



## 2021 Sustainability Aspirations Basis of Reporting

### Introduction

This basis of reporting document sets out the governance, internal reporting and scope that apply to the reporting of progress on Sustainability Aspirations by Standard Chartered and its subsidiaries (together known as “the Group”) in our Annual ESG Report and Annual Report and Accounts.

The [Environment reporting criteria document](#) provides further details on the principles and methodology applicable to selected Aspirations that have a carbon emissions element.

A more detailed version of each Aspiration’s methodology is available to users on request.

### Governance

We track progress for all Sustainability Aspirations throughout the year on a quarterly basis with updates to the Culture and Sustainability Committee of the Board, Group Management Team and Sustainability Forum among others.

Each Aspiration has one employee responsible for gathering and reporting of data and another (Managing Director level or equivalent) for review and sign off.

### Progress status

‘On Track’ / ‘Not on Track’ apply to Aspirations during quarterly reporting, and at full year reporting for those Aspirations that run for more than one year.

‘Achieved’ / ‘Not Achieved’ are used at full year reporting for Aspirations that have reached the end of their specified timeframe or have been achieved ahead of this.



Pillar One: Business		
Aspiration	Target Date	What is included
<b>Infrastructure</b>		
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	Deals related to advisory, financing, debt structuring services and policy advice for projects that align to our <a href="#">Green and Sustainable Product Framework</a> (excluding power generation) such as: Roads in Development Assistance Committee ( <a href="#">DAC</a> ) <a href="#">Countries</a> , rail projects, green Commercial Real Estate (CRE), water treatment, desalinisation, energy efficiency, climate change adaptation, healthcare infrastructure, and education infrastructure.
<b>Climate</b>		
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	<p>Loans provided to renewable energy projects under project finance methodology, including loans made under Export Credit Agency (ECA) cover where the Group has provided funding directly to the project. We report the total quantum of debt raised for the project where the Group has participated as a lender.</p> <p>Mergers and Acquisition (M&amp;A) Advisory: Advisory services provided to companies acquiring or selling services for renewable energy projects. We report the total enterprise value of the company.</p> <p>Debt Structuring: Advisory services on a loan, or other type of corporate finance services for renewable energy projects that align to our verified Green and Sustainable Product Framework. The financing is provided by other banks without participation of the Group. We report the total value of the loan.</p> <p>Debt Capital Markets: Participation (bookrunner) in bond issuances verified under an eligible Green or Sustainability Framework or aligned to one of the International Capital Market Association (ICMA) eligible green project categories. We report the issuances where the Group has acted as a bookrunner in the transaction. The amount is defined as total issuance size.</p>

		Lending Services: Loans, (including corporate loans working capital and revolving credit facilities) made to companies outside of the Project Finance methodology where companies are engaged primarily under the business of renewable energy or directly to a subsidiary whose main business is renewable energy. We report the total amount of funding provided to companies for corporate facilities and total amount of capital committed under working capital/revolving credit facilities.
<p>Only provide financial services to clients who are:</p> <ul style="list-style-type: none"> <li>• By 2024, are less than 80% dependent on thermal coal (based on % EBITDA at group level);</li> <li>• By 2025, are less than 60% dependent on thermal coal (based on % EBITDA at group level);</li> <li>• By 2027, are less than 40% dependent on thermal coal (based on % EBITDA at group level);</li> <li>• By 2030, are less than 5% dependent on thermal coal (based on % EBITDA at group level)</li> </ul>	Jan 2020 – Jan 2030	<p>We cease new business with all clients dependent on earning from thermal coal if they are at or above the threshold. We exit these relationships subject to any outstanding contractual arrangements.</p> <p><i>Based on policy updates announced during 2021, we now test dependency based on revenue from thermal coal rather than EBITDA and we carry out the test at client entity level rather than at client group level.</i></p>
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 2021 – Dec 2021	A public methodology documenting our definition of net zero in terms of scenarios, segments, sectors and products, a methodology for assessing current and future emissions associated with our financing of clients, targets to reduce those emissions, and a timeline over which those targets will be achieved and over which the definition, methodology and targets may be revised.
<b>Entrepreneurs</b>		
Provide \$15 billion of financing to small business clients (Business Banking)	Jan 2020 - Dec 2024	The \$15bn target of loans between 2020-2024 pertains to financing small businesses with annual sales turnover cap of US\$15m. In scope is the total value of new loan bookings done across all markets and should only include the incremental amount in case of top-ups.
Provide \$3 billion of financing to microfinance institutions	Jan 2020 - Dec 2024	Microfinance institutions include, though not limited to banks, rural credit cooperatives, central cooperative banks, local area banks, small finance banks, Non-bank Finance Institutions (NBFI), not-for profit companies, trusts, credit unions, etc. It also includes any entity which is significantly involved in microfinance operations with >75% of its loan assets are microfinance lending or inclusive finance such as lending to micro and small enterprises, agricultural and allied activities, low cost housing and any other socially relevant industry catering to un/underbanked individuals.

		<p>Loan size: Loans to beneficiaries for income generation should be less than \$10,000 in least, lower and lower-middle income Organisation for Economic Co-operation and Development (OECD) and Development Assistance Committee (DAC) countries.</p> <p>Loans included: Every new loan. New loans are identified with a unique loan number. A new loan is taken as a disbursement. Loans made in Asia and Africa which have been rolled over on repayment date.</p>
<b>Retail</b>		
<p>Launch a suite of five core sustainability-focused retail banking products in selected markets across our footprint</p>	<p>Jan 2021 – Dec 2022</p>	<p><b>1. Sustainable Term Deposits (TDs).</b> Allocate deposits to Sustainable Development Goals (SDGs). Markets in scope are Singapore, Indonesia and Taiwan. Targets for 2021: Sustainable Term Deposits allocated to SDGs in all markets in scope.</p> <p><b>2. Product: Credit cards.</b> Offset carbon footprint of physical cards. Methodology to measure carbon emissions linked to credit cards to be measured by our vendor Thales. Markets in scope are Malaysia, Hong Kong, Bangladesh, and Singapore.</p> <p><b>3. Product: Green Mortgages</b> Provide concessionary rate loans for Green Homes. Green Homes are defined as buildings certified to an acceptable level under a green building certification scheme. Acceptable certification to be in line with the Bank's <a href="#">Green and Sustainable Product Framework</a>. Markets in scope are Singapore, Hong Kong, and Taiwan. Target for 2021: Offer concessionary rate loans in each market when financing Green Homes.</p> <p><b>4. Product: Green Home renovation financing.</b> Provide preferential rates for home solar units. Home solar units include solar panels and solar hot water systems. Market in scope - Kenya. Target for 2021: Offer financing with preferential rates.</p> <p><b>5 Product: ESG Investments.</b> Launch ESG unit trusts. ESG unit trusts are mutual funds which have been selected based on our Sustainable Investments Classifications Framework. We rely solely on data from third party data providers, Sustainalytics and Morningstar, to define our sustainable investments universe. Key metric: Number of markets with ESG Unit Trust offerings in 2021.</p>

		<i>A product is considered launched, per single market in scope, once the relevant press release has gone out and websites updated.</i>
<b>Commerce</b>		
Bank 10,000 of our clients' international and domestic networks of suppliers and buyers through banking the ecosystem programmes	Jan 2020 - Dec 2024	New to bank clients onboarded/counterparties enrolled as part of <a href="#">Banking the Ecosystem programmes</a> during the reporting year. Both suppliers and buyers are included in this Aspiration. Key elements of our Ecosystem offering include: Distributor Finance, Supplier Finance, Vendor Prepay, and Trade Payables Management.
<b>Digital</b>		
Roll out digital-only bank in a total of 12 markets	Jan 2020 – Dec 2021	Digital-only bank is the rollout of end to end digital capabilities on a mobile device i.e. capabilities broadly categorized as; origination, opening a bank account, transaction capabilities and servicing requests. Digital-only bank is considered rolled out where the technology build has been completed with the above capabilities and a launch event has been made public in the selected market. Deployment to be in 12 Africa and Middle East(AME) markets – 9 in Africa (Cote D'Ivoire, Ghana, Uganda, Tanzania, Kenya, Botswana, Zambia, Nigeria, Zimbabwe) and 3 in Middle East (United Arab Emirates, Pakistan and Bahrain). Key metric: Digital-only bank launched in 12 AME markets by 31 Dec 2021
Double the number of clients we bank in Africa and the Middle East to 3.2 million	Dec 2017 – Dec 2021	The target is to double the number of AME clients from 1.6million to 3.2million by 31 December 2021. AME Client is a client with whom we have a retail banking relationship with and holds a Standard Chartered product, either deposits, assets, or wealth Asset Under Management(AUM). Baseline to be 1.6 million customers as at Dec 2017. Key metric: Bank 3.2 million clients in AME markets by 31 December 2021.
<b>Impact Finance</b>		
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 UN Sustainable Development Goals	Jan 2020 – Dec 2024	We worked with a behavioural finance firm to develop an impact profiling tool for our clients. The tool seeks to understand clients' sustainable investing motivations, aspirations and focus areas, alongside trade-offs. This online tool will be made available to all clients, and a tailored Impact Profile subsequently generated upon completion.  <i>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.</i>

Triple the value of sustainable investing Assets Under Management	Jan 2021 – Dec 2024	<p>The Sustainable Investing Assets Under Management (SI AUM) includes mutual funds that are classified as “Sustainable Investments – Overall”. This Aspiration is calculated as the \$ value of mutual funds tagged as ‘Sustainable’ on Morningstar and are available on Standard Chartered’ s fund platform.</p> <p><i>For 2022, we will replace this Aspiration with a more ambitious Sustainable Investing AUM Aspiration 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.</i></p>
Roll out Environmental, Social and Governance (ESG) scores for single holding investments and funds where applicable ESG scores are available from third party data providers	Jan 2021 – Dec 2021	A target of 100% of single holding investments and funds with scores available from data provider who have ESG scores.
<b>Pillar 2: Operations</b>		
<b>Aspiration</b>	<b>Target Date</b>	<b>What is included</b>
<b>People</b>		
Embed an integrated health and wellbeing strategy to support building and re-skilling a future-ready, diverse workforce	Jan 2020 – Dec 2021	<p>The wellbeing strategy has two key ambitions:</p> <ol style="list-style-type: none"> <li>1. Helping colleagues build key skills for the future (e.g. resilience) and giving easier access to wellbeing support.</li> <li>2. Wellbeing experimentation that will help focus on wellbeing to grow more organically and in a way that is most relevant for different teams.</li> </ol> <p>Key wellbeing initiatives include delivering a global resilience and mental health learning programme and a new global digital wellbeing application, strengthening the infrastructure that supports wellbeing, and building a menu of ‘wellbeing experiments’ and encouraging teams to choose these (or other) wellbeing ideas to pilot.</p> <p><i>This Aspiration has been extended to Dec 2022 to align with the 3-year wellbeing strategy (2020-22).</i></p>
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	This includes active growth plans as a % of employees in Success Factors (tracked via the Group’s Employee Portal).
Increase gender representation: 35% women in senior roles	Sept 2016 – Dec 2025	‘Senior roles’ is defined as employees in managing director and band 4 global grade positions.

		The percentage is calculated using the number of women in senior roles as at 31 December of reporting year over number of total number of employees in senior roles as of the end of the reporting period (31 December of the year reported).
Increase our 'Culture of Inclusion' score to 84.5% with an interim target: Dec 2021: 80%	Jan 2020 – Dec 2024	<p>'Culture of inclusion' is based upon global employee responses to an Inclusion Index, a tool to help People Leaders better understand and measure inclusion within their teams.</p> <p>The Index comprises of the eight existing annual My Voice employee engagement questions that relate to different concepts of inclusion, including being respected and valued for contributions, being heard and involved in decisions, career development and opportunities, and work life balance.</p> <p>The global employee survey is run once a year through an external provider and covers all the Group business across the globe.</p>
<b>Environment</b>		
Reduce annual greenhouse gas emissions (Scope 1 and 2) to net zero by 2030 with interim targets: <ul style="list-style-type: none"> <li>• Dec 2021: 106,000 tCO<sub>2</sub>e</li> <li>• Dec 2025: 60,000 tCO<sub>2</sub>e</li> </ul>	Jan 2019 – Dec 2030	<p>As per our <a href="#">Environment reporting criteria document</a></p> <p><i>In 2021, we brought forward our ambition to achieve net zero GHG emissions in our operations to December 2025.</i></p>
Source all energy from renewable sources	Jan 2020 – Dec 2030	<p>This includes Scope 1 &amp; 2 emissions and renewable sources as defined by the RE100 Climate Group. <a href="#">About us   RE100</a></p> <p><i>In 2021, we brought forward our target to achieve net zero emissions and ensure we only consume renewable energy across our portfolio to 2025.</i></p>
Join the Climate Group 'RE100'	Jan 2021 – Dec 2021	<p>RE100 is a global corporate renewable energy initiative bringing together large and ambitious businesses committed to 100% renewable electricity.</p> <p>Key success indicators: Submission of application to become a member (H1) and Acceptance of Standard Chartered' s membership by RE100. <a href="#">About us   RE100</a></p>
Achieve and maintain flight emissions 28% lower than our 2019 baseline of 94,000 tonnes	Jan 2021 – Dec 2023	As per our <a href="#">Green and Sustainable Product Framework</a>
Reduce waste per colleague to 40kg per year.	Jan 2020 – Dec 2025	<p>General waste recorded from all property portfolio. It includes business as usual general office waste and excludes IT equipment and fit out projects.</p> <p>We measure waste as it leaves buildings. Waste data is reported using a third-party provider online reporting tool.</p>

		For environmental reporting purposes, 'per colleague' refers to the Group's headcount as at 31 December of the reporting year and excludes non-employed workers.
Recycle 90% of waste	Jan 2020 – Dec 2025	General waste recorded from property portfolio. Recycle includes all materials which enter the recycle waste stream. Recycling data is reported using a third-party provider online reporting tool.
Develop a methodology to measure Scope 3 emissions from our supply chain	Jan 2021 – Dec 2021	Establish a baseline for Scope 3 emissions and establish Scope 3 emissions estimate including top vendors accounting for a percentage of emissions. Deliver a document summarizing the measurement methodology in conjunction with a third party specialist and use this methodology to estimate supplier emissions baseline. Methodology and baseline to be approved by the Sustainability Forum.
Offset all residual emissions from our operations (Scope 1 and 2, Scope 3 flights, waste and data centres)	Jan 2021 – Dec 2021	Emissions in scope: Oct 2020 to Sept 2021. Type of emissions covered: Scope 1 and 2 emissions, Scope 3 only arising from flights, waste and data centres. Exclusions: Supply chain emissions are out of scope. Key metric: 100% residual emissions on scope are offset by end of 2021 in line with an agreed set of criteria for carbon credit purchase. For further detail please see our Carbon Credit reporting in our TCFD report ( <a href="https://sc.com/TCFD">sc.com/TCFD</a> ).
<b>Conduct</b>		
Learn from risks identified through concerns raised via our Speaking Up programme and conduct plans and publish an annual Threats and Themes Report	Ongoing	A review / Analysis of substantiated Speak Up cases and outcomes. From this, themes of concern are identified. This is then shared internally with Business owners to address relevant risks. More information is available in our <a href="#">Speak Up Policy</a>
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	Identifying interdependencies and/or duplication among policies, guidelines, etc with a view to progressively reach a common approach on data management and define data-risk related roles and responsibilities that apply agnostically across the businesses and functions.
<b>Financial Crime Compliance</b>		
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	Participating in work led by the Financial Action Task Force, and the United for Wildlife Financial task force on the development of red flags. Engagement via the Financial Crime Compliance Integrated Intelligence & Investigations team (FCCI3) with the United for Wildlife (UfW) Financial Task Force. Training of frontline staff during the year.
Deliver at least 50 correspondent banking academies	Jan 2021 – Dec 2023	Workshops/webinars aimed at promoting responsible financial inclusion and fostering a collaborative approach to managing financial crime risk within the Group's



		corresponding banking portfolio. The primary audience are staff at the Group's correspondent bank clients. Webinars are open to a wider audience.
<b>Pillar 3: Communities</b>		
<b>Aspiration</b>	<b>Target Date</b>	<b>What is included</b>
Invest 0.75% of prior year operating profit (PYOP) in our communities	Ongoing	<p>The 0.75% calculation includes: Community Investment and Leverage as defined by the <a href="#">Business for Societal Impact (B4SI) framework</a>. Prior year operating profit as per Annual Report and Accounts.</p> <p>Investment in our communities is defined by the value of donations, project costs, volunteering time and leverage provided to our communities over the period. Our communities are defined as the wider public based in local markets where the Group operates. It can be anyone outside of the Bank, including local charities, schools and clubs</p>
Raise \$75m for Futuremakers by Standard Chartered	Jan 2019 – Dec 2023	<p>Futuremakers is a programme to tackle inequality and increase economic inclusion for young people across our markets.</p> <p>Reporting includes all monetary contributions from employees, partners and other parties towards our Futuremakers programme. We follow guidance provided by B4SI.</p> <p>Funds are raised when the third party (including the Standard Chartered Foundation) has received the fundraising income that was raised as a result of the fundraising or community initiative started / joined by the Group.</p>
Education: Reach one million girls and young women through Goal	Jan 2006 – Dec 2023	<p>Goal is a flagship education programme within Futuremakers. It is designed for girls aged 12-18 and delivered in more than 23 markets in partnership with local partners.</p> <p>A third-party monitors and evaluates the programme with support from local implementing partners. Only unique beneficiaries are counted.</p> <p>Reach data includes all target population that have participated in at least one activity of the programme and counts only direct beneficiaries.</p>
Employability: Reach 100,000 young people	Jan 2019 – Dec 2023	<p>The employability programme creates opportunities to support young people (aged 18 to 35) to become job-ready.</p> <p>Reach data includes all target population that have participated in at least one activity of the programme and counts only direct beneficiaries.</p>

		A local partner provides data on the number of people attending all activities.
Entrepreneurship: Reach 50,000 young people	Jan 2019 – Dec 2023	<p>The entrepreneurship programme provides opportunities for micro and small business owners to improve their businesses and young people (aged 18 to 35) to start-up their own businesses.</p> <p>Reach data includes all target population that have participated in at least one activity of the programme and counts only direct beneficiaries.</p> <p>A local partner provides data on the number of people attending all activities.</p> <p><i>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.</i></p>
Increase participation for employee volunteering to 55%	Jan 2020 – Dec 2023	<p>The percentage of employees includes full time and part time staff, who have taken volunteering leave during the reporting period. For our calculations we use the number of employees as of 31 December of the reporting year. We follow the guidance provided by B4SI.</p>