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chartered

Principles for Responsible Banking (PRB) Reporting and Self-Assessment 2023



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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 can be found [here](#). Quantitative KPI’s in relation to performance measurement that are in the scope of the assurance are marked with a caret (^).

The bank notified and confirmed with the UN PRB that it shall be formalising the performance measurement, target setting, implementation and monitoring for the second identified significant impact area “Access to Finance – Lifting Participation” in next year’s submission. As such, assurance has not been undertaken in relation to this impact area for 2023. The Bank anticipates inclusion of the second impact area within the scope of assurance in the 2024 related submission.

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 2023 Annual Report and other sustainability-related materials.

This report predominantly covers our actions and progress between 1 January and 31 December 2023. 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 2023 Annual Report. We also produce a standalone Sustainable Finance Impact Report, Modern Slavery Statement, Diversity, Equity and Inclusion 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 2023 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 2023 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 and Investment Banking (CIB)*** – Supporting clients with their transaction banking, financial markets, corporate finance and borrowing needs, Corporate and Investment Banking provides solutions to more than 20,000 clients in the world's fastest-growing economies and most active trade corridors.
- 2. Wealth and Retail Banking (WRB)*** – Serving more than 11 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. It represents a diverse portfolio of over 30 ventures and more than 20 investments.

FY23	CIB	WRB	Ventures	Central & other items (segment)	Total
Total operating income USD million (underlying basis)	11,218	7,106	156	(1,102)	17,378
As a percentage of total	64.6%	40.9%	0.9%	(6.3%)	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** – We are present in 21 markets, including Hong Kong and Singapore which contribute the highest income.
- 2. Africa and Middle East (AME)** – We have a presence in 18 markets of which the most sizeable by income are UAE, Pakistan, Kenya, Nigeria, South Africa and Ghana.
- 3. Europe and the Americas (EA)** – Centred in London, with a growing presence across continental Europe, and New York, we operate in both North America and several markets in Latin America

74% of our loans and advances are allocated to customers in Asia, 18% to customers in Europe and Americas and 7% to customers in Africa and the Middle East.

FY23	Asia	Africa and Middle East	Europe and Americas	Central & other items (segment)	Total
Total operating income USD million (underlying basis)	12,429	2,806	1,397	746	17,378
As a percentage of total	71.5%	16.1%	8.0%	4.3%	100%

Links and references

The following pages of our [Annual Report 2023](#) provide further information:

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

Pages 04-05: Where we operate

Page 28: CCIB segment overview

Page 29: CPBB segment overview

Page 30: Ventures segment overview

Page 31: Asia region overview

Page 32: Africa and Middle East region overview

Page 33: Europe and Americas region overview

*Note that Corporate, Commercial and Institutional Banking (CCIB) has been changed to Corporate and Investment Banking (CIB) and Consumer, Private and Business Banking (CPBB) has been changed to Wealth and Retail Banking (WRB).

Principle 1: Alignment

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Reporting and Self-Assessment Requirements

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.

High-level summary of Standard Chartered PLC's response

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 2023, a critical component of the Group's transformation agenda includes 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. In 2021, we formally recognized Sustainability as a core component of our Group's strategy. Within 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.

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.

Since 2016, the Group's approach to sustainability has been underpinned by a suite of Sustainability Aspirations. During 2023, we refreshed and consolidated our Sustainability Aspirations into four overarching long-term goals, each supported by key performance indicators. The longer-term vision and areas of focus expressed by our Stands and our Sustainability Aspirations have helped shape our near-term execution priorities defined by our Sustainability Strategic Pillars.

Our Sustainability Aspirations (long-term goals) are:

- Mobilise \$300 billion of Sustainable Finance by 2030
- Operationalise our interim 2030 financed emissions targets to meet our 2050 net zero ambition
- Enhance and deepen the sustainability ecosystem
- Drive social impact with our clients and communities

Our Sustainability Strategic Pillars (short-term targets) are:

- Scale Sustainable Finance income
- Further embed sustainability across the organisation
- Deliver on the annual milestones set forth in our net zero roadmap
- Leverage our innovation hubs

Links and references

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 2023](#) provide further information:

Page 25: Strategic priorities

Page 26: Our Stands

Page 104: Our net zero roadmap

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

We seek to proactively manage Environmental and Social (E&S) Risks and impacts arising from the Group's client relationships and transactions. Our [Environmental & Social Risk Management Framework](#) ("Framework") provides an overview of our approach to identifying, assessing, and managing the environmental and social ("E&S") risks associated with our client relationships.

The following documents provide further information:

Our footprint in Asia, Africa and the Middle East includes some of the markets worst hit by environmental and social challenges.

[Sustainable Finance Impact Report 2023](#)

Our [Prohibited Activities](#) list details those activities that we will not finance.

[Net zero approach – Methodological white paper](#)

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.

[Green and Sustainable Product Framework](#)

In 2023, we completed the review and update of our cross-sector Climate Change and sector-specific Position Statements covering all sensitive sectors, with the requirements to take effect in 2024. We also commenced the review of our cross-sector Human Rights Position Statement. During the year, we evolved our approach to nature risk assessment. This included a loan book analysis to identify impacts and dependencies from nature-related risks at sector, country and financial services levels. The Group's cross-sector Nature Position Statement provides a consolidated view of our approach to managing Nature Risk across our business, operations and supply chain.

[Sustainability Bond Framework](#)

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.

[Environmental & Social Risk Management Framework](#)

Our [Green and Sustainable Product Framework](#) sets out our approach to mitigating greenwashing risk across our product suite and defines the themes and activities that we consider eligible for green and social financing. The Framework is informed by international market guidelines and standards on green and sustainable finance, among others, the Climate Bonds Standard, EU Taxonomy for sustainable activities and the Green Loan Principles. We have mapped these against the relevant SDGs.

[Prohibited Activities](#)

[Position Statements](#)

The [Sustainability Bond Framework](#) governs our sustainable debt products, providing transparency and guidance on the use of proceeds and the impact of the green, social and sustainability bonds and notes issued by the Group.

[Transition Finance Framework](#)

We have outlined our approach to defining Transition Finance in our [Transition Finance Framework](#). This Framework is informed by the 2023 IEA NZE 2050 scenario.

We present the impact of our Sustainable Finance assets on a portfolio basis, covering the whole range of our \$17.6 bn worth of assets in our [Sustainable Finance Impact Report](#).

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

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

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):

High-level summary of Standard Chartered PLC's response

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 (LP)– Inequality, along with gaps in economic inclusion, mean that many young people, women, and small businesses struggle to gain access to the financial system. We want to democratise access to financial services, by expanding the reach and scale of accessible banking. We also want to connect clients and our wider communities to the skills and educational opportunities that promote and sustain access to finance and economic inclusion.
- 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 CIB corporate lending portfolio. In 2023, 70% of the Group's absolute financed emissions was related to the emissions of counterparties in the ten high carbon sectors for which the Group has set 2050 net zero targets. Our exposure to the high-carbon sectors makes up 27% of our CIB loan balances.

3. Segment-level Impact Analysis

In 2022-23, we conducted a business-wide impact analysis to better understand the impacts associated with both CIB and WRB 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 CIB 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 conclusions of the Group's strategic analysis as well as its climate-related impact analysis. No significant changes have been made to the Impact analysis in 2023, hence the original impact assessment was reviewed and deemed relevant.

Links and references

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 2023](#) provide further information:

Page 25: Strategic priorities

Page 104: Our net zero roadmap

Pages 108-111: Our clients - Reducing our financed emissions

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

- 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 assessment covers the majority of SC's main businesses. The UN PRB developed tool was used across both segments, and the Impact Institute's Global Impact Database was applied to the CIB lending portfolio to plug gaps identified with the UN PRB tool. The methodology applied provides a comprehensive view of SC's total impact footprint and the drivers of this impact.

Proportion of Standard Chartered PLC's operating income Underlying basis (FY21)		Proportion of WRB segment's operating income Underlying basis (FY21)	Scope of segment-level impact analysis Data as at 31 December 2021	Assessment approach	
				UNEP FI tool	Global Impact Database (GID)
WRB	39.0%	Consumer Banking: 58.6%	10 key markets ¹ (out of 25) covering 88% of total customers	Completed in 2022	N/A
		Business Banking: 2.2%	8 key markets ² (out of 17) covering 88% of outstanding loans	Completed in 2022	
		Private Banking: 38.8%	0% ³	N/A	
CIB	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:

- **WRB Consumer Banking:** Credit Card, Personal Loan, Mortgage, Auto Loan, Treasury Product, Time Deposit, Current Account and Savings Account holdings. Equity investment was not included and is out of scope for this analysis. Due to the limitations of the tool, Insurance and Mutual Fund holdings had to be excluded and are therefore not under analysis.
- **WRB Business Banking:** All sectors financed were under analysis.
- **CIB:** 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.
- Assets under Management and ventures business is not included in the assessment due to lack of granularity in the data.

b) Portfolio Composition

We serve clients in three regions: Asia, Africa and Middle East (AME) and Europe and the Americas (EA). Operating Income per geographical area is provided in Section 1.1 Business model of this report.

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 2023 provide further information:

Page 02: Who we are and what we do

¹ Korea, India, Hong Kong, Taiwan, Singapore, Malaysia, Pakistan, Bangladesh, Kenya, Botswana

² Korea, India, Hong Kong, Singapore, Malaysia, Pakistan, Bangladesh, Kenya, Botswana

³ Assets under Management not in scope of the assessment due to lack of granularity in the data.

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

- 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.

High-level summary of Standard Chartered PLC's response

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:

- **WRB Consumer Banking:** The ten markets selected as part of the scoping step are based on the volume of consumers in each market and represent the majority of consumer retail products that have been included in the impact analysis. The resulting analysis presented the impact associations per market and product.
- **WRB Business Banking:** The eight markets selected as part of the scoping step, are based on outstanding loans per sector and represent all sectors in the respective market's portfolio. The resulting analysis presented the impact association per market and sector.
- **CIB:** For the UNEP FI tool, the impact analysis for CIB 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 WRB segment, which is market focused, the CIB segment also facilitates cross-border financing and therefore market-level data does not accurately reflect the level or nature of business activities undertaken by CIB 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 CIB's client industry sectors. Together, these two methodologies provided a more robust understanding of impact associations related to CIB 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 WRB segment operates.

- **WRB – Consumer and Business Banking:** The Context Module of the UNEP FI tool has been applied to assess the broader SDG priority needs in selected WRB 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 WRB'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.
- **CIB:** 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.

Links and references

Principle 2: Impact and Target Setting

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Reporting and Self-Assessment Requirements

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?

High-level summary of Standard Chartered PLC's response

- **Challenges identified related to Financial Inclusion and health:**
 - Lack of affordable financial services
 - Lack of necessary documentation papers
 - Lack of trust in financial service providers
 - Lack of financial literacy
 - Limited access to formal personal identification
- **Challenges identified related to Climate Action:**
 - Ensuring a Just Transition for emerging economies
 - Obtaining data to measure the climate impact of clients
- 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 Net 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 aligned to SDG 1: No Poverty, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure and SDG 10: Reduced Inequalities.
- Positive aspects associated with this impact area may relate to small business, especially those run by women, to be able to access financing so that they can operate and scale their businesses. Access to Finance may cover several elements for both individuals and companies: managing day to day finances, saving for unexpected shocks, and learning how to manage and strengthen financial health.
- Negative aspects associated with increased access to financing for businesses and individuals could result in overuse of credit (lending) and increased indebtedness, possibly leading to impacts on long term financial health and resilience.

Links and references

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) 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 WRB 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 noted earlier, WRB 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 CIB 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 CIB corporate lending portfolio and utilised this work to set relevant targets. Within each of the sectors our CIB 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 methodological white paper – The journey continues', our 2021, 2022 and 2023 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 – 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 production-intensity baseline and target (million tonnes of CO2 equivalent per tonne Steel)¹
4. Power – Scope 1 and 2 production-intensity baseline and target (million tonnes of CO2 equivalent per megawatt hour)¹
5. Shipping – Scope 1 and 3 physical-intensity baseline and target (±% alignment delta against IMO revised minimum alignment delta)
6. Automotive Manufacturers – Scope 1, 2 and 3 physical-intensity baseline and target (grams of CO2 equivalent per vehicle kilometre)
7. Aluminum – Scope 1 and 2 production-intensity baseline and target (million tonnes of CO2 equivalent per tonne Aluminium)²
8. Cement – Scope 1 and 2 production-intensity baseline and target (million tonnes of CO2 per tonne of cement)
9. Commercial Real Estate – Scope 1 and 2 (of the building being financed) physical-intensity baseline and target (kilograms of CO2 equivalent per square meter)
10. Residential Mortgages – Scope 1 and 2 (of the building being financed) physical-intensity baseline and target (kilograms of CO2 equivalent per square meter)

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 2023](#) provide further information:

Page 25: Strategic priorities

Page 104: Our net zero roadmap

Pages 111-117: Our approach to measuring financed emissions

The following documents provide further information:

[Sustainable Finance Impact Report 2023](#)

[Green and Sustainable Product Framework 2023](#)

¹Power and Steel have been re-baselined from a revenue intensity to a production intensity metric.

² During the year a sector-specific deep dive was performed on Aluminium as the majority of the 'Other Metals and Mining' sector reported in the prior year was lending to Aluminium clients. Due to this the sector has been disaggregated from the 'Other Metals and Mining' sector we reported in the prior year. The remainder of the 'Other Metals and Mining' sector has been included in the 'Others' category.

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

At Standard Chartered we have over 40 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 17.6bn worth of Sustainable Assets. This has increased from USD 13.5 in 2022, representing a 31% year-on-year growth. 85% 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 2021. We also state data quality limitations in our Net zero approach – Methodological white paper published in 2024.

Access to Finance – Lifting Participation

In 2023, we conducted an in-depth review of how the bank currently approaches providing access to finance and developed a bank-wide strategy to drive progress. As a part of this the bank took the following steps:

- Developed a framework to align the different business activities to common guiding principles across the bank.
- Developed a measurement methodology for LP activities that will enable progress tracking, transparent reporting and strategy alignment.
- Defined a firm-wide target on performance (Long term Incentive plan) at the most senior levels of the bank which was endorsed by the Board.

As we develop this strategy further, we plan to put in place a centrally tracked data collection strategy for ongoing monitoring and performance of the LP activities.

Links and references

The following documents provide further information:

[Net zero approach – Methodological white paper](#)

The following documents provide further information:

[Sustainable Finance Impact Report 2023](#)

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

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?

	Climate Action	Access to Finance
Scope:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Portfolio Composition	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Context	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Performance measurement	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> 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

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? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

High-level summary of Standard Chartered PLC's response

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 finance². Our Sustainable and Transition Finance product suite and our dedicated Sustainable Finance, Transition acceleration and ESG Advisory teams, are a robust response to transition risks in the short term, strengthening our resilience towards a two degrees Celsius or lower transition scenario. We aim to reach net zero in our financed emissions by 2050 and in our operations by 2025.

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.
- We have chosen a science-based approach for our net zero programme. To increase credibility and market confidence in our 2030 targets, we have engaged EY to perform agreed upon procedures to confirm our 2030 financed emissions targets. EY has confirmed that these targets are science-based and aligned with the Paris Agreement. We are the first current Global Systematically Important Bank (GSI) to receive an external verification of the science-based targets through an agreed-upon procedure under ISRS 4400.

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 developed financed emissions baselines and 2030 targets for four additional sectors: Cement, Commercial Real Estate, Residential Mortgages and Aluminium. We have also expanded our coverage to facilitated emissions associated with our debt capital market services. Following the release of the final Facilitated Emissions guidance by PCAF in December 2023 the Group has measured its Facilitated Emissions baseline for 2021.

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 2023 (Page 104) 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.

Links and references

The following documents provide further information:

[Net zero approach – Methodological white paper](#)

[Sustainable Finance Impact Report 2023](#)

The following pages of our [Annual Report 2023](#) provide further information:

Pg 78: Qualitative review of climate risks and opportunities in annual business strategy and financial planning

Page 104: Our net zero roadmap

Pages 108-111: Our clients - Reducing our financed emissions

²Mobilisation 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 CO2 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

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

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

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?

High-level summary of Standard Chartered PLC's response

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:

- Thermal Coal Mining – 85% reduction in absolute financed emissions compared to 2020 baseline of 3.33 MtCO₂e by 2030
- Oil and Gas – 29% reduction in absolute financed emissions compared to 2020 baseline of 13.1MtCO₂e by 2030
- Steel – 22-32% reduction in production-based carbon intensity compared to the 2021 baseline of 2.06 tCO₂e / tonne crude steel by 2030¹
- Power – 46-67% reduction in production-based carbon intensity compared to the 2021 baseline of 0.52 tCO₂e /MWh by 2030¹
- Shipping – Reduction in alignment delta calculated against current IMO revised minimum alignment delta trajectory, moving from 2021 baseline of +7.3% to 0% by 2030
- Automotive Manufacturers – 44-63% reduction in production-based carbon intensity compared to the 2021 baseline of 178 gCO₂e / vehicle kilometre by 2030²
- Aluminum – The baseline of 5.62 tCO₂e / tonne is below the Missions Possible Partnership Aluminium Sector Transition Strategy (MPP STS) pathway 2030 target of 6.1 tCO₂e / tonne
- Cement – 22% reduction in production-based carbon intensity compared to the 2021 baseline of 0.67 tCO₂/tonne cement by 2030
- Commercial Real Estate – 47% - 74% reduction in the physical intensity compared to the 2021 baseline of 73 kgCO₂e/Sq.m by 2030
- Residential Mortgages – 15-23% reduction in the physical intensity compared to the 2021 baseline of 37.6 kgCO₂e/Sq.m 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 during our annual reporting cycle, 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.

Links and references

The following pages of our Annual Report 2023 provide further information:

Pages 111-117: Our approach to measuring financed emissions

¹Power and Steel have been re-baselined from a revenue intensity to a production intensity metric.

²Automotive manufacturers have been re-baselined during 2023. The emissions intensity reported for the 2021 baseline year from 160gCO₂/V.km to 178gCO₂/V.km. This was due to the industry's progress in adopting a test procedure that better reflects driving conditions in the real world. This change in assumption was completed by the Transition Pathway Initiative (TPI) through a Worldwide Harmonised Light Duty Driving Test Procedure, which has been globally adopted as the standard against which all global manufacturers are evaluated.

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

d) Action plan: Which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts

High-level summary of Standard Chartered PLC's response

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 CIB 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. Before we provide financial services to CIB clients, our relationship managers carry out an Environmental & Social Risk Assessment. Where we become aware of a potential heightened E&S risk in relation to a client entity or transaction, based on information gathered we will review and/or re-assess that client entity or transaction against our relevant Position Statements. This may involve further client entity engagement, due diligence monitoring and/or a review of client entity relationship. For further information on ESRA process please refer to Section 3.1: Client Engagement of this report.
- **Climate Risk Assessments (CRAs)** – Through client-level Climate Risk Assessments (CRAs), we assess the potential financial risks from climate change using quantitative and qualitative information and assign a Climate Risk grading. Our client-level Climate Risk Questionnaire (CRQ) help in assessing and gathering information on client mitigation and adaptation plans. The information gathered through these CRQs form part of the Client-level Climate Risk Assessments (CRAs). As part of the CRA process, a Credible Transition Plan (CTP) score is assigned for each client in high-emitting sectors.
- **Portfolio Steering** – We have modelled the client-level emission intensities in accordance with internationally accepted carbon accounting principles using the PCAF methodology. We have set science-based sectoral interim 2030 targets for high-emitting sectors in line with the Group's roadmap towards net zero financed emissions by 2050. We have appointed industry or client coverage leads as responsible owners of sectoral net zero targets. Any divergence from portfolio-level emission pathway is monitored and reviewed quarterly along with our exposure to clients associated with high Climate Risk.
- **Climate toolkit** – We have invested in a number of toolkits and partnerships to quantitatively measure climate-related physical and transition risks and we have conducted scenario analysis across a range of plausible scenarios in 2023. We continue to engage with our clients to understand their climate adaptation, mitigation and transition plans. In 2024 and beyond, we aim to reduce reliance on third-party models with the development of our internal carbon elasticity and IFRS 9 expected credit loss models including climate-related impacts.
- **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 17.6bn worth of assets in our [Sustainable Finance Impact Report](#). Our teams across the CSO Organisation actively collaborate with CIB and WRB segments to identify, capture and manage opportunities, supporting our clients with their decarbonisation financing needs.
- **Transition Finance** – We look at sectoral transition plan implementation in our markets to help CIB 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. Transition Finance transactions have increased from \$344mn to \$418mn. Our Transition Finance Framework sets out the activities and entities that we consider eligible for transition finance. This Framework is informed by the IEA Net Zero Emissions by 2050 Scenario (NZE) scenario.
- **ESG Advisory** – We work with select CIB 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.

Links and references

The following websites provide further information:

[Prohibited Activities](#)

[Position Statements](#)

[Sustainable Finance Impact Report 2023](#)

[Environmental and social risk framework](#)

[Transition Finance Framework](#)

The following pages of our [Annual Report 2023](#) provide further information:

Pg 102: Pillar 2: Further embedding sustainability across the organisation

Pg 126: Managing climate risk

Pg 299-305: Approaches to measuring Transition Risk

Pg 70 - Sustainability Strategic Pillars

Pg 93 - Our suite of sustainability-related reports and disclosures

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

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

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?

High-level summary of Standard Chartered PLC's response

Access to Finance – Lifting Participation

For Access to finance, we have set a Long-term incentive plan (LTIP) goal with the following performance measure:

- Lifting participation: Year-on-year growth in financing activity with female and/or small and medium enterprise (SME) clients and other underserved populations for LP eligible products and populations over the 3 years (2024-2027) .

We will be formalising the linkage of the LTIP goal to our second identified impact area as a target, providing a baseline and progress to target in next year's submission.

LTIP awards are granted to senior executives who have the ability to influence the long-term performance of the Group. Members of the Group Management Team are eligible for LTIP awards, which may also be granted to other employees in the Group. The target is aligned to SDG 1: No Poverty, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure and SDG 10: Reduced Inequalities.

Links and references

The following pages of our Annual Report 2023 provide further information:

Pages 124: Incentive structure

Pg 200-202: Directors' remuneration in 2023: LTIP awards

The following documents provide further information:

[Green and Sustainable Product 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.

Reporting and Self-Assessment Requirements

d) Action plan: Which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts

High-level summary of Standard Chartered PLC's response

In 2023, over 1.4 million microfinance loans were enabled and over 13,000 SME loans* were disbursed. We continued to focus on social finance and have closed landmark deals across our footprint.**:

- We financed a transformative social loan of USD 200 million to India's largest microfinance institution, Credit Access Grameen. This social loan enabled rural women to access much-needed funds for income generating endeavours, fostering economic growth in underserved communities and breaking the barriers of financial exclusion.
- We extended a USD 145 million social loan facility to Avanse Financial Services Limited, a non-banking financial company in India dedicated to education financing. Our social loan furthered Avanse's efforts in financing and refinancing education loans targeted at students falling under the economically weaker sections, defined by the Government of India.
- We facilitated a USD 73 million social loan for the Ministry of Finance of the Republic of Angola for the expansion of the University of Namibe. The project focuses on establishing a fully functional university campus, which offers professional training programs for fishery, technology, humanities and nature.

Links and references

The following documents provide further information:

[Sustainable Finance Impact Report 2023](#)

[Green and Sustainable Product Framework](#)

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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

*SME loans include Business banking.

**As mentioned on Pg 2, assurance has not been undertaken in relation to Access to Finance impact area for 2023. However, these figures as taken from the Sustainable Finance Impact report 2023 have been assured by Morningstar Sustainalytics. A full version of this report can be found [here](#).

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

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.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

High-level summary of Standard Chartered PLC's response

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).

In 2023, the Group:

- Strengthened our Oil and Gas emissions metric from a revenue-based intensity to an absolute financed emissions target and trajectory. This places an emissions budget on the sector and requires a reduction of 29 per cent by 2030 when calculated from a 2020 baseline, aligned with the IEA's NZE trajectory. Our approach ensures we maintain a direct link to absolute GHG emissions in the Oil and Gas sector and allows us to directly assess our progress with the IEA NZE scenario that we have set our target against. By moving away from a revenue-based intensity we remove an element of financial volatility and complexity from our calculations that could restrict transparency and accountability in measuring and disclosing our financed GHG emissions. Oil and Gas is the second sector for which the Group set an absolute financed emission target, in addition to our target for Thermal Coal Mining.
- Updated our Power and Steel sector targets from a revenue-based intensity metric to a production-based intensity metric (i.e., emission intensity per unit of production). The progression from an economic-based intensity to a production/physical-based intensity reduces the financial volatility in the calculation and improves the connection to clients' actual GHG emissions by linking directly to units of production, or a physical activity.
- Measured a baseline and set a target for Cement, Commercial Real Estate, Residential Mortgages and Aluminium for the first time this reporting cycle.

Links and references

The following pages of our Annual Report 2023 provide further information:

Page 72: Our net zero roadmap

Pages 73-74: Pillar 3: Deliver on the annual milestones set forth in our net zero roadmap

Pg 108-111: Our clients – Reducing our financed emissions











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

Sector ¹	Emissions approach ²	Scientific reference scenario	2030	2030 Target reduction % from baseline	2022 ³	Production/ Physical intensity	2021 ³	Production/ Physical intensity	Cumulative % change from baseline
			2030 Target		Absolute emissions (MtCO ₂ e)		Absolute emissions (MtCO ₂ e)		
CIB									
 Aluminium	Production intensity	MPP	6.1 tCO ₂ e/t Aluminium	Maintain	–	4.59 [^] tCO ₂ e/t Aluminium	–	5.62 [^] tCO ₂ e/t Aluminium	-18%
 Automotive Manufacturers	Physical intensity	IEA APS/ NZE	66–100 gCO ₂ /V.km	44–63%	–	165 [^] gCO ₂ /V.km	–	178 [^] gCO ₂ /V.km	-7%
 Cement	Production intensity	IEA NZE	0.52 tCO ₂ /t Cement	22%	–	0.66 [^] tCO ₂ /t Cement	–	0.67 [^] tCO ₂ /t Cement	-1%
 Commercial Real Estate	Physical intensity	IEA APS/ NZE	19–39 kgCO ₂ e/sq.m	47–74%	–	62 [^] kgCO ₂ e/s q.m	–	73 [^] kgCO ₂ e/sq .m	-15%
 Oil and Gas	Absolute emissions	IEA NZE	9.3 MtCO ₂ e	29%	10.3 [^]	–	10.2 [^]	–	-21%
 Power	Production intensity	IEA APS/ NZE	0.17–0.28 tCO ₂ /MWh	46–67%	–	0.47 [^] tCO ₂ /MWh	–	0.52 [^] tCO ₂ /MWh	-10%
 Shipping	Physical intensity	IMO 2023	0% delta	0% delta	–	+6.4% [^] delta	–	+2.6% [^] delta	+4.5%
			0% delta		–	+11.8% [^] delta	–	+7.3% [^] delta	
			0% delta		–	+16% [^] delta	–	+10% [^] delta	
 Steel	Production intensity	MPP	1.4–1.6 tCO ₂ /t Steel	22–32%	–	1.97 [^] tCO ₂ /t Steel	–	2.06 [^] tCO ₂ /t Steel	-4%
 Thermal Coal Mining	Absolute emissions	IEA NZE	0.5 MtCO ₂ e	85%	1.6 [^]	–	2.3 [^]	–	-52%
WRB									
 Residential Mortgages	Physical intensity	CRREM	29–32 kgCO ₂ e/Sq.m	15–32%	–	37.7 [^] kgCO ₂ e/Sq.m	–	37.6 [^] kgCO ₂ e/Sq.m	0%

The following pages of our Annual Report 2023 provide further information:

Pg 110: Detailed progress against our sectoral financed emissions targets

¹ Values noted with a caret symbol (^) are subject to independent limited assurance by EY, report available at sc.com/sustainabilityhub.

² For further detailed information on sectoral financed emissions and progress against targets, refer to pages 110–111.

³ Due to third-party data sets that feed into our calculations, the Group's reported financed emissions figures have a one-year lag. The Group reports on 2022 and 2021 data in the 2023 Annual Report.

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

A brief summary of the movements in the eleven high-emitting sectors is as follows:

1. **Aluminium** sector emissions have trended down as the power supply into the smelters has become less carbon-intensive and the Group has funded clients with less emission intensive operations.
2. The physical intensity of the **Automotive Manufacturers** sector decreased slightly due to the Group having a larger exposure to zero tailpipe Electric Vehicle manufacturing within the Group's Automotive Manufacturers portfolio.
3. The physical intensity of the **Cement** sector has remained relatively consistent year-on-year. This will be a hard-to-abate sector in the medium-term until cleaner energy sources are utilised, especially in emerging markets.
4. In the **Commercial Real Estate** portfolio, building intensities have fallen due to investment in regions with lower emissions power supplies and certain markets' power suppliers decarbonising. We continue to work with technology providers on solutions for individual building emissions measurement and management.
5. Absolute **Oil and Gas** emissions remained relatively stable year-on-year and are significantly lower versus the baseline year. We continued to pursue overall portfolio decarbonisation, pivoting exposure to counterparties and technologies that are less carbon-intensive.
6. The **Power** sector's intensity decreased as some of our contractual obligations to coal-fired power plants have ended. We also actively pursued lower emissions technologies including new gas power plants, and expanded our renewables financing.
7. The emissions intensity of the **Residential Mortgages** sector has remained consistent year-on-year and will decrease over time in line with electricity grid decarbonisation.
8. The **Shipping** sector's alignment delta has worsened due to the impact from the container sector, which enjoyed very strong profits in 2022, encouraging owners to sail faster, leading to higher emissions. Looking ahead, tightening environmental regulations and mechanisms from both the IMO and EU are expected to lead to better alignment between shipowners' behaviours and the Group's 2030 targets.
9. The **Steel** sector is hard-to-abate and requires significant capital to decarbonise. Decarbonisation is reliant on the shift from blast to electric arc furnaces and many of our emerging markets are at early stages of their transition journeys. While the emissions intensity of our steel book remained relatively unchanged year-on-year, we are actively working with our clients in this sector to support their transition.
10. Our **Thermal Coal Mining** exposure is decreasing in line with our coal revenue thresholds as detailed in our Position Statements and related contractual commitments. No new Thermal Coal Mining use of proceeds loans have been provided in line with our Position Statements.
11. The Group completed the sale of its global **Aviation** finance leasing business and the majority of its aviation lending book in August 2023. Noting the distortive effects that the sale of this business would create in our emissions profile, the progress against this target has been paused for year-end 2023. This will be re-assessed based on the size and materiality of the remaining portfolio in 2024.

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.

Links and references

The following pages of our [Annual Report 2023](#) provide further information:

Pg 108: Our clients – Reducing our financed emissions












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

Sector	Emissions approach	Scenario	Value chain	Scope of emissions ⁴	2022 PCAF score	2021 PCAF score	In scope exposure coverage
CIB ³							
 Aluminium	Production intensity	MPP STS	Aluminium producers	1, 2	2.4	2.2	100%
 Automotive Manufacturers	Physical intensity	IEA APS and NZE	Automotive manufacturers	1, 2 3	2.2 ¹ 5 ²	2.4 ¹ 5 ²	100%
 Cement	Production intensity	IEA NZE	Clinker and cement manufacturing	1, 2	2.3	2.9	100%
 Commercial Real Estate	Physical intensity	IEA APS and NZE	Real estate leasing	1, 2	4	4	99%
 Oil and Gas	Absolute emissions	IEA NZE	Upstream, midstream and downstream	1, 2 3	3.2 ¹ 3.2 ²	3.2 ¹ 3.5 ²	97%
 Others	Absolute emissions	IEA NZE	Other sectors	1, 2	3.3	3.3	86%
 Power	Production intensity	IEA APS and NZE	Electricity Generation & Distribution	1, 2	3.3	3.2	100%
 Shipping	Physical intensity	IMO existing, IMO rev. min. IMO striving	Shipping lessors and companies	1, 3	1	1	99%
 Steel	Production intensity	MPP TM	Steel producers	1, 2	3.8	3.7	98%
 Thermal Coal Mining	Absolute emissions	IEA NZE	Thermal coal	1, 2 3	3.7 ¹ 3 ²	3.8 ¹ 3 ²	100%
WRB							
 Residential Mortgages	Physical intensity	CRREM	Residential households	1, 2	4.4	4.4	100%
Sector emissions for material Scope 3 high-emitting sectors							
				2022		2021	
Sector				Scope 1,2	Scope 3	Scope 1,2	Scope 3
Automotive manufacturer				0.1	2.7	0.1	3.2
Oil and Gas				1.7	8.6	1.3	8.9
Thermal Coal Mining				0.1	1.5	0.1	2.2

Please refer to the EY Assurance Report for Annual Report 2023.

Access to Finance – Lifting Participation

We are committed to measuring our progress towards the LTIP target. We will be formalising the linkage of the LTIP goal to our second identified impact area as a target, providing a baseline and progress to target in next year's submission.

The following pages of our Annual Report 2023 provide further information:

Page 111: Our approach to measuring financed emissions

1. PCAF score for Scope 1 and 2 emissions.

2. PCAF score for Scope 3 emissions.

3. In scope coverage remained consistent from 2021 to 2022 improving from 87% to 90% on CIB financing.

4. For further information, please refer to our 'Net zero methodological white paper – The journey continues' publication via sc.com/sustainabilityhub.

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

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. This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank.

High-level summary of Standard Chartered PLC's response

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 and Investment Banking (CIB) clients.

We assess the E&S risks of our CIB clients and CIB client transactions (excluding financial institutions clients and their transactions), against our cross sector and sector specific Position Statements utilising a risk-based approach. This assessment occurs:

- At a client entity level, using the Client ESRA.
- At a transaction level, for transactions relating to projects or assets in sensitive sectors or transactions where the Equator Principles ("EP") need to be applied. The Transaction ESRA tests that the EP process has been followed and requires information on any material E&S risks identified during the EP assessment.

Where we become aware of a potential heightened E&S risk in relation to a client entity or transaction, based on information gathered or received from various sources we will review and/or re-assess that client entity or transaction against our relevant Position Statements. This review of the client entity or transaction may involve further client entity engagement, due diligence monitoring and/or a review of client entity relationship.

For our WRB clients, which are comprised of small and medium sized corporate entities, E&S risk is managed by screening at onboarding and annually through the credit approval process against our cross sector and sector specific Position Statements, where applicable, and other heightened sensitivity sectors and issues. Individual clients in our Consumer / Retail Banking Business are not subject to routine E&S risk assessments.

The Environmental and Social Risk Management (ESRM) Framework and our Position Statements are reviewed regularly to reflect emerging E&S risks, industry best practice and our evolving risk appetite. 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.

In 2023, we commenced the review of our cross-sector Human Rights Position Statement. Our Position Statement on Human Rights is a key part of our framework and was developed following engagement with a range of external stakeholders, including expert practitioners and civil society organisations. Like our cross-sector Position Statements, the Human Rights Position Statement applies to our clients, suppliers and employees and is regularly reviewed to ensure it addresses emerging risks and issues.

Financial health check survey

Standard Chartered has signed a partnership with the Financial Resilience institute to conduct our first ever Small Business Financial Resilience study. Financial Resilience Institute is a non-profit dedicated to improving the financial resilience and well-being of global citizens. This study will be implemented with the Standard Chartered India's bank's SME clients (SMEs) including Women Owned SMES (WSMEs). The project will be end-to-end by Financial Resilience Institute, with the study research implementation supported by research partner Angus Reid Forum Group, based in Canada.

The study will provide data-driven ecosystem insights on the business financial resilience challenges and opportunities of SMEs (and specifically women-led businesses) in India, which can help SCB to identify potential emerging impact opportunities for the bank. It will run during the second half of the year, and will be designed to support annual tracking and the ability to be deployed in other markets at a later date.

Links and references

The following webpages provide further information:

[Our framework](#)

[Our position statements](#)

[Prohibited activities](#)

[Environmental and social risk framework](#)

The following pages of our [Annual Report 2023](#) provide further information:

Page 125-127:
Managing
Environmental and
Social Risk

Pg 133: Respecting
Human rights

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
	<p>SC Women's International Network (SC WIN)</p> <p>SC WIN aims to provide female entrepreneurs with tailored financial solutions, business education and opportunities to connect with likeminded entrepreneurs so they can successfully grow their businesses. SC WIN launched in India in 2022. In 2023, it launched in Malaysia, Kenya, Singapore, and Hong Kong. It is set to launch in further markets in 2024.</p> <p>Integrating climate-related risks into overall risk management</p> <p>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.</p> <p>In 2023 we completed CRAs for c.4,100 clients, which is c.85-90 per cent of our corporate client limits and is a significant improvement from c.2,200 clients assessed in the year before. In 2023, we also completed the review and update of our cross-sector Climate Change and sector-specific Position Statements covering all sensitive sectors, with the requirements to take effect in 2024.</p> <p>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.</p>	<p>The following pages of our Annual Report 2023 provide further information:</p> <p>Page 125-127: Managing Environmental and Social Risk</p> <p>Pg 52: The Women's International Network continues to grow</p>

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

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.

High-level summary of Standard Chartered PLC's response

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. Across our markets, many clients are at the early phase of evaluating the risks and opportunities associated with their transition to a low-carbon economy. We leverage a full suite of Sustainable Finance solutions – including loans, bonds, trade finance and carbon trading – to support their transition. These are underpinned by our Sustainable Finance frameworks that outline how we apply the 'green', 'sustainable' or 'transition' labels across products and transactions.

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 2023, we reported USD 0.72 billion Sustainable Finance related income. Additionally, we mobilised USD 30 billion through our sustainable financing activities, bringing our cumulative sustainable finance total towards this target to USD 87 billion since 2021. 85% of our Sustainable Finance assets are located in Asia, Africa and the Middle East.

We have 42 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 2023, we published our fourth annual [Sustainable Finance Impact Report](#). This report quantifies the impact of our Sustainability Bond issuances and discloses the USD 17.6bn of Sustainable Assets in our Sustainable Finance portfolio. The Group's Sustainable Finance asset base increased by 31 per cent between September 2022 and September 2023. The majority of our Sustainable Finance asset base (\$13.6 billion of the \$17.6 billion) is made up of lending to green projects such as renewable energy projects, green commercial real estate and funding for the development of rail projects. Our social finance makes up USD 3.5 billion of our total Sustainable Finance asset pool. It encompasses categories such as access to essential services, including healthcare and education, food security, and access to finance. As of H1 2024, the Sustainable Finance income was up 18% YoY; we've mobilised over \$105bn in Sustainable Finance since 1.1.21.

In 2023, we also created a series of four thematic innovation hubs covering: Adaptation Finance, Blended Finance Programmes, Carbon Markets and Nature Finance – focusing on emerging sustainability themes that are nascent but ripe for scale, aligned to areas where the Group has a core competency, and are particularly suited to clients in our footprint markets. Each hub is transversal, run by senior leaders in the CSO organisation, and aims to identify opportunities for future returns outside of our core range of traditional products and services.

Links and references

The following documents provide further information:

[Sustainable Finance Impact Report 2022](#)

[Green and Sustainable Product Framework](#)

[Sustainability Bond Framework](#)

[Transition Finance Framework](#)

The following pages of our [Annual Report 2023](#) provide further information:

Pg 68: Sustainability Aspiration: our long-term goals

Pg 75: Pillar 4 : Leverage our innovation hubs

Pg 99: Sustainability Strategic Pillars

Pg 2: [Half year report 2024](#)

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 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

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.

High-level summary of Standard Chartered PLC's response

Established in 2019, **Futuremakers** by Standard Chartered is our global youth economic empowerment initiative, which aims to help disadvantaged young people learn, earn and grow.

In 2023, we contributed \$14.6 million to Futuremakers, including donations from the Group and fundraising of \$1.7 million from our employees and partners. With our international and local partners, in 2023 alone we reached more than one million young people through Futuremakers, including providing financial education to 159,190 unbanked or young people.

We published the latest Futuremakers Impact Report to share progress and capture lessons learned through Futuremakers. In the past five years, we have reached more than 2.1 million young people, across 43 markets. We were able to exceed our initial \$75 million fundraising target reaching \$93.3 million by end of 2023.

Based on our successes and learning since 2019, we have set out a seven-year strategy for Futuremakers to maximise impact with a consistent approach to measurement, evaluation and impact analysis. Between 2024 and 2030 we aim to provide \$120 million to Futuremakers with the ambition to create and sustain 140,000 jobs, focusing on two target groups:

- Helping 70,000 disadvantaged young women to gain skills and sustainable employment.
- Supporting entrepreneurs to build thriving green and social micro-businesses and create 70,000 jobs

Links and references

The following pages of our [Annual Report 2023](#) provide further information:

Pg 97: Aspiration 4: Drive social impact with our clients and communities

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

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.

High-level summary of Standard Chartered PLC's response

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 enabled 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; Sustainable Finance and net zero transition; Digital innovation in financial services; Operational resilience; Customer protection; Financial Stability
- 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.
- Suppliers – Open, transparent and consistent tendering process; Accurate and on-time payments; Willingness to adopt supplier-driven innovations; Obtain guidance on implementation of Sustainability matters
- Employees – Interesting and impactful jobs, work within a diverse set of markets and for a spectrum of clients, enriching careers and development; support by leaders, competitive rewards and a positive work-life balance.
- Society – Climate change and decarbonisation; Nature; Human rights; Financial inclusion; Economic empowerment; Gender Equity; Community 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 2023 Annual Report (Pages 54 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 126 of our 2023 Annual Report.

We recently became the first global banking signatory to the Women Entrepreneur Finance Initiative's new **WE Finance Code**, which was announced by the World Bank at the IMF annual meeting. The WE Finance Code is a global systems-change effort to tackle finance, data and leadership gaps in financing for women entrepreneurs. Signing the WE Fi Code ladders into our stand and our ambition to lift economic participation for women in the communities we serve. The Women SME financing gap in our footprint is estimated to be over \$1.5T.

In 2024, we will conduct a Financial health check survey **Financial health check survey** to achieve data-driven ecosystem insights on the business financial resilience challenges and opportunities of SMEs (and specifically women-led businesses) in India, which can help SCB to identify potential emerging impact opportunities for the bank. For more information, please refer to Section 3.1 Client Engagement of this report.

Links and references

The following pages of our [Annual Report 2023](#) provide further information:

Pages 54-64:
Stakeholders

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 Net 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.
- Until July 2024, Our Group Head of Conduct, Financial Crime and Compliance co-chaired the NZBA – the industry-led, UN-convened and sector-specific alliance for banks under 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.
- Our Head of Sustainable Finance Solutions co-chairs the PRB Adaptation Finance working group, which developed a comprehensive framework and practical guidance for banks to set credible adaptation finance targets.
- Our Head of Carbon Markets Development serves on the board of the ICVCM, which is focused on developing high-quality carbon markets. Our Group CEO sits on the Distinguished Advisory Group of the ICVCM, which is involved in the development of carbon markets around the world.
- We formally joined Center for Climate-Aligned Finance (CCAF), which was established by Rocky Mountain Institute, in 2023. Standard Chartered participates in CCAF working groups for the Aviation and Aluminium industries. The Group is a signatory to both the Poseidon Principles, a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios and the Sustainable STEEL Principles, which helps banks to measure and disclose the alignment of steel lending portfolios with 1.5 degree Celsius climate targets.
- 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.
- In 2023, the Group became a member of ORRAA. Our Head of Nature serves on the Ocean Investment Protocol Steering Committee convened by the UN Global Compact Ocean Stewardship Coalition.

The following pages of our [Annual Report 2023](#) provide further information:

Pg 69: Key initiatives and partnerships

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

Investing in Climate Research

Since the launch of our four-year partnership with Imperial College London in 2020, the Group has sponsored a series of public research projects. As part of our ongoing academic partnership, we supported new climate research on the range of opportunities that exist for private investors in nature-related investments and cross-sectoral implications of electrification of transport in India. In 2023 we have cooperated with Imperial College London on three specific projects:

1. Asset haircuts

For our key residential mortgage markets, we have collaborated with our academic partner to develop an internal model for revaluating property valuations under different climate scenarios using the forward-looking risk indices from Munich Re. These revaluations are then used to inform haircuts on the property prices and arrive at climate adjusted Expected Credit Loss values for the mortgage book.

2. Country Risk

The cooperation involves the construction of a methodology used to project sovereign ratings along selected NGFS climate scenarios for 40 target countries. The model develops a term structure of sovereign Probability of Defaults (PDs) along each climate scenario and associated projected ratings and compares it with a term structure of sovereign PDs and ratings in a counterfactual (non-climate change) scenario.

3. Cross-sectoral implications of transport electrification in India

Exploring the potential impact of introducing a legislative requirement for the switch to electric vehicles (EVs), including, but not limited to supply chain management, the strain on existing power supply (as some regions are already experiencing regular blackouts), and the need for expansion of the power grid to support the connection of the required number of chargers. The research has been completed and preparations for the publication have been made.

The following pages of our [Annual Report 2023](#) provide further information:

Pg 129: Investing in Climate Risk research

Self-assessment summary

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups⁵) 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

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. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

High-level summary of Standard Chartered PLC's response

The Board – Assisted by its Culture and Sustainability Committee (CSC), the Board oversees the Group's sustainability strategy. 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 2023, The Board's responsibilities included:

- Oversight of the Group's sustainability strategy

During 2023, topics discussed included:

- Received an update on the Group's sustainability strategy, including progress made against key performance indicators and public commitments
- Received quarterly Climate Risk updates through the GCRO reports
- Approved Climate Risk Appetite Statement and Board-level Risk Appetite (RA) metrics

The Board received an annual update on Sustainability and quarterly updates on Climate risk through the Group CRO report

Culture and Sustainability Committee (CSC) – The CSC review the Group's overall sustainability strategy and monitor the development and implementation of the Group's public commitment to net zero financed emissions by 2050. 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 includes four other INEDs. 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 and monitor its execution. 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 implementation and delivery of the bank's public commitment to net zero emissions by 2050.
- b) Tactical Sustainability Initiatives** - Monitor emerging sustainability issues that require board-level oversight and/or external stakeholder engagement (investors, NGOs, civil society, etc.). During 2023 the CSC monitored the assessment of the Group's performance by the various external ratings agencies on its approach to ESG matters, focusing on the agencies that the Group's investors prioritise.

During 2023, the Culture and Sustainability Committee (CSC) reviewed the metrics underpinning the Stands to ensure that we can measure progress and align them to executive compensation. In its terms of reference, the CSC continues to monitor the progress of leaders delivering on the Stands.

Furthermore in 2023, we expanded our work on social sustainability, with a dedicated investment to bring the breadth of our Sustainable Finance offering together with our commitment to the people and communities we serve. We have also welcomed new team members including experts in blended finance, sustainable and transition finance climate risk, nature and carbon accounting, building up our people power to allow us to effectively leverage the CSO organisation across the Group, as we look to deliver on our strategy.

Links and references

The following pages of our Annual Report 2023 provide further information:

Pages 120-124: Climate- and sustainability-related governance

Pg 174-176: Culture and Sustainability Committee

The following webpages provide further information:

[Our Board](#)

[Terms of references for our Board Committees](#)

[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

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 2023, our cross-business and cross-functional Sustainability Forum was responsible for vetting new materiality sustainability initiatives, providing feedback on sustainability challenges and opportunities, and reviewing any significant NGO campaigns and changes to Group scores.. In 2023, this Forum was chaired by the Chief Sustainability Officer.

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 124 and Pg 195-204 of our Annual Report 2023.
- **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 2023.
- 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 120-123 of our Annual Report 2023 for detailed information on governance committees and steering groups with responsibility for managing climate-related risks and opportunities.
- **Governance Structure for Impact Area #2: Access to Finance**
The Remuneration Committee working closely with the Cultural and Sustainability Committee considered the categorisation of performance measures and reorganised the non-financial strategic measures that relate to environmental, social and governance (ESG) issues. These are now combined with the existing sustainability measures, with a weighting of 25 per cent for this category . Discussions with shareholders were held in December 2023 and January 2024 on the development of these performance measures and targets and the input received was incorporated into the final decisions by the Committee

Links and references

The following pages of our [Annual Report 2023](#) provide further information:

Pages 120-124: Climate- and sustainability-related governance

Pg 184: Executive directors' remuneration in 2024

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

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).

High-level summary of Standard Chartered PLC's response

'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 2022, we launched our 'Understanding Sustainability' online learning, 15,855 colleagues voluntarily completed this programme since its launch. 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, senior management (CIB and WRB heads) were given training that provided an overview of transition strategy, climate-related risks and regulations, and new technologies. In addition, we provide Risk-wide mandatory e-learning, including 35 hours of bespoke classroom-based training completed by 4,690 employees across CIB, WRB, Risk (three lines of defence) and Audit. Recordings of these sessions are available to all staff to access as convenient. Additionally, in 2023, we've launched a detailed online training programme with our academic partner Imperial College London.

Sustainable Finance and Environmental and Social Risk Management training

In 2022, we launched foundational sustainability and Sustainable Finance curricula across the Group; provided training to colleagues across all levels of the Group on our net zero pathway and Sustainable Finance initiatives. The foundational sustainability and Sustainable Finance curricula has been completed by 4,632 participants across the Bank have completed the entire programme since launch. In 2023, we introduced a tiered practitioner-level learning curriculum in our Sustainable Finance education programmes and further modularisation of our Sustainable Finance training to help us improve knowledge and awareness across our Group.

Sustainability-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 was in the 2023–25 LTIP performance measures, with an increased focus on the broader impact of client activity, rather than on our internal operations. Sustainability continues to be included in the 2024–26 LTIP through the following non-financial performance measures:

- Accelerating zero: Progress towards our 2030 Sustainable Finance mobilisation target in each of the three performance years.
- Lifting participation: Year-on-year growth in financing activity with female and/or small and medium enterprise (SME) clients and other underserved populations
- Delivering on our Sustainability Aspiration to further develop the global sustainability ecosystem by actively contributing to global partnerships, initiatives and cross Sector collaborations

Links and references

The following pages of our Annual Report 2023 provide further information:

Pages 120-124: Climate- and sustainability-related governance

Page 103: Education and training

Pages 124: Incentive structure

Page 200: 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

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.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

High-level summary of Standard Chartered PLC's response

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 CIB clients. For more information, please refer to Section 1.2 Strategy Alignment and Section 2.2 Target Setting of this report.

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.

Links and references

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
<div>Self-assessment summary</div> <div>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Partially <input type="checkbox"/> No</div> <div>Does your bank disclose sustainability information in any of the listed below standards and frameworks? <input checked="" type="checkbox"/> GRI <input checked="" type="checkbox"/> SASB <input checked="" type="checkbox"/> CDP <input checked="" type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published)* <input checked="" type="checkbox"/> TCFD <input checked="" type="checkbox"/> Other: World Economic Forum (WEF) Stakeholder Capitalism Metrics</div> <div><small>* UK consultation on the ISSB has not been released. 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.</small></div>		
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.	<p>In the next twelve months, Standard Chartered plans to:</p> <p>Climate Action:</p> <ul style="list-style-type: none">• Develop financed emissions baselines and 2030 sectoral targets for one additional sectors (Agriculture).• Continue to measure progress against all net zero sectoral financed emission targets.• Set a 2030 facilitated emissions target. <p>Access to Finance:</p> <ul style="list-style-type: none">• Measure progress on the LTIP Target and start reporting in 2025.• Launch a pilot study in 2024 (results expected in Q1 2025) to capture the impacts on SME's financial resilience as a result of our financing.• Explore infrastructure for assurance for data for personal lending women and young people.• Work on automating the data collection process for WRB lending.	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.	<ul style="list-style-type: none"><input type="checkbox"/> Embedding PRB oversight into governance<input type="checkbox"/> Gaining or maintaining momentum in the bank<input checked="" type="checkbox"/> Challenges in maintaining momentum amongst other structural changes<input type="checkbox"/> Getting started: where to start and what to focus on in the beginning<input type="checkbox"/> Conducting an impact analysis<input type="checkbox"/> Assessing negative environmental and social impacts<input checked="" type="checkbox"/> Choosing the right performance measurement methodologies<input type="checkbox"/> Setting targets<input type="checkbox"/> Customer engagement<input type="checkbox"/> 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).	<div><div><input checked="" type="checkbox"/> Data availability</div><div><input checked="" type="checkbox"/> Data quality</div><div><input type="checkbox"/> Access to resources</div><div><input type="checkbox"/> Reporting</div><div><input checked="" type="checkbox"/> Assurance</div><div><input type="checkbox"/> Prioritising actions internally</div><div><input type="checkbox"/> Other: ...</div></div>	N/A

Forward-looking statements

The information included in this document may contain 'forward-looking statements' based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, ESG commitments, ambitions and targets). Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'aim', 'continue' or other words of similar meaning to any of the foregoing. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and 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. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause the Group's actual results and its plans and objectives to differ materially from those expressed or implied in forward-looking statements. The factors include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legal, regulatory and policy developments, including regulatory measures addressing climate change and broader sustainability-related issues; the development of standards and interpretations, including evolving requirements and practices in ESG reporting; the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyber-attacks, data, information or security breaches or technology failures involving the Group; changes in tax rates or policy; future business combinations or dispositions; and other factors specific to the Group, including those identified in the Group's Annual Report and financial statements of the Group. To the extent that any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group, they 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, nor should be interpreted as, 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 that it is made. 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 Annual Report and the financial statements of the Group for a discussion of certain of the risks and factors that could adversely impact the Group's actual results, and cause its plans and objectives, to differ materially from those expressed or implied in any forward-looking statements.

Financial instruments

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

Basis of Preparation and Caution Regarding Data Limitations

This section is specifically relevant to, amongst others, the sustainability and climate models, calculations and disclosures throughout this document.

The information contained in this document has been prepared on the following basis:

- i. disclosures in the Strategic report, Sustainability review, Directors' report, Risk review and Capital review and Supplementary information are unaudited unless otherwise stated;
- ii. all information, positions and statements set out in this document are subject to change without notice;
- iii. the information included 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. the information included in this document may have been prepared using models, methodologies and data which are subject to certain limitations. These limitations include: the limited availability of reliable data, data gaps, and the nascent nature of the methodologies and technologies underpinning this data; the limited standardisation of data (given, amongst other things, limited 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 current inability to make use of strong historical data);

v. models, external data and methodologies used in information included in this document are or could be 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 this document (as explained in the "Forward-looking statements" section above);

vii. some of the related 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 noninfringement of such information;

viii. for the purposes of the information included in 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. whilst the Group bears primary responsibility for the information included in this document, it does not accept responsibility for the external input provided by any third parties for the purposes of developing the information included in this document;

xi. the data contained in this document reflects available information and estimates at the relevant time;

xii. where the Group has used any methodology or tools developed by a third party, the application of the methodology or tools (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 or tools;

xiii. where the Group has used any 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;

xiv. 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;

xv. further development of reporting, standards or other principles could impact the information included in this document or any metrics, data and targets included in this document (it being noted that ESG reporting, and standards are subject to rapid change and development); and

xvi. while all reasonable care has been taken in preparing the information included in 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 information, including any errors of fact, omission or opinion expressed.

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INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF STANDARD CHARTERED PLC ON THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE BANKING ('UN PRB') REPORTING AND SELF-ASSESSMENT TEMPLATE FOR THE YEAR ENDED 31 DECEMBER 2023

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 only:

- ▶ 2.1 Impact Analysis (in respect of Impact Analysis disclosure 2.1(d) 'Performance measurement', as noted on page 2 of the Report, our assurance did not include the second impact area "Access to Finance – Lifting Participation" due to the company being in the process of formalizing performance measurement in relation to this impact area);
- ▶ 2.2 Target Setting (in respect of Target Setting, as noted on page 2 of the Report, our assurance did not include the second impact area "Access to Finance – Lifting Participation" due to the company being in the process of formalizing target setting);
- ▶ 2.3 Target Implementation and Monitoring (in respect of Target Implementation and Monitoring, as noted on page 2 of the Report, our assurance did not include the second impact area "Access to Finance – Lifting Participation" due to the company being in the process of formalizing target setting); and
- ▶ 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 10th July 2024 for the purpose of reporting to the Directors of Standard Chartered plc in connection with the Subject Matter for the year-ended 31st December 2023.

This report is made solely to the company's Directors, as a body, in accordance with our engagement letter dated 10th July 2024. Those terms permit disclosure on Standard Chartered plc's website, solely for the purpose of the company 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 the Reporting and Self-assessment Requirements of the UNEP FI PRB Reporting and Self-Assessment Template (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 'Guidance for Assurance Providers'). The Criteria and the Guidance for Assurance Providers have 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 10th July 2024. 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.
- ▶ In respect of Principle 2.1 (Impact analysis), based on inquiries made and information obtained, we confirmed that the company have clearly summarized its business areas, products and services and geographies of operation. We reconciled the portfolio composition disclosed within the Report to underlying support and confirmed that any exclusions were referenced and explained within the Report. We confirmed that the company has analyzed its context through the performance of impact analysis, identifying positive and negative impact areas and selected two significant impact areas that were approved by the company. For the two identified impact areas, where performance has been measured, we have agreed that the indicators identified to assess impacts are appropriate and that the company has confirmed in the Report whether it is ready for assurance over these indicators. Finally, we confirmed that the methodology used to select the two significant impact areas is clearly disclosed in the Report.
- ▶ In respect of Principle 2.2 (Target setting), based on inquiries made and information obtained we confirmed that the company has clearly disclosed where it has set targets, noting that targets in relation to the second impact area ('Access to Finance - Lifting Participation') will be formalized and monitored from 2024 onwards and this has been communicated with the UNEP FI. We confirmed that for the first impact area (Climate Action – Accelerating Zero) where the company has set targets that they are aligned to the defined significant impact area. We checked that the company, as a member of the Net-Zero Banking Alliance (the 'NZBA') has followed the NZBA Intermediate Target Disclosure Checklist through the setting of its climate related targets. We checked that the company has identified alignment to the UN Sustainable Development Goals and where targets have been set, we checked that the base year is no more than two full reporting years prior to the year when the targets have been set and that the targets have been considered by the company as Specific, Measurable, Achievable (noting that the company has highlighted the ability to achieve targets is dependent on an enabling policy environment for transitioning economies to net zero carbon emissions by 2050), Relevant and Time-bound. Where the base year is more than two full reporting years prior to the year when the target has been set, we have obtained the rationale for this choice of baseline from Management and confirmed that this has been disclosed. We obtained evidence to support the defined actions within the reporting section and confirmed that the company has identified significant (potential) indirect impacts of set targets on other impact areas. In relation to the defined targets, we performed procedures to confirm that nothing has come to our attention that suggests the 2023 reporting year performance measurement data (as marked with a caret (^) and indicated throughout the Report) is materially misstated.
- ▶ In respect of Principle 2.3 (Target implementation and monitoring), we obtained evidence to confirm that the company has implemented actions disclosed in the template and that where relevant, progress has been reported toward achieving set targets using relevant Key Performance Indicator's (KPI's).
- ▶ In respect of Principle 5.1 (Governance Structure for Implementation of the Principles), based on inquiries made and information obtained and reviewed, we checked consistency to supporting

evidence. We checked that there is oversight over the implementation and monitoring of targets in relation to the defined impact areas (where applicable) and that the structure is in line with existing governance structures defined by the company within the 2023 Annual 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. As per the UNEP FI 'Guidance for Assurance Providers: Providing Limited Assurance for Reporting (Version 2)', the scope of our assurance evaluates if the company's description of processes, activities and their outcomes sufficiently reflects actions taken by the company, rather than evaluating the applied approach itself. The individual assessment of whether the company is aligned with the requirements of the UN PRB and is meeting its commitments will be undertaken by a sustainability expert within the UNEP FI Secretariat (the Review Expert).

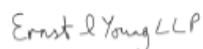
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Subject Matter. The procedures performed in a limited assurance engagement vary in 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
25 Churchill Place
London
E14 5EY

15th October 2024