contractual arrangements.

Important notice

How we apply our cross sector and sector specific Position Statements is explained in our [Environmental and Social Risk Management \(ESRM\) Framework](#). This Position Statement should be read in conjunction with our ESRM Framework, which explains in greater detail how our Position Statements are applied in practice. Please refer to the Important Notice included in our ESRM Framework, which also applies to this Position Statement.