

Chemicals & Manufacturing Position Statement

(Effective October 2024)



standard
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Our commitment

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

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

We have established sector specific criteria to manage the heightened E&S risks associated with the Chemicals and Manufacturing sectors. How we apply our cross sector and sector specific Position Statements is explained in our [Environmental and Social Risk Management \(ESRM\) Framework](#). This Position Statement should be read in conjunction with our ESRM Framework, which explains in greater detail how our Position Statements are applied in practice.

Key potential E&S risks faced by the chemicals & manufacturing sectors

Human rights:

Occupational health and safety risks, if not adequately managed, can arise when workers are exposed to hazardous chemicals, unsafe equipment, insufficient protective clothing, forced and child labour, and other abuses in the workplace.

Nature and biodiversity:

Unsustainable practices and release of polluting substances can destroy or disrupt local biodiversity including highly biodiverse areas or sensitive and protected habitats.

Pollution to air and climate risks:

Industrial processes can emit high quantities of polluting organic compounds, carbon monoxide, hydrocarbons, chemicals, and other harmful substances into the air which pose a risk to public health and the environment. Industrial processes being highly carbon intensive and generating greenhouse gases that cause climate change.

Pollution to water and land:

From unsustainable practices and generation of high volumes of waste, including from hazardous and chemical wastes, where untreated water, wastewater and solid wastes containing pollutants may contaminate water bodies and soil.

Chemicals

Sector scope: activities within the scope of this Position Statement include:

- The production, transport and disposal of chemicals (including the synthesis, processing, refining, blending, formulation, and packaging) for petrochemicals, agrochemicals, pharmaceuticals, cosmetics, personal and household care products, and biotechnology products (including research and development).

Chemicals Position Statement criteria:

We will <u>not</u> provide financial services to clients who:	• Manufacture or produce goods containing ozone depleting substances, persistent organic pollutants (POPs), pesticides, and industrial chemicals and compounds such as mercury, in contravention of international restrictions, phase-outs or prohibitions. • Conduct testing on animals for personal care products and household care products, unless mandated by law.
We will <u>only</u> provide financial services to clients who:	• Have an adequate policy in place to ensure environmentally and socially responsible disposal / transport of hazardous waste, aligned to the Basel Convention. • Ensure that any hazardous chemicals and pesticides are accompanied with material safety data sheets (MSDS), product labelling and consignment notes that clearly demonstrate the physical, health and environmental hazards. • Have a policy in place to ensure safe production, cultivation, trade, and transport of living modified organisms (LMOs) and have appropriate permits as required by the Cartagena Protocol on Biosafety.
We <u>expect</u> clients to:	• Operate in accordance with the principles of “Responsible Care” and encourage them to be active members of their respective national chemical industry organisations’ Responsible Care program. • Have a policy in place applying “The 3Rs”: Replace, Reduce, and Refine, where animal testing is required.



Manufacturing

Sector scope: activities within the scope of this Position Statement include:

- Clients that manufacture goods (including the processing and/or packaging of raw materials that may be derived from other industries). This includes but is not limited to ready-made garments, textiles, leather goods, metal products, glass, electrical equipment, machinery, rubber products, tobacco and vaping products, fast-moving consumer goods (FMCG), consumer packaged goods (CPG), aluminium, cement, iron and steel, plastics, heavy road transport vehicles, automobiles and aviation manufacturers.

Manufacturing Position Statement criteria :

We will <u>not</u> provide financial services to clients who:	• Trade or manufacture asbestos-containing products. • Produce products that contain plastic microbeads for personal care products such as cosmetics and cleaning agents.
We will <u>only</u> provide financial services to clients who:	• Demonstrate alignment with the Montreal Protocol, including measures to reduce the consumption of chlorofluorocarbons, hydrochlorofluorocarbons, and hydrofluorocarbons. • Have a policy in place to ensure safe production, cultivation, trade, and transport of living modified organisms (LMOs) and have appropriate permits as required by the Cartagena Protocol on Biosafety. • Have an adequate policy in place to ensure environmentally and socially responsible disposal / transport of hazardous waste, aligned to the Basel Convention.
We <u>expect</u> clients:	• Who manufacture single-use plastic products (including packaging) to commit to establishing reduction targets (or have a time-bound plan), with an aim to: - o Reduce the amount of plastic packaging they produce in the first place. - o Increase the amount of plastic packaging waste that is recycled and recovered. - o Reduce the volume of plastic packaging waste that goes to landfill.
We <u>encourage</u> clients to:	• Incorporate scrap (including scrap from their own manufacturing processes) in their production process (applicable to clients who manufacture aluminium, iron and steel). • Develop and implement sustainable sourcing policy for the procurement of raw materials. • Adopt a circular economy approach to their manufacturing operations by: - o Designing out waste and pollution. - o Keeping products and materials in use. - o Regenerating natural systems.

Important notice



Please refer to the Important Notice included in our [ESRM Framework](#), which also applies to this Position Statement.