

Stakeholders and responsibilities

As an international bank working in 59 markets, stakeholder engagement is crucial in ensuring we understand local, regional and global perspectives and trends which inform how we do business.

Our stakeholders



Clients



Suppliers



Regulators and governments



Society



Investors



Employees

Detailed information about how the Board engages directly with stakeholders and shareholders can be found in the Director's report on pages 110 to 112.

Examples of a selection of the Board's principal decisions are included throughout this section.

This section also forms our key non-financial disclosures in relation to sections 414CA and 414CB of the Companies Act 2006. Our non-financial information statement can be found at the end of this section on page 78.

This section forms our **Section 172** disclosure, describing how the directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. It also forms the directors' statement required under section 414CZA of the Act.

See the following pages for:

- how we engage stakeholders to understand their interests
See pages 51 to 55
- how we engage employees and respond to their interests
See pages 55 to 59
- how we respond to stakeholder interests through sustainable and responsible business
See pages 61 to 77



Case study

Helping Haron's business grow

At the start of the COVID-19 pandemic, Haron owned an informal business in Lira City, Uganda specialising in seedlings for sale. It supported his family and a small workforce of 25 workers.

COVID-19 stalled Haron's dream to expand his business and keep his workers. With support from Futuremakers, Haron is getting back on track. He acquired new business skills, networked with fellow entrepreneurs and turned his business around.

Production quantity and quality are steadily improving. Haron's greenhouse (the third largest in Lira) produced 15,000 seedlings a month compared with 20,000 every six months before COVID-19 when he had no greenhouse. Using his new skills, Haron also mentored 100 young entrepreneurs and is now looking at a regional expansion.

Engaging stakeholders

Listening and responding to stakeholder priorities and concerns are critical to achieving our Purpose and delivering on our brand promise, Here for good. We strive to maintain open and constructive relationships with a wide range of stakeholders including regulators, lawmakers, clients, investors, civil society and community groups.

In 2021, our engagement took 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 and enable us to operate as a responsible and sustainable business.

Stakeholder feedback 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 its main relationships with stakeholders.

We communicate progress regularly to external stakeholders through channels such as [sc.com](#) and this report. More detailed information on material sustainability topics can be found in our sustainable and responsible business section on pages 61-77.



Clients

How we create value

We want to deliver easy, everyday banking solutions to our clients in a simple and cost-effective way, and with a great customer experience. We enable individuals to grow and protect their wealth; we help businesses trade, transact, invest and expand; and we also help a variety of financial institutions, including banks, public sector and development organisations, with their banking needs.

How we serve and engage

Clients are at the heart of everything we do. In 2021, we used regular surveys, experience forums and digital channels to continue to strengthen our ability to understand and meet client needs as they emerge.

In CCIB, we strengthened our annual feedback process by capturing how clients feel about what we offer them (such as advice, service, digital channels) and ensuring our relationship managers can then engage with their clients to address their feedback. We also launched a 'Voice of Client' e-learning module to train our colleagues to obtain and leverage client insights and respond with enhanced, innovative propositions.

In CPBB, we take seriously our responsibility to support our more vulnerable clients. A global framework is in place to help ensure the fair treatment of vulnerable customers in product development and throughout the whole customer journey. Training is provided to frontline staff across our branch, contact centre and digital channels to identify and appropriately handle vulnerable clients, and we have also implemented an educational training programme for those clients who require assistance in navigating online and mobile channels.

In order to act in the best interests of our clients, we use our client insights, alongside our robust policies, procedures and the Group's Risk Appetite, to design and offer products and services which meet client needs, regulatory requirements and Group performance targets while contributing to a sustainable and resilient environment.

For example, through understanding the challenges some of our clients face in balancing their financial management needs with their growing commitments to sustainability, in 2021 we launched a market-first sustainable trade finance proposition to support sustainable supply chains for our clients. We also launched our Sustainable Account in the UK and UAE, a new solution that enables corporate clients to contribute to sustainable development, while maintaining daily access to their cash.

All new products are subject to a comprehensive approvals process to test design effectiveness and robustness of the implementation process. For investment products sold to individuals, this includes risk scores which aid our assessment of client suitability.

For individual clients, we consider each client's financial needs and personal circumstances to assist us in offering suitable product recommendations.

We achieve this using a globally consistent methodology that takes into consideration local regulatory requirements to review product risks against the client's risk appetite, considering financial objectives, financial ability, and knowledge. Clients are also provided with clear and simple documentation that outlines key product features and risks prior to executing a transaction.

Fees and charges are disclosed to clients in line with regulatory requirements and industry best practice, and where available, benchmarked against competitors. For Personal and Business Banking products, accurate interest rates charged, fees and other charges as billed to clients are monitored and assessed locally, with global oversight. Triggers for outlier prices are defined and subject to annual review. A process is in place to review complaints prior to amendments to annual interest, fees and charges.

Engaging stakeholders continued



Clients continued

Managing frontline employees and their incentives

We have an institutional approach to training our sales teams who are required to complete mandatory training and appropriate regulatory licensing requirements before they commence selling products. In CCIB, this also includes appropriate certifications in Cash, Trade, Securities Services, Financial Markets, Islamic Banking products and Sustainable Finance.

We have embedded a balanced scorecard approach for all frontline employees and frontline management employees which incentivises performance and behaviours aligned to both our financial and non-financial priorities. This ensures a balanced performance assessment of our people and drives appropriate client engagement behaviours. Internal awards also provide recognition for exemplary demonstration of our valued behaviours and going above and beyond to meet and exceed the expectations of our clients.

To help ensure the rigour of our sales process and our people's engagement skills, we periodically require employees to complete refresher training and certification, and in our CPBB segment we also supplement this with mystery shopping programmes and client call backs.

We also continuously assess our product portfolio for new risks to ensure they remain appropriate for client needs and aligned to emerging regulation. These quantitative and qualitative assessments enable a complete view of whether to continue, grow or retire products.

Throughout 2021, we also maintained our sharp focus on improving client experience across the Bank. We opened our first Priority Private Centre in Hong Kong as part of our ongoing efforts to better service clients. Priority Private offers a dedicated service model, supported by a highly experienced team of banking and financial experts, together with bespoke lifestyle privileges.

In CCIB, we focused on delivering a consistent global experience for larger clients across our proprietary platforms, including more than 300 digital and data initiatives across 47 markets.

Deploying our agile working practices have enabled us to increase our speed of decision-making and change delivery to meet client needs faster. We accelerated the launch of our strategic partnership with Atome Financial, which operates Asia's largest buy-now-pay-later platform, supporting our ambition to expand our reach and scale within the mass market segment via a digital-first approach, underpinned by digital acquisition and new partnership models.

Refining our processes also enabled us to eliminate 262 million hours of client waiting time annually, and our efforts were recognised with a Digital Transformation and Operational Excellence Award and inclusion as a finalist in two further external awards.

Where concerns are found, we have processes and guidelines in place, specific to each of our client businesses, to understand and respond to client issues and promptly resolve complaints.

In 2022, we will continue to strengthen our digital transformation and innovation capabilities.

Their interests

- Differentiated product and service offering
- Digitally enabled and positive experience
- Sustainable finance



Regulators and governments

How we create value

We engage with public authorities to play our part in supporting the effective functioning of the financial system and the broader economy.

How we serve and engage

We actively engage with governments, regulators and policymakers at a global, regional and national level to share insights and support the development of best practice and adoption of consistent approaches across our markets.

In 2021, we engaged with regulators, government officials and trade associations on a broad range of topics that included recovery from COVID-19, international trade, sustainable finance, data, cyber security, digital adoption, and innovation.

We also engaged with officials on the financial services regulatory environment, in particular on prudential, financial markets, conduct and financial crime frameworks.

In support of this, we have a Group Public and Regulatory Affairs team responsible for engagement as well as identifying and analysing relevant policies, legislation and regulation. This work is overseen by several governance forums within the Bank, including the Regulatory Developments Assessments Forum and the Sustainable Finance Regulatory Policy Forum, which comprise senior executives representing business and control functions to ensure alignment between advocacy and business strategies.



Regulators and governments continued

We meet all relevant transparency requirements and engage through ongoing dialogue with regulators and governments, submitting responses to formal consultations and by participating in industry working groups.

We are committed to complying with legislation, rules and other regulatory requirements applicable to our business and operations in the jurisdictions within which we operate. This ensures the Group meets its obligations and supports the resilience and effective functioning of the broader financial system and economy.

In 2022, we expect to engage on regulation and legislation associated with the continued recovery from COVID-19, international trade, sustainable finance and climate action, digital innovation, data, privacy, artificial intelligence and cyber security.



For more details on our engagement with regulators and governments, as well as our industry and membership associations please see [sc.com/politicalengagement](https://www.sc.com/politicalengagement)

Their interests

- Strong capital base and liquidity position
- Robust standards for conduct and financial crime
- Healthy economies and competitive markets
- Positive sustainable development
- Digital innovation in financial services



Investors

How we create value

We aim to deliver robust returns and long-term sustainable value for our investors.

How we serve and engage

We rely on capital from debt and equity investors to execute our business model. Whether they have short- or long-term investment horizons, we provide our investors with information about all aspects of progress against our strategic and financial frameworks.

Our footprint and intent to become the world's most sustainable and responsible bank provide our investors with exposure to opportunities in emerging markets. We believe that our integrated approach to ESG issues, as well as a strong risk and compliance culture, is a key differentiator. We delivered a resilient financial performance in 2021, reaffirmed our business strategy and have now set out clear actions to accelerate the delivery of our ambition of double-digit return on tangible equity.

Regular and transparent engagement with our investors, and the wider market, helps us understand investors' needs and tailor our public information accordingly. In addition to direct engagement from our Investor Relations team, we communicate through quarterly, half and full-year results, conferences, roadshows, investor days and media releases. There was continued adoption of virtual mediums during the year due to the pandemic, albeit we hosted the Innovation and Digitisation event in a hybrid format in our office in Basinghall Avenue, London in October 2021.

Investor feedback, recommendations and requests are considered by the Board, whose members keep abreast of current topics of interest. Standard Chartered PLC's Annual General Meeting (AGM) in May 2021 was open to shareholders through electronic attendance, where they were able to view a live video feed of the meeting, submit voting instructions and ask direct questions to the Board. Similarly, the Group Chairman, alongside certain other members of the Board, hosted a virtual stewardship event for institutional investors in November which provided a platform for shareholders to receive an update on, and ask questions on, key issues.

Principal Board decision – dividends and buy-backs

During 2021, the Board decided to approve the payment of a final dividend for the year ended 31 December 2020 of \$0.09 per ordinary share and recommence the share buy-back programme, which had been suspended in March 2020 in response to a request from the PRA and as a consequence of the unprecedented challenges facing the world due to the COVID-19 pandemic at the time.

As part of its decision-making process, the Board took account of guardrails implemented by the regulator regarding capital distribution and noted the importance of approving distributions within an appropriately prudent framework. The impact of different methods of returning

capital to investors was a key consideration for the Board, and it recognised that a balance between dividend resumption and recommencing a buy-back programme provided good flexibility and sustainable returns.

The Board continued its careful consideration of stakeholder interests during 2021, by approving an interim dividend of \$0.03 per ordinary share and a further share buy-back programme up to a maximum consideration of \$250 million, reinforcing the significance of balancing a cautious approach to capital management in light of the continued impact of the pandemic against returns to our shareholders.

Engaging stakeholders continued

Investors continued

We continue to respond to growing interest from mainstream investors on ESG matters including the UN's SDGs, sustainable finance, human rights and coal, and we ran a dedicated engagement programme on our net zero roadmap. We also work with sustainability analysts and participate in sustainability indices that benchmark our performance, including the CDP Climate Change survey and Workforce Disclosure Initiative.

In 2022, we will continue to engage with investors on progress against our strategic priorities and the financial framework we have announced as we progressively advance to our returns target.

Their interests

- Safe, strong and sustainable financial performance
- Facilitation of sustainable finance to meet the UN SDGs
- Progress on ESG matters, including advancing the net zero agenda

Suppliers

How we create value

We engage diverse suppliers, both locally and globally, to provide efficient and sustainable goods and services for our business.

How we serve and engage

We follow a comprehensive and transparent vendor selection process, guided by our Supplier Charter, which sets out our expectations in relation to ethics, human rights, diversity and inclusion (D&I), and environmental performance. Our suppliers must recommit to the charter annually, and performance monitoring is built into our contracts, procurement practices and standards.

In 2021, we made tangible progress against our supply chain sustainability agenda and began to integrate environmental and social risks into our Third-Party Risk management framework.

In pursuit of our ambition to be net zero in our operations by 2025, we offset emissions from our business flights, and in 2021 we developed a methodology to estimate our Scope 3 emissions from suppliers. Using this, we engaged our 200 highest-emitting vendors – who together represent three-quarters of our estimated 2020 emissions – to review their environmental goals and emissions disclosure practices as a pathway for transparent future supply chain emissions measurement. We also began to embed emissions-related clauses into relevant supplier contracts, such as printing services, to reduce our consumption and mitigate residual emissions.

Our Stands have served to further embed our supplier D&I approach. Seventy per cent of our markets now have supplier D&I objectives to take action, and accelerate progress and impact, and supplier diversity targets have been defined in key global procurement categories. More than 1,500 employees have been trained internally to build capability

to deliver our supplier D&I aims. In addition, we established partnerships with multiple local and global non-governmental organisations (NGOs) to identify and onboard more sustainable and diverse-owned vendors across all our markets. Our efforts were rewarded with internal and external recognition, including the Supplier Diversity Programme of the Year in the European Diversity Awards.

During 2021, we also partnered with several suppliers to provide additional benefits to our organisation and clients. For example, we partnered with Doconomy, an innovative fintech supplier, to pilot a facility in Pakistan which helps individual clients track, measure and manage their impact on both carbon emissions and freshwater consumption. The tool provides enriched customer data and automatically calculates the CO₂ footprint based on the purchases they have made, as identified through their credit transactions. With further global release planned for 2022, the Standard Chartered–Doconomy collaboration has the potential to allow millions of consumers over time to learn how their consumption behaviours impact the climate.

In 2022, supply chain sustainability will continue to be a primary focus as we roll out initiatives to address and control social risk, and further reduce carbon emissions within our own operations and supply chain.



Our Supplier Charter can be viewed at sc.com/suppliercharter



Read more about our supplier diversity standard: sc.com/supplierdiversity

Their interests

- Sustainability and diversity
- Open, transparent and consistent tendering process
- Willingness to adopt supplier-driven innovations
- Accurate and on-time payments

Society

How we create value

We strive to operate as a sustainable and responsible company, working with local partners to promote social and economic development.

How we serve and engage

We engage with a wide range of civil society and international and local NGOs, from those focused on environmental and public policy issues to partners delivering our community programmes. To shape our strategy, we aim for constructive dialogue that helps ensure we understand alternative perspectives and that our approach to doing business is understood. This includes working with NGOs that approach us about a specific client, transaction or policy.

In 2021, climate change, our net zero roadmap, human rights and biodiversity continued to underpin many of our conversations. We also ran a pilot survey on sustainability which targeted selected suppliers, think tanks and NGOs, and intend to conduct a broader survey during 2022.

In addition, we continued to engage NGOs, charities and other organisations to promote youth economic inclusion through Futuremakers by Standard Chartered, our global initiative to tackle inequality by promoting greater economic inclusion in our markets.

We hosted a second edition of the Futuremakers Forum, bringing Futuremakers participants together with more than 1,000 business leaders, policy experts and clients from 63 markets to build partnerships and create economic opportunities focused on young people.

As the global pandemic escalated across our markets in 2021, we continued to deliver COVID-19 economic recovery projects to support young people. In 2021, our global initiative Futuremakers by Standard Chartered reached 304,369 young people with livelihood and learning opportunities.

Their interests

- Positive social and economic contribution
- COVID-19 longer-term economic recovery support
- Climate change and environmental issues

Employees

2021 Sustainability Aspirations: Employees

People	Timeline	Status	Progress
Embed an integrated health and wellbeing strategy to support building and re-skilling a future-ready, diverse workforce	Jan 2020 – Dec 2021*		Launched Global 'Building Resilience' learning programme in February 2021. Drove participation in, and awareness of, the Unmind platform. Continued roll-out of the benefit transformation programme. Launched wellbeing experiments in August 2021. * Aspiration has been extended to December 2022 to align with the 3-year wellbeing strategy (2020–2022).
Support all employees to develop a personalised growth plan to reflect the future skills needed to respond to the changing and digitised nature of work	Jan 2020 – Dec 2021		We ended the year at 63% completion rate against a target of 80%. However, evidence shows that the average hours invested by employees in personal development increased by 20%. This demonstrates that the learning habit is continuing to grow despite the plateau in Growth Plan completion rates.
Increase gender representation: 35% women in senior roles	Sept 2016 – Dec 2025		Proportion of women in senior leadership roles has increased to 30.7%. This is an increase from 25% in 2016.
Increase our 'Culture of Inclusion' score to 84.5% with an interim target: – December 2021: 80%	Jan 2020 – Dec 2024		We achieved 80.65% in 2021 consistent with our interim target and are on track for our overall 2024 target.

Concluded in the year

 Achieved  Not achieved

Ongoing aspirations

 On track  Not on track

Engaging stakeholders continued



Employees continued

How we create value

We recognise that our workforce is a significant source of value that drives our performance and productivity and that the diversity of our people, cultures and networks sets us apart. To lead the way in addressing the evolving needs of our clients and the advances in technology, we are developing a workforce that is future-ready and are co-creating with our employees a culture that is inclusive and innovative.

How we serve and engage

By engaging employees and fostering a positive experience for them, we can better serve our clients and deliver on our Purpose and Stands. An inclusive culture enables us to unlock innovation, make better decisions, deliver our business strategy, live our valued behaviours and embody our brand promise: Here for good. We proactively assess and manage people-related risks, for example, organisation, capability and culture, as part of our Group risk management framework. Our People Strategy, which was approved by the Board in July 2019, continues to stay relevant and future-focused, with the ongoing pandemic having accelerated many of the future of work trends which informed our approach.

Their interests

In 2018, we conducted research to understand our Employee Value Proposition (EVP) – the value that employees, or potential employees, feel they gain from being part of our organisation. Our employees told us they want to: have interesting and impactful jobs; innovate within a unique set of markets and clients; cultivate a brand that sustainably drives commerce and offers enriching careers and development; and be supported by great people leaders. They want these elements to be anchored in competitive rewards and a positive work-life balance. The EVP is a key input to our People Strategy which supports the delivery of our business strategy.

Listening to employees

Frequent feedback from employee surveys helps us identify and close gaps between colleagues' expectations and their experience. In addition to our annual survey, in 2021 we have started deploying continuous listening mechanisms that capture colleague sentiment more frequently, such as a continuous listening survey and surveys at moments-that-matter such as at onboarding and at exit.

This year our annual My Voice survey was conducted in June and July, 92 per cent of our employees (71,798) took part, which is higher than last year. A further 65 per cent of eligible agency workers (2,568) also participated.

Our key measures of employee satisfaction indicate that we have continued to improve as a place to work over the duration of delivering on our People Strategy. While key measures of employee satisfaction fell in 2021, including the employee engagement index and the employee net promoter score (NPS) (which measures how likely employees are to recommend working for the us), overall employee satisfaction remained on par with or higher than it was in 2019. Employee engagement had significantly improved in 2020 as people had rallied to address the challenges created by the pandemic, but the prolonged nature of the crisis has seen many of these positive emotions balance out again.

We remain encouraged that 96 per cent of employees feel committed to doing what is required to help the Bank succeed, 89 per cent feel proud about working for the Bank and 83 per cent say that the Bank meets or exceeds their expectations. Externally, our Glassdoor rating (out of five) has continued to increase from 3.7 in 2019 to 3.9 in 2021, and 78 per cent would recommend working at the Bank to friends. Our revamped Global Careers website has had over 4 million unique views.

Investments in people leader capability and the way in which our people leaders have responded to the pandemic has also translated into a 2 point increase in our manager NPS score in the 2021 My Voice survey, sustaining a trend of ongoing improvement. Building leadership capability continues to be important as the demands on our people leaders increase.

Group KPI: Employee engagement



Employee net promoter score (eNPS)

↓ -3.9%

2021	12.94
2020	17.51
2019	11.51

eNPS measures the number of promoters (who would recommend the Group as a great place to work) compared with detractors on a scale from -100 to +100. This is reflected in the percentage change calculation.

Aim: Increase engagement across the Group by creating a better working environment for our employees that should translate into an improved client experience.

Analysis: While our eNPS has decreased since 2020, it stays higher than in 2019, and has significantly increased since 2016 (2.44 in 2016) when we started our culture transformation.



Employees continued

Based on the positive lessons learnt from the pandemic around productivity and employee experience, as well as listening to our employees' preferences on flexibility, in 2021 we have implemented a hybrid working model, combining virtual and office-based working with greater flexibility in working patterns and locations. The model is live in 28 of our markets with 73 per cent of employees in these markets on agreed flexi-working arrangements. This is a significant step towards being more inclusive of the diverse needs of our workforce and supporting their wellbeing by consciously balancing individual choice and flexibility with business and client needs. While we continue to roll out the model in other markets, enforced absence from offices during the pandemic has also highlighted the benefit of face-to-face interaction and we continue to value our physical workspaces as hubs of teamwork, collaboration and learning. Toolkits and guidance have been provided to colleagues and leaders to help navigate hybrid ways of working, especially at key moments such as onboarding new team members, returning from parental leave and during performance conversations, as well as to help recreate 'water cooler' moments in hybrid work environments.

As employees operated in a variety of these hybrid working formats through 2021 – either as part of our flexi-working programmes or due to ongoing pandemic restrictions – supporting their wellbeing, health, safety and resilience continued to be a key priority. In some markets that were acutely impacted by the pandemic during 2021, such as India, the Philippines, Sri Lanka, Nigeria and Zimbabwe, we provided additional financial assistance to employees, including access to increased credit facilities and extended medical coverage, in some cases also for extended families. Teams partnered across our markets to organise emergency medical support for colleagues and their extended families, and at locations where permissible, in partnership with government initiatives we organised camps to accelerate vaccination.

Taking care of our leadership health

Through an experiment launched in 2021, we have supported over 4,600 employees in flexing their leadership muscles, by providing them with regular, simple and practical 'missions' on themes centred around enabling performance, empowering people, driving vision and continuing self-growth. The 60-day leadership treatment journey is driving a habit of micro-learning and democratising leadership as a capability for everyone.

Further, with our aim to provide employees the skills, tools and motivation to manage their wellbeing proactively and to deal with challenges effectively, we continue to drive awareness of our wellbeing resources that are available to all globally. These include a mental health app, a physical wellbeing online platform, an upgraded employee assistance programme, wellbeing toolkits, learning programmes on mental health and resilience as well as an expanded network of trained Mental Health First Aiders. In parallel, we are seeking to mitigate the causes of work-related stress and encourage a focus on supportive behaviours within existing processes and all decision-making. These resources and actions are having a positive impact, with fewer employees reporting frequent stress in the annual My Voice survey and 74 per cent of employees saying that they are willing to share their concerns about stress with their people leader.

In addition to leveraging inputs from employee surveys, the Board also engages with and listens to the views of colleagues through virtual, interactive engagement sessions. More information can be found on pages 113-114 in the Directors' Report.



[Read more about our approach to hybrid working at
sc.com/hybridworking](https://sc.com/hybridworking)

Developing skills of future strategic value

The world of work continues to change rapidly. Our employees need a combination of human and technical skills to succeed both today and in the future. We're building a culture of continuous learning, empowering employees to grow, follow their aspirations and embrace the skills needed for the future. Since 2020, the average hours invested by employees in personal development has increased by 20 per cent to 27.7 hours in 2021. Over 74,000 colleagues actively used our online learning platform diSCover, which we launched in 2020, and which is now accessible via a mobile app as well. Almost 30,000 colleagues used one or more of our Future Skills Academies which include the Data & Analytics, Digital, Cyber, Client Advisory, Sustainable Finance and Leadership Academy.

We have focused over 2021 on designing and deploying targeted upskilling and re-skilling pilot programmes directed towards critical 'future' roles where our strategic workforce planning analysis has predicted the increasing need for talent, including universal banker, data translator, cloud security engineer and cyber security analyst. This approach has united our recruitment, talent management and learning efforts to target, upskill and deploy employees into new roles.

Engaging stakeholders continued



Employees continued

Creating a culture of inclusion and innovation

We believe that inclusion is how we will enable our diverse talent to truly deliver impact. As the pandemic extended into 2021, the need to lead inclusively in a hybrid working set-up continued to be a key expectation of our people leaders. With the focus on building a culture of inclusion, over 21,000 colleagues had undertaken the 'When we're all included' learning programme by the end of 2021, centred on increasing awareness around diversity and inclusion principles, tackling issues such as unconscious bias and micro behaviours as well as emphasising the importance of creating an inclusive environment. As we listened to employee feedback and responded to the need to better develop psychological safety, we also released an inclusive language guide and continue to review business terms to be more inclusive moving forward. In our annual My Voice survey, 80.65 per cent of employees reported positive sentiments around our culture of inclusion.



Read our inclusive language guide at sc.com/inclusivelanguageguide

Our commitment to diversity and inclusion (D&I) is now supported by more than 60 employee resource groups (ERGs) across our markets that help provide learning, development and networking opportunities. The ERGs align to our focus areas of gender, ethnicity and nationality, generations, sexual orientation, disability and wellbeing.

Our gender diversity continues to grow with more women leaders moving up to more senior roles. By the numbers, women currently represent 31 per cent of the Board, 14 of our markets have women CEOs, and representation of women in senior leadership roles increased to 30.7 per cent at the end of 2021. We are committed to continuous improvement in this area and aspire to 35 per cent representation of women at the senior level by 2025. This aspiration is further supported by programmes such as our IGNITE Coaching programme, which develops our existing female talent in preparation for future roles.

Creating an internal 'gig' economy

Our virtual talent marketplace uses artificial intelligence (AI) to match the skills, experiences and aspirations of employees across 50 markets to short-term projects and mentoring opportunities, enabling their upskilling and reskilling towards becoming future-ready. The platform also allows us to rapidly deploy talent to areas where it is most needed to deliver business priorities, unlocking productivity worth over \$1.3 million so far. By the end of 2021, more than 10,000 employees had accessed over 600 cross-functional experiences via the platform, and initiated over 300 mentoring relationships.

We remain focused on building a workforce that is truly representative of our client base and footprint, with 16.4 per cent of our Global Management Team and their direct reports identifying as Black, Asian or minority ethnic. In the UK, Black representation in senior leadership is 2.4 per cent and Black, Asian and minority ethnic in senior leadership is 15.2 per cent. In the US, Black/African American representation in senior leadership is 2.7 per cent and Hispanic/Latinx in senior leadership is 9.7 per cent. We have developed strategic partnerships in the US and extended our Futuremakers RISE programme to increase the diversity of our talent pipelines. As we work towards achieving our 2025 UK and US ethnicity senior leadership aspirations which were defined last year, we continue focus on nurturing local talent in markets across Asia, Africa and the Middle East to ensure we reflect the diversity of our global clients. In 2021, we provided employees, where legally permissible, the ability to self-identify ethnicity data through our online systems and started educating on the value and purpose of collecting this information. We expect increased participation and self-declaration of ethnicity to allow us additional insights towards building an even more representative workforce.

We recognise six key¹ D&I dates across the year and use these as focal points to facilitate open dialogue on inclusion internally and externally. Through these global campaigns we have engaged and strengthened relationships with clients and external stakeholders, collectively raising awareness, promoting best practices and committing to take practical steps to advance the D&I agenda in the community.

Our progress continues to be recognised externally – we are the first financial services organisation to achieve the second highest level of EDGE Strategy Certification in Malaysia and Sri Lanka; we've ranked as a Diversity Leader for the second consecutive year in the Financial Times report on Diversity and Inclusion in Europe; ranked for the first time within the Top 100 organisations Refinitiv (formerly Thomson Reuters) Diversity and Inclusion Index; ranked as one of the World's Best Employers in Forbes for the first time; and also recognised at the European Diversity Awards for our Supplier Diversity Programme. In addition to the Group being recognised, six of our colleagues feature on the HERoes Women Role Models List, three on the Empower Ethnic Minority Role Models List and two on the OUTstanding LGBTQ+ Role Models Lists.

As the Bank continues to transform to achieve our strategic ambitions, we are refreshing the way we manage and recognise performance. Moving forward, we aim to build an even stronger culture of high performance by focusing on continuous feedback, coaching, and open two-way performance and development conversations. We will place greater emphasis on recognising outperformance driven by collaboration and innovation, encourage more flexibility and aspiration during goal-setting, and remove individual performance ratings. During 2021, we piloted aspects of this refreshed approach with a select first adopter population of employees, and will be further embedding the approach across the organisation in 2022.

¹ International Day Against Homophobia, Transphobia and Biphobia, International Day of Persons with Disabilities, International Men's Day, International Women's Day, and World Day for Cultural Diversity for Dialogue and Development, World Mental Health Day.



Employees continued

Female representation

Board

Female

31%

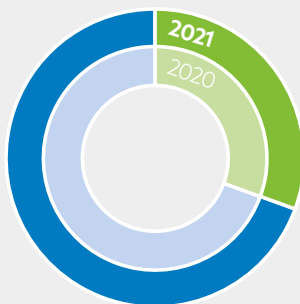
(2020: 31%)

Female

4

Male

9



Management Team and their direct reports

Female

28.4%

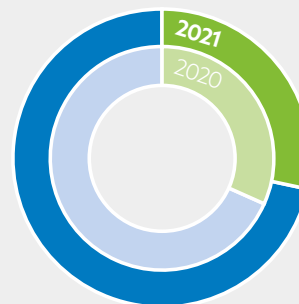
(2020: 31.8%)

Female

33

Male

83



Senior leadership

(Managing directors and band 4)

Female

30.7%

(2020: 29.5%)

Female

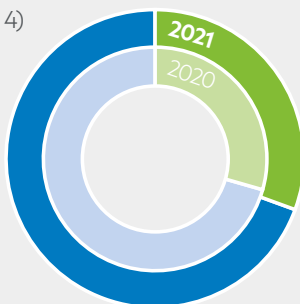
1,299

Male

2,920

Undisclosed

8



All employees

Female

45.5%

(2020: 45.4%)

Female

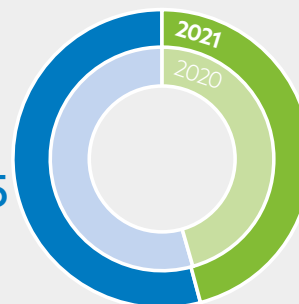
37,281

Male

44,045

Undisclosed

631



Gender pay gap and equal pay

We continue to analyse our gender pay gap for the UK, Hong Kong, Singapore, UAE and US. The gender pay gap compares the average pay of men and women without accounting for some of the key factors which influence pay, including different roles, skills, seniority and market pay rates.

Compared with last year, our mean hourly pay gaps have remained flat or reduced across the UK, Singapore and US. Our mean bonus pay gaps have increased slightly except for in Singapore. Our gender pay gaps are caused by there being fewer women in senior roles and in business areas where market rates of pay are the highest. We understand it will take time to see the level of change needed to significantly reduce our gender pay gaps and we remain committed to our initiatives to support gender diversity.

When the pay of men and women at the same level and in the same business area are compared, our gender pay gaps remain significantly smaller. The remaining gaps exist due to differences in the market pay level for different types of roles at the same level and in the same business areas, and differences in the relative positioning of the pay of each role holder around the market benchmark.

Equal pay is a more detailed measure of pay equality and is a key commitment in our Fair Pay Charter. We analyse equal pay during our annual performance and pay review process to ensure equal pay for equal work.

We have been reporting our gender pay gaps for several years and support initiatives that will enable a truly diverse workforce. We responded to the UK Government consultation on ethnicity pay gap reporting and are considering potential ways to draw from available data to inform our inclusion strategy. Obtaining significant enough disclosure of ethnicity data remains a challenge and we are taking steps to encourage disclosure, where possible, so we can develop our approach.



Read more about this in our gender pay gap report at [sc.com/genderpaygap](https://www.sc.com/genderpaygap)

2021 Gender pay gap	UK	Hong Kong	Singapore	UAE	US
Mean hourly pay gap	27%	21%	33%	31%	23%
Mean bonus pay gap	52%	42%	44%	58%	46%

Partnering with Doconomy to cut carbon

We've partnered with Doconomy, a Sweden-based impact tech company, to pilot a tool that helps our clients manage their everyday climate impact. Our clients in Pakistan can now calculate the carbon emissions of any goods and services purchased on their credit cards and track their carbon footprint using our online banking service.



Read more online at
www.sc.com/doconomy

Sustainable and responsible business

Our core markets represent unique challenges and opportunities, with rapid urbanisation, heightened vulnerability from climate change, and significant social and economic disruption brought by the COVID-19 pandemic. Yet these regions only receive a fraction of the capital flows they need for sustainable economic growth.

At Standard Chartered, we have the financial expertise, governance frameworks, technology and geographical reach to unlock capital for sustainable development, where it matters most.

We have set ourselves the vision to become the world's most sustainable and responsible bank, committed to sustainable social and economic development through our **business, operations and communities**.



In pursuit of this, and in alignment with stakeholder priorities, in 2021 we formally elevated sustainability to be a pillar of our strategy.

We have set long-term ambitions for our role in tackling the severe impacts of climate change, stark inequality and unfair aspects of globalisation that impact everyone and the planet. See pages 24-25 for more detail on how we are taking a stand.

This enhanced focus ensures sustainability is embedded across our business and integrated into the Group's decision-making, with robust governance provided by the Board, Management Team and multiple supporting sub-committees.

The following pages set out our approach and progress towards our most material sustainable and responsible business topics. Further information on our approach to climate change can also be read in our TCFD report at [sc.com/tcfd](https://www.sc.com/tcfd).

In 2022, we also intend to provide additional ESG-related information via our ESG report. This will include alignment index tables for disclosures relevant to the GRI, SASB and World Economic Forum frameworks, and will be available at [sc.com/ESGreport](https://www.sc.com/ESGreport) in Q1 2022.



See **pages 51 to 59** to read how engagement with stakeholders informs our approach to sustainable and responsible business



For more information on our sustainability governance see **pages 276-277** and [sc.com/tcfd](https://www.sc.com/tcfd)

Group KPI: Sustainability



Delivering Sustainability Aspirations %

+ 4.5 ppt Sustainability Aspirations achieved or on track¹

2021	82.9
2020	78.4
2019	93.1

¹ Each aspiration contains one or more performance measures. The KPI is the proportion of all measures that have been achieved or are on track to be delivered at the end of the reporting period.



See **pages 455 and 466** for a full list of our 2022 Sustainability Aspirations



For more information on our Responsible Business Standards and Policies see [sc.com/standardsandpolicies](https://www.sc.com/standardsandpolicies)

Our Sustainability Aspirations

Our approach is underpinned by our suite of Sustainability Aspirations that set out how we aim to promote social and economic development, and deliver sustainable outcomes in the areas in which we can make the most material contribution to the delivery of the UN SDGs.

We review and refresh our Sustainability Aspirations annually to ensure they reflect our stakeholders' priorities and evolving strategy. For example, in 2021, we committed to consult with shareholders, investors, clients and civil society to develop a definition, methodology, targets and timeline to develop our approach to measuring, managing and reducing emissions associated with our financing of clients to support our objective to achieve net zero by 2050.

We measure progress against the targets set out in our Sustainability Aspirations and incorporate selected Aspirations into the Group Scorecard to drive widespread awareness and support delivery.

At the end of 2021, 82.9 per cent of our Aspirations are on track or achieved. This is an increase from 78.4 per cent in 2020; however, COVID-19 continued to impact the delivery of several Aspirations. Further detail on each Aspiration can be found between pages 55 and 77. We remain focused on scaling up delivery in subsequent years to achieve our targets.

To ensure stakeholder confidence in our approach, we have conducted a limited-scope assurance exercise over performance data related to selected Aspirations, see [sc.com/aspirationsassurance](https://www.sc.com/aspirationsassurance). The findings of this exercise will contribute towards our continued work to strengthen how we track and report progress on our Aspirations, including as part of our commitment to the UN Principles for Responsible Banking.

Sustainable and responsible business

continued

Pillar 1: Business

Do more good – promoting sustainable finance



Clients



Investors



Society

Our main impact on the environment and society is through the business activities we finance. Through our core business, we promote sustainable finance in our markets, expanding renewables, and financing and investing in sustainable infrastructure where it is needed most.

We want to make the world a better, cleaner and safer place and minimise the negative impact of our financing, balanced by our mission of enabling a just transition. In other words, do more good and less harm.

2021 Sustainability Aspirations: Business

Infrastructure	Timeline	Status	Progress
Facilitate project financing services for \$40 billion of infrastructure projects that promote sustainable development that align to our verified Green and Sustainable Product Framework	Jan 2020–Dec 2024	○	Facilitated \$9.6 billion, bringing the total facilitated since January 2020 to \$12 billion.
Climate change			
Facilitate \$35 billion worth of project financing services, M&A advisory, debt structuring, transaction banking and lending services for renewable energy that align to our verified Green and Sustainable Product Framework	Jan 2020–Dec 2023	✓	Facilitated \$22 billion, bringing total facilitated since January 2020 to \$40.4 billion. We have therefore achieved this Aspiration ahead of the end 2023 target.
Only provide financial services to clients who are: - by 2024, are less than 80% dependent on thermal coal (based on % EBITDA at group level) - by 2025, are less than 60% dependent on thermal coal (based on % EBITDA at group level) - by 2027, are less than 40% dependent on thermal coal (based on % EBITDA at group level) - by 2030, are less than 5% dependent on thermal coal (based on % EBITDA at group level)	Jan 2020–Jan 2030	○	In 2020, we ceased new business with four clients and have now exited these relationships subject to any outstanding contractual arrangements. In light of the recent strengthening of our coal policy, we are now on track to transition or exit all clients at an entity level that are greater than 80% dependent on thermal coal, subject to any outstanding contractual arrangements. *In 2021, we changed from EBITDA to revenue basis. See page 455.
Commit to measuring, managing and reducing emissions associated with our financing of clients to support our objective to achieve net zero by 2050. We will develop and consult with shareholders, investors, clients and civil society on a definition, methodology, targets and timeline	Jan 2020–Dec 2021	✓	In October 2021, we announced ambitious new targets to reach net zero carbon emissions from our financed activity by 2050. We have further incorporated these new targets into our 2022 Aspirations. See page 455.
Entrepreneurs			
Provide \$15 billion of financing to small business clients (Business Banking)	Jan 2020–Dec 2024	○	Provided \$2.96 billion, bringing the total provided since January 2020 to \$5.96 billion.
Provide \$3 billion of financing to microfinance institutions	Jan 2020–Dec 2024	○	Provided \$617.5 million, bringing the total facilitated since January 2020 to \$1.13 billion.

Concluded in the year

✓ Achieved △ Not achieved

Ongoing aspirations

○ On track △ Not on track

Pillar 1: Business continued

2021 Sustainability Aspirations: Business continued

Retail Banking	Timeline	Status	Progress
Launch a suite of five core sustainability-focused Retail Banking products in selected markets across our footprint	Jan 2021–Dec 2022	✓	Five products were successfully launched during 2021, achieving this Aspiration a year ahead of schedule. These were: i) Sustainable Term Deposits in Singapore, Indonesia and Taiwan, and sustainable Current Account Savings Accounts in Hong Kong ii) Carbon-neutral cards in Singapore, Bangladesh, Malaysia and Hong Kong iii) Green home loans in Hong Kong, Singapore and Taiwan iv) Green home renovation financing – extended preferential pricing to help clients acquire solar energy and water treatment equipment in Kenya v) ESG unit trusts available in 16 markets.
Commerce			
Bank 10,000 of our clients' international and domestic networks of suppliers and buyers through banking the ecosystem programmes	Jan 2020–Dec 2024	○	Enrolled 3,473 suppliers and buyers, bringing the total enrolled since Jan 2020 to 7,153.
Digital			
Roll out digital-only banks in a total of 12 markets	Jan 2020–Dec 2021	⚠	We have launched digital-only banks in 10 markets since January 2020. Further launches in Bahrain and the United Arab Emirates have been delayed and are expected to launch in 2022.
Double the number of clients we bank in Africa and the Middle East to 3.2 million	Dec 2017–Dec 2021 ¹	⚠	At the end of 2021 we had a total of 2,366,000 digital clients in the AME region. COVID-19 has impacted our ability to onboard new clients during periods of lockdown. We will continue to enhance our capabilities through 2022.
Impact finance			
Develop a tailored Impact Profile for all Private Bank clients providing a framework that enables them to understand their passions and harness capital market solutions to support the SDGs	Jan 2020–Dec 2024	⚠	The goal of the Impact Profile tool was to include ESG elements as a part of understanding a client's financial profile and to enable conversations with clients based on preferences. As part of our October 2021 net zero approach, we plan to integrate ESG considerations in our wealth management advisory which are incorporated into our updated 2022 Aspirations and will replace this Aspiration (see page 455).
Triple the value of sustainable investing Assets Under Management ²	Jan 2021–Dec 2024	○	Our Sustainable Investing Assets Under Management (AUM) has grown by 2.79 times. For 2022, we will replace this Aspiration with a more ambitious Sustainable Investing AUM Aspiration (see page 456) as part of our net zero Aspirations which will expand products covered to include exchange traded funds (ETFs), bonds, equities, structured products among others. This is more holistic than the current Aspiration covering only mutual funds.
Roll out ESG scores for single holding investments and funds where applicable ESG scores are available from third-party data providers	Jan 2021–Dec 2021	✓	Sustainalytics ESG risk ratings available on equity derivatives and fixed income trade notes since August 2021 for both Private Bank and Consumer (Affluent).

Concluded in the year

✓ Achieved ⚠ Not achieved

Ongoing aspirations

○ On track ⚠ Not on track

1 This start date has been restated to reflect the period over which baseline data has been gathered

2 This has been amended from 'percentage' as previously disclosed, to 'value'

Sustainable and responsible business continued

Pillar 1: Business continued

We create and offer sustainable finance products that support sustainable development. In 2021, we launched 13 new sustainable finance products, including sustainable current and savings accounts for both our CCIB clients and retail customers, and green mortgages in some of our key markets, Singapore, Hong Kong and Thailand.

Our Green and Sustainable Product Framework guides our labelling of sustainable assets internally. The Framework was developed, and is reviewed annually, in collaboration with the leading provider of ESG and corporate governance research, Sustainalytics.

In 2021, this review led to the Framework being updated to include additional green buildings certifications as well as tightening eligibility criteria where market expectations have evolved.

Alongside our net zero approach in October 2021, we also launched our new Transition Finance Framework. This outlines the activities that we consider eligible for labelling as 'transition' and is intended to support our clients in their journey to a lower-carbon future.

Together, these Frameworks define the activities that count towards our target to mobilise \$300 billion in green and transition finance by 2030, the key driver of our ability to meet our net zero targets.

Between July 2020 and June 2021, our Sustainable Finance asset base increased by 138 per cent year-on-year to \$9.2 billion. This increase was driven by organic growth coupled with the identification of existing exposures that had not previously been tagged as green or sustainable. With more than 84 per cent of these assets located in Asia, Africa and the Middle East, our dedicated Sustainable Finance team is focused on accelerating the deployment of sustainable finance to the markets where it matters the most.

Our second Sustainable Finance Impact Report found that our green lending avoided 1.4 million tonnes of CO₂ emissions from July 2020 to June 2021, a 264 per cent increase in CO₂ avoided year-on-year, and equivalent to more than 3 million economy class aeroplane seats from London to Singapore. Our green assets in Organisation for Economic Cooperation and Development Development Assistance Committee (OECD-DAC) least developed, lower- and lower-middle income markets have achieved significantly more impact in terms of CO₂ emissions avoided per dollar invested than our green asset base in the rest of the world. This reinforces the findings of our Opportunity2030 Report and emphasises the need to keep finance flowing to the markets in our footprint where it matters most and can have the greatest impact.

We also made progress towards our Aspirations for small business lending (\$15 billion, January 2020 to December 2024) and microfinance (\$3 billion, January 2020 to December 2024), enabling more than 885,000 microfinance loans and providing nearly 20,000 loans to small and medium enterprises, often the powerhouses of the economy in many of our markets.

In 2020, we announced that we would commit \$1 billion of not-for-profit financing for companies that provide goods and services to help in the fight against COVID-19. By the end of 2021, we had approved \$930 million of this, and dispersed \$782 million. This has helped businesses across our markets manufacture and distribute emergency ventilators, face masks, protective equipment and sanitisers, and governments to finance the purchase of World Health Organisation approved COVID-19 vaccines.

In 2022, we expect growth of our Sustainable Finance asset base to continue at pace, both as the market develops and also as we further expand and embed our sustainable finance product offering with our clients.

We will continue to grow our sustainable finance proposition, and increase lending into areas aligned with the SDGs.



Read our Sustainable Finance Impact Report: sc.com/SFimpactreport



Read our Sustainable Finance Frameworks: sc.com/sustainablefinanceframework



Read our Opportunity2030 Report: sc.com/opportunity2030



See our 2021 Sustainability Aspirations on [page 62](#)

Do less harm – managing environmental and social risk

We have a comprehensive approach to managing environmental and social (E&S) risk. We work with clients, regulators and peers across the finance sector to continuously improve E&S standards and mitigate the impact that may stem from our financing decisions.

We have a suite of detailed policy frameworks and Position Statements, approved by the Group Responsibility and Reputational Risk Committee (GRRRC), which draw on global best practice, including the International Finance Corporation (IFC) Performance Standards and the Equator Principles (EP), to outline the cross-sector standards we expect of ourselves and our clients. Sector-specific guidance is also provided for clients operating in sectors with high environmental or social impact potential, and our prohibited activities list sets out the activities we do not finance. We will not provide financial services to clients who breach, or show insufficient progress in aligning with, our Position Statements.

In 2021, we updated our Position Statements covering all sensitive sectors. We introduced enhanced requirements which will become effective from 2022, with the exception of additional restrictions placed on thermal coal-dependent clients, which were effective immediately.

Pillar 1: Business continued

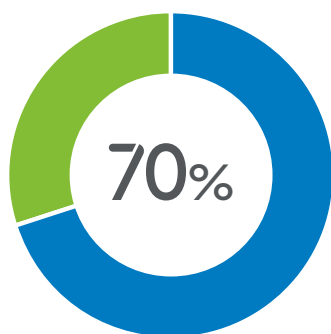
We identify and assess E&S risks related to our CCIB clients, and embed our E&S risk framework directly into our credit approval process. Where required, we proactively engage with clients to mitigate identified risks and impacts and support them to improve their E&S performance over time. All relationship managers and credit officers are provided with access to detailed online resources and E&S guidelines, and offered training in assessing E&S risk against our criteria. During 2021 we provided training to 1,280 colleagues.

Our approach remains to work with clients to improve their E&S performance with specific timebound action plans. Where clients are unable or unwilling to meet our requirements, we will ultimately exit those relationships, subject to contractual obligations. During 2021, we reviewed 786 clients and 547 transactions that presented potential specific risks against our Position Statements.

During 2021, we continued to hold the position of Chair of the EP Association, and member of the Board of Governors of the Roundtable on Sustainable Palm Oil. In addition, we adopted the Poseidon Principles.

In 2022, we will prioritise our approach to biodiversity, and update our Environmental and Social Risk Management Framework in support of our ambition to become the world's most sustainable and responsible bank. We will also further expand our capacity to conduct E&S due diligence on clients by leveraging our Global Business Service centre in Warsaw.

-  [Read more about our Position Statements at **sc.com/positionstatements**](https://sc.com/positionstatements)
-  [Read more about our prohibited activities at **sc.com/prohibitedactivities**](https://sc.com/prohibitedactivities)
-  [Read more about our reporting against the Equator Principles at **sc.com/equatorprinciples**](https://sc.com/equatorprinciples)



Over 70 per cent of our Sustainable Finance assets are located in emerging and developing economies.

Responding to climate change

We believe that climate change is one of the greatest challenges facing the world today and that its impact will hit hardest in the communities and markets where we operate, namely Asia, the Middle East and Africa.

Our climate strategy is structured around three pillars: accelerating sustainable finance; reducing our direct and financed emissions; and managing the financial risk from climate change. These focus areas reflect the ways in which we contribute, and are exposed to, the risks arising from climate change.

Accelerating sustainable finance

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 Bank. We are uniquely placed to help by directing capital to markets that have both the greatest opportunity to adopt low-carbon technology, and some of the toughest transition-financing and climate challenges. As set out on page 64, we plan to mobilise \$300 billion aligned to our Green and Sustainable Product Framework, and Transition Finance Framework.

Reducing our direct and financed emissions

Since 2018, we have been working on aligning the emissions from both our own operations and our financing activities to the Paris Agreement goal of below two degrees of global warming. During 2021, we announced our plan to reach net zero in our financing by 2050, with ambitious interim targets to substantially reduce our financed carbon emissions by 2030.

To achieve this, we have set out our roadmap to reduce financed emissions, finance transition projects and accelerate new solutions. Read more about our approach to net zero at sc.com/netzero.



Sustainable and responsible business continued

Pillar 1: Business continued

We aim to reduce absolute financed thermal coal mining emissions by 85 per cent by 2030, in addition to the existing prohibition on financing new or expanding coal-fired power plants. We are also reducing emissions intensity in other high-carbon sectors, setting interim targets for power (-63 per cent emissions intensity), steel and mining (-33 per cent emissions intensity respectively), and oil and gas (-30 per cent emissions intensity).

We continue to innovate and strive to accelerate new solutions to climate change, such as launching and growing sustainable products; reporting on wealth management emissions; and deploying a new Transition Acceleration Team to provide our clients in carbon-intensive sectors with deep expertise on how to accelerate their low-carbon transitions, and tools to measure their progress.

We are also committed to reducing the emissions we produce, and in 2021 we brought forward our target to achieve net zero in our operations from 2030 to 2025.

With approximately 12,100 suppliers, we understand that there can be significant carbon emissions associated with the procurement of goods and services and a potential physical impact on our supply chain that may impact our ability to serve our clients. In 2021, we developed a methodology to measure our supplier Scope 3 emissions and used this to engage our top-emitting suppliers to understand their climate-related actions, goals and overall alignment with our sustainability agenda.

As a result, sustainability factors have been embedded into our Spend Category Plans, including targeting specific areas to drive emission reductions. We also began to embed emissions-related clauses into relevant supplier contracts to reduce our consumption and mitigate remainder emissions.

Managing the financial risk from climate change

Managing the financial risks from climate change remains a key priority for the organisation. Throughout 2021, we continued to embed climate risk management into our ERMF, understanding the impact of physical and transition risks on our credit portfolio and climate related reputational risks for clients in high transition sectors.

In 2022, we will extend this to cover other relevant Principal Risk Types. Climate scenario analysis across our markets, including the Bank of England's 2021 Biennial Exploratory Scenario, have helped improve our understanding in identifying key portfolios vulnerable to climate risk.

In partnership with peers, industry and academia, we are transitioning from measurement to management of climate risk. Through ongoing partnership with Imperial College London, we supported the publication of a [new climate research](#) which revealed the potential for nature-based solutions to tackle the interlinkages between agriculture, land-use and climate change.

Principal Board decision – our pathway to net zero

As part of the consideration process for approving the net zero pathway, the Board had to ensure it was comfortable with the methodology, the potential outcome of applying the methodology and the substance of the pathway, all set within the context of an agreed and robust risk management framework. To achieve this, the Board participated in several discussions during the year and provided valuable input across a number of areas, taking into account the impact on the Group's stakeholders. Examples of such considerations were:

- the risk that some clients may consider the Group's approach too aggressive, or conversely that it does not go far enough, considering in particular the challenges of the Group's footprint in emerging markets and developing countries and recognising the differing pathways to net zero in different markets and the need to support and facilitate a just transition
- the impact of the pathway on ongoing discussions with civil society groups, such as NGOs
- likely stakeholder reaction including governments, regulators, communities and clients as well as investors and NGOs to the methodology
- when to announce the pathway and how this would impact certain stakeholders
- the significant level of engagement the Group had undertaken with some stakeholders, including investors and NGOs, while formulating the net zero pathway
- the importance of providing opportunity for feedback from those stakeholders not already consulted once the pathway was published
- the content of the communications material to be published to ensure effective readability for stakeholders
- future reporting of progress against the pathway to the market
- the potential opportunities of Transition Finance offerings for clients
- the importance of supporting the transition for many clients towards lower-emitting technologies to support a just transition
- the intended plan to put the pathway to an advisory vote at Standard Chartered PLC's 2022 Annual General Meeting (AGM) in recognition of how important this is to our shareholders and other stakeholders

Stakeholder considerations were taken into account in the Board's oversight of the net zero pathway among many other factors. As a result, the Board, cognisant of the methodological approach and interest in the pathway by shareholders and other stakeholders, approved the recommended pathway and communications plan.

Summary of Standard Chartered's TCFD response

Standard Chartered publicly committed to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2017 and has subsequently released annual TCFD reports since 2018.

Our comprehensive TCFD disclosure is published in a standalone report which provides information in a readily identifiable and accessible format for all interested stakeholders. This can be accessed at [sc.com/tcfd](https://www.sc.com/tcfd). The table below sets out the 11 TCFD recommended disclosures and summarises the progress we have made in 2021. Through consistency with the TCFD recommendations, we have achieved compliance with the listing rules.¹

Governance

Board oversight of climate-related risks and opportunities	Current status - In 2021, we held Board-level and Management Team training on our approach to net zero and Board-level training, delivered by Imperial College London, on climate scenarios to support the Board with their review and challenge of climate related regulatory stress testing. - The Board reviewed and approved our approach to reaching net zero carbon emissions from our financing by 2050 and associated interim targets. - The Board received regular Climate Risk updates via the Board Risk Committee (BRC) and reports from the Group Chief Risk Officer. - First-generation Climate Risk reporting and Management Level Risk Appetite metrics were shared with the BRC and approved by the Group Risk Committee which has oversight of Climate Risk.	Future priorities - We aim to enhance Climate Risk training to our subsidiary boards, building on initial training delivered in 2020. - Results of management stress tests will be reviewed and challenged by the BRC and will strengthen the Board's oversight of the impact from Climate Risk on our business, financial performance and operations and strengthen business strategy and financial planning.
Management's role in assessing and managing climate related risks and opportunities	Current status - The Group Chief Risk Officer (CRO) has Senior Management Responsibility for Climate Risk and is supported by the Global Head, Enterprise Risk Management who has day-to-day oversight, and has appointed the Climate Risk Management Forum that oversees the delivery of the Group's commitment to manage climate related financial and non-financial risks. - In 2021, we established a robust governance structure to support our net zero approach through the Net Zero Steering Group chaired by the Group Head, Conduct, Financial Crime & Compliance. - We aim to strengthen business segment, country, and regional Climate Risk governance and continue to keep the Management Team updated through the Group CRO reports and Management Information report to the GRC.	Future priorities - We will continue to exercise appropriate oversight and governance of our approach to net zero at Board and Management Team level. - We aim to strengthen business segment, market, and regional Climate Risk governance and continue to keep the Management Team updated through the Group CRO reports and Management Information report to the GRC.

Strategy

Climate-related risks and opportunities identified over the short, medium and long term	Current status - We have assessed the impact of climate risk to the banking book under three transition scenarios over a 30-year time horizon, which has enabled us to identify climate risks, strategies to mitigate risk as well as climate opportunities. - In 2021, we identified climate-related opportunities linked to the Bank's net zero in financed emissions approach including aiming to: - mobilise \$300 billion in green and transition finance - reduce absolute financed thermal coal mining emissions by 85% - reduce emissions intensity in other high carbon sectors with the interim 2030 targets including power (-63% emissions intensity), steel and mining (-33% emissions intensity respectively), and oil and gas (-30% emissions intensity). - We use quantitative and bottom up tools and methodologies to assess transition and physical climate risk and we apply these to our clients, portfolios, and our own operations.	Future priorities - We will continue to develop and enhance our Climate Risk/opportunity identification, interplay and modelling capabilities to strengthen climate risk quantification. This includes consistency and where possible, uniformity of time horizons. - We aim to disclose annually the progress we are making against our \$300 billion and other net zero targets and build out our client capability to achieve our net zero through: - our newly developed Transition Acceleration Team - reporting mortgage emissions with a view to setting targets by 2023 - doubling our sustainable investing assets under management - launching and growing sustainable products including Universal Climate Finance Loans, green mortgages and sustainable investing offerings while integrating ESG considerations in our wealth management advisory activities.
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¹ Some of the data, metrics and methodologies used in relation to the Group's TCFD report which is summarized in this section is subject to limitations. The reader should treat the information provided, and conclusions and assumptions drawn from the underlying data with caution. The limitations to the data, metrics and methodologies as well as the basis on which the Group's TCFD report was made are set out in the **Important Notice – Basis of Preparation and Caution Regarding Data Limitations** section of the Group's TCFD report available at [sc.com/tcfd](https://www.sc.com/tcfd).

Sustainable and responsible business

continued

Summary of Standard Chartered's TCFD response continued

Strategy		
Impact of climate risks and opportunities on business, strategy and planning	Current status - Sustainability has been elevated to become a pillar of the Group's strategy. - We continue to restrict financing of thermal coal mining and reduce emissions intensity in other carbon intensive sectors. Where clients do not show a sufficient level of commitment to the transition, we reserve the right to cease providing them with our services. - In 2021, we engaged with approximately 2,000 of our clients, to help understand their exposure to climate risk and identify climate opportunities. - To make our business model more resilient to Climate Risk we are already reducing appetite for selected high-carbon sectors such as coal, in support of our plan to reach net zero in our financing by 2050, whilst balancing transition risk and opportunity with ambitious interim targets to substantially reduce our financed carbon emissions intensity by 2030.	Future priorities We will develop Climate Risk management scenarios, which will further inform us of the potential impact from Climate Risk on our business, financial performance and operations and strengthen business strategy and financial planning.
Climate-related scenario analysis	Current status Our climate-related scenario analysis, based on those from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), includes orderly, disorderly and hot-house world scenarios.	Future priorities We will develop management scenarios that will strengthen considerations of Climate Risk in into the Group's corporate plan and net zero strategy.
Risk management		
Identifying and assessing climate-related risks	Current status - We identify physical and transition risk as part of client, portfolio and own property assessments and consider: - Physical risk: current day and longer term time horizons for acute weather events (storm, flood, wildfire, earthquakes) and chronic sea level rise. - Transition risk: financial impact at a client level under a range of NGFS based scenarios. - Temperature alignment: provides a temperature score to indicate client and portfolio level global warming potential up to 2030. - Climate Risk is recognised in our central Enterprise Risk Management Framework (ERMF) as an integrated risk type and is managed in-line with the Principal Risk Type (PRT) impacted e.g. Credit, Market, Operational. - Climate Risk is assessed as part of regulatory stress testing through the annual Internal Capital Adequacy Assessment Process (ICAAP), the 2021 Bank of England Climate Biennial Exploratory Scenario (CBES), and local country regulatory stress tests. - In 2021 client engagement has improved the coverage of data that informs the climate client level risk assessments being integrated into the credit underwriting process.	Future priorities Further embedding of Climate Risk management across PRTs, consideration of risk mitigation over time as methodologies mature and expanding coverage across products and markets.
Managing climate-related risks	Current status - Climate Risk is managed in accordance with the Principal Risk Type (PRT) through which it manifests. Depending on the PRT framework, it is applied at a client, location or portfolio level as part of transactional, portfolio or operational level analysis for prioritised areas. - There is a Risk Appetite (RA) Statement that is accompanied by RA metrics that are based on potential losses under different climate scenarios and these RA metrics are reported to the GRC.	Future priorities Risk Appetite thresholds become effective in 2022.
Integrating into the organisation's overall risk management	Current status - Climate Risk is integrated into and managed as part of existing PRTs: - Credit Risk: Climate Risk (physical and transition) assessments are being incorporated into the credit underwriting process for CCIB clients. For our CPBB sector, physical risk considerations inform credit portfolio quarterly reviews for over 90% of the retail mortgage portfolio. - Operational and Technology Risk: all new property sites are assessed for physical risk vulnerabilities. - Traded Risk: a physical risk-based scenario is included as part of the Traded Risk stress testing framework. - Country Risk: the setting of Country Risk limits include Climate Risk as a factor and regional Country Risk reviews for sovereign credit grades continue to include Climate Risk considerations. - Reputational and Sustainability Risk: for prioritised high-carbon clients and transactions a Climate Risk overlay assessment is applied (in addition to Environmental and Social Risk Management and restrictive policies). - Compliance: a process has been established for tracking various Climate Risk-related regulations. - Treasury Risk: Climate Risk was considered as part of the 2020 and 2021 ICAAPs.	Future priorities Continue to embed Climate Risk considerations within PRTs, including expanding CCIB coverage.

Summary of Standard Chartered's TCFD response continued

Metrics and Targets

Metrics used to assess and manage climate-related risk and opportunities in line with strategy and risk management processes	Current status • Early stage risk management metrics are used for quantifying transition and physical risk at a client and portfolio level, and for our own operations. These are used for different processes such as regulatory stress testing, monitoring climate risk as part of Risk Appetite reporting, and to inform the assessments being integrated into existing transactional risk processes and client reviews. Some metrics we use include: – financial impact of various transition scenarios up to 2050, expressed as weighted average probability of default – outstanding exposure of retail mortgage portfolios to current and forward looking physical risk events (flooding, storm, wildfire, future sea level rise) – percentage of our own offices, branches and data centres in locations at extreme gross physical risk events – Country-Climate Risk index ranking countries by physical and transition risk. • In 2021, we expanded our disclosures to include: – the financial impact on exposure to high-carbon sectors loans and advances.	Future priorities • Continue to refine and enhance coverage and application of Climate Risk related metrics as our tools and methodologies mature, with a greater focus on developing internal climate modelling capabilities and assessing the implications of an internal carbon price where possible.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	Current status • Our 2021, our Scope 1 emissions were 2,902 tonnes carbon dioxide equivalent (tCO₂e), a reduction of 27 per cent from 2020, and Scope 2 emissions were 82,761 tCO₂e, a reduction of 27 per cent from 2020. • In 2021, our Scope 3 air travel emissions were 3,654 tCO₂e, a reduction of 89 per cent from 2020. • In 2021, we baselined and estimated our 2020 Scope 3 supply chain emissions (vendors), using spend data. As a result of this exercise we estimate these emissions as 365,911 tCO₂e. • We measured the absolute financed emissions baseline of our corporate lending portfolio as of 2020-year end, focusing on \$74.8 billion of assets (equating to a coverage of 77 per cent of our in-scope assets of \$97.3 billion, equal to 45.2 million metric (Mt) CO₂e). There is currently insufficient available data to accurately reflect the financed emissions of the remaining 23 per cent of our in-scope assets. A linear extrapolation would translate to an overall baseline of up to approximately 59Mt CO₂e. • In 2021, we offset our Scope 1-3 (flights and data centres) through high quality and verifiable carbon credits at a cost of \$7.65/tonne.	Future priorities • We will continue to extend our Scope 3 financed emissions measurement capabilities, targeting additional sectors and incorporating additional financial products as methodologies allow. For 2022, a specific priority will be baselining the emissions from our residential mortgage lending.
Targets used by the organisation to manage climate related risks and opportunities and performance against targets	Current status • We have continued to evolve and challenge our existing Sustainability Aspirations including setting interim and long-term targets to reach net zero in our operations by 2025 and net zero in our financed emissions by 2050. • In 2021, we facilitated \$9.6 billion towards sustainable infrastructure and \$22 billion towards renewable energy services. • In 2021, metrics and targets developed and disclosed include: – plan to mobilise \$300 billion aligned to our Green and Sustainable Product Framework and Transition Finance Framework – measuring, managing and reducing emissions associated with our financing of clients to support our objective to achieve net zero by 2050.	Future priorities • We will annually disclose against our 2050 net zero in financing targets. • We will continue to drive consistency of use of targets across the Group's functions and build our knowledge of the interrelation between targets.

Sustainable and responsible business continued

Pillar 2: Operations



Clients



Suppliers



Regulators and governments



Society

We strive to be a responsible business, drawing on our Purpose, brand promise, valued behaviours and Code of Conduct to help us fight financial crime, minimise our impact and embed our values across our business.

2021 Sustainability Aspirations: Operations

Environment	Timeline	Status	Progress
Reduce annual greenhouse gas (GHG) emissions (Scope 1 and 2) to net zero by 2030 with an interim target: Dec 2021: 106,000 tCO ₂ e Dec 2025: 60,000 tCO ₂ e	Jan 2019–Dec 2030*	○	Surpassed interim targets, achieving 85,662 tonnes CO ₂ equivalent (tCO ₂ e) based on continued efficiency work across the estate, plus an accelerated renewable energy programme. *In 2021, we brought forward our ambition target to achieve net zero GHG emissions in our operations to December 2025. See page 455.
Source all energy from renewable sources	Jan 2020–Dec 2030*	○	Renewable energy was up 89% in 2021, representing 15% of total energy consumed (28.2 of 183 GWh) globally, an increase from 7% (14.9 GWh) in 2020. *In 2021, we brought forward our target to achieve net zero emissions and ensure we only consume renewable energy across our portfolio to 2025. See page 455.
Join the Climate Group 'RE100'	Jan 2021–Dec 2021	✓	We engaged with RE100 during the year as they developed criteria for financial institutions seeking to become RE100 members. Following finalisation of those criteria, we joined RE100 as a standard member which was formalised in January 2022.
Achieve and maintain flight emissions 28% lower than our 2019 baseline of 94,000 tonnes.	Jan 2021–Dec 2023	○	Flight emissions reduced 96% from 2019's baseline, far exceeding the target. This reduction was primarily driven by the COVID-19 pandemic reducing all travel.
Reduce waste per colleague to 40kg per year	Jan 2020–Dec 2025	○	Total waste produced in 2021 was 43kg per colleague compared with 65kg per colleague in 2020. Reduction was largely due to more people working from home in light of COVID-19 pandemic. We also reduced the number of our printers, disposable cutlery, containers and utensils as well as introducing on-site food composting.
Recycle 90% of waste	Jan 2020–Dec 2025	○	32% of waste was recycled during the year, up from 23% in 2020.
Develop a methodology to measure Scope 3 emissions from our supply chain	Jan 2021–Dec 2021	✓	Methodology to measure Scope 3 emissions from our supply chain was developed and approved by the Sustainability Forum in June 2021. Total supply chain emissions from our vendors was estimated to be 365,911 tonnes in 2020. 2021 figures are in progress and will be reported in 2022.
Offset all residual emissions from our operations (Scope 1 and 2, Scope 3 flights, waste and data centres)	Jan 2021–Dec 2021	✓	We have achieved our 2021 carbon offset Aspiration to offset all residual emissions through the following providers: First Climate, CiX and Rabobank. Total volume of emissions offset was 136,000 tonnes at an average price of \$7.65/tonne.
Concluded in the year ✓ Achieved △ Not achieved		Ongoing aspirations ○ On track △ Not on track	

Pillar 2: Operations continued

Conduct	Timeline	Status	Progress
Learn from risks identified through concerns raised via our Speaking Up programme and conduct plans and publish an annual Threats and Themes Report	Ongoing	✓	Threats and Themes report was issued in April 2021.
Develop enhanced internal policies and guidelines on privacy, data ethics and algorithmic fairness, and embed a new governance framework for all data-related risks	Jan 2020–Dec 2021	✓	The three existing Data Management Standards covering data quality, records management, and privacy were refreshed to ensure better alignment and consistency. The Responsible Artificial Intelligence (RAI) guidelines were upgraded into a formal Group RAI Standard under the Group's ERMF in July 2021. The RAI Standard was further updated during the year and a new Sovereignty Standard was drafted. Guidelines to accompany the Data Quality Standard were enhanced and published in November 2021. A Group-wide risk control and self-assessment exercise was concluded in 2021 covering risks in data quality, records management and privacy.
Financial crime compliance			
Tackle financial crimes by contributing to developing typologies and red flags for financial flows, training frontline staff to identify potential suspicious transactions, and participating in public-private partnerships to share intelligence and good practices	Ongoing	✓	We actively contribute to building industry capacity, including via hosting a two-day virtual Africa Anti-Money Laundering Symposium and providing input to forestry crimes and wildlife trade work by the United Nations and Financial Action Task Force over the course of 2021. Supporting this, we continue to train our staff across the Bank on financial crime risks including via mandatory training delivered to all staff.
Deliver at least 50 correspondent banking academies	Jan 2021–Dec 2023	⚠	The challenging COVID-19 landscape has made delivery of correspondent banking academies very difficult. Both internal strategic priorities, and external client education requests/needs are shifting. We will therefore retire this Aspiration and refocus our attention to a more robust future strategy which will extend the reach of the academy construct to a broader set of financial institution clients, and extend the topics beyond the framework historically offered by the academies.
Concluded in the year ✓ Achieved ⚠ Not achieved			
Ongoing aspirations ○ On track ⚠ Not on track			

Driving good conduct and ethics

Good conduct is critical to delivering positive outcomes for our clients, markets and stakeholders.

Our Group Code of Conduct (the Code) remains the primary tool through which we set our conduct expectations. The Code supports all our policies, setting out minimum standards and reinforcing our valued and expected behaviours. It also outlines a decision-making framework to help colleagues make good decisions. To reinforce our shared commitment to the highest possible standards of conduct, each year we ask our colleagues to reconsider what the Code means to them through a refresher e-learning, and recommit to it. In 2021, 99.6 per cent of our colleagues completed this.

In 2021, Conduct Risk became an integral component of the ERMF, ensuring it is considered within each Principal Risk Type. A new management approach using targeted metrics, analytics and data to enhance our Conduct Risk identification and mitigation will be rolled out in phases across 2022.

In October 2021 we updated our operational risk management system, introducing a new field to tag each issue logged with the most appropriate conduct outcome.

This has enabled the data to be included as a baseline conduct metric in the Group Conduct Dashboard to facilitate data and insight analysis. The Group Conduct Dashboard collates a diverse array of data to present a visual summary of potential Conduct Risks.

The ability to raise concerns is essential to upholding the Group's Here for good brand and valued behaviours. Early disclosure of concerns reduces the risk of financial and reputational loss caused by misconduct. We encourage colleagues, contractors, suppliers and members of the public to raise concerns to our Speaking Up whistleblowing programme which offers secure, independent and confidential channels to report known or suspected misconduct without fear of retaliation. Examples of whistleblowing concerns include breaches of regulatory requirements, breaches of Group policy and/or standards, or behaviour that has adverse effects on colleagues or on the Group's reputation. Our 2021 My Voice survey showed 87 per cent of colleagues felt confident to raise concerns without fear of reprisal.

Sustainable and responsible business continued

Pillar 2: Operations continued

In 2021, we saw the volume of concerns fall by 4 per cent, driven in part by the change in working arrangements during the COVID-19 pandemic. During the year, we closed 285 Speaking Up cases. Of the top three substantiated themes closed in 2021, 17 related to sexual harassment, 12 to information and cyber security breaches and 12 related to failure to ensure occupational health and safety. Together, these account for approximately 34 per cent of substantiated cases. In comparison with previous years we saw fewer instances of concerns related to theft of information, personal account dealing and close personal relationships.

For the substantiated investigations, a range of corrective actions were recommended including process improvements, targeted coaching, training, and disciplinary sanctions ranging from verbal warnings to dismissals.

In 2021, we united our Conduct and Speaking Up teams to form a new Conduct & Ethics (C&E) team. This enables us to leverage synergies and apply increased focus on the prevention of misconduct alongside our detection capabilities. In 2022, we will continue to enhance our conduct policies and standards so that they remain current, clear and effective. We will also roll out C&E engagement initiatives to unite colleagues and lift participation across the Group ensuring a Group-wide focus on living the Group Code of Conduct.

Furthermore, we will continue to develop our Group Conduct Dashboard to derive deeper conduct insights that will enable us to drive action and remediation in a more targeted manner across the Conduct Programme.

Speaking Up cases

Year	Total raised ¹	In scope ²	Closed ³	
			Substantiated ⁴	Unsubstantiated
2021	1,159	256	119	166
2020	1,209	273	115	135
2019	1,382	294	179	189

The data in these reporting periods has been updated as at 31 December 2021.

1 Total concerns raised within the reporting year

2 A concern under the FCA whistleblowing rules that is raised within the reporting year and considered within the scope of the Speaking Up programme

3 This represents all cases closed within the reporting year. This includes cases that were raised in the reporting year and in previous years

4 Closed and with sufficient evidence supporting the original allegation(s)

5 Case numbers reported in prior years differ from those reported in this period due to closed cases being either reclassified, based on new information, or updated for administrative reasons

 Download our Group Code of Conduct at sc.com/codeofconduct and visit sc.com/speakingup to find more about how our Speaking Up programme works

Fighting financial crime

Our ambition is to tackle some of today's most damaging crimes by making the financial system a hostile environment for criminals and terrorists.

Our Conduct, Financial Crime & Compliance (CFCC) team sets our financial crime risk management framework. We safeguard against money laundering (AML), terrorist financing, sanctions, fraud and other risks, applying core controls such as client due-diligence, screening and monitoring. In addition, anti-bribery and corruption (ABC) controls aim to prevent colleagues, or third parties working on our behalf, from engaging in bribery.

During 2021, 41 processes (representing 7.3 per cent of our identified process universe within the Operational Risk & Technology Framework) were identified as susceptible to bribery and corruption-related risk. All processes are tracked through enhanced reporting and first- and second-line governance forums to mitigate this risk. The Group Risk Assessment found no processes or countries to be operating at a high residual risk level; however, 14 countries were identified as having a high inherent risk.

No public legal cases involving allegations of corruption were brought against the Group or its employees during the year. Internally, our Shared Investigative Services (SIS) team conducted 62 investigations classified as having an ABC nexus, which resulted in 10 disciplinary cases.

A particular focus of our financial crime investigatory teams is the use of data analytics to identify those clients and cases which generate the greatest financial crime risk. In 2021, we increased coordinating and streamlining the work carried out by these individual teams. This has strengthened the second line of defence in support of colleagues in business lines and country teams across the Bank.

To mitigate the risk of financial crime, particularly laundering the proceeds of corruption, in the lead-up to, during and after major political elections in certain footprint markets, the Group conducts enhanced monitoring designed to identify and investigate transactions of potential concern. In 2021, enhanced monitoring was conducted during major elections held in Uganda, Zambia and The Gambia. CFCC also investigated risks to the Group arising from a number of prominent financial crime stories in the press, conducting investigations prompted by events such as the FinCEN Files and Pandora Papers leaks, among others.

Pillar 2: Operations continued

In 2021, CFCC addressed new and emerging sanctions related to developments in both Belarus and Afghanistan. CFCC also incorporated numerous additional sanctioned parties under existing sanctions programmes into our control processes. The Group continues to develop its Sanctions Compliance Programme with the aim of ensuring that the programme is sustainable and able to adapt to the evolving sanctions risks that the Group faces.

Within our CPBB segment, we are continuously investing in product systems upgrades to enhance our capabilities with respect to fraud detection, and embed preventative controls across new product sales and client transactions.

We frequently inform and alert clients about potential fraud threats and have robust controls and processes in place to help clients identify false actors and alert us should they encounter any phishing or fraudulent transaction attempts.

We have invested significantly to ensure our employees are properly equipped to combat financial crime. In 2021, 99.6 per cent of colleagues completed financial crime e-learning which cover ABC, AML, sanctions and fraud topics and this was supported by a Group-wide communication campaign, 'The whole story', which extended our awareness raising activities.

ABC-related internal investigations

Year	Total raised ¹	In scope ²	Closed ³	
			Substantiated ⁴	Unsubstantiated
2021	62	60	28	34
2020	42	41	10	20
2019	42	40	7	17

The data in these reporting periods has been updated as at 31 December 2021.

1 Total concerns raised within the reporting year classified as having an ABC nexus

2 Includes concerns raised within the reporting year and considered within the scope of Group Investigation Standards

3 This represents all cases closed within the reporting year. This includes cases that were raised in the reporting year and in previous years

4 Closed and with sufficient evidence supporting the original allegation(s)

For those in high-risk roles and functions, additional targeted ABC training, masterclasses and forums were held to deepen understanding. We also shared our Supplier Charter, which sets out our expectations and minimum standards related to ABC, with more than 12,100 suppliers and third parties across 55 markets.

In addition to internal training, we are taking our contribution beyond our business and partnering with governments, regulators and other global banks to build a framework to enable cooperation and two-way communication on financial crime. These 'public-private partnerships' include initiatives with the International Center for Missing & Exploited Children which focuses on the use of cryptoassets in the trade of child exploitation and abuse material; the National Cyber Forensics and Training Alliance which assists law enforcement in identifying significant organised groups engaged in business email compromise schemes; and US Customs and Border Protection which focuses on economic security, trade security, forced labour and other risk areas, such as Trade Based Money Laundering. These partnerships are producing material new insights about various criminal typologies and advances in how we collectively combat financial crime in an increasing number of jurisdictions, including Singapore, South Africa, the UK and the US.

Throughout 2021, we also engaged with peers in contributing to the ongoing dialogue to advance effectiveness in combating financial crime through our active participation in several of the leading industry groups, including Wolfsberg, Madison Group and UK Finance. We also participated in discussions and forums with many external thought leaders including the World Economic Forum's Partnering Against Corruption Initiative (PACI).

In 2022, we will continue to adapt our controls to emerging threats by ensuring we have highly trained and experienced employees working with new technologies to detect any abuse of the financial system. We will also continue to partner with, and educate, peer banks and clients in the detection and control of financial crime risks.



For more visit sc.com/fightingfinancialcrime

Respecting human rights

We are committed to respecting human rights and use process, governance and due diligence to avoid infringements and complicity in the infringements of others, whether in our role as an employer, as a procurer of goods and services, or as a provider of financial services.

We recognise that our footprint and supply chain give us the opportunity to raise awareness of human rights and modern slavery in a wide range of markets and industries.

Our Position Statement on Human Rights outlines our approach, reflecting frameworks including the International Bill of Human Rights, the UN Guiding Principles and the UK Modern Slavery Act. This is embedded across a range of internal policies and risk management frameworks, including our Group Code of Conduct and Supplier Charter.

Our Modern Slavery Statement, approved by the Board, details the actions we are taking to tackle modern slavery and human trafficking in our business and operations.

In 2021, we commissioned an external consultancy to review our human rights practices and, following their recommendation, we updated our E&S risk assessment process. We now require additional due diligence checks

Sustainable and responsible business continued

Pillar 2: Operations continued

For those clients identified as having a heightened modern slavery risk. A human rights specialist consultancy database was established to assist in conducting this due diligence and to support clients to implement corrective action plans when human rights allegations are flagged. We also produced guidance for clients to support the development of their own human rights policies and procedures.

Within our supply chain, we provided training and internal communications to raise awareness of modern slavery across all supply chain category managers and contract owners. Modern slavery risk is now highlighted at the vendor onboarding stage for all high-risk categories, and Procurement Category Plans have been enhanced for all supplier categories found to have heightened risk, including office services and supplies, property, human resources, banking operations services, marketing and advertising services, technology hardware, and telecoms and networks in specific identified countries. For those suppliers determined by our internal modern slavery risk review to require additional due diligence as a condition to continue with the supplier engagement, on-site audits may also be conducted.

To promote human rights in our workforce, we updated our Human Rights Position Statement to incorporate new frameworks and practices relating to the human rights of our employees. We also updated our Supplier Charter to encourage our suppliers to promote fair pay practices within their workforce, including the development of their own understanding of living wage.

+ Read our Modern Slavery Statement at sc.com/modernslavery

+ Read our Human Rights Position Statement at sc.com/positionstatements

Annual energy use of our property (kWh/m²/year)

2021 Actual	174
2020 Target	185
2008	494

65%

↓ Since 2008

Managing our environmental footprint

We are committed to improving our environmental performance and reducing the direct environmental impact of our branches and offices. To do this, we measure and manage energy and water efficiency, and our GHG emissions closely, verifying our performance through third-party assurance.

We also measure the amount of non-hazardous waste our branches and offices generate and recycle. We do not produce or handle, and therefore do not report information on, material quantities of hazardous waste.



Case study

WELL Health-Safety Rating

Our engagement with colleagues highlighted a level of uncertainty and apprehension regarding returning to the office due to the ongoing pandemic.

To reassure our colleagues, clients and the broader community that our offices and branches are healthy and safe, we have achieved WELL Health-Safety Rating certification for our top 45 buildings based on headcount, which house over 65,000 colleagues (70 per cent of our Group).

The WELL Health-Safety Rating is an evidence-based, externally verified certification which focuses on operational policies, maintenance protocols, stakeholder engagement and emergency plans to address a post-COVID-19 environment. WELL Health-Safety certification is issued by the International WELL Building Institute (IWBI).

Pillar 2: Operations continued

We have measured and reduced our GHG emissions since 2008. Our Scope 1 and 2 emission reduction target has been validated by the Science Based Targets initiative (SBTi) as being in line with a well-below two degrees Celsius scenario. Through our Sustainability Aspirations, we have set more ambitious targets to achieve net zero emissions and ensure we only consume renewable energy across our portfolio by 2025. In partnership with our long-term strategic real estate suppliers such as CBRE and JLL, we are continually reviewing our direct fuels, on-site renewable energy sources and constantly improving our facilities to deliver the efficiency improvements needed across our properties to meet these challenging targets.

In 2021, energy and emissions reductions initiatives included clean power purchase agreements, water recycling, solar rooftops and on-site waste composting. Together with a 5 per cent reduction in our real estate portfolio, these direct initiatives reduced our CO₂ emissions by 27 per cent, and our energy consumption by 15 per cent year-on-year to 183 GWh. Specifically, investment in energy-efficient products accounted for 11 GWh of this reduction, resulting in a lower-carbon and more efficient portfolio.

Water availability remains a growing challenge in many of our markets. Although we did not face any issues sourcing potable water in 2021, we continue to take a sustainable and responsible approach to managing water across the Group and have improved measurement of the portfolio by 10 per cent.

We are committed to reducing waste in all its forms and since 2019, have been committed to reducing waste to 40 kilograms per employee per year, and recycling 90 per cent of our waste by 2025. Each year, we prevent more than 1 million disposable cups going to landfill and are proud to have now certified 103 properties as 'single-use-plastic free'. Non-recyclable waste is sent for energy generation or compost to limit our impact on landfill where possible.

During 2022, we will initiate a new True Zero Waste certification programme in our Changi Business Park campus, Singapore. True Zero Waste certifies 90 per cent of waste diverted from landfill or incineration and will require a significant step up in waste management and avoidance. This will be in addition to certifying more single-use-plastic free buildings and reducing paper consumption globally.

Our reporting criteria set out the principles and methodology for measuring our emissions; and our Scope 1 and 2 emissions, as well as water and waste data, are independently assured by Global Documentation.



Read the principles and methodology for measuring our environment data at sc.com/environmentcriteria



Read the independent environment assurance at sc.com/environmentalassurance

Our Sustainability Network

To further embed our sustainability ambitions, in 2021 we created a colleague Global Sustainability Network to share insights and best practices about climate issues within our markets. Now with over 1,200 members globally, members are invited to regular virtual townhall events to learn about climate, sustainability and the wider ESG agenda.

Our 2021 Global Learning Week also championed sustainability. Through 12 live sustainability events across four days, we engaged more than 7,000 colleagues in sessions ranging from our sustainable finance propositions to our net zero approach, the science behind climate change to our approach to carbon offsetting. Colleagues who participated in over four hours of learning were given the opportunity to complete a short assessment to attain a certification linked directly to their individual performance review. More than 700 colleagues completed this course and certification.

In 2022, we intend to continue to grow our Sustainability Network and introduce a global sustainability learning programme on the Bank's diSCover platform. In addition, we will build on a pilot carried out during 2021, and roll out a global digital solution to enable colleagues to analyse and reduce their carbon footprint both at home and at work.



Case study

Sierra Leone solar PV array

During 2021, our Sierra Leone Property team installed more than 300 solar photovoltaic (PV) panels on the roof of our headquarters building in Freetown. The installation is the largest of its kind in the country, and currently produces more direct power than the building consumes. Excess power is exported to the local grid, contributing to decarbonisation of the city's power supply.

Sustainable and responsible business

continued

Pillar 3: Communities



Regulators
and governments



Society

We aim to create more inclusive economies by sharing our skills and expertise and developing community programmes that transform lives.

2021 Sustainability Aspirations: Communities

Community engagement	Timeline	Status	Progress
Invest 0.75% of prior year operating profit (PYOP) in our communities	Ongoing	○	In 2021, \$48.9 million community expenditure, which represents 3% of PYOP.
Raise \$75 million for Futuremakers by Standard Chartered	Jan 2019 – Dec 2023	○	In 2021, \$14 million was contributed through fundraising and donations by the Group, taking the total from 2019 to 2021 to \$64 million.
Education: Reach 1 million girls and young women through Goal	Jan 2006 – Dec 2023	○	In 2021, 89,014 girls participated in Goal. This brings the total reach from 2006 to 2021 to 735,452 girls and young women.
Employability: Reach 100,000 young people	Jan 2019 – Dec 2023	○	In 2021, 66,534 young people participated in employability programmes. This brings the total to 87,703 young people reached from 2019 to 2021.
Entrepreneurship: Reach 50,000 young people	Jan 2019 – Dec 2023	✓	In 2021, 46,808 young people participated in entrepreneurship programmes. This brings the total to 62,496 young people reached from 2019 to 2021. *In 2021, this Aspiration has been amended to reflect number of young people reached instead of young people, micro and small businesses. This is consistent with the methodology used in 2019 and 2020.
Increase participation for employee volunteering to 55%	Jan 2020 – Dec 2023	△	In 2021, 25% of employees volunteered. The pace of delivering employee volunteering continues to be impacted by COVID-19 restrictions.

Concluded in the year

✓ Achieved △ Not achieved

Ongoing aspirations

○ On track △ Not on track

We continue to support our communities through Futuremakers by Standard Chartered, our global initiative to tackle youth economic inclusion and enable the next generation to learn, earn and grow. In 2021, we contributed \$14 million to Futuremakers, including donations from the Group and fundraising of \$1.4 million from our employees and partners.

Despite the challenging global environment, blending face-to-face interaction with digital delivery methods enabled Futuremakers programmes to reach more than 304,369 young people in 2021. From 2019–2021, Futuremakers has reached a total of 671,070 young people across 41 markets and raised \$64 million.

Goal, our Futuremakers girls' empowerment programme to tackle negative gender and social norms, implemented face-to-face sessions where possible and combined these with a digital curriculum delivered through phone messaging, radio or online. In 2021, Goal reached 89,014 girls and young women. We also supported the FREE (Financial Resilience and Economic Empowerment) Fund, led by our Goal partner Women Win, to further long-term investment in the economic empowerment of adolescent girls and young women who have been heavily impacted by COVID-19.

Through additional funding allocated in 2020 to support COVID-19 economic recovery, this year we significantly scaled-up our livelihood programmes. Our Futuremakers employability skills programme, reached more than 66,500 young people and entrepreneurship activities reached more than 46,800 young people in 2021.

Pillar 3: Communities continued

In nine markets, the Standard Chartered Women in Tech incubators supported female-led entrepreneurial teams with business management training, mentoring and seed funding.

In 2021, we delivered the second edition of our virtual Futuremakers Forum to create partnerships and opportunities for young people. The Forum engaged more than 1,000 participants from 63 markets including business leaders and policy experts. It resulted in a collective 1,800 hours of skills and knowledge-sharing on the future of work. The event was an opportunity for us to seek out best practice to support the livelihoods of young people and identify business leaders who are committed to ensuring that the next generation is prepared for success. A summary of learning from the Forum is available at sc.com/FuturemakersForum2021.

Despite COVID-19 restrictions limiting face-to-face volunteering, 25 per cent of employees volunteered, contributing more than 31,600 volunteering days with many contributing through new opportunities for virtual volunteering.

During 2022, we will continue to deliver and expand Futuremakers programmes, realign our Community Aspirations to reflect the growth of Futuremakers, launch new partnerships to increase employee volunteering, release a Futuremakers impact report and host the third Futuremakers Forum, focused on entrepreneurs and lifting participation.

+ Read more about Futuremakers by Standard Chartered at sc.com/Futuremakers

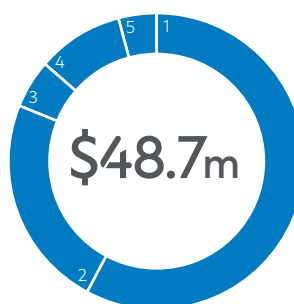
+ A full breakdown of our 2021 fundraising and donations will be published in our ESG report, in Q1 2022. See sc.com/ESGreport.

Our community expenditure 2021

1. Cash contributions	57.70%
2. Employee time (non-cash item)	23.41%
3. Gifts in kind (non-cash item) ¹	5.34%
4. Management costs	9.65%
5. Leverage ²	3.90%

¹ Gifts in kind comprises all non-monetary donations

² Leverage data relates to the proceeds from staff and other fundraising activity



Case study: Futuremakers

Aisha's story

Twenty-year-old Aisha lives in Bangladesh. Her family struggled to make ends meet, and her father's sole income was not enough to pay for her education beyond secondary school.

Thanks to Futuremakers by Standard Chartered, Aisha was able to attend a fully funded technical and vocational skills training programme with a local school. After completing a six-month technical course, and with the support of the school's Decent Employment and Entrepreneurship Development team, Aisha secured a job as an assistant technician at an engineering firm.

This training enabled Aisha to support her family after her father's job loss due to COVID-19. Today, Aisha dreams of becoming an entrepreneur and running her own electronics shop, which will in turn support more girls like her.

Non-financial information statement

This table sets out where shareholders and stakeholders can find information about key non-financial matters in this report, in compliance with the non-financial reporting requirements contained in sections 414CA and 414 CB of the Companies Act 2006. Further disclosures are available on [sc.com](https://www.sc.com) and in our 2021 ESG Report which will be published at [sc.com/esgreport](https://www.sc.com/esgreport) in Q1 2022.

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