

# Sustainable Finance Impact Report 2021



standard  
chartered

## A summary of our impact

**9.2bn**

Sustainable Assets in our Sustainable Finance Portfolio - 138% increase year on year

**1.4m**



tonnes of CO2 emissions avoided from operational assets

Over

**70%**

of our Sustainable Finance assets are located in emerging and developing economies

Over

**84%**

of our Sustainable Finance assets located in Asia, Africa and the Middle East

Over

**540,000**

tonnes of CO2 emissions avoided from assets in construction

Over

**885,000**

microfinance loans enabled

Nearly



**20,000**

SME loans disbursed

### Our Sustainability Bond Issuances

EUR

**500m**

(USD 584m) Sustainability Bond issued in 2019

**87,583**

tonnes of CO2 avoided

**55,909**

microfinance loans enabled

**1,234**

SME loans disbursed

USD

**500m**

500m Sustainability Bond issued in 2021

**74,963**

tonnes of CO2 avoided

**47,853**

microfinance loans enabled

**1,064**

SME loans disbursed

# Sustainable Finance at Standard Chartered

The world is less than a decade away from its 2030 deadline to deliver on the UN Sustainable Development Goals (SDGs).

According to a UN report, just 60 per cent of the financing needed to achieve the SDGs in low and middle-income countries is being met. In Africa, this is as low as 10 per cent.<sup>1</sup> COVID-19 has further widened this financing gap with the OECD estimating that for low and middle-income countries the annual financing gap could increase by up to 70%.<sup>2</sup>

Our markets represent unique challenges, with rapid urbanisation, heightened vulnerability from climate change, and significant social and economic disruption brought by the COVID-19 pandemic. We believe finance is critical in addressing these challenges. It also plays a role in taking advantage of the opportunities; to leapfrog to low carbon technology and accelerate inclusion through digital solutions. It enables individuals to build a positive future for themselves and their families, businesses to thrive and grow, and governments to deliver economic prosperity for the wider community. Supporting sustainable and responsible growth, including delivering the SDGs, and the transition to net-zero, represents a significant opportunity for us.

## Bill Winters, Group Chief Executive



“I am very proud to present our Sustainable Finance Impact Report for 2021, showcasing the ways in which we are being a force for good where it matters most.

Our core markets across Asia, Africa and the Middle East are most at risk from climate change and other wider ESG threats. Despite creating the greatest marginal impact per dollar invested, these regions only receive a fraction of the capital flows they urgently need. With the financing gap running to the trillions, they present a huge untapped investment opportunity. At Standard Chartered we have responded by accelerating the deployment of Sustainable Finance across

the markets we call home. In the past year alone we have increased our sustainable asset base by 138% to USD 9.2bn.

The bank’s commitment to achieve Net Zero from our financed emissions by 2050 means that there is a lot more impact to deliver and we have a steep challenge ahead of us, particularly given 29 of our 59 footprint markets do not at present have a commitment to reach net zero by 2050. But it is a challenge for which we are equipped, and we are determined to use our expertise and access to lead the way in enabling a sustainable transition, working tirelessly with our customers, partners and all stakeholders to safeguard our shared future.”

## Simon Cooper, CEO, Corporate, Commercial & Institutional Banking

“Over the next 10 years, there is a minimum USD10 trillion financing requirement in emerging markets, yet less than 13% of global investment is currently aligned to this.<sup>3</sup>



It is therefore encouraging to see that more than 70% of our sustainable finance assets are located in emerging and frontier markets where other sources of capital simply aren’t flowing. We want to direct more capital into these areas, not just because it isn’t getting there fast enough, but because there is a disproportionate effect on impact: a dollar invested can have a significantly different outcome depending on where and how it is deployed...This report shows that the average CO2 avoided per dollar of financing is 7 times higher in the least, lower and lower-middle income OECD DAC countries than in developed nations.

I am particularly proud to present the impact of our COVID-1bn facility where we made USD 1 billion of not-for-profit financing available for companies that provide goods and services to help the fight against COVID-19.”

<sup>1</sup> UNEP Finance Initiative (2018) Rethinking Impact to Finance the SDGs. Available online at: <https://www.unepfi.org/wordpress/wp-content/uploads/2018/11/Rethinking-Impact-to-Finance-the-SDGs.pdf>

<sup>2</sup> OECD (2020) Global Outlook on Financing for Sustainable Development 2021: A new way to invest for people and planet. Available online at: <https://www.oecd-ilibrary.org/sites/6ea613f4-en/index.html?itemId=/content/component/6ea613f4-en>

<sup>3</sup> Standard Chartered (2020) Opportunity2030. Available online at: <https://av.sc.com/corp-en/content/docs/Standard-Chartered-Opportunity-2030.pdf>

# Our Impact

In order to give investors a holistic picture of the impact of Sustainable Finance at Standard Chartered, we are presenting our impact on a portfolio basis, covering our USD 9.2bn of Sustainable Finance assets.

This year, our Sustainable Finance assets have grown 138% to USD 9.2bn (from USD 3.9bn in 2020) and we expect growth to continue at pace.



“We are proud to present the second allocation and impact report on our Sustainability Bond Programme. Our vision is to be the world’s most sustainable and responsible bank and to be the leading private sector catalyser of finance for the SDGs where it matters most, across Asia, Africa and the Middle East. As such, we seek to embed sustainability and responsibility into everything we do as a bank.”

**Claire Dixon, Group Head, Corporate Affairs, Brand & Marketing**

## Our Green Lending

Our green projects helped us to avoid 1.39 million tonnes of CO2 emissions in the past year. This is equivalent to:



**301,500** commercial cars removed from the road<sup>5</sup>



**3.13m** passenger economy class seats from London to Singapore<sup>6</sup>

To do this we have financed over USD1.5 billion of renewable energy projects, USD 500 million of clean transport projects, and supported a significant expansion of green buildings through USD 3.4 billion

of financing to projects with eligible green building certifications. This is in line with the challenge we set ourselves, and the wider private sector, in our Opportunity 2030 report where we identified a USD 10 trillion gap in financing for SDGs.

Opportunity 2030 also outlined the need for access to basic water and sanitation services in our markets. We have financed two water projects in Malaysia and Africa.

**Contributed to the production of**

# 2,456,000m<sup>3</sup>

**of clean water**



“In 2019 we committed to facilitating project financing services for USD 40 billion of infrastructure projects that promote sustainable development (Jan 2020 - Dec 2024), and to USD 35 billion of project financing services, M&A advisory and debt structuring services for renewables and clean-tech projects (Jan 2020 - Dec 2023). The issuance of our Standard Chartered Group Sustainability Bonds allows us to allocate funds to projects in sectors that are aligned with this commitment.”

**Henrik Raber, Global Head, Global Credit Markets**

In support of this agenda, we have made significant progress on scaling our green asset base over the past year, with growth of over USD 4.8 billion. Each year we go through the process of updating our Sustainable Finance Frameworks,<sup>4</sup> against which assets in this report align, and this year, that included an expansion of the eligible certifications for green buildings. Our Frameworks require specific levels of these certifications to be met to make sure we are only providing green finance for best in market developments. During the last year under this category, we have originated over USD 1 billion of green building assets across Singapore and London alone, two markets that we call home.

<sup>4</sup> Standard Chartered’s Sustainable Finance Frameworks include the Green and Sustainable Product Framework and the Sustainability Bond Framework

<sup>5</sup> <https://www.icao.int/environmental-protection/Carbonoffset/Pages/default.aspx>

<sup>6</sup> <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle>

To reach net zero by 2050, all new buildings should be zero-carbon-ready by 2030.<sup>6</sup> We are supporting that transition in our markets already, with the expectation that similar green building standards and certifications will spread rapidly across the rest of our footprint over the coming decade.

## PCAF guidance

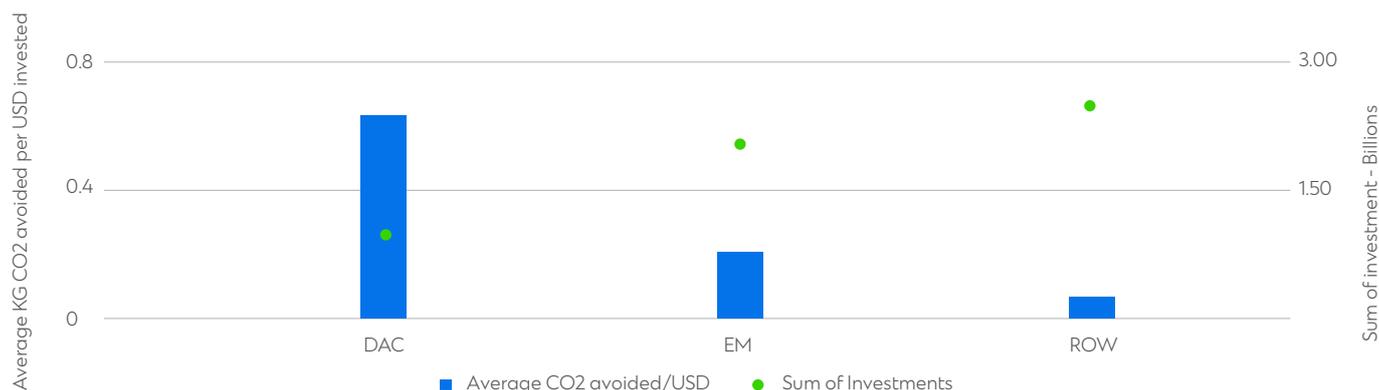
This year, and in line with PCAF guidance, we are separately disclosing the impact of our operational green assets and our green assets under construction. We are also restating our 2020 figures to align with this presentation. In 2020 we had a significant wind asset under construction which moved into operation over the last 12 months. This is reflected in the relevant increase of CO2 avoided in our construction assets from 2020 to 2021 as compared to the number of projects under construction.



“Our green assets in OECD-DAC least developed, lower and lower middle income countries 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, and even that in emerging markets.

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.”

**Paul Skelton, Global Head, Client Coverage, CCIB**



## Taiwan Green Energy

The Government of Taiwan (“GoT”) has set a target to achieve 20% of its energy mix from renewable energy generation by 2025, including new installation of c. 5.5 GW of offshore wind capacity. In support of this ambition, we provided ECA backed project financing to enable construction of 62 new offshore wind turbine generators which will provide around 600MW of clean power to the grid once operational. Phase 1 of this project will see 10 new turbines coming online as soon as 2022, with the remainder the following year.

## Technaf Solar Farm Bangladesh - first utility scale, grid connected solar project

The Technaf Solartech solar farm is the largest solar power plant in Bangladesh with a power generation capacity of 28MW. The plant is set up on 116 acres of leased land at Teknaf, Cox’s Bazar. At peak production, it is estimated that the plant is capable of meeting 80% of power demand of the Teknaf area of Cox’s Bazar and avoiding ~20,000 tonnes of CO2 emissions.

<sup>6</sup> IEA (International Energy Agency) (2021), Net Zero by 2050 – A Roadmap for the Global Energy Sector, [https://iea.blob.core.windows.net/assets/beceb956-0dcf-4d73-89fe-1310e3046d68/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/beceb956-0dcf-4d73-89fe-1310e3046d68/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf)

## Lauca - BITA Transmission Line, Angola

We have helped finance the construction of two transmission lines in Angola which connected the 2067 MW Lauca hydro power plant to the Angola national grid. The project has helped the distribution of electricity from the Lauca Dam to Luanda, the capital city of Angola. The Government of Angola has plans to increase the electrification rate up to 60% by 2030 to cope with the country's growing urbanisation. This project is aligned with multiple UN SDG goals including 7- Affordable and Clean Energy and 11- Sustainable Cities and Communities. Standard Chartered acted as the Mandated Lead Arranger, Coordinator & Structuring Bank and Facility Agent for this significant transaction.

## On Track to Create Economic Growth in Tanzania

Standard Chartered Bank coordinated the USD 1.6bn export credit agency (ECA)-backed long-term financing to fund the new Standard Gauge Railway (SGR) from Dar Es Salaam to Dodoma (Makutupora).

In addition to co-ordinating ECA relationships, we also acted as co-ordinator of commercial and development finance investors. This has been the largest syndicated transaction in sub-Saharan Africa outside the oil and gas sector to date, but more importantly, it has positively changed the accepted norms on how such deals are structured, how risks are managed effectively, and how to balance economic, social and environmental objectives.

When complete this railway will be the longest and fastest in East Africa spanning 550kms for lots 1 and 2 respectively and benefitting local communities by reducing freight costs by 40%,<sup>7</sup> removing 500 lorries from the road, creating more than 8,000 new jobs and improving access to essential public services



<sup>7</sup> <https://www.sc.com/en/feature/tanzanian-rail-project-on-track-to-create-economic-growth/>

# Our Social Lending

We want to ensure that communities in our footprint have access to banking services that will enable them to grow and prosper. In many of our markets small businesses are the powerhouses of the economy and are major drivers of job creation. Our commitments to SME lending (USD 15bn Jan 2020-Dec 2024) and to microfinance (USD 3bn Jan 2020-Dec 2024) are reflected in our asset base and in our impact. We enabled 885,340 microfinance loans in places like Nepal, Tanzania and Bangladesh. We also provided nearly 20,000 SME loans in countries such as India, Kenya, Pakistan and Sri Lanka.

Our social lending also incorporates lending for affordable basic infrastructure (SDGs 6 and 11) and essential services (healthcare and education, SDGs 3 and 4). Over the past year our healthcare lending has supported the construction of new hospitals in Ghana and Australia, and our affordable basic infrastructure portfolio continues to support the development of key road connections in Uganda and in India, supporting local and regional connectivity and providing employment opportunities.

## Construction of the Eastern Regional Hospital, Koforidua, Ghana

We have provided a loan to support the design, construction and equipping of the Eastern Regional Hospital at Koforidua, Ghana. The first phase of the project will see the construction of a 285-bed facility, with the final construction having an envisaged 600-bed capacity.

The project is a significant contribution to the Ghanaian Government's commitment to healthcare infrastructure, especially in the COVID-19 context, and has received recognition from the President of Ghana, Nana Addo Dankwa Akufo-Addo.



**Judy Hsu, CEO Consumer, Private and Business Banking**

"We are absolutely committed to helping our SME clients grow and I am glad that we have grown our SME lending this year in markets where we can make the greatest impact.

Beyond SME lending, we want to give our clients more choices in meeting their investing, saving or borrowing needs sustainably. We are expanding our Sustainable Investing solutions as well as launching green deposits and mortgages across several of our markets; we will continue to work with our clients on this journey towards a more sustainable future."



**Daniel Hanna, Global Head of Sustainable Finance**

"Standard Chartered is uniquely placed to direct capital to support the transition where it matters most. The places we call home are the world's most dynamic countries, and we serve the people and businesses that are the engines of their growth and are central to the transition.

With 29 of our 59 footprint markets not yet committed to net zero by 2050, we want to be a catalyst for change here.

The fact that over 84% of our Sustainable Finance assets are located in Asia, Africa and the Middle East is proof that, we are focused on moving capital to where it matters most. Through our Sustainability Bond Issuances and our world-first Sustainable Deposit product, we are creating unique opportunities for investors to have an impact on the SDGs in emerging and developing markets, where sustainable finance is most needed – all through a well understood UK regulated institution.

It is great to see a USD 4.8 billion increase in our Green Assets year on year, nearly 8 times our 2020 balance. This has resulted in a 264% increase in our CO2 avoided from our operational green assets. We expect this pace of growth, both of our green and sustainable asset base and our impact, to continue."

# Sustainable Fund Finance

This year we expanded our sustainable finance offering through provision of loans to funds with investment mandates which align to our Sustainability Bond Framework. Three sustainable fund finance transactions took place over the past year, with our financing contributing to nearly 2.5 million tonnes of CO<sub>2</sub>e emissions avoided. The funds' investments align to a broad range of SDGs and are spread across our footprint. Examples of portfolio companies include those which provide credible and high-quality carbon offsets in Australia, affordable and accessible life insurance products in Ghana and innovative home energy efficiency technologies in Turkey, Brazil, UAE and elsewhere.



**Tracey McDermott, Group Head, Conduct, Financial Crime and Compliance**

“We have published our detailed methodology on our approach to net zero. We are committed to being a leader in this area and to working with others to ensure that the banking sector plays its role in supporting the transition – particularly in developing economies. We took on the role as chair of the Net-Zero Banking Alliance (NZBA) this year in order to help drive collaboration and cooperation across the sector.”



# COVID-19 Response

**Our social assets also include the lending we have undertaken through our COVID-19 not-for-profit financing facility:**

## **Our response to COVID-19**

In 2020, we announced that we would commit USD 1 billion of not-for-profit financing for companies that provide goods and services to help in the fight against the pandemic, and those planning the switch into making products that are in high demand to fight the global pandemic. To date, we have approved over USD 900m of not-for-profit financing of which over USD 800m has already been disbursed. 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 WHO-approved COVID-19 vaccines.

## Providing COVID-19 tests in Indonesia

In Indonesia, we helped fund Halodoc, a health technology platform that provides rapid COVID-19 tests to high-risk communities. We also donated money to provide sleeping pods to healthcare workers who required much needed rest between their shifts.

## Making masks in Vietnam

In August 2020, we lent Vietnamese company Garco 10, USD 4.3 million to help in the production of personal protective equipment. The financing helped Garco 10 add cloth masks to its product lines to help meet rising demand in the country.

## Supporting vaccine rollout in Malaysia

We supported a key pharmaceutical player in Malaysia to meet their vaccine orders from the Ministry of Health. Our USD 36m of not-for-profit, short-term financing facility supported the import and distribution of up to 3m COVID-19 vaccines.

## Distributing tests and vaccinations, and enabling emergency transportation

Through an USD 11m not-for-profit loan, we have supported Fullerton Healthcare Corporation Limited, an affordable and accessible healthcare provider in Asia Pacific, to deliver 356,000 tests and 100,000 doses of COVID-19 vaccines, deploy ambulances for over 10,000 trips to hospital for suspected cases, and operationalise 6 vaccination centres with a capacity of 2,000 patients per centre per day.

## AfreximBank

We provided USD 200m of not-for-profit funding towards Afreximbank's structured framework to help finance the acquisition of COVID-19 vaccines for African nations. The collaboration between Standard Chartered and Afreximbank will help ensure that 55 countries across Africa have access to COVID-19 vaccines.



# Standard Chartered Sustainability Bond Allocation Report

Eligible Portfolio	Green and Sustainable Funding						
	Number of loans	Amount (USD)	Instrument (ISIN)	Issuance Date	Due date	Principal	Amount (USD)
<b>Green Assets</b>	<b>118</b>	<b>5,490,009,465.86</b>	XS2021467753	Jul-19	Jul-27	EUR 500m	584,220,000
			US853254CB42	Mar-21		USD 500m	500,000,000
<b>Renewable Energy</b>	<b>55</b>	<b>1,513,092,858.40</b>					
Grid Expansion	1	104,285,213.74					
Hybrid Energy Sources	3	174,432,760.64					
Hydropower	1	19,847,966.25					
Manufacturing	12	480,793,536.20					
Solar	21	268,560,153.01					
Waste to Energy	3	50,957,741.41					
Wind	14	414,215,487.13					
<b>Sustainable Water and Wastewater Management</b>	<b>2</b>	<b>12,997,137.16</b>					
<b>Clean Transport</b>	<b>4</b>	<b>527,610,495.12</b>					
<b>Green Buildings</b>	<b>57</b>	<b>3,436,308,975.18</b>					
<b>Social Assets</b>		<b>3,556,423,241.12</b>					
<b>Access to Water</b>	<b>1</b>	<b>32,183,499.22</b>					
<b>Employment Generation</b>	<b>913,107</b>	<b>3,121,527,060.19</b>					
Microfinance	885,340	465,063,783.65					
SME lending	19,600	2,618,054,052.30					
<b>Healthcare Infrastructure</b>	<b>5</b>	<b>139,551,216.45</b>					
<b>Roads Infrastructure</b>	<b>3</b>	<b>104,677,655.15</b>					
<b>COVID-19</b>	<b>26</b>	<b>196,893,034.35</b>					
<b>Fund Finance</b>	<b>3</b>	<b>165,022,409.59</b>					
<b>Total Sustainability Assets</b>		<b>9,211,455,116.57</b>					<b>1,084,220,000</b>

- Percentage of Eligible Sustainable Loan Portfolio Allocated to Sustainability Bond (usage): 12%
- Percentage of Net Proceeds of Sustainable Funding allocated to Eligible Portfolio: 100%
- Eligible Portfolio – Unallocated to Sustainability Bond: USD 8,165,644,340
- New Loans in the Green Portfolio since 2 July 2020: 94 new loans, (USD 4,865m increase from 2020)
- New Loans in the Social Portfolio since 2 July 2020: 460,567 loans enabled (USD 318m increase from 2020)<sup>8</sup>
- New Loans in Sustainable Portfolio Since 2 July 2020: 3 new loans (USD 165m increase from 2020)
- EUR:USD exchange rate as of 13 Aug 2020; EUR 1 = USD 1.1684

<sup>8</sup> This year the number of loans in our microfinance portfolio fell although we saw the average size of each loan increase, likely as a result of the pandemic conditions in our footprint markets.

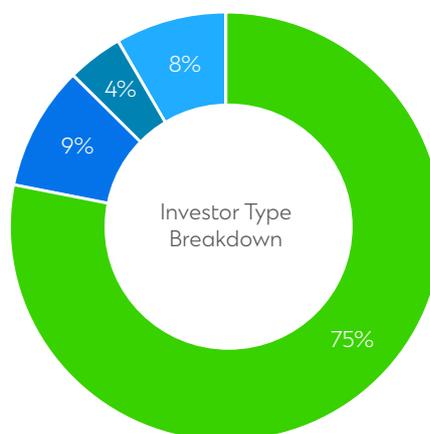
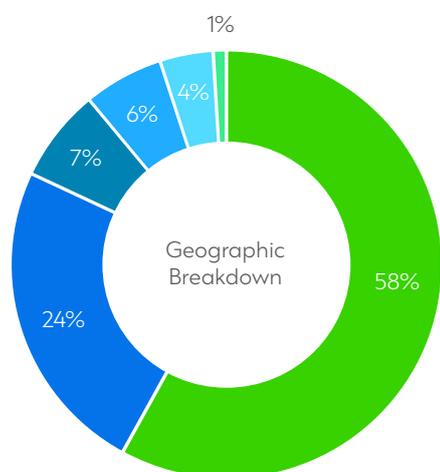
# Standard Chartered’s inaugural USD sustainability bond key facts and figures

## Key Terms

Issuer	Standard Chartered PLC
Format	Rule 144A / Reg S Notes Issued off Debt Issuance Programme
Exp. Issue Ratings (M/S/F)	A2 (Moody’s) / BBB+ (S&P) / A (Fitch)
Size	USD 500mn
Settlement Date	23 March 2021 (T+5)
Maturity Date	23 March 2025 (4NC3)
Optional Redemption Date	23 March 2024
Coupon	1.214% fixed rate, semi-annual on 23 March and September of each year. The interest rate will reset on 23 March 2024 to the Reference Bond Rate + 88bps
Documentation	Issuer’s USD 77,500,000,000 Debt Issuance Programme dated 18 June 2019
Use of Proceeds	Sustainability bond, to finance and/or refinance eligible businesses and projects in accordance with the Issuer’s Sustainability Bond Framework
SPO Provider	Sustainalytics
Sole Sustainability Structuring Advisor	<b>Standard Chartered Bank</b>
ISIN	US853254CB42

## Investor Statistics

Orderbook size **USD3.5bn (6x subscribed)**



- North America
- UK & Ireland
- DACH
- Asia
- Europe
- Middle East

- Asset Manager
- Ins. & Pen. Funds
- Banks & PBs
- CB/Agency

# Standard Chartered’s inaugural sustainability bond key facts and figures

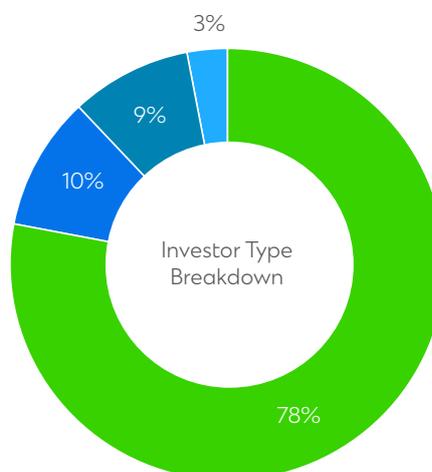
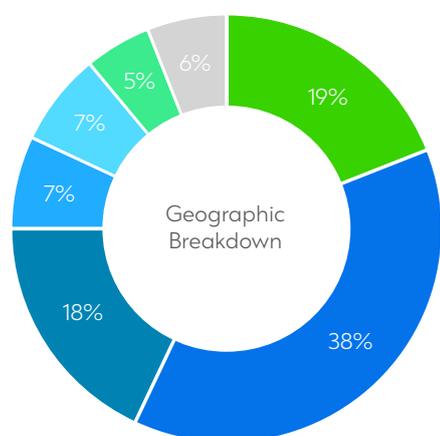
## Key Terms

Issuer	Standard Chartered PLC
Format	Reg S, Bearer, New Global Notes. Issued under the Issuer’s Debt Issuance Programme
Exp. Issue Ratings (M/S/F)	A2 / BBB+ / A (All Stable)
Size	EUR 500mn
Settlement Date	2 July 2019 (T+5)
Maturity Date	2 July 2027 (8 years)
Optional Redemption Date	2 July 2026 (7 years)
Coupon	0.90% Fixed, annual, on 2 July up to and including the Optional Redemption Date
Documentation	Issuer’s USD 77,500,000,000 Debt Issuance Programme dated 18 June 2019
Use of Proceeds	The net proceeds will be applied to finance and/or refinance eligible businesses and projects in accordance with the Issuer’s Sustainability Bond Framework dated 23 April 2019
SPO Provider	Sustainalytics
Sole Sustainability Structuring Advisor	<b>Standard Chartered Bank</b>
ISIN	

## Investor Statistics

Orderbook size

Over EUR 3bn with 165 investors



- UK & Ireland
- France
- DACH
- Asia
- BeNeLux
- South Europe
- Other

- Fund Managers
- Pension/Insurance
- Banks
- Other

# Overview of Standard Chartered Sustainability Bond Framework

In January 2021, Standard Chartered published version 2.0 of its Sustainability Bond Framework which is updated on an annual basis. Our issuances are based on this Framework. It received an SPO from Sustainalytics which can be found [here](#).

The Framework was designed as the basis on which future Green, Social and Sustainability bonds will be issued. Standard Chartered Bank is a regular issuer in the bond market across a range of currencies and tenors. Under this Framework, Standard Chartered PLC and its subsidiaries may issue three types of bonds in various formats:

- **Green Bonds** – Debt instruments whose funds are exclusively allocated to financing new or existing green projects, in whole or in part.
- **Social Bonds** – Debt instruments whose funds are exclusively allocated to financing new or existing social projects, in whole or in part.
- **Sustainability Bonds** – Debt instruments whose funds are exclusively allocated to financing new or existing green and social projects, in whole or in part.

Green, Social, and Sustainability bond transactions use the bond market to direct fund flows towards sustainable projects. We see a clear benefit in the additional transparency offered by these bonds on the use of proceeds and their impact.

We are convinced that sustainable bond offerings can help to raise the necessary funds to combat climate change and increase access to finance in the markets we operate in. We are committed to support and promote the sustainable bond market.

The full Sustainability Bond Framework can be found [here](#).

Our Framework is aligned with the ICMA Green Bond Principles (GBP) (2018), Social Bond Principles (SBP) (2020) and the Sustainability Bond Guidelines (SBG) (2018). It is presented through the GBP's four core components as well as its recommendation for External Review:

## 1. Use of proceeds

### a. Green

- i. Renewable energy
- ii. Energy efficiency
- iii. Green buildings
- iv. Sustainable management of living and natural resources
- v. Pollution prevention and control
- vi. Sustainable water and wastewater management
- vii. Clean transportation
- viii. Climate change adaptation
- ix. Eco-efficient and/or circular economy adapted products, production technologies and processes

### b. Blue

- i. The Blue Economy

### c. Social

- i. Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance
- ii. Affordable basic infrastructure - including roads in low income countries
- iii. Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services)
- iv. Affordable housing

### d. COVID-19

- i. COVID healthcare
- ii. COVID sanitation
- iii. COVID food security
- iv. COVID socioeconomic impact mitigation

# Overview of Standard Chartered Sustainability Bond Framework

## 2. Process for project evaluation and selection

Eligible projects are subject to three levels of review under our Sustainability Bond Framework:

- i. **The Sustainable Finance Working Group** – This group is an appointed group of stakeholders made up of business and functional representatives from across the Group who are mandated with reviewing and promoting the Group’s Sustainable Finance activities. The working group will compile a list of sustainable transactions that align with our sustainability taxonomy.
- ii. **Sustainable Finance and Environmental and Social Risk Management** – This team selects the projects which are most appropriate, whilst assessing relevant E&S risks and mitigate greenwashing risks.
- iii. **The Sustainability Bond Committee** – is responsible for managing the process for Project Evaluation and Selection and this forum has final review of the Eligible Projects

## 3. Management and tracking of proceeds

- a. The proceeds of bonds issued under the Framework will be managed by the Group on a portfolio basis and will be allocated to Eligible Projects. Assigned Projects and any Replacement Projects will be recorded and monitored regularly by the Committee.

## 4. Reporting

- a. On at least an annual basis, the Group will prepare a publicly available report to update investors on the allocation of the net proceeds of the issuance.
- b. On an annual basis, the Group intends to report on the impact of the Eligible Assets by category from a social and environmental perspective.

Before issuance, we commissioned Sustainalytics to provide a Second Party Opinion (SPO) for our Sustainability Bond Framework, which can be found [here](#). They also conducted a pre-issuance verification which can be found [here](#).



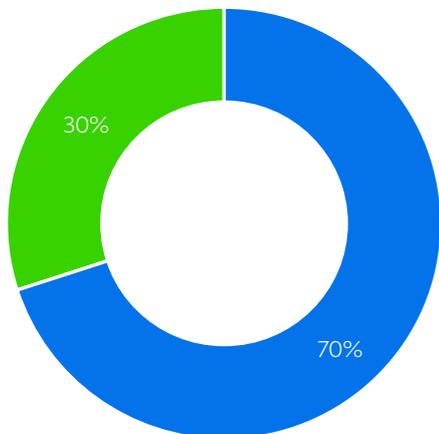
# A detailed breakdown of our impact

## Total Portfolio USD 9.25bn

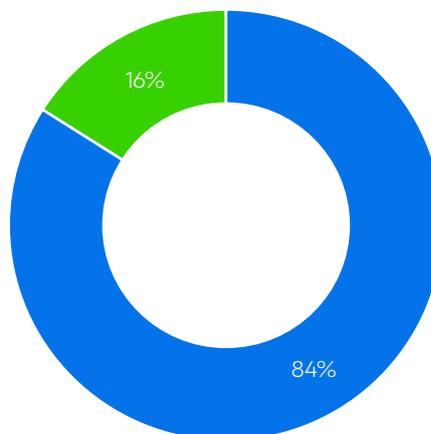
Green	USD 5,490,009,465.86
Social	USD 3,556,423,241.12
Sustainable	USD 165,022,409.59
<b>Total</b>	<b>USD 9,211,455,116</b>

Emerging, frontier <sup>9</sup> and least, lower and lower middle-income OECD DAC countries <sup>10</sup>	USD 6,452,596,422.98	70%
Rest of the World	USD 2,758,858,693.58	30%
<b>Total</b>	<b>USD 9,211,455,116</b>	

Asia, Africa and the Middle East	USD 7,295,378,505.99	84%
Rest of the World	USD 1,451,012,827	16%
<b>Total</b>	<b>USD 9,211,455,116</b>	



- Emerging, frontier and least, lower and lower middle-income OECD DAC countries
- Rest of the World



- Asia, Africa and the Middle East
- Rest of the World

<sup>9</sup> <https://www.msci.com/our-solutions/indexes/market-classification>

<sup>10</sup> <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-of-ODA-Recipients-for-reporting-2020-flows.pdf>

# A detailed breakdown of our impact

## Green Project Financing: USD 5,490m

Category Operational	Type of Project	Market	Number of Projects	Bond asset portfolio amount (USD m)	GHG Emissions Avoided (tonnes CO2 emissions)
Renewable Energy	Grid	Angola	1	104	702.05
		Singapore <sup>11</sup>	1	40	-
	Hybrid	India	1	121	27,455.81
		China	5	185	225,778.97
		Germany	1	117	118.70
		India	1	11	8,294.71
		Malaysia	3	48	628.15
		USA	2	120	134.33
		Solar	Bangladesh	1	14
	China	1	15	17,267.44	
	India	4	25	21,307.59	
	Jordan	1	10	7,847.42	
	Malaysia	5	11	2,485.52	
	Vietnam	2	35	16,571.10	
	Waste to Energy	China	1	25	33,431.93
	Wind	Australia	1	44	109,700.23
		India	1	47	113,009.55
		Taiwan	1	55	15,314.74
		United Kingdom	2	57	42,962.84
Green Buildings	CRE	America	4	248	1,159.83
		Australia	1	16	21.58
		China	4	118	489.48
		France	2	71	33.14
		Germany	1	36	160.21
		Hong Kong	2	156	182.76
		India	5	346	5,317.99
		Korea	1	330	1,103.53
		Singapore	6	612	729.40
		UAE	2	134	484.94
		United Kingdom	11	412	280.31
<b>Total</b>			<b>74</b>	<b>3.563</b>	<b>673,535.64</b>

<sup>11</sup> This financing relates to a holding group with the sole purpose of bidding for renewable energy projects where they are yet to complete any projects.

Category (In Construction)	Type of Project	Market	Number of Projects	Bond asset portfolio amount (USD m)	GHG Emissions Avoided (tonnes CO2 emissions)
Renewable Energy	Hybrid	India	1	13	58,660.21
	Hydropower	Cameroon	1	20	10,535.06
	Solar	India	4	74	170,491.48
		Oman	1	25	51,223.98
		UAE	2	59	38,627.21
	Waste To Energy	UAE	1	7	3,533.11
		Vietnam	1	19	21,476.83
	Wind	France	2	17	1,261.24
		India	1	31	110,799.06
		Jordan	1	24	22,355.11
Taiwan		3	124	45,316.29	
UK		2	15	7,211.64	
Green Buildings	CRE	Australia	1	24	33.13
		Hong Kong	3	396	464.82
		Korea	11	441	1,203.15
		Malaysia	1	57	117.86
		Singapore	2	39	38.36
<b>Total</b>			<b>38</b>	<b>1386</b>	<b>543,348.52</b>

Category	Type of Project	Market	Number of Projects	Bond asset portfolio amount (USD m)	Water Contribution (m3/annum)
Sustainable Water and Wastewater Management	Water Treatment	Africa	1	4	797,071.18
		Malaysia	1	9	1,658,676.30
<b>Total</b>			<b>2</b>	<b>13</b>	<b>2,455,747.48</b>

Category	Type of Project	Market	Project Description	Bond asset portfolio amount (USD m)	Impact Indicators
Clean Transportation	Rail	Australia	Construction of 10.2 kilometre rail link.	4	Reduces private vehicle kilometres travelled by 526,000km per day by 2036, considerably reducing greenhouse gas emissions (carbon dioxide) compared to 'without' the CRR Project.  Reduces the number of private vehicles entering the CBD in the morning peak by 1,300
		Tanzania	The proceeds from the financing will be used for financing Lot 1 and Lot 2 (approx. 550 kms) of the Standard Gauge Railway ("SGR") connecting Dar-Es-Salaam to Makutupora located in Tanzania.	6	535km length of railway tracks built
		Cameroon	The procurement of 9 passenger locomotives by the Government of Cameroon from General Electric ("GE") for the deployment on the national transport grid to support the movement of people.	10	9 passenger locomotives financed
		UAE	Financing for construction of new Dubai Metro line; The project is fully electrified and runs off power generated on the Dubai grid.	402	15 km length of rail built  7 Train stations  16,000 passenger capacity per hour per direction  Upgrades to existing metro network
<b>Total</b>				<b>528</b>	

**Green Asset (Operational + Construction) Breakdown by market**

Market	Asset Hold (USD m)	Project Count	% Breakdown
Africa	4	1	0.08%
Angola	104	1	1.90%
Australia	140	4	2.54%
Bangladesh	14	1	0.25%
Cameroon	30	2	0.55%
China	343	11	6.24%
France	88	4	1.60%
Germany	153	2	2.79%
Hong Kong	552	5	10.06%
India	669	18	12.18%
Jordan	1	2	0.01%
Malaysia	125	10	2.28%
Oman	25	1	0.45%
Singapore	690	9	12.57%
South Korea	772	12	14.06%
Taiwan	179	4	3.26%
Tanzania	60	1	1.08%
UAE	602	6	10.97%
United Kingdom	484	15	8.82%
United States	368	6	6.71%
Vietnam	55	3	0.99%
<b>Grand Total</b>	<b>5,490</b>	<b>118</b>	<b>100.00%</b>

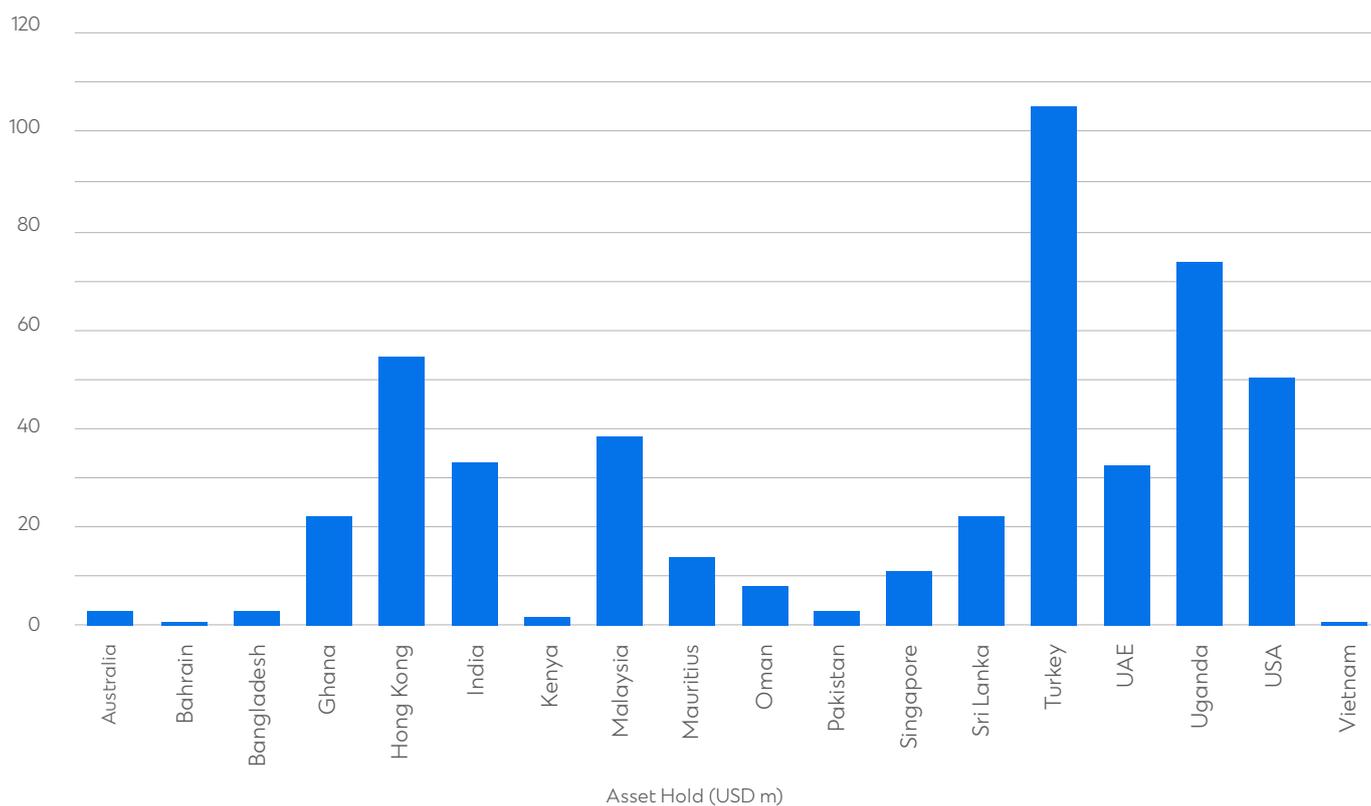
Category	Type of Project	Number of Projects	Bond asset portfolio amount (USD m)	Impact Indicators
Sustainable Fund Finance		3	165	~713,400.00 tonnes CO2 emissions avoided  ~6,758,213 People reached through fund finance invested solutions
<b>Total</b>			<b>165</b>	

**Social Project Financing USD 3,595m**

Category	Type of Project	Project Description	Bond asset portfolio amount (USD m)	Impact Indicators	
Access to Water	Desalination Plant	Project consist of a green-field seawater reverse osmosis water desalination plant with capacity of up to 150 MIGD a day.	32	10,063,344.66 water produced m3/y	
Affordable Basic Infrastructure	Road	Financing of construction of an access road and workers' camp as supporting infrastructure to an Airport. Associated with the camp will be a 4.9 km paved access road connecting to a number of local villages.	71	4.9 km paved access road connecting to Nyamasoga, Kijumba and Kyapoloni villages  2,700 full time jobs, 100 casual labourers	1.Length of road built 2. Increase in number of jobs
		Funding provided for the two road construction and upgrading projects in India	33	173.5km	Length of road built
Access to Health Services	Healthcare	Integrated Healthcare Campus	104	2682 beds 23600 patients	
		Hospitals	8	3 Hospitals	
		Hospital Equipment	5	40 New Born Incubators	
		Construction of a new hospital	20	600 beds	
		Construction of a new hospital	3	504 beds	
		Construction of a new hospital	197	Mixed impact indicators e.g. number of masks produced, pairs of gloves produced, PCR kits produced, No. of swab test conducted,	
Employment generation including through the potential effect of SME financing and microfinance	Microfinance		465	885,340 Loans to Microfinance	
Employment generation including through the potential effect of SME financing and microfinance	SME Lending		2,618	19,600 loans to SMEs	
<b>Total</b>			<b>3,556</b>		

**Social Asset Breakdown by arket:**

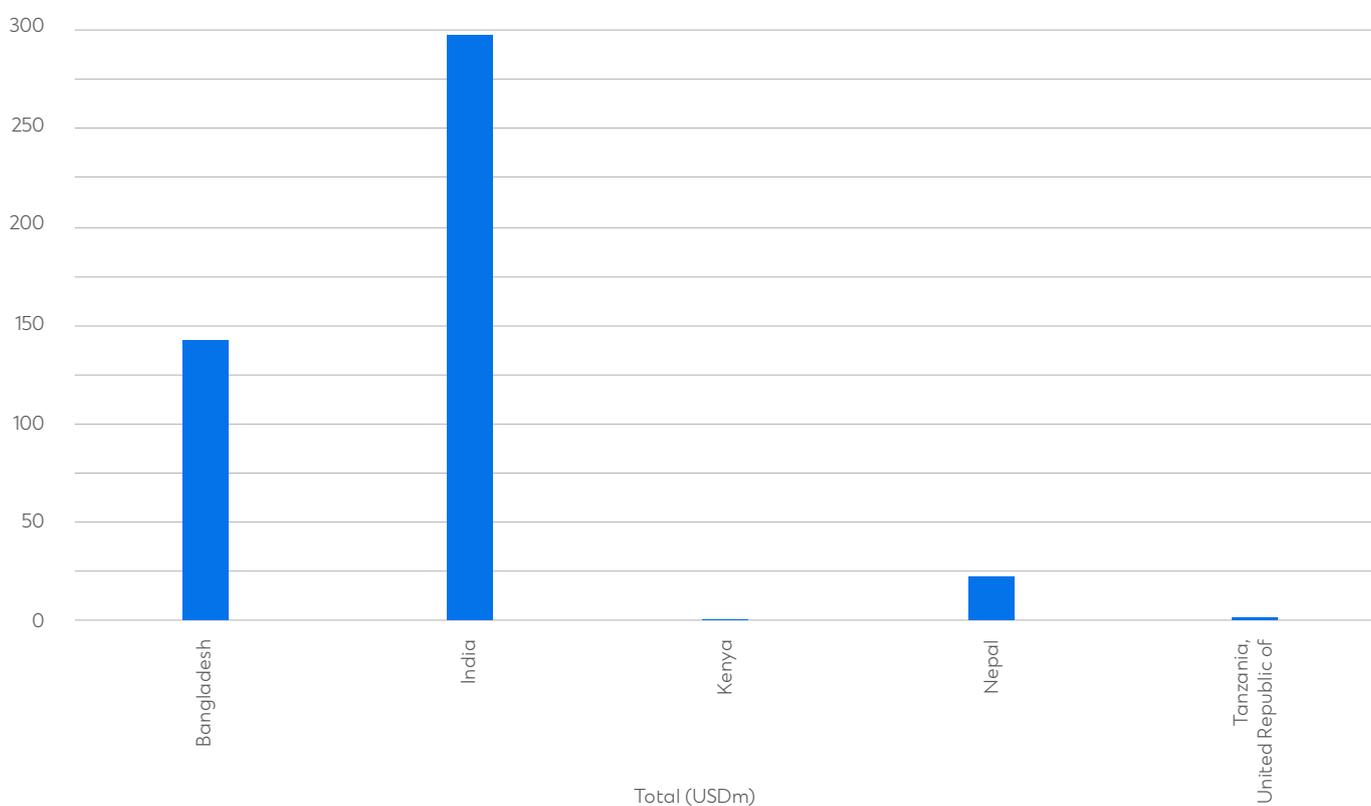
Market	Asset Hold (USD m)	Project Count	% Breakdown
Australia	3	1	0.61%
Bahrain	1	1	0.18%
Bangladesh	3	2	0.53%
Ghana	22	2	4.68%
Hong Kong	54	3	11.48%
India	33	2	7.04%
Kenya	2	2	0.52%
Malaysia	38	4	7.96%
Mauritius	14	1	2.85%
Oman	8	1	1.69%
Pakistan	3	1	0.54%
Singapore	11	1	2.36%
Sri Lanka	22	6	4.63%
Turkey	104	1	21.88%
UAE	32	1	6.80%
Uganda	73	2	15.50%
USA	50	1	10.56%
Vietnam	1	3	0.21%
<b>Grand Total</b>	<b>473</b>	<b>35</b>	<b>100.00%</b>



### Summary of SME financing and microfinance

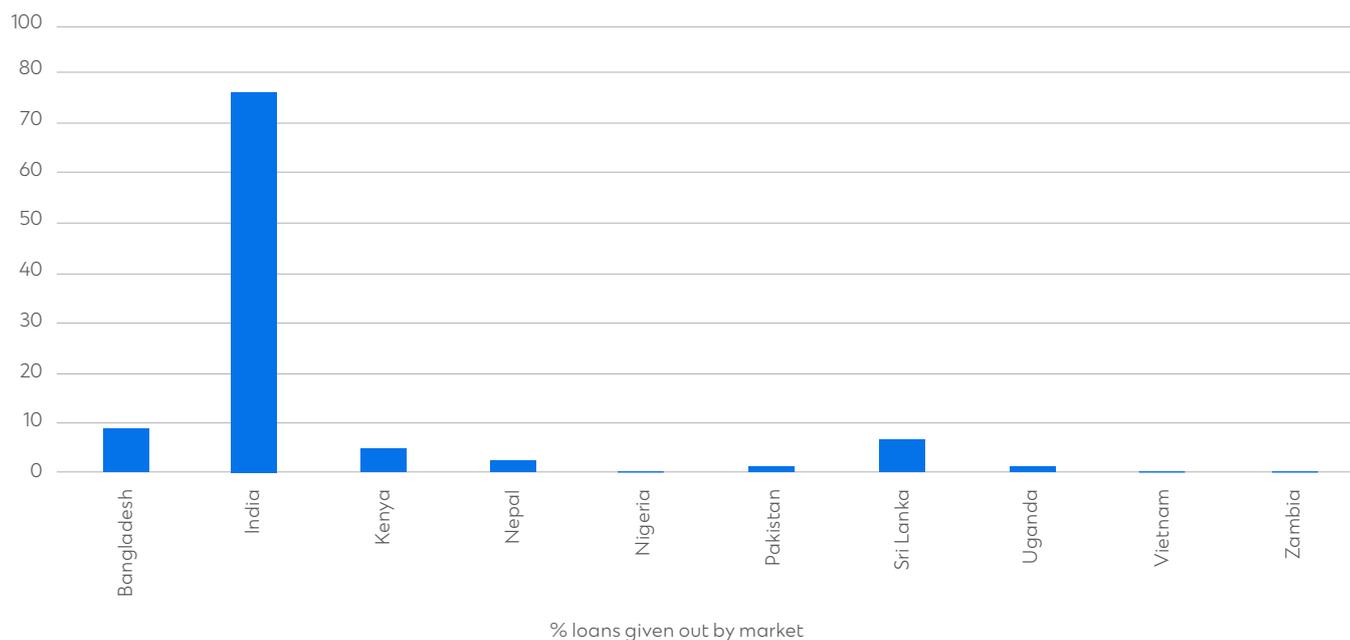
#### Microfinance

Market	Total (USDm)	Average Ticket Size (USD)	Number of Loans	Allocation %
Bangladesh	142.61	552	258,355	30.67%
India	296.79	506.73	585,700	63.82%
Kenya	0.22	431	516	0.05%
Nepal	23.24	651.55	35,666	5.00%
Tanzania, United Republic of	2.20	431	5,103	0.47%
<b>Total</b>	<b>465.06</b>		<b>885,340</b>	<b>100.00%</b>



## Business Banking

Market	Total (USDm)	Average ticket size (USD)	Number of Loans Given out	% loans given out by market
Bangladesh	147	79,439	1,847.14	9.42%
India	2,179	147,060	14,818.75	75.61%
Kenya	77	86,657	893.40	4.56%
Nepal	125	331,705	377.61	1.93%
Nigeria	13	729,751	17.42	0.09%
Pakistan	29	189,732	154.46	0.79%
Sri Lanka	9	7,993	1,118.36	5.71%
Uganda	7	32,167	224.36	1.14%
Vietnam	29	248,359	118.59	0.61%
Zambia	2	60,387	29.42	0.15%
<b>Total</b>	<b>2,618</b>		<b>19,599.51</b>	<b>100%</b>



# External Verification of Our Impact

Sustainalytics has evaluated the projects and assets funded between June 2020 and July 2021 based on whether the projects or the companies financed have:

- Met the Use of Proceeds and Eligibility Criteria outlined in the Standard Chartered Bank Sustainability Bond Framework; and reported on at least one of the Key
- Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Standard Chartered Bank Sustainability Bond Framework.

Based on the limited assurance procedures conducted, nothing came to Sustainalytics' attention that caused them to believe that, in all material respects, the reviewed bond projects funded through proceeds of Standard Chartered's Sustainability Bonds, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Standard Chartered Bank Sustainability Bond Framework. Standard Chartered has disclosed to Sustainalytics that the proceeds of the Sustainability Bond were fully allocated as of July 2020.

A full version of this report can be found [here](#).

## Methodology Notes

Standard Chartered reports the estimated impact of the assets in our Sustainable Finance asset pool on an aggregate level per category.

Calculations are for the time of July 2020–July 2021. Where actual energy production or water treatment figures have been used, the time period is 2020. Financial data used in calculations were based on the latest available audit reports.

To the extent available, the reporting is based on real data reported by the projects, companies, or other organisations. If such information has not been available, we have used the GHG Accounting and Reporting Standard for the Financial Industry ("The Standard") as developed by the Partnership for Carbon Accounting Financials (PCAF). The Standard sets out methodological guidance to measure and disclose GHG emissions associated with various asset classes ranging from Commercial Real Estate, Project Finance to Listed Equities and Corporate Bonds.

In line with The Standard, the P50 estimates for relevant asset type and location were used in GHG emissions calculations. The P50 value is the predicted annual production for which there is a 50% probability that it will be exceeded each year. If unavailable, CSR metrics for the appropriate periods was used in place of P50 estimates.

CSR metrics were obtained from Annual Corporate Sustainability reports.

Should circumstances arise rendering PCAF methodologies inapplicable, proxy methodologies have been applied to obtain an approximate avoided emissions figure. Assets with similar characteristics and calculated emissions data of Score 1 (as defined by PCAF) were used to generate proxies where impact data is unavailable. Efforts were made to ensure that proxies were as similar as possible and calculation methodologies were fully disclosed to Sustainalytics as part of their review. This approach has been kept to a minimum when calculating Standard Chartered estimated impact of assets in the Sustainable Finance asset pool.

The avoided CO2 emissions and other impacts are reported in accordance with our total financing share, in line with the approaches under The Standard.

It is assumed that new renewable energy capacity avoids emissions that would otherwise be in line with the grid emissions factor of the relevant country. We have opted to use the emissions factor value from the IFI Dataset of Grid Factors (Version 2.0) July 2019.

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