

Power Generation Position Statement

(Effective October 2024)



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Our commitment

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

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

We have established sector specific criteria to manage the heightened E&S risks associated with the Power Generation sectors. How we apply our cross sector and sector 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 power generation sectors

Human rights

New projects or developments can result in loss of land or water rights, involuntary resettlement and impacts to livelihoods for local communities, including to indigenous or vulnerable people. Solar developments are particularly at risk of linkages to labour rights issues in their supply chain. Occupational health and safety risks, if not adequately managed, can arise when workers are exposed to hazardous or explosive substances, high temperatures, working at height or offshore, unsafe equipment, insufficient protective clothing or lack of training.

Nature and biodiversity

Development of power generation assets and associated infrastructure can destroy or disrupt local biodiversity including highly biodiverse areas or sensitive habitats. Biofuels used for power generation can accelerate deforestation and impact biodiversity if not managed sustainably. Hydropower and other forms of power generation that are highly water intensive can damage aquatic ecosystems and reduce local water quality and availability.

Pollution to air and climate risks

Power generation assets can emit high quantities of polluting organic compounds, nitrogen oxides, hydrocarbons, chemicals, and other harmful substances into the air which pose a risk to public health and the environment. Industrial processes for power generation can be highly carbon intensive and generate greenhouse gases that cause climate change. Climate change risks including physical risk are applicable, particularly where the assets are located in areas at risk from climate or weather hazards.

Pollution to water and land

Power generation assets can generate high volumes of noise and waste, including hazardous, chemical and nuclear wastes; and high volumes of contaminated or untreated water from cooling or other processes that may be discharged to the environment, impacting nearby habitats and communities.

Nuclear energy

Sector scope

Activities within the scope of this Position Statement include:

- The construction, operation and decommissioning of nuclear power plants and related infrastructure, including the generation of power using nuclear energy, the provision of equipment, materials, and technology to the activities listed above, and the management of radioactive waste. For activities involving the extraction, processing and transportation of uranium, please refer to our Extractive Industries Position Statement.

Nuclear Energy Position Statement criteria

We will only provide financial services to clients who:	• Demonstrate that their operations do not contribute to the manufacture or distribution of nuclear weapons, and that they have a long-term commitment to the use of nuclear technology and equipment for a peaceful purpose. • Have nuclear operations in locations where the host country is a signatory to the Treaty for Non-Proliferation of Nuclear Weapons, or has in place appropriate International Atomic Energy Agency (IAEA) Safeguard Agreements; and where the country of origin of the materials, equipment and technology is a member of the Nuclear Supplier Group Guidelines. • Demonstrate compliance with the applicable IAEA Safety Standards and Nuclear Safety Series (including compliance with national nuclear safety law and regulation). • Use the IAEA Site and External Events Design (SEED) review service for siting of new installations.
We expect clients to:	• Publicly report nuclear safety incidents in line with the International Nuclear and Radiological Event Scale (INES). • Participate in nuclear industry associations and guiding principles relevant to their operations, such as the World Association of Nuclear Operators (WANO), the World Institute for Nuclear Safety (WINS), the Nuclear Power Plant Exporters' Principles of Conduct, and the World Nuclear Transport Institute (WNTI).

Fossil fuel power

Sector scope

Activities within the scope of this Position Statement include:

- The construction, operation and decommissioning of power plants and related infrastructure, that utilise oil or natural gas as fuel.

For thermal coal sector specific criteria refer to the [Thermal Coal Position Statement](#). For activities involving the extraction, processing and transportation of oil or natural gas refer to the [Extractive Industries Position Statement](#). For general power-related infrastructure that supports the transmission and distribution of power from diversified sources refer to the [Infrastructure Position Statement](#).

Fossil Fuel Power Position Statement criteria

We will not provide financial services directly towards:	• New non-captive single-fuel Heavy Fuel Oil (HFO) Fired Power Plants.
We expect clients to:	• Design fossil fuel power plants that maximise efficiency, minimise plant emissions and manage waste streams responsibly. • Monitor and publicly report greenhouse gas emissions annually in accordance with internationally recognised methodologies such as the GHG Protocol, and where appropriate set clear targets for reducing greenhouse gas emissions.

Waste to energy

Sector scope

Activities within the scope of this Position Statement include:

- Any waste treatment process that creates energy in the form of electricity, heat or fuel from a waste source.

Waste to Energy Position Statement criteria

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| We expect clients to: | <ul style="list-style-type: none"> Design waste to energy power plants that maximise efficiency, minimise plant emissions and manage waste streams responsibly. |
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Bioenergy

Bioenergy is energy made from the combustion or processing of biofuels. Biofuels are any fuel that is derived from biomass, that is, plant, algae, animal waste, or other biowaste.

Sector scope

Activities within the scope of this Position Statement include:

- Bioenergy power plants whereby the energy generated is from the combustion or processing of biofuels.

For activities that involve the growing, processing or manufacturing of biofuel please see the [Agribusiness Position Statement](#).

Bioenergy Position Statement criteria

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| We will only provide financial services directly towards: | <ul style="list-style-type: none"> Biomass, biogas, bioliquids energy power plants that can demonstrate a sustainable sourcing policy with regular monitoring in place. |
| We expect clients to: | <ul style="list-style-type: none"> Design bioenergy power plants that maximise efficiency, minimise plant emissions and manage waste streams responsibly. Operate biomass, biogas, bioliquids energy power plants that can demonstrate a substantial reduction in life-cycle emissions relative to fossil fuel baseline. |



Renewable energy

Sector scope

Activities within the scope of this Position Statement include:

- Power plants and related infrastructure using solar, wind, hydro, geothermal and wave energy – including energy storage infrastructure.

Renewable Energy Position Statement criteria	
We <u>expect</u> hydropower clients to:	• Follow the World Commission on Dams (WCD) Framework for Decision Making. • Follow the Hydropower Sustainability Council / Alliance’s Hydropower Sustainability Standard (HSS). • Follow the IFC Good Practice Note on Environmental, Health, and Safety Approaches for Hydropower Projects.
We <u>encourage</u> all renewable energy clients to:	• Implement appropriate lifecycle and waste management processes aligned to recognised international standards, such as the EU Waste Electrical and Electronic Equipment (WEEE) Directive (2012/19), and the EU Batteries and Accumulators Directive (2006/66). • Follow applicable industry safety guidance such as the DNV GL Safety, operation and performance of grid-connected energy storage systems (2017). • Design renewable energy power plants that maximise efficiency, minimise plant emissions and manage waste streams responsibly.

Important notice

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

