



## 2020 Sustainability Aspirations

### Basis for reporting

#### Introduction

This basis for 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 an Annual Sustainability Summary and Annual Report and Accounts as well as the Sustainability Summary.

[The Carbon Emissions Criteria 2020](#) provides further details on the principles and methodology applicable to all Aspirations that have a carbon emissions element.

#### Governance

We track progress for all Sustainability Aspirations throughout the year. Progress updates are submitted to Committees of the Board of Directors, Management Team, 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 the year, and those Aspirations that run for more than one year.

Achieved/Not Achieved are used at the end of year reporting for Aspirations that have met their target either within their timeframe or ahead of time.



## 2020 Sustainability Aspirations target dates and methodology

Pillar One: Sustainable Finance		
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	<p>It includes 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 <a href="#">DAC countries</a>, rail projects, green CRE, water treatment, desalination, energy efficiency, climate change adaptation, healthcare infrastructure, and education infrastructure.</p> <p>Reporting includes total deal size.</p>
<b>Climate change</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 2024	<p>It includes:</p> <ul style="list-style-type: none"> <li>Loans provided to renewable energy projects under project finance methodology (including loans made under 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.</li> <li>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.</li> <li>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.</li> <li>Debt Capital Markets: Participation (bookrunner) in bond issuances verified under an eligible Green or Sustainability Framework or aligned to one of the ICMA eligible green project categories. We report the</li> </ul>



		<p>issuances where the Group has acted as a bookrunner in the transaction. The amount is defined as total issuance size.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Develop a methodology to measure, manage and ultimately reduce the CO2 emissions from the activities we finance	Jan 2019 – Dec 2020	It includes direct client engagement and assistance in their transition to a low carbon future.
Only provide financial services to clients who are: By Jan 2021, less than 100% dependent on earnings from thermal coal (based on % EBITDA at group level)	Jan 2020 – Jan 2030	<p>We cease new business with all clients dependent on earnings from thermal coal if they are at or above the threshold. We exit these relationships subject to any outstanding contractual arrangements.</p> <p>EBITDA is calculated at the group level and if triggered all products and services offered to the group are in scope.</p>
<b>Entrepreneurs</b>		
Provide \$15 billion of financing to small business clients (Business Banking)	Jan 2020 – Dec 2024	Total value of new loan bookings done across all markets (Net amount, i.e. it should only include the incremental amount in case of top-ups), and total value of new Business Working Capital facilities approved across all markets.
Provide \$3 billion of financing to microfinance institutions	Jan 2020 – Dec 2024	Micro Finance institutions include (though not limited to): Banks (Rural Credit Cooperatives, Central Cooperative Banks, Local Area Bank, Small Finance Bank, etc), Non-Bank Finance Institutions (NBFI), Not-For Profit



		<p>Companies, Trusts, Credit Unions, etc. It also includes any entity which is significantly involved in microfinance operations (&gt; 75% of its loan assets is microfinance lending or Inclusive Finance space such as lending Micro &amp; Small Enterprises, Agricultural and allied activities, low cost housing and any other socially relevant industry but catering to un/underbanked individuals).</p> <p>Loan size: Loans to beneficiaries for income generation should be less than USD 10,000 in least, lower and lower-middle income OECD DAC countries.</p> <p>Loans included:</p> <ul style="list-style-type: none"> <li>• Every new loan. New loans are identified with a unique loan number. A new loan is taken as a disbursement.</li> <li>• Loans made in Asia and Africa, which have been rolled over on its repayment date.</li> </ul>
<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	<p>It includes all new to bank clients onboarded/counterparties enrolled as part of <a href="#">Bank the Ecosystems programmes</a> during the reporting year. Both suppliers and buyers are included in this Aspiration.</p> <p>Key elements of our Ecosystem offering include: Distributor Finance, Supplier Finance, Vendor Prepay, and Trade Payables Management.</p>
<b>Digital</b>		
Roll out digital-only bank in a total of 12 markets <sup>(1)</sup>	Jan 2020 – Dec 2021	It includes 12 AME markets, 9 in Africa and 3 in the Middle East (UAE/Pakistan and Bahrain).
Double the number of clients we bank in Africa and the Middle East to 3.2 million <sup>(2)</sup>	Jan 2020 – Dec 2021	The target is to double the number of AME clients from 1.6million to 3.2million by 31 December 2021.



Impact Finance		
<p>Introduce ESG scores for equity investments for Private Banking clients allowing them to tailor their investment choices in a sustainable manner</p>	<p>Jan 2020 - Dec 2020</p>	<p>Scores for equity investments are sourced from a third party ESG data provider. These scores are mapped to the PvB equity universe.</p> <p>We include these scores in our trade notes or as requested by our clients.</p> <p>The percentage of equities in scope for this aspiration is defined by the third party ESG provider's coverage (Over 90% in 2020). This means not all the equities available in our portfolio are can have an ESG score.</p>
<p>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 the SDGs</p>	<p>Jan 2020 - Dec 2024</p>	<p>This includes all impact reports generated and tracked by the system.</p> <p>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.</p>
<p>Increase the proportion of Private Bank investment solutions (across funds, bonds, structured products and discretionary mandates) with a sustainability lens from below 10% to 50%</p>	<p>Jan 2020 - Dec 2024</p>	<p>It includes the number of products on the Wealth Management platform for PvB which fall under the Sustainable Series and its accompanying frameworks.</p> <p>The Wealth Management platform offers a range of both traditional and sustainable solutions across funds, bonds, structured products and discretionary portfolios.</p> <p>Solutions on our platform which have a sustainability lens include a range of sustainable strategies from ESG integration to focus areas such as climate or SDG funds.</p> <p>This metric tracks the growth in the number of sustainable solutions within the eligible wealth solutions universe.</p>



Pillar Two: Responsible Company		
Aspiration	Target Date	What is included
<b>People</b>		
Conduct a feasibility analysis to incorporate a Living Wage into agreements for all non-employed workers	Jan 2019 – Dec 2020	The scope of the study considered to what extent we may be able to extend our living wage commitment to supply chain. It focused on Non-employed workers (NEWs). NEWs are generally split into two categories – those managed by HR (where the Group sets a specific pay rate) and those managed by Property (where the Group may not set a specific pay rate).
Complete disability confidence assessments for 44 of our larger markets	Jan 2020 – Dec 2020	<p>A Disability Confidence Assessment is a self-assessment tool for countries to review their inclusive processes and practices, infrastructure accessibility, client/customer accessibility and how they are impacting communities through a disability lens. It incorporates global best practice from leading organisations, such as International Labour Organisation (ILO) Charter and disability code of practice, which includes both visible and non-visible conditions.</p> <p>By larger markets we mean markets with headcount of 50 colleagues or more.</p> <p>This is a cumulative target i.e. reaching this number by Dec 2020 including assessments completed in 2019.</p>
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: 1) helping colleagues build key skills for the future (e.g. resilience) and giving easier access to wellbeing support, and 2) wellbeing experimentation that will help focus on wellbeing grow more organically and in a way that is most relevant for different teams.</p> <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>



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	It 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 with an interim target Dec 2020: 30% (Not Achieved)	Sept 2016 – Dec 2025 <sup>(3)</sup>	<p>'Senior roles' is classed as employees in Managing Director and Band 4 global grade positions.</p> <p>The percentage is calculated using the number of employees as of the end of the reporting period (31 December of the year reported).</p>
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 an interim target Dec 2025: 60,000 tCO <sub>2</sub> e	Jan 2019 - Dec 2030	Please refer to our <a href="#">The Carbon Emissions Criteria 2020</a> .
Source all energy from renewable sources	Jan 2020 – Dec 2030	It includes Scope 1 & 2 emissions. Renewable sources as defined by the RE100 Climate Group.



<p>Reduce our Scope 3 value chain emissions from business travel by 7%</p>	<p>Jan 2020 – Dec 2020</p>	<p>It covers emissions from air travel only.</p> <p>We obtain distance travelled in kilometres from our global incumbent travel management company's reports. From there, we categorize the flights into 3 hauls:        Short Haul = &lt;=785km        Medium Haul = &lt;=3,700km        Long Haul = &gt; 3,700km</p> <p>Following this, we apply the relevant UK government emissions factors set by the Department for Environment, Food and Rural Affairs (DEFRA).</p> <p>We include Radiative Forcing (RF) factors which account for the greater impact of greenhouse gases emitted at height during an aircraft's journey.</p> <p>We created a 'scaled up' figure based on a portion of Group headcount not covered by the travel management provider to include the remaining part of the Group's footprint.</p> <p>For further details please refer to <a href="#">The Carbon Emissions Criteria 2020</a></p>
<p>Introduce an emissions offset programme for Scope 3 travel emissions</p>	<p>Jan 2020 – Dec 2020</p>	<p>The emissions offset programme covers all scope 3 flight emission emissions as defined in this document and our reporting criteria available at: <a href="#">The Carbon Emissions Criteria 2020</a>.</p>
<p>Join the Climate Group 'RE100'</p>	<p>Jan 2020 – Dec 2020</p>	<p>RE100 is the global corporate renewable energy initiative bringing together large and ambitious businesses committed to 100% renewable electricity.  <a href="http://www.there100.org/re100">http://www.there100.org/re100</a>.</p>
<p>Reduce annual office paper use by 57% to 10kg/FTE/year</p>	<p>Jan 2012 – Dec 2020</p>	<p>In 2012, the Bank baselined its office paper usage at 23.4 KG/FTE/Year.</p> <p>Data are collected from country champions during the reporting period. This data is used to calculate the Paper consumption classified as "Measured" within our online reporting tool. Using Measured data, an extrapolation is then made to account for 100% of the Fixed Term Employee (at the end of the reporting period). This is classified as "Scaled-up" within our online reporting tool.</p>



		<p>Metrics are classified as:</p> <ul style="list-style-type: none"> <li>• Kilo tonnes/year</li> <li>• Kg/FTE/year</li> </ul> <p>Paper elements applied in calculations:</p> <ul style="list-style-type: none"> <li>• GSM: sheet thickness Conversion values (Based on the standard Thickness to KG): A3: 0.00875 (70 gsm); 0.00938 (75gsm); 0.01 (80gsm). A4: 0.00875 (70 gsm); 0.00938 (75gsm); 0.01 (80gsm). A5: 0.00875 (70 gsm); 0.00938 (75gsm); 0.01 (80gsm).</li> </ul> <p>Print paper consumption - Kilo tonnes / year</p> <ul style="list-style-type: none"> <li>• A3 Total weight = Number of A3 sheets consumed for the year x (70GSM/ 75 GSM/ 80 GSM)</li> <li>• A4 Total weight = Number of A4 sheets consumed for the year x (70GSM/ 75 GSM/ 80 GSM)</li> <li>• A5 Total weight = Number of A5 sheets consumed for the year x (70GSM/ 75 GSM/ 80 GSM).</li> </ul> <p>Total Paper in Kgs= Total sheets x GSM sheet thickness = A3 Total weight + A4 Total weight + A5 Total weight and convert the thickness into Kilo tonnes (by 1000000).</p> <p>Print paper consumption (kilo tonnes / year)</p> <ul style="list-style-type: none"> <li>• A3 Total weight = Number of A3 sheets consumed for the year x (70GSM/ 75 GSM/ 80 GSM) / Fixed Term Employee.</li> <li>• A4 Total weight = Number of A4 sheets consumed for the year x (70GSM/ 75 GSM/ 80 GSM) / Fixed Term Employee.</li> <li>• A5 Total weight = Number of A5 sheets consumed for the year x (70GSM/ 75 GSM/ 80 GSM) / Fixed Term Employee.</li> </ul> <p>KGs/FTE = Total Paper in Kgs / Total Fixed Term Employee (of reported countries).</p>
Reduce waste to 40kg/FTE/year	Jan 2020 – Dec 2025	<p>It includes all general waste recorded from all property portfolio. It includes business as usual general office waste. It excludes IT equipment and fit out projects.</p> <p>We measure waste as it leaves building. Waste data is reported using a third-party provider online reporting tool.</p>



Recycle 90% of waste	Jan 2020 – Dec 2025	It includes all 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.
<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	It includes 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	This includes 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	It includes: <ul style="list-style-type: none"> <li>• Participating in work led by the Financial Action Task Force, and the United for Wildlife Financial task force on the development of red flags.</li> <li>• Engagement, via FCCi3, with the UfW Financial Task Force.</li> <li>• Training of frontline staff during the year.</li> </ul>



Deliver at least 18 correspondent banking academies	Jan 2020 – Dec 2020	It includes 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 Three: Inclusive Communities</b>		
<b>Aspiration</b>	<b>Target Date</b>	<b>What is included</b>
<b>Community Engagement</b>		
Invest 0.75% of prior year operating profit (PYOP) in our communities	Jan 2006 – Dec 2020	The 0.75% calculation includes: Community Investment and Leverage as defined by the LBG ( <a href="http://www.lbg-online.net">www.lbg-online.net</a> ). Prior year operating profit as per Annual Report and Accounts.
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 the LBG (<a href="http://www.lbg-online.net">www.lbg-online.net</a>).</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 countries in partnership with local partners.</p> <p>A third-party monitor and evaluate 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> <p>A local NGO partner provides data on the number of people attending all activities.</p>
Entrepreneurship: Reach 50,000 young people, micro and small businesses	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 NGO partner provides data on the number of people attending all activities.</p>
Support the development of the Vision Catalyst Fund	Jan 2019 – Dec 2020	<p>The Vision Catalyst Fund (<a href="#">VCF</a>) is a partnership founded by Not-For-Profit, Philanthropic and Private Sector Organisations.</p> <p>Examples of Standard Chartered's support include: contributing to VCF's innovation fund, sharing financial expertise and knowledge, and supporting the promotion of the fund.</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.</p> <p>We follow the guidance provided by the LBG (<a href="http://www.lbg-online.net">www.lbg-online.net</a>).</p>
<b>Footnotes</b>	<b>1 &amp; 2</b>	These were originally one Aspiration. We split this Aspiration to allow accurate reporting of progress.
	<b>3</b>	Target date changed from Dec 2024 to Dec 2025.