

Summary of Approach on Defence Goods

Applicable to:

This summary of approach reflects the criteria we assess our clients against when considering the provision of financial services to the defence sector.

For the purposes of this summary of approach:

Defence Companies: Companies whose Primary Business Interest is manufacturing, selling, brokering or supplying Defence Goods or services. Primary Business Interest means 20 per cent or more of annual turnover derived from Defence activities.

Prohibited Goods or Lethal Goods: Anything designed to kill, maim or torture humans. This includes nuclear, chemical or biological weapons, cluster munitions and mines (landmines).

Strategically Controlled Goods: Goods, software or technology that are subject to export or import controls based on their technical characteristics or potential use. This includes nuclear equipment, materials that appear on strategic control lists and 'dual use' goods which may have a defence-related end use.

Our commitment:

As a key part of our mission to be Here for good, we only provide financial services to clients who manage their social impacts responsibly. The sector-specific criteria in this summary approach sets out the standards we assess our clients against.

Prohibited or Lethal Goods

Standard Chartered will not knowingly provide direct financing for Prohibited or Lethal Goods.

Defence Companies

All clients who are defined as Defence Companies, including subsidiaries with Primary Business Interest in Defence activities, must be assessed for factors including:

- The country of domicile of the company, and of key markets
- The nature of the defence goods
- Whether the client is a government defence body or agency
- Whether there is any history of export control law or sanctions violations

These factors are incorporated into our due diligence, and form the basis of escalation and decision-making.

Standard Chartered complies with all applicable legally binding controls relating to defence and dual use goods, and will not knowingly participate in any transactions involving embargoed goods. To mitigate the risk of breaching sanctions, embargoes, export controls or reputational risk, the Group may prohibit or place restrictions on business.

Strategically Controlled Goods

Standard Chartered takes a risk-based approach to approvals involving Defence Companies and Defence Goods and will consider them on a strict case-by-case basis. Any transaction involving Strategically Controlled Goods must be assessed, and escalated to delegated approvers or Committees according to defined materiality criteria.