



**Building a  
sustainable  
business**

High Performance Banking  
[www.standardchartered.com](http://www.standardchartered.com)

Standard  
Chartered 

# **Sustainable development – development that meets the needs of the present without compromising the ability of future generations to meet their own needs.**

In this report we explain what being a 'sustainable business' means to Standard Chartered Bank, where we will focus our efforts over the next three years and how we are defining what success will look like.

# “It is our responsibility to build a sustainable business.”

## Our ambition

Through the application of using our core skills, services and talent we want to make a positive contribution to society. Our “building a sustainable business” strategy is Standard Chartered’s response to a rapidly changing world, increasing stakeholder needs and global challenges such as climate change and poverty.

Our reach and influence gives us an opportunity to be recognised in our markets as leaders in building a sustainable business. We have the right values, policies and procedures to deliver this ambition.

Our responsibility is to build a sustainable business.

## Our business

We want to be the world’s best international bank – leading the way in Asia, Africa and the Middle East. We have a history of over 150 years in banking and operate in many of the world’s fastest growing markets with a global network of more than 1,400 branches in over 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas.

As one of the world’s most international banks, we employ 60,000 people, representing over 90 nationalities, worldwide. Diversity lies at the heart of our values and is fundamental to the bank’s success.

Our commitment to shareholders is achieved by using our values as core drivers of our approach to managing our people, exceeding the

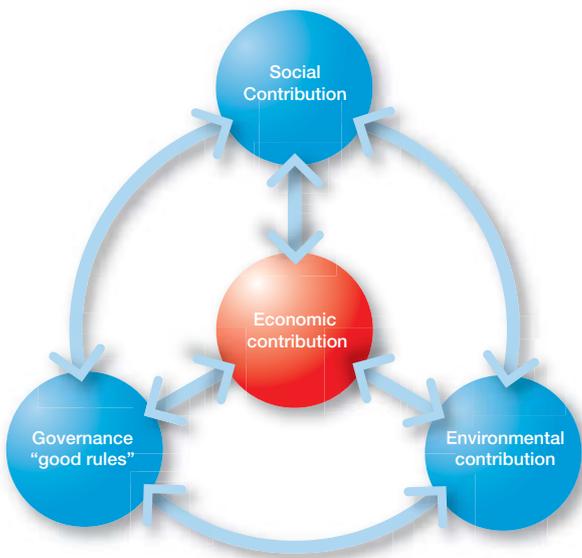


expectations of our customers, making a difference in communities and working with regulators.

## Our changing world

The world in which our business operates is changing rapidly. We live in a world of finite resources, faced with global challenges of climate change, terrorism, corruption and pandemics capable of affecting millions. Many of these challenges are complex and interrelated and as a business we recognise that we must ensure that our impact on the world around us is positive. In doing so we must work closely with governments, customers, and other key stakeholders to ensure that we can continue to be a successful company for another 150 years.

# “Our footprint in Asia, Africa and the Middle East provides us a unique opportunity to contribute to sustainable development.”



## What do we mean by Building a Sustainable Business?

Banking is a major contributor to economic growth in countries and business growth for companies.

The fundamental function of a bank is aggregating and deploying savings to support trade, enterprise and investment – the sinews of economic growth.

A well functioning financial services system plays a fundamental role in both driving and supporting economic growth. This is particularly relevant to Standard Chartered, a Bank whose footprint in Africa, Middle East and Asia means that it is aligned with the future prospects of the developing world.

The world is learning that economic growth cannot be at the expense of the environment and society. Our footprint in Africa, Middle East and Asia means that we can support our customers with sustainable economic growth.

For us, building a sustainable business means recognising four distinct but interconnected pillars: social contribution; environmental protection; how we contribute to economic development; and our approach and contribution to good governance.

## Creating value

We believe our approach to building a sustainable business has and will create value for Standard Chartered. We will be able to recruit the best staff; develop stronger stakeholder relationships; have an engaged and motivated workforce; generate new commercial opportunities; and manage new types of risk. It also provides an excellent opportunity to differentiate our brand from our competitors.

## Our role

Our primary role is to generate value for our shareholders. To continue fulfilling this role effectively we need

to take a long term view of the consequences of our actions.

Our core business provides the potential to fuel economic growth, promote good governance and sustainable development across our markets. We believe that we can lead by example, by building a business that will benefit our shareholders, societies in which we operate, the environment and local economies.

We can influence sustainable development on three levels – through leading by example in terms of our own direct impact, our core products and services and in our interaction with our stakeholders – governments, customers, employees and suppliers.

Our own direct impacts are relatively small. The greatest impact we can have is through influencing the behaviour of others. We can only lead in this if we manage our direct impacts effectively.



**“We recognise our own direct impacts on the environment are small compared to the potential risks and opportunities that exist within our business activities.”**



### **Our Core Sustainability Themes – Our Stakeholders’ Views**

Over the last few years we have been working with a range of stakeholders across our markets to better understand the key risks, impacts and market opportunities we have in promoting sustainable development.

The five themes identified by stakeholders as areas where Standard Chartered can make a significant contribution are:

- Sustainable financing
- Tackling financial crime
- Access to financial services
- Responsible selling and marketing
- Protecting the environment

The vast majority of those consulted wish to see more information on how we think these issues relate to our business and the influence we can have.

Two further areas have been identified as highly important to employees and our host governments:

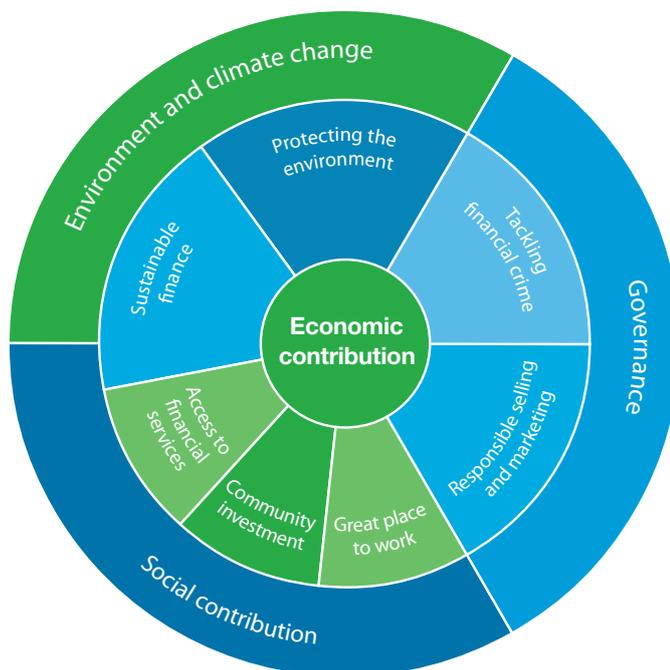
- Our approach to community investment and employee volunteering.
- Creating a great place to work, including our work on Living with HIV/AIDS, Diversity & Inclusion as well as Health & Safety.

We will continue to report on them as we believe they are important issues for our business and the continued engagement of our employees.

## Our Core Sustainability Themes

Core Theme	Why these are key to building a sustainable business
<b>Community investment</b>	Our strategy is to invest in initiatives that align with our core business, involving our employees as much as possible, so that the Bank, our employees and communities can better benefit from the investment made. We aim to be leaders by utilising our core expertise, networks and resources to help communities develop and economies grow.
<b>Great place to work</b>	Ensuring that our employees work in a safe and healthy environment, and our work improves understanding of health and wellbeing issues in the wider community through family networks, provides us with a healthier, more informed, economically active workforce and community. For us this issue encompasses the wellbeing of our staff, their security in some of our less stable markets, raising understanding of issues associated with HIV/AIDS and our approach to diversity and inclusion. To us, inclusion means ensuring each person feels valued within an environment where they can reach their full potential. We want to attract, engage and retain the best talent and harness the differences individuals bring, enabling them to realise their full potential. Our commitment to diversity and inclusion helps to support this ambition.
<b>Access to financial services</b>	In 2006 80% of the world's population did not have access to credit or basic financial services <sup>1</sup> . Limited access to finance is often seen as a root cause of poverty, conflict and damage to the environment. Supporting economic development in countries in Africa and Asia is a top priority for the Group. Through offering services that benefit those who are traditionally financially excluded we can support economic growth, and the development of healthy economies. We can also assist through programmes of financial education.
<b>Protecting the environment</b>	We recognise that many of our markets will be among those most affected by climate change. Our response to this issue covers a range of areas – through managing and reducing our own direct impact, through ensuring our financing activity recognises issues relating to protecting the environment and through commercial opportunities that drive the move to a lower carbon economy.
<b>Responsible selling and marketing</b>	Fierce competition can cause selling and marketing of products to become more aggressive, and can result in eroding trust between financial institutions and customers. We must ensure that our marketing and selling is underpinned by our core values of being trustworthy, responsive and courageous in order to protect our reputation and to maintain and grow a sustainable business.
<b>Sustainable finance</b>	Our financing activity can have both a positive and negative impact on communities, economies and the environment. We want to be a “force for good” and promote the right sort of change in our markets and recognise that identifying and managing sustainability considerations in financing decisions must be an important part of our risk evaluation process with implications not only for credit but for protecting our reputation.
<b>Tackling financial crime</b>	Corruption and financial crime continue to outpace international cooperation to fight it, with annual estimates of the cost of money laundering exceeding USD \$500 billion <sup>2</sup> . Bribery, corruption, fraud and financial crime affect the ability of economies to grow and develop, and impact the communities we operate in by fuelling poverty and inequality. Our response stems from our own code of conduct but is relevant to our approach to tackling financial crime through our monitoring activity and financing.
<p><sup>1</sup> PlaNet Finance  <sup>2</sup> United Nations Office of Drugs and Crime 2006</p>	

## Sustainable Business Priorities



# Delivering on our ambitions

Some of the decisions we have to make in relation to the themes highlighted above are far reaching. Whilst we feel that we already have policies and procedures in place for many of these important themes, our strategy will seek to ensure that sustainability becomes core to our mainstream business. Over the next three years we will commit to:

## Good governance:

We will continue to improve our involvement in government and international debate on good governance and we will work hard to deliver outstanding governance processes within our business.

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## Internal engagement:

Our key asset in delivering this strategy is the enthusiasm, talent and skills of every person in the Bank. Our aim is for everybody in the Bank to be clear about what delivering a sustainable business means for them; so that environment, society, profit and economic growth is considered in every decision we make.

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## Identifying market opportunities:

In response to the changing global agendas such as poverty and climate change we will identify and evaluate market opportunities and identify innovative solutions which will drive sustainable development.

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## Trust and transparent dialogue:

Sustainability extends beyond Standard Chartered itself to include our relationships with governments, customers, communities, suppliers and employees. This type of partnership requires trust and transparency through building longer-term partnerships with those that have a similar ambition. We have good examples to build on, such as the Corporate Leaders Group on Climate Change, HIV partnerships, microfinance and Seeing is Believing.

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# Reporting on our Performance

We will continue to report on our progress annually through our Sustainability Review and over the Group's website.  
([www.standardchartered.com/sustainability](http://www.standardchartered.com/sustainability))

Our first Sustainability Review will be published in March 2007 building on previous reports on our corporate responsibility.

We aim to report on what stakeholders think of our performance, how we are engaging with our global stakeholders and how we respond internally by engaging with our employees. The review will set out key performance indicators which we will use to assess our progress.

We will also continue to report in more detail on our specific priority themes throughout 2007 in specific issue reports.

 **more information**

[www.standardchartered.com/sustainability](http://www.standardchartered.com/sustainability)



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