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## **Foreword**



In March 2020, as we watched the news of a potential pandemic unfold, it became clear that we needed to do something urgently to help the communities where we have a presence. In addition to the tireless work that my colleagues engaged in with their families and friends on the ground, we felt that we should use our global banking capabilities to get behind our clients and scale up some of the solutions that were being activated around the world.

Our answer was to make USD1bn of financing available, at no profit for the bank, to provide a fast source of lower cost funding for companies that wanted to pivot their business from what they usually produced towards things that would help in the fight against the pandemic. In instances where they were already manufacturing PPE or ventilators, we would help them scale up.

In the absence of an existing due diligence and execution framework – this was the first initiative of its kind - we turned to our Sustainable Finance team, who set about ensuring that we could get this capital to the right clients as quickly as possible. We focused on three criteria - speed of delivery, impact of goods produced, and size of client – prioritising our smallest clients who had the least access to rapid, cost-effective finance.

The USD1bn COVID-19 Facility, which was immediately made available, carried the same not-for-profit rate for clients of all sizes and all credit grades. What you will read in this report is how we made the biggest difference for our smallest clients and stood by them when they needed us the most.

In countries like Kenya, where the health effects of the pandemic were less acute than in many locations and where working from home is an impossibility for most, the immediate effects of the pandemic were felt financially. Export markets had ground to a halt due to a lack of demand for flowers and coffee from the West, currencies had devalued, giving rise to inflationary pressures, and a lack of readily available credit. In that context, I am proud that we were able to step in with financing that benefitted those that needed it the most.

To help distribute 500 million pieces of PPE, and over 50 million vaccines, predominantly in emerging markets where the need was greatest, is a tremendous achievement. It has also been great to have feedback from clients that our Facility helped them pass on the lower costs of these life-saving goods to their customers, and to hear that "Standard Chartered was there when it mattered. They had our back."

I will never forget the efforts of all of those involved in the COVID USD1bn Facility, and to all of them reading this – thank you.

Simon Cooper CEO, CCIB and CEO, Europe & Americas



## 1. Introduction

### Living up to "Here for good."

At the beginning of 2020, when the spread of COVID-19 accelerated and economies began to slow to a halt, we knew we had to act.

Across the globe, societies, organisations and ways of life were transformed overnight; however, with great tenacity and resolve communities took up the challenge to support their most vulnerable. Yet, the scale of the crisis was so great that no one country, community or organisation could address it. Health systems in every country struggled to procure the full extent of equipment required to appropriately treat and prevent cases of COVID-19, creating a health burden that paralysed societies and upended livelihoods.

True to our brand promise of "Here for good," we strived to support our clients, markets and society in the fight against the impacts of COVID-19. We recognised, as a leading international bank, that we were uniquely positioned to help people and businesses adapt to a rapidly changing landscape. Across the world, businesses began to modify their operating models to produce and distribute equipment that was desperately lacking in healthcare systems. Critically, this adaptation required an influx of capital.

On 30 March 2020, we committed USD1 billion of financing, at not-for-profit rates, for companies providing goods and services to help the fight against COVID-19, and those planning the switch into making products that were in high demand to fight the global pandemic.<sup>1</sup>

The Facility was set up to provide financing in the form of loans to support clients acquring equipment, support with liquidity, and help existing manufacturers get their products to market.

This report summarises the impact our Facility created for a wide range of stakeholders (including Standard Chartered) and assesses both the impact we intended to create and the impact that was actually created through use of the Facility.

Whilst many positives can be taken from the Facility, we can also draw valuable learning opportunities should a similar requirement to act occur in the future.

As a relatively new member of Standard Chartered, I was so impressed by the story of resilience and agility that emerged; highlighting how the key decisions were made, as well as how we adapted as our knowledge expanded and COVID-19 developed. This included changing the types of products we would provide financing to, or where our financing was disbursed, based on rapidly evolving situations across the globe and developments in various treatments. This is an accurate assessment of the impact our Facility created.

Social Sustainability is an area of particular focus for us in 2023 and beyond and is an area we continue to invest into. We have recently hired a Head of Social Sustainability who will focus on the commercialisation of our Social agenda. This report is a great example of the difference we can make in the markets we call home.

Marisa Drew Chief Sustainability Officer

<sup>&</sup>lt;sup>1</sup> https://www.sc.com/en/media/press-release/were-committing-usd1-billion-to-finance-companies-helping-to-tackle-covid-19/https://www.wbcsd.org/contentwbc/download/2220/28216/1



## 2. Our intent

### 2.1 How we think about impact

The term impact is widely used to imply any change or progress made through actions. The simplistic nature of such a definition fails to address the complexities when assessing an impact of an action. Therefore, we have taken a more nuanced approach to defining impact.

Throughout this report, we build on the Common Approach framework and define impact as the intended and unintended (positive or negative) changes in an outcome that occurs over a period of time as a result of an organisation's actions.2

### Impact pathways

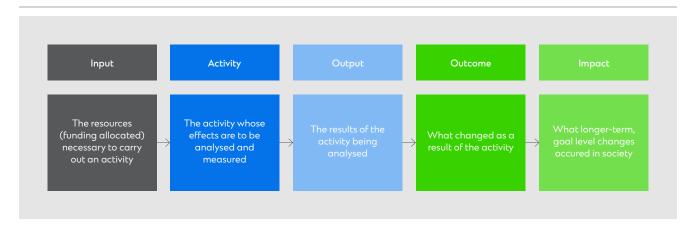
Identifying and evaluating impacts requires an overarching framework to understand how interventions translate into wider socio-economic impacts. This report uses an impact pathway framework to define the relationship between the interventions we made and the impacts felt by our clients and the communities in which they operate. The framework takes a five-step approach to map how intervention leads to impact.3

In the context of our Facility, the first step (Input) was to allocate funding to a business, which would, in turn, produce products (Activity). The results of our client's activity are analysed to identify what changed as a result (Output and Outcome). Finally, we build on the output to identify the long-term societal changes resulting (Impact) from our intervention.

We developed impact pathways in collaboration with key stakeholders, including those affected, to gain an end-to-end understanding of the impact created by our intervention. Through discussion with our employees and interviewing clients, we have identified and mapped impact pathways for six case studies, offering an insight into the impact our intervention had on our clients, the societies in which they operate and local and international economies.

For instance, where clients used the funding to produce hand sanitiser products, the impact pathway includes the most material and identifiable impacts. For sanitiser products, these include health and socio-economic impacts, while wider environmental impacts from the production line are not included (see Section 4: case studies for detailed impact pathways). We determined that utilising more holistic assessment of our interventions would provide a balanced picture of the impacts we created, however, it is important to note, the Facility was not set up to capture reliable data and information on all environmental, social and economic impacts.

Image 1: USD1bn COVID-19 Facility Impact Pathway Framework



<sup>&</sup>lt;sup>2</sup> https://www.commonapproach.org/what-is-impact-measurement/

<sup>&</sup>lt;sup>3</sup> https://www.wbcsd.org/contentwbc/download/2220/28216/1

### 2.2 How we set up our fund to deliver impact during times of crisis

We established the Facility to support our clients in the most pertinent way we. as a bank, know how - by providing finance. Supplying finance is our core competency, but during an unprecedented crisis, it required a new way of thinking. As a bank known for supplying commercial capital into blended finance structures, this presented an opportunity to maximise our impact by turning things on their head.

We chose to provide concessional funding - loans at notfor-profit rates - to accelerate development solutions for COVID-19 and target as many high-impact projects as possible.

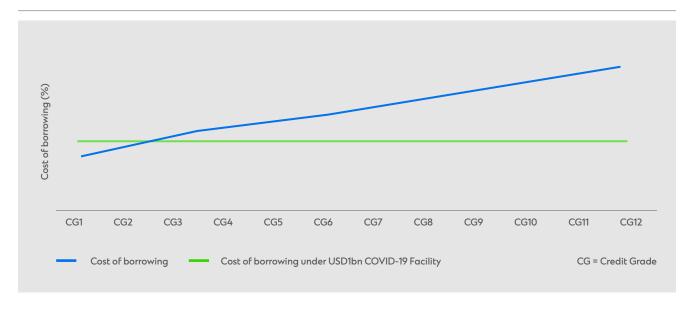
Our mandate was to support clients in lower-income economies throughout Asia and Africa; these regions fall within our operational footprint and are primarily where accessing finance can be challenging and healthcare systems were less prepared to fight COVID-19. In line with this, the preferential rate of the loan was the same across all credit grades, creating significant benefit for those with low credit ratings who would have had to otherwise borrow at higher rates. Committing to all of these factors in the framework helped us to ensure we were channeling our funding to high-impact endeavours.

Kasapreko - Preferential rates for those who needed it most

"The rates provided by Standard Chartered allowed the company to pass on lower costs to consumers and enabled us to meet the high demand amid periodic shortages and price hikes for sanitisers."

The primary reason for the standard loan rate across all credit grades was to help businesses like Kasapreko pass on the benefit to those who needed it most. As an alcoholic beverage manufacturer, they switched to producing hand sanitiser following a call by the Ghanaian Government to assist the fight against COVID-19. Kasapreko are certain that if they had not received the loan at such a rate, the price point for the product would have been higher and less people would have been able to receive the hand sanitiser products. Not only would this have had negative health effects, but further knock-on economic impacts. Many of their products were bought by women, who then sold the sanitiser in local markets, creating new income streams in a country that was badly affected by decreased revenue and production during the lockdowns.

### Indicative graph showing cost of borrowing to businesses under normal and Facility rates

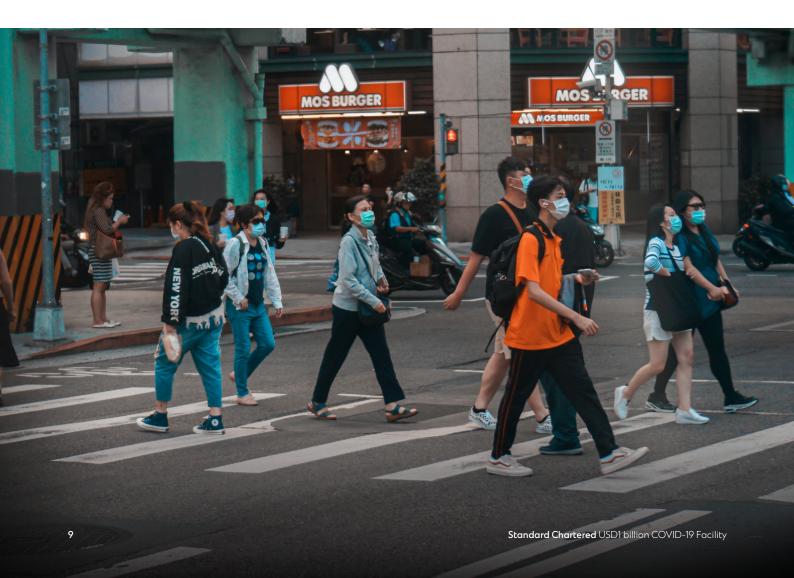


Upon announcing the Facility in March 2020, our Relationship Managers were briefed on the purpose and desired outcomes of the Facility. Working closely with the Sustainable Finance team, Relationship Managers contacted our clients and potential borrowers to gauge interest in the Facility, identified if they were undertaking aligned activities, and assisted them in accessing finance. While our Relationship Managers proactively identified existing and new clients, as news of the Facility spread, existing and new clients directly approached the Bank to enquire about accessing the Facility, evidencing the international attention our work received.

To ensure the Facility was truly supporting clients delivering products and services to fight COVID-19, we established a COVID-19 USD1bn Working Group (CWG). The CWG provided leadership, governance and challenge to the delivery of the Facility, and were responsible for reviewing, approving and tracking the loans we allocated. Chaired by Sustainable Finance and with representation from Legal, Compliance, Risk, Finance and Corporate Affairs, the CWG was underpinned by a range of key stakeholders, all of whom were participating alongside their day-to-day roles. Meeting twice weekly at the beginning of the pandemic, participants came to the meetings with "enthusiasm and passion", as noted by one member of the group.

There was a sense, despite the extra time and focus required, that the work of the CWG was important, and members wanted to "ensure the Bank was doing good in the communities it supported". Not only that, but employees were keen to help themselves; whether part of the CWG or not, assisting the Facility was a way to help whilst they watched the COVID-19 crisis unfold.

The CWG frequently provided updates to the Corporate, Commercial and Institutional Banking Management Team (CCIBMT), ensuring leadership were up to date and approved of the decisions taken during this period.



### Preferred Funding Allocation Framework

The Preferred Funding Allocation Framework was established to guide the CWG in making consistent and justifiable decisions on where to prioritise funding allocated by the Facility. Creating a framework ensured we had the appropriate checks and balances to align our decision with the Facility's overall objective - supporting our clients, markets and societies in response to COVID-19. To fulfil our mandate, the framework consisted of two elements: a set of principles the CWG would consider when assessing requests for finance; and a prescriptive set of criteria client requests must fall into to be applicable for funding.

We anticipated from the outset the products and services deemed eligible for capital would change. This was a novel, first-of-its-kind fund, set up without precedence in a turbulent landscape, and as such, we knew it would have to adapt over time. As the virus spread globally and our understanding of COVID-19  $\,$ evolved, it was critical the CWG had an established set of principles to guide them through these changes.

The principles outlined in Table 1 gave the Facility flexibility to adapt to changes in science, medical guidance, and differences within regional responses. Therefore, despite changing best practices for fighting the virus, we could quickly provide our clients capital to help them implement measures to treat and prevent the spread of COVID-19.

Despite having a flexible and robust framework for prioritising capital to deliver impact, it was acknowledged that a significant element of personal judgement would be inevitable in the deal prioritisation process. The difficulties in comparing interventions - such as the impact of funding surgical masks vs ventilators with often minimal data led to some funding decisions not fulfilling the intended impacts initially set out (see section 3.4).

 Pakistan Oxygen - How effective prioritisation saves lives

'Time was an important factor lives were at stake'

A flexible approach to prioritising capital was critical in the case of Pakistan Oxygen. By December 2020, it became apparent that oxygen supplies across South Asia were starting to run critically low. Patients were deteriorating, with some deaths, as many hospitals reported unsustainably low levels.4 Pakistan Oxygen, a leading supplier of medical gases in Pakistan, faced an immediate challenge to supply hospitals with enough

Guided by our core principles, the CWG were able to quickly approve funding to support Pakistan Oxygen in securing oxygen supplies. The company received funding within one week of approval from the CWG, enabling them to fulfil oxygen contracts and save lives. This funding was a 'lifeline' for both the company and country.



https://www.sc.com/en/media/press-release/were-committing-usd1-billion-to-finance-companies-helping-to-tackle-covid-19/https://www.wbcsd.org/contentwbc/ download/2220/28216/1

Table 1: The principles followed by the COVID-19 USD1bn Working Group:

Principle	Factors to be considered
Maximise impact on COVID-19 response	<ul> <li>Severity of situation in target countries.</li> <li>Where is the need or shortage most critical?</li> <li>Is it in line with the health guidance and does the intervention have the support from health authorities?</li> </ul>
Emphasis on speed	<ul> <li>How quickly can the impact be delivered depending on both:</li> <li>The client: Is the client expanding existing capability, or transitioning?</li> <li>Standard Chartered: How quickly can we onboard / approve / disburse funding?</li> </ul>
Additionality	<ul> <li>Does the funding unlock the ability to maximise impact and speed at which products and services go to market?</li> <li>Can the client raise funding elsewhere easily?</li> </ul>
Reflecting Standard Chartered's diversity	<ul> <li>Ensure geographic spread of funding. COVID-19 is a global issue and funding cannot be allocated to one region.</li> <li>Recognise the unique role that we play in certain markets and ensure we continue to support them throughout.</li> </ul>



### Eligible Activities for Financing

As the virus spread rapidly and its impacts became clear, activities eligible for finance evolved. Initially, financing was focused on procuring PPE and testing kits, manufacturing healthcare machinery and transforming healthcare facilities to increase emergency capacity. However, the pandemic unfolded, and as we discovered new ways to treat and prevent COVID-19, we had to adapt our financing framework. Vaccine procurement did not exist at the beginning of the pandemic, and having a flexible approach to our financing requirements enabled us to support clients throughout the course of the pandemic, responding to the latest developments in treatment.

Table 2: Activities Eligible for Financing

Activities Eligible	for Financing	Exclusions
COVID-19 related design & manufacturing	Manufacturing, logistics and distribution of personal protective equipment such as gowns, aprons, sterile gloves, protective goggles, face shields, surgical masks.  Design, manufacturing, distribution and installation of diagnostic equipment such as lab screening and confirmation tests, enzymes, RNA extraction kits, swabs and tubes.  Design, manufacturing, logistics, distribution and installation of critical care equipment to help treat patients such as vital signs monitor, ventilators, oxygen concentrators, oxygen delivery systems and other medical consumables to treat a broad range of respiratory conditions.  Manufacturing, logistics and distribution of other pharmaceutical and medical goods.  Manufacturing, logistics and distribution of hygiene products that are critical to prevention of the disease including chlorine, alcoholbased hand rub, soap, sanitiser and bleach.  Manufacturing, logistics and distribution of medical nutrition products.	Banking that directly finances: Cosmetic facilities Aesthetic medical facilities Chiropractic facilities Acupuncture facilities Hospital greenfield construction Hospital brownfield expansion or construction unless approved by RCAF
Healthcare	Healthcare facilities or facilities that are being turned into emergency facilities for additional capacity.  Financing to equip, operate and add capacity and efficiency to essential healthcare facilities such as: hospitals, clinics, healthcare centres, acute care, emergency care, diagnostics, laboratory facilities, nursing home and rehabilitation facilities.*  Manufacturing, logistics and distribution of products and supplies essential to: medical response disease control services and vaccinations.*  Financing to equip, operate and add capacity to facilities for healthcare training.*	

Activities Eligible for Financing		Exclusions
Sanitation	Manufacturing, logistics and distribution of products and services for safely managed water, sanitation and hygiene (WASH).	
Food security	Financing provided to facilitate the increase in capacity and efficiency in food systems and supporting the provisioning, production, logistics and distribution by companies of food and nutritional supplements in emerging markets required to help communities and countries impacted by COVID-19 and the recovery from COVID-19.*	

As for all sustainable finance deals, applicants were required to provide evidence of alignment with the eligible activities above in addition to passing our standard KYC and environmental and social risk assessment processes In addition to this, clients had to also comply with local guidance by the World Health Organisation and have their required approvals in place. Additionally, we did not offer to finance any clients who did not have regulatory approval and had been subject to any significant adverse media over faulty items or the quality of their products. Combined, these measures helped us allocate funding to activities that had the most material impacts on society, whilst protecting our clients and the Facility from reputational damage.

 $<sup>\</sup>ensuremath{^{*}}$  These activities formed part of the adapted financing framework



# 3. The impact created

Open from April 2020 to December 2021, the Facility allocated USD923 million across 82 deals, impacting people in over 90 countries. Varied in size and reach, deals ranged from multi-million dollar international vaccination co-ordinations to local garment manufacturers reorganising production lines to produce reusable face masks.

Overall, we estimate our loans produced nearly 550 million pieces of PPE, 2 million COVID-19 tests, over 50 million vaccines, as well as hundreds of thousands of oxygen cylinders, ventilators and critical medicines.

However, the impact goes well beyond the number of PPE garments or vaccines provided. These products were critical for propping up overstretched healthcare systems. They helped economies that were grinding to a halt to continue operating at some capacity. Moreover, on an individual level, people who were not able to work from home could continue to make a living. Additionally, a number of companies we supported did not have to lay off people, or they made fewer redundancies than they would have done without our support.

The Facility allocated USD

**USD923**<sub>m</sub>

Across

82 deals

Impacting people in over

90 countries

In interviews with stakeholders, as described in the case studies below, we tried to understand the personal impacts of our financing. Each client that received the Facility was unique, with their own motivation for acting as they did and with distinct benefits. While this makes collating a single measure of impact across all entities harder, it provides extraordinary and poignant individual tales.

We estimate our loans produced nearly

550 million

pieces of PPE

50<sub>million</sub>

**Vaccines** 

2million

For example, Kasapreko, an alcoholic beverage plant that pivoted to making hand sanitiser, was able to keep its full workforce due to the new sanitiser revenue stream it obtained with assistance of the loan, benefitting not only the Ghanaian economy during a time of hardship, but individuals and families as well.

Throughout our interviews and personal accounts there is a theme of burgeoning positive impact. Every loan helped a business to adapt, provided a much-needed service for their country or government, and enabled employees to continue earning a living. Alongside this, we as a bank benefitted from the growing profile of our Facility while instilling pride in our employees. Whilst we can't quantify every impact, we try to explore the themes of impact through the speed with which the Facility was provided and the global reach of our actions.

### Devki Steel Mills - Helping businesses when they needed it most

'Without this funding we would not have been able to support society in the way we have... we feel good because of what we have given back to our communities.'

The impact of the pandemic hit especially hard in Sub-Saharan African countries. Although rates of infection were not as high as in other regions, the economic consequences have been severe. In what was already a vulnerable environment there have been widespread job losses - especially in urban areas and for female workers, declines in agricultural incomes due to closure of markets, and inflationary pressures reducing remittance flows. The strict mobility restrictions imposed in most countries severely disrupted economic activities and had huge implications as most people could not work from home.

In Kenya, Devki Steel Mills approached Standard Chartered in April 2020 for a USD3 million loan to assist the design, manufacturing, and distribution of critical care treatments such as oxygen and oxygen cylinders. Due to the otherwise high borrowing costs, this loan acted as an intermediary intervention as it allowed Devki to borrow at rates they were unlikely to find elsewhere.

Not only did the loan help them transform their industrial oxygen production to supply medical oxygen for overrun hospitals, but it also meant they could provide it at lower prices. They provided approximately 100,000 cylinders of oxygen over six months, giving out daily supplies. The heads of Devki believe this has given them a philanthropic reputation and motivation, with this particular event encouraging them to do more for society. Since 2022, they have set up a charitable foundation to fund these activities, including supporting Kenyans through the drought they are currently facing.



 $<sup>^{5}\,</sup>https://blogs.worldbank.org/africacan/how-livelihoods-deteriorated-sub-saharan-africa-due-covid-19$ 

### 3.1 The need to move at speed

The speed at which a loan could be approved and received by applicants was a critical aspect of the Facility. The rate of developments during the pandemic - both in spread of impacts and knowledge of treatments - meant it was essential we acted quickly. As the timeline below shows, we were able to respond with agility to the changing global landscape and attempted to prioritise requests to channel the Facility rapidly to areas that needed it.

#### 11 March

The World Health Organisation declares the novel coronavirus (COVID-19) outbreak a global pandemic.6

#### 30 March

The Facility announced by Standard Chartered

Cases of COVID-19 globally surpass one million.<sup>7</sup>

#### 6 April

### The Facility opens

#### 8 April

Discussions held following global uncertainty over the effectiveness of reusable masks compared to surgical masks.

USD10 million for Esquel (Hong Kong) to use for reusable masks.

USD16 million approved for GetWell Limited (Bangladesh) protective equipment for doctors, nurses and other healthcare

#### 15 April

### First USD 100 million disbursed

Continued uncertainty over effectiveness of mask types, CWG discusses a potential cap on surgical vs cloth masks.

USD25 million for the Government of Mauritius approved for ventilators, medicine and testing kits.

#### 16 April

Lack of personal protective equipment is impacting the response of many African countries - WHO Regional Director8

USD25 million to Mediclinic, to help supply ventilators in UAE - company was facing significant cash flow reductions due to having to pay doctors overtime, buying extra supplies, and providing pro-bono services.

USD100 million approved to finance global suppliers of ventilators. NB: after this CWG made the decision to focus on corporates with less access to funding, recognising that smaller companies benefited more than big ones from the loan rates.

Decision made to reject funding request for production and procurement of paracetamol, as impact is not expected to be significant enough.

#### USD500 million disbursed

Development of UK policy for the public to wear mandatory cloth

USD2 million approved for Viet Tang cloth face mask production.

Concerns over recycling policies for plastic hand sanitiser bottle makers - USD1.5 million for Duy Tan Plastics (both Vietnam) conditional on recycling policy.

Esquel - existing USD 10 million loan increased to USD 30 million due to increased orders of facemasks over the last few months distribute to China, Hong Kong and US

#### 20 May

USD1.5 million for Micro-Haem to provide testing kits to Uganda government.

Number of cases on the African continent surpassed 200,000 - it took 98 days to reach 100,000 and only 18 more to reach 200,000.9

#### 11 lune

#### On track to reach USD525 million

Discuss expanding the criteria for receiving loans for healthcare (including general healthcare), sanitation and food security, debate around financial inclusion and education as well.

Micro-Haem returns submission for further funding - only 3 test suppliers in Uganda and they are one of them.

Nearly 75% of new cases come from 10 countries which are mostly based in South Asia and Americas. 10

Criteria is expanded to include directly financing healthcare and food security, specific to COVID-19.

#### 20 June

Eskayef (Bangladesh) - originally only funded 50% that was directly related to COVID-19, now definition expanded can fund the other 50%.

**2020** •



<sup>6</sup> https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020

<sup>&</sup>lt;sup>7</sup> https://www.devex.com/news/covid-19-in-2020-a-timeline-of-the-coronavirus-outbreak-99634

#### July

State of Food Security and Nutrition in the World report estimates between 83 to 123 million people could be pushed into hunger this year due to the pandemic, job losses and lockdown measures.<sup>11</sup>

### 9 July

Increased loan for MediClinic given change in scope (hospital salaries, utilities, rent and procurement of medicines).

Removal of hydroxychloroquine from use of proceeds (for specific company ACME, not initiated by SCB).

Rejected funding for zinc tablets

### 30 July

Decision made in Sustainable Finance Working Group to prioritise funding production and procurement of reusable masks where appropriate.

#### 10 September

Number of medical journals supporting Actemra drug (initially used for arthritis) as a treatment with severe COVID-19 cases

Approve USD7.2 million for Radiant BC (Actemra supplier) in Bangladesh.

#### 8 December

UK becomes first country in world to administer an approved COVID-19 vaccine.12

### 10 February

Start discussing funding vaccines.

### 11 March

USD200 million Afrexim facility approved.

India battles its deadly second wave, recording the highest number of cases in a single day (315,735) of any country.<sup>13</sup>

The resulting pressure on oxygen supplies in the region triggers SCB to provide support to manufacturers such as Pakistan Oxygen.

#### 20 May

USD25 million - for vaccines and humanitarian aid including 3m to India.

#### 1 November

Global COVID-19 deaths surpass 5 million. In 2021 there were 50,000 deaths a week.14

#### 31 December

The Facility closed



<sup>11</sup> https://www.ifpri.org/blog/2020-state-food-security-and-nutrition-world-report-rising-hunger-and-covid-19-present#:~:text=Almost%20690%20million%20people%20went,)%20report%2C%20released%20July%2013.

<sup>12</sup> https://www.bbc.co.uk/news/uk-55227325

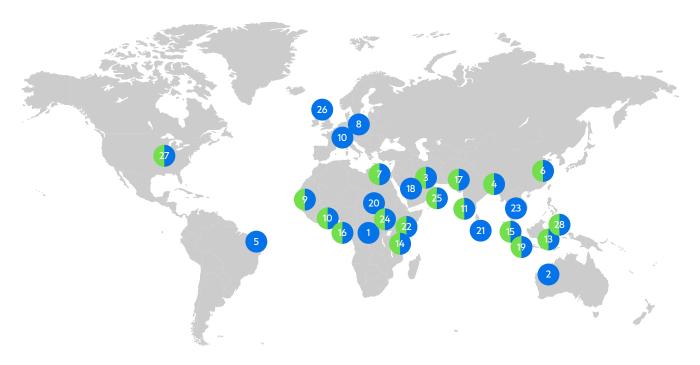
<sup>&</sup>lt;sup>13</sup> https://www.devex.com/news/covid-19-in-2021-a-timeline-of-the-coronavirus-outbreak-102417

<sup>14</sup> https://www.devex.com/news/covid-19-in-2021-a-timeline-of-the-coronavirus-outbreak-102417

### 3.2 Global in reach

A key goal of our Facility was to reach lower-middle income countries or those with less developed healthcare systems that would feel the worst effects of the pandemic.

This meant we prioritised engaging with existing clients in such countries or building relationships with those we felt would benefit most; as our footprint is focused on facilitating business across Asia, Africa and the Middle East, this was where our clients were primarily based. As the map shows, the impact was truly global. Just 28 of the 90 countries reached are shown here and represent coverage across our markets.



 Domiciles of borrowers (Borrower based in this country) Indirect (Borrower's subsidiaries or customers located in these regions)

1	African Union	15	Malaysia
2	Australia	16	Nigeria
3	Bahrain	17	Pakistan
4	Bangladesh	18	Saudi Arabia
5	Brazil	19	Singapore
6	China (Incl. Hong Kong)	20	South Sudan
7	Egypt	21	Sri Lanka
8	European Union	22	Tanzania
9	Gambia	23	Thailand
10	Germany	24	Uganda
11	Ghana	25	United Arab Emirates
12	India	26	United Kingdom
13	Indonesia	27	United States
14	Kenya	28	Vietnam

### 3.3 Intended impact - headline numbers

The Facility has delivered impact through funding a range of activities. Initially approving USD1.41 billion, we closed the Facility allocating USD923m.15 At the time when developing countries were struggling to treat and prevent the spread of the virus, our Facility funded:

PPE (masks, gloves, hand sanitiser, wider PPE)

**Ventilators** 

**COVID-19 vaccines** 

New hospital staff





**COVID-19 tests** 

Medical machinery, medicine, etc. worth16

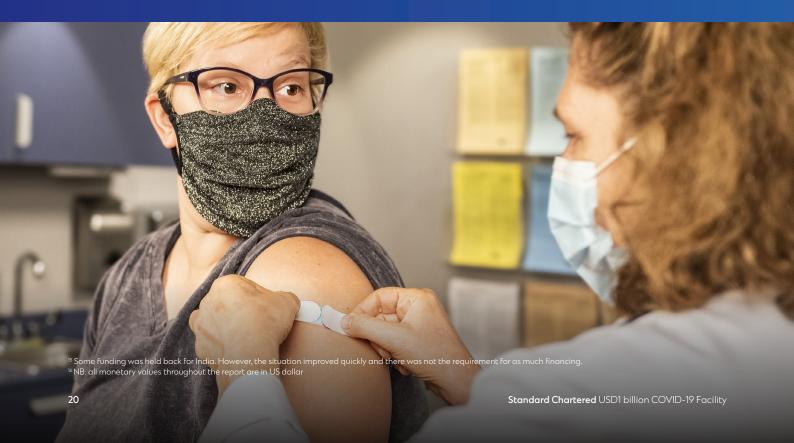




Oxygen cylinders:

Based on reporting requirements we introduced into the facilities.





## 3.4 Comparing intended impact with realised impact

Designed to maximise impact, the Facility allocated USD923 million to support clients, as well as prevent, overcome and recover from COVID-19.

It is important to note that with any impact financing facility, the realised impacts can vary significantly from those intended. In some cases, our funding promoted greater impacts than expected. For example, Gardy Electronics, a Hong Kong based electronics company, received USD1 million to produce 24 million medical-grade face masks. The company leveraged the concessional financing and produced 31.4 million facemasks, creating an additional seven million masks than expected to help reduce the spread of COVID-19 in Dongquan, China. Furthermore, Micro-Haem, an East African medical suppliers company, intended to supply 50,000 COVID-19 testing kits in Uganda. However, by utilising the Facility and the concessional funding rates, Micro-Haem provided 200,000 testing kits - four times the intended number of tests. The additional tests supported Uganda's pandemic response and helped bolster Micro-Haem's business performance.

In contrast, there were a number of cases where the funding provided did not match the intended impacts. Sin Huat, a Malaysian printing and manufacturing business, withdrew USD0.46 million from the Facility with the intention of producing 1.3 million facemasks per month to provide 25,000 people in Malaysia with a monthly supply of masks. Reporting on their impact 10 months later, the company had only produced 3.55 million masks, an average of 350,000 a month. While producing and distributing 3.55 million masks created significant positive impacts in preventing the spread of COVID-19 in Malaysia, it is short of the originally stated impact.

The difference between the impacts we intended to facilitate and the actual impacts achieved demonstrates the difficulties in predicting impact, especially in times of crisis. As this fund was a novel endeavour for the Bank, with no previous example to reference, there was a high chance that the real outcomes would vary from the intended. Impacts could be both greater or lesser than intended, due to fluctuations in material prices, technological advancements, progression in scientific understanding of COVID-19 treatment and wider market and macro-economic factors. To address this difference, robust reporting and monitoring were essential to ensure financing was effectively used to create genuine and mandate-aligned impacts.



### 3.5 Benefits to Standard Chartered

Beyond the impacts created for our clients, markets and society, the Facility had additional benefits to the Bank.

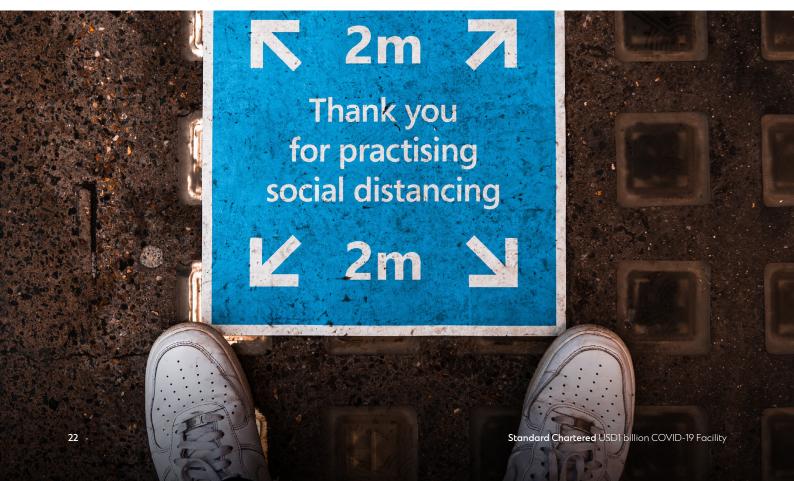
Distributing nearly USD1 billion to serve our clients during the pandemic created headlines in global media outlets and the communities where we operate. Dispersing concessional funding at speed to support businesses and societies fight COVID-19, the Facility's profile began to grow. Governments and regulators increasingly recognised the impact the Facility created within communities. In Ghana, the Government provided a list of organisations that would be eligible and benefit from the Facility. The cooperative approach taken by the Ghanaian Government highlights the role the Facility had in strengthening our relationships with key stakeholders and expanding our reach and impact into existing markets.

In addition to improving our relationship with external stakeholders, the Facility had a profound impact on our employees. With many of us working from home, the Facility provided a unique opportunity to support the fight against COVID-19. Those involved, especially members of the CWG who worked on the Facility in addition to their standard roles, noted the work gave them a real sense of purpose, and it brought to life our brand promise - Here For Good.

"It made us feel great about our job. We had a role to play in supporting countries to overcome COVID-19".

The Facility enabled employees to upskill and become active in sustainable finance. Many of our employees, particularly those also in client-facing positions, were exposed to the benefit that sustainable financing has for our clients, providing an opportunity for them to see firsthand the positive impact these products have on society and businesses.

The Facility not only strengthened our relationships with our employees and external stakeholders, it also provided new clients and existing clients exposure to our brand, products and services. A number of the businesses served by the Facility were new clients to the Bank, increasing our outreach and impact during the crisis. While not the purpose or mandate of the Facility, the uptake of other lending products and banking services demonstrates the importance of building strong relationships with our clients and the long-term commercial benefit of standing with them in times of crisis. For example, Kasapreko, a new client in Ghana, has signed a commercial loan facility with the Bank after working with us on the USD1bn COVID-19 Facility.





# 4.1 African Export-Import Bank (Afreximbank)

A pan-African multilateral trade finance institution based in Cairo, the African Export-Import Bank (Afreximbank), helped procure COVID-19 vaccines for the eligible countries under the auspices of the African Union.

### **Funding Allocated:**

# **USD200**m

The USD 200m lent under this facility was part of a USD2bn financing need. The USD 200m was used towards the downpayment of USD 330m which enabled AVATT to confirm the order of 220m vaccine doses.

#### Date:

July 2021

### **Key Stats:**

Supported the funding of

USD200m doses of COVID-19 vaccines

#### **Client Domiciles:**

Egypt

### **Impact Domiciles:**

41 countries including 6 Caribbean states





### Impact pathway:

Input

Activity

Output

Outcome

Impac

Afreximbank receive USD200m of funding at concessional rates

Afreximbank make a downpayment to secure vaccines procured 220
million COVID-16
vaccines for
African Union
member states

The Facility
helped procure
vaccines that
were in short
supply at
oncessional rates

Increased the number of people receive the vaccine that would not have Africa and the Caribbean

Afreximbank were able to support Africa's economic recovery from COVID-19 and sustain the continents GDP



Facing a third wave of COVID-19 cases in the middle of 2021,<sup>17</sup> Africa remained critically short of vaccines, with only 31 million doses administered by June 2021.18 The shortage of vaccines left African lives at risk and economies vulnerable to recession.

Afreximbank operated on behalf of the African Union to urgently address the problem by procuring vaccines, which would be distributed amongst most member states in the African Union. Standard Chartered provided USD200M of funding to support a USD2 billion Advance Purchase Commitment structured by Afreximbank and the African Vaccination Task Team (AVATT) to secure access to COVID-19 vaccines. Afreximbank used the finance provided to make the down payments to manufacturers, ensuring that they secured vaccines for 41 countries including 6 Caribbean states while keeping the cost per vaccine low.

### Providing access to life saving vaccines across the continent

By July, the global death toll from COVID-19 had reached over 4 million.<sup>19</sup> Action was urgently needed to help vaccinate the African continent. Uniquely placed to help in financing vaccine procurement, Afreximbank were determined to help save lives and reduce the number of deaths from COVID-19. A total of 220,000,000 doses were procured, with assistance of the loan, of which 136,000,000 have been delivered to date.

The speed and rates at which Standard Chartered was able to provide the funding was critical for Afreximbank in securing vaccines for Africa. Securing the loan quickly, and at concessional rates, enabled Afreximbank to put down a USD330 million down payment to the vaccine manufacturer in order to secure the vaccines as production would not commence until an upfront payment was made.

### Enabling African economies and societies to function in a post-COVID world

"There are African nations dependent on trade and tourism. Without access to vaccines, and the freedoms these provide. there is a real risk these economies could be decimated"

Vaccine passports were becoming critical for travel and tourism, and with the shortage of vaccines, there were fears economies reliant on trade and tourism would struggle to recover. As a financial institution established to promote trade, Afreximbank was driven, in part, to help the recovery of African trade in a post-COVID world. Through mobilising finance at concessional rates, Standard Chartered enabled Afreximbank to keep the costs of the vaccine accessible for the end user. Affordable vaccines, distributed across the African Union. allowed nations to protect their citizens from the virus and re-open post-COVID.

### Replicating vaccine financing for future problems

A lasting impact of the Afreximbank vaccination programme is a newfound reputation as a trusted financial institution capable of finding local solutions to the continent's problems. The Advance Purchase Commitment demonstrated the power of partnerships within the African Union. As a result, Afreximbank is undertaking a similar approach to deal with the growing issue of food security in the continent driven by drought. Furthermore, this model of pooling funds was later used by Afreximbank for a project in Latin America.



### 4.2 Jacobson Group Treasury Limited

Jacobson Group are a Hong Kong-based pharmaceutical company. During the COVID-19 pandemic, the company amended its processes to be able to produce Personal Protective Equipment (PPE) and hand sanitiser and procured and distributed COVID-19 testing kits and Fosun/Pfizer-Biontech vaccines.

### **Funding Allocated:**



#### Date:

April 2020

### **Key Stats:**

Funding secured the production of 912,842 bottles of hand sanitiser

**60,618** Isopropyl alcohol bottles

**6,401,300** face masks

In addition, the company procured and distributed testing kits and COVID-19 vaccines across Hong Kong.

#### **Client Domiciles:**

China (Hong Kong)

### **Impact Domiciles:**

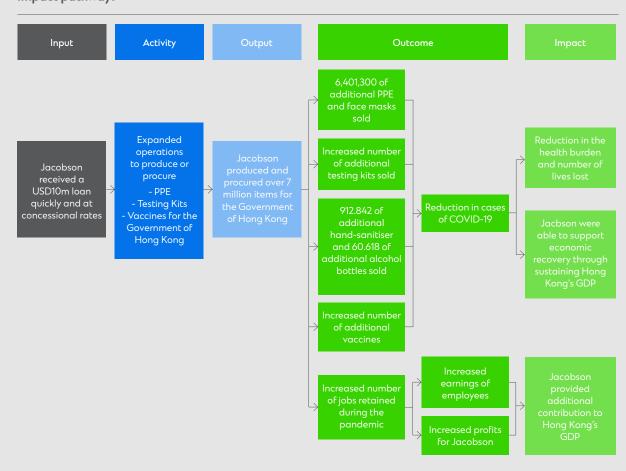
China (Hong Kong)







### Impact pathway:



Core to Jacobson's purpose is the duty of care to the society they serve; the betterment of life and community is deep-rooted in their business culture. Hence, after the first cases of COVID-19 were recorded in Hong Kong in February 2020,<sup>20</sup> Jacobson acted swiftly to help protect society from the worst effects of the pandemic. In particular, when the Government faced issues in procuring sufficient numbers of COVID-19 testing kits and PPE, Jacobson was contracted to help.

After applying to Standard Chartered's facility, Jacobson received a USD10 million loan to produce and procure COVID-19 testing kits and PPE for the Government of Hong Kong. This investment allowed Jacobson to source the raw materials to provide PPE; reorganise existing production lines and workforce; and, in some instances, set up new business lines, such as for producing hand sanitiser. Additionally, Jacobson was contracted as the sole distributor of the Fosun/Pfizer-Biontech vaccine in Hong Kong - of which part of the investment was utilised for - reducing the spread and long-term health effects of the virus.<sup>21</sup>

### Reducing the health burden by providing PPE at speed

"With this huge health threat... our top priority was to provide for society."

Jacobson recognised they were uniquely positioned to help Hong Kong in a way few other companies could. All their resources and capital were set up to respond quickly and effectively to support society immediately, further enabled by the good relationship between them and the local hospital authority. By establishing themselves as reliable providers of society's needs, they have continued providing masks and hand sanitiser to society today. The ability to secure quick access to funding ensured Jacobson secured contracts for supplying COVID-19 testing kits.

### Caring for their community

"We don't only serve people with money, we serve all people"

The concessional interest rates received under the Standard Chartered facility allowed Jacobson to reduce prices to end consumers whilst maintaining profit margins, reducing the financial hardships faced by the company during the pandemic. Jacobson did not raise prices for public or private sector clients, despite demand pushing market prices up. They prioritised serving public hospitals, recognising that if the public healthcare system went down, society would collapse.

### Establishing new business ventures during a period of economic and social hardship

The venture into hand sanitiser production was a new business endeavour for Jacobson. Historically a product with significantly lower margins, Jacobson had previously fewer economic incentives to provide such a product. However, with an exponential increase in demand for hand sanitiser felt across the country and a genuine desire to 'fight the virus', the expansion into the hand sanitiser market was one they felt they needed to pursue. Made possible with the Facility from Standard Chartered this was a business endeavour that proved successful.

While Jacobson's actions during the pandemic were primarily driven by a determination to help society, business performance also benefited from these actions. Demand for products soared during the pandemic and the business grew in line with this uptake. Furthermore, by providing these new products they showed that they can be a reliable strategic partner for the Hong Kong Hospital Authority, strengthening their reputation and position as the largest supplier of pharmaceutical products in Hong Kong.



## 4.3 Kasapreko

A multinational beverage company based in Ghana, Kasapreko, pivoted from producing alcoholic beverages to hand sanitisers and alcohol hand rubs to assist in the fight against COVID-19 in Ghana.

### **Funding Allocated:**

USD7.4m

#### Date:

April 2020

### Impact pathway:

### **Key Stats:**

**15m** bottles of hand sanitiser produced (over 3 years)

### **Impact Domiciles:**

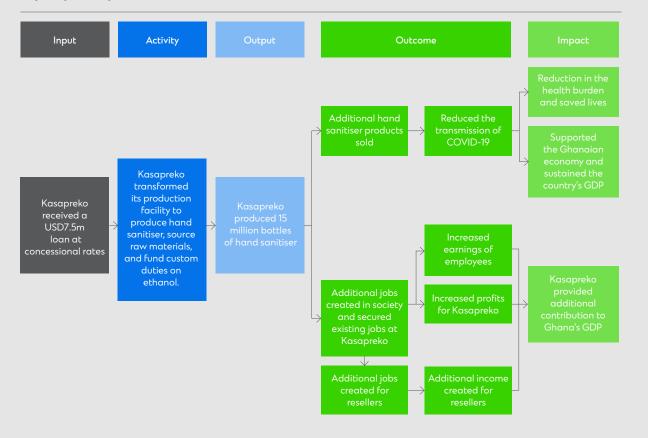
Ghana

### **Impact Domiciles:**

Ghana







During the early months of the COVID-19 pandemic, globally, it became extremely difficult for individuals and companies to obtain protective products against COVID-19. Recognising shortages could affect the country, the Ghanaian government appealed to local industries to produce alcohol-based hand sanitiser to curb the spread of the virus in Ghana.

Kasapreko seized the opportunity. In March 2020, the company announced it would commence mass production of alcohol-based sanitisers, utilising its manufacturing capabilities to provide the country with much needed sanitary products. Kasapreko utilised Standard Chartered's USD1bn COVID-19 Facility, acquiring a USD7.4 million loan to expand the production of alcohol-based hand sanitisers. The finance provided enabled Kasapreko to source raw material for manufacturing, packaging and to pay customs duties on imported ethanol.

### Meeting demand for hand sanitisers at affordable prices

"The rates provided by Standard Chartered allowed the company to pass on lower costs to consumers and enabled us to meet the high demand amid periodic shortages and price hikes for sanitisers"

Hand sanitisers and alcohol-based hand rubs were seen as key products to curb the spread of COVID-19. As demand rocketed, and with global supply chains strained, access to sanitisers became scarce and prices began to rise - pricing out many ordinary citizens. Affordable sanitisers enabled more consumers to access the product, helping limit the spread of COVID-19 in society. If Kasapreko were unable to offer its sanitiser products at an affordable price, there could have been significant negative health benefits, including the increased spread of the virus around communities in Ghana.

The speed in which Standard Chartered allocated the funding maximised the scale of the impact. Securing funds within three weeks, Kasapreko could pay suppliers upfront (many suppliers were demanding cash payment because of the depreciation of the local currency), ensuring the hand sanitisers could be produced and allocated quickly to limit the spread of the virus.

### Creating economic opportunities for local communities

Stimulating employment and economic opportunities in local communities was an indirect benefit of Kasapreko's pivot to producing sanitiser. Initially selling solely to pharmacies, Kasapreko quickly began selling directly to the public. Many local women purchased sanitisers directly and resold them to the community. Not only did the reselling result in widespread sanitiser distribution, but it offered employment and income streams for those distributing the products.

Standard Chartered's concessional funding for the production of sanitisers was critical to ensuring products were distributed to local sellers at affordable prices. Furthermore, Kasapreko supported the local business in the production of their sanitisers. The ethanol used in production was purchased from Caltech, a local company producing ethanol from 700 acres of farmland in Ghana

### Consolidating business performance in a turbulent economic environment

Pivoting core business operations to manufacture hand sanitisers had remarkable benefits for society, but Kasapreko also improved its financial position. Providing sanitisers generated significant new revenue streams for the company, producing 10 million bottles in the first year alone. The revenue generated from the new business played a key role in strengthening the business. Kasapreko did not have to lay off any employees during the pandemic and has emerged with stable long-term financial performance.

The pivot to hand sanitisers boosted Kasapreko's brand recognition and stature in the country. Previously viewed solely as a beverage company, the move has seen Kasapreko branded as an innovative and agile organisation within West Africa. Standard Chartered continues to work with Kasapreko, supporting them with commercial loan facilities to enable business growth and evolution.

### 4.4 Hemas

Hemas is a diversified corporate with focused interest in consumer brands, healthcare and mobility. The healthcare segment of Hemas has a dominant presence across Sri Lanka's entire healthcare value chain.

### Funding Allocated:

USD**6.3**m

#### Date:

2020-2021

### Impact pathway:

### **Purpose of Funding:**

Pharmaceutical and medical distribution to communities in the country.

### **Client Domiciles:**

Sri Lanka

### **Impact Domiciles:**

Sri Lanka







The pandemic created significant strains on hospitals globally. As the number of COVID-19 cases rose and more patients required treatment, it became challenging for hospitals to treat existing patients. As Sri Lanka's largest provider of essential medicine and medical equioment, Hemas was well disposed to support communities and provide them with the required medical supplies.

Standard Chartered provided Hemas with two loans from the Facility. Firstly, the Bank provided a USD700,000 loan to support Hemas complete the construction of a pharmaceutical manufacturing plant\*. The second tranche of funding, USD5.5 million, enabled Hemas to continue its pharmaceutical and medical distribution across the country.

### Providing critical medical supplies at accessible rates

While the immediate public health benefits in response to the pandemic were minimal, Hemas played a critical role in providing communities with essential medical supplies. With the pandemic putting significant strain on hospitals, it was critical they were fully stocked with the relevant supplies to treat patients. As a result of Standard Chartered's concessional funding, Hemas acquired the products at a lower cost, enabling them to pass on the products to hospitals at accessible rates. Furthermore, Hemas could extend longer credit lines to hospitals as they did not have demand for upfront cash payment. This offered Sri Lankan hospitals some breathing room to pay for supplies over a sustainable period of time. With access to affordable critical medical products, hospitals could continue treating patients with non-COVID related illness, freeing up capacity for those in need.

### Supporting business resilience in times of economics turbulence

"Standard Chartered were there when it mattered. They had our back."

The speed at which Standard Chartered dispersed funding was critical in allowing Hemas to continue business operations. The loan provided Hemas with immediate liquidity to prioritise the production of the medicine that was needed by the Government and ensure required medical supplies reached hospitals and pharmacies. Critically for Hemas, the concessional rates of financing offset the increase in costs demanded by their suppliers.

Longer term, the ability to continue operating and providing communities during the pandemic boosted Hemas' brand and reputation in Sri Lanka. As a result, Hemas have been able to cement positive relationships with communities they continue to serve. True to its values, Standard Chartered was there for Hemas when they needed support, having an immediate impact on the business. The Bank continues to have an active relationship with Hemas supporting them to grow and develop in the Sri Lankan market.



### 4.5 Micro-Haem

Micro-Haem is a leading medical supplies company in East Africa, providing medical equipment, research and consultancy for the medical field.

### **Funding Allocated:**

USD**5.6**m

#### Date:

May 2020

### **Key Stats:**

Provided

200,000 COVID-19 testing kits (at the time this equated to approximately 20% of Uganda's testing kits).

#### **Client Domiciles:**

Uganda

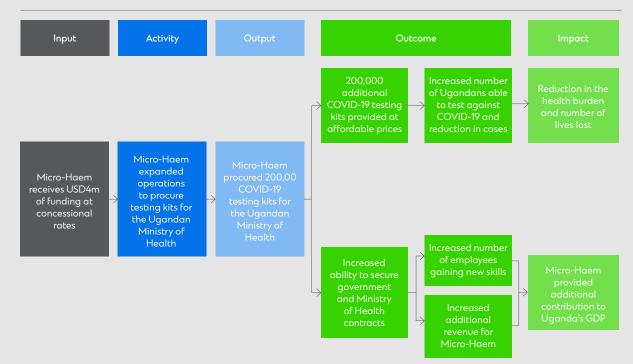
### **Impact Domiciles:**

Uganda





### Impact pathway:





Although mass testing is a key component of slowing the transmission of COVID-19, African countries found themselves at the end of a long global queue for the necessary testing equipment in mid-2020.<sup>22</sup> By May 2020, Uganda had one of highest testing rates in East Africa, conducting over 71,000 tests. With a population of 45.85 million,<sup>23</sup> this only represented a fraction of the population accessing the test. In comparison, the United Kingdom (population 67.37 million),<sup>24</sup> had carried out over 3.9 million tests.<sup>25</sup> A significant barrier to procuring tests in Uganda was the limited number of suppliers. Other than Micro-Haem, only three other suppliers could be awarded contracts by the government. With existing supplier and procurement contracts, Micro-Haem were well positioned to provide COVID-19 testing equipment urgently needed by the Ministry of Health.

Standard Chartered provided Micro-Haem with USD4 million to supply COVID-19 testing kits and COVID-19 DNA testing equipment. Micro-Haem leveraged the concessional funding to provide 200,000 testing kits at an affordable price. With government finances under stress, the concessional rates provided by Standard Chartered allowed Micro-Haem to utilise less of their own capital per test procured, increasing the number of tests available for the Ugandan public. Whilst Micro-Haem were confident of securing alternative sources of finance, it would have been at a significantly greater cost. Kits would have been sold at a higher price, restricting access to many Ugandans in desperate need of a COVID-19 test

### Facilitating a rapid and targeted national COVID-19 response

'We were able to slow down the spread of COVID-19 by testing on time'

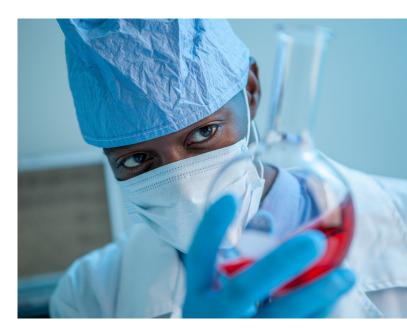
The speed at which Standard Chartered approved the loan helped limit the spread of COVID-19. It took 2-3 months to get the Facility set up, once actioned it could take as little as a week for the Ministry to receive what they required. Micro-Haem was initially the only company that could provide kits in the country, and the ease with which tests could be provided was essential for the Ugandan pandemic response. Testing for COVID-19 is vital to ensure quality diagnostics, targeted isolation and effective lockdowns. With the provision of COVID-19 tests, hospitals could quickly test and diagnose patients, and individuals knew when they needed to isolate, preventing uncontrolled spread of the virus. Without tests, those infected would have mixed with their communities and the virus would have spread 'like wildfire'.

### A learning experience to ensure they are better equipped for future crises

'Our employees felt great benefits, from learning new skills, to being able to help their country in a time of crisis.'

The loan allowed Micro-Haem to expand their operations, supplier network, and increase sales volume. They would have been unable to 'take up new business opportunities without funding', which would have prevented them from being able to explore the option of procuring COVID-19 testing kits. To them, it would have been inconceivable to not have utilised their unique relationship with suppliers in Uganda to find a way to help their country during the crisis. The loan allowed them to do this, most significantly enabling them to explore all options without being restricted by financial constraints.

Fulfilling the contract with the Ministry and providing COVID-19 tests at scale for Uganda, Micro-Haem have improved its reputation as a trusted business. Competitive bidding is a critical part of securing future business for Micro-Haem, and the company believes if they had not succeeded in providing COVID-19 tests, it would have negatively impacted its ability to secure future contracts. Receiving the loan from Standard Chartered prevented Micro-Haem breaching the contract and has given the business the ability to seize new opportunities and improve the relationship with the Ugandan Government.



 $<sup>^{22}\,</sup>https://www.thenewhumanitarian.org/news/2020/05/18/Africa-coronavirus-test-kits$ 

 $<sup>^{23}\,</sup>https://data.worldbank.org/indicator/SP.POP.TOTL?locations=UG$ 

<sup>24</sup> https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GB

<sup>&</sup>lt;sup>25</sup> https://www.gov.uk/government/speeches/pm-press-conference-statement-on-the-five-tests-28-may-2020

### 4.6 Pakistan Oxygen

Pakistan Oxygen has been in operation since 1935 and is currently one of the largest manufacturers of medical and industrial gases. To further consolidate its market leadership position, Pakistan Oxygen has undertaken capacity expansion project which will effectively double the Company's production capacity. This capacity enhancement shall be sufficient to meet the growing oxygen requirements of the country for the next six to eight years.

### **Funding Allocated:**

USD2.6m

#### Date:

2020-Jan 2021

### Impact pathway:

### **Key Stats:**

USD2.6 million loan helped to produce and import oxygen to support over 180 hospitals

### **Client Domiciles:**

Pakistan

### **Impact Domiciles:**

Pakistan







The pressure on oxygen supplies was particularly challenging during the COVID-19 waves of 2021,26 with over 90% of ventilators occupied and gas production diverted from industry to solely provide for the health sector.<sup>27</sup> Having observed the devastating effects of oxygen shortages in neighbouring India, and as the leading oxygen supplier in Pakistan, Pakistan Oxygen understood the pressures hospitals faced and the risk to patients' lives if oxygen was not readily available.

Before Standard Chartered allocated the not-for-profit funding to Pakistan Oxygen under the Facility, the company was providing oxygen supplies to over 50% of hospitals across the country. To meet this demand, Pakistan Oxygen was operating at 100% capacity, with no ability to store surplus stock. Whilst doing everything possible to respond to hospital emergencies, by late 2020 they could no longer meet the increasing demand. At the peak of the crisis, Pakistan Oxygen asked hospitals to make alternative arrangements for oxygen delivery.<sup>28</sup> It was at this point Pakistan Oxygen approached Standard Chartered for a USD2.6 million loan to import oxygen, enabling the company to fulfil commitments with the government and private hospitals.

### Preventing a national oxygen shortage through the rapid deployment of funding

'Time was an important factor - lives were at stake'

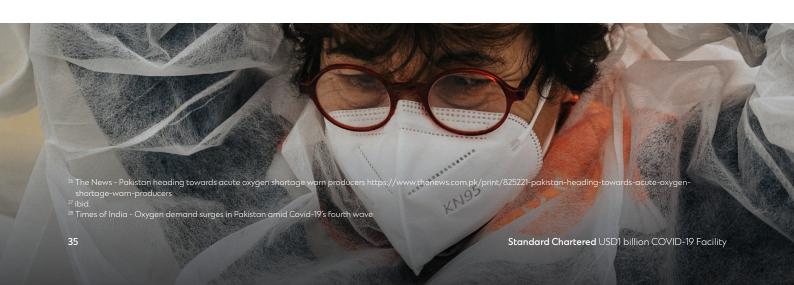
The speed at which Pakistan Oxygen received funding was critical in ensuring oxygen supplies did not run out. Strict cutoff in order times meant even a delay of one week to disbursement could have resulted in a one to two month delay for importing oxygen to reach hospitals. Therefore, receiving the funds from Standard Chartered within 1 week of approval enabled Pakistan Oxygen to place the relevant orders on time and prevent likely oxygen depletion, especially in rural areas. Moreover, they were able to fulfil all contractual obligations to public hospitals, allowing COVID-19 patients to receive the appropriate care and reducing the overall strain on hospitals in Pakistan.

### Utilising new oxygen supplies was a lifeline for the country

Pakistan Oxygen supported at least 180 hospitals across Pakistan with oxygen and provided more hospitals with physical oxygen cylinders which were difficult to source during the pandemic. Fulfilling these orders involved importing oxygen from outside of the country for the first time in the company's 85-year history. The loan from Standard Chartered was critical for procuring oxygen cylinders and specialised transportation from nearby countries, as a global shortage was further exacerbated regionally following the crisis in India. Pakistan Oxygen made it clear that without the help to import oxygen, there would have been a net-deficit of oxygen resulting in more serious consequences without importing'. Instead, hospitals facing stretched and overcrowded respiratory wards could continue providing care for those in need and seriously ill with the virus.

### Seizing opportunities to bolster economic performance and enhance relationships

It is important to recognise that Pakistan Oxygen recorded strong financial performance following the oxygen crisis, reporting record top-line revenues in 2021 despite margins on imported oxygen being significantly lower than traditional products. Access to Standard Chartered's facility allowed Pakistan Oxygen to honour contracts, preventing sizeable financial losses through failure to meet tenders. Longer term, the government recognises the role Pakistan Oxygen played in providing critical oxygen supplies for the country during a time of crisis, and, as such, the relationship between the parties has strengthened.





## 6. Conclusion

Established at the outbreak of the global pandemic, our COVID-19 Facility committed USD1 billion of financing, at not-for-profit rates for organisations needing capital to support the fight against the virus. Through interviews and qualitative analysis, this report highlights the impact our Facility created.

A first of its kind for the Bank, the Facility demonstrated our ability to respond quickly in the face of an unexpected and global crisis. We acted rapidly to drive positive change in a time of extreme uncertainty and the success of the Facility leaves us well placed should we need to act again. This report has enabled us to see that whilst the speed of delivery was essential to success, establishing better data capture for the economic and social impacts associated with our financing in future similar facilities would allow for better analysis of impact.

The far-reaching impact of this Facility could be replicated to respond to other crises and disasters. An example could be the emerging crisis in climate adaptation finance where, although speed to act is not as acute, large-scale mobilised capital is needed to meet a collective need. Concessional financing facilities, underpinned by an adaptable capital allocation framework and robust monitoring processes, such as those used on the COVID-19 Facility, can support economies and societies - particularly emerging markets - when access to traditional capital is limited.

At its close, the Facility had allocated USD923 million to clients across 90 countries. The strict yet flexible financing and prioritisation framework, robust due diligence, and buy-in across the Bank allowed our Facility to help save lives, stimulate economic recovery and engage our employees and clients around the world. During a time of unprecedented crisis, this enabled us to truly live our purpose - Here For Good, always.





## standard chartered

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