

# Power Generation

## Position statement

**We remain committed to promoting sustainable practices in these sectors, while supporting economic growth and prosperity.**

**While the Group voluntarily adheres to these non-legally binding position statements, they reflect our aspiration to apply these principles consistently and to conduct our business with the highest standard of ethics and integrity. All staff are required to adhere to the position statements and endeavour to achieve these goals in line with our **Group Code of Conduct** and to live up to our brand promise of **Here for good**.**

### Applicable to

This position statement reflects the sector-specific criteria we assess our clients against when considering providing financial services to power generation industries. For the purpose of this position statement:

**Fossil fuel power** refers to the construction, operation and decommissioning of power plants and related infrastructure, that utilise coal, oil or natural gas as fuel. For activities involving the extraction, processing and transportation of coal, oil or natural gas, please refer to our **extractive industries position statement**.

**Nuclear power** refers to the construction, operation and decommissioning of nuclear power plants and related infrastructure, including the generation of power using nuclear energy, the provision of equipment, materials, and related technology to the activities listed above, and the management of radioactive waste. For activities involving the extraction, processing and transportation of uranium, please refer to our **extractive industries position statement**.

**Renewable energy** refers to power stations and related infrastructure using solar, wind, hydro, geothermal, and wave energy to generate power – including energy storage infrastructure.

For all power generation industries, criteria relating to power transmission and distribution are captured by our **infrastructure and transport position statement**.

### Our commitment

As a key part of our mission to be **Here for good**, we only provide financial services to clients who manage their environmental and social impacts responsibly. The sector-specific criteria in this position statement, along with those in the **cross-sector requirements** set out the standards we assess our clients against.

We regularly engage with our clients to confirm that they're aligned with our environmental and social requirements, and consult with industry experts to ensure these stay relevant and effective.

### Fossil fuel power

We will **not** directly finance:

- Any new coal-fired power plant projects, including expansions, in any location.

We will **only** provide financial services to clients who:

- By 2021, are less than 100% dependent on thermal coal (based on % EBITDA at group level);
- By 2025, are less than 60% dependent on thermal coal (based on % EBITDA at group level);
- By 2027, are less than 40% dependent on thermal coal (based on % EBITDA at group level);
- By 2030, are less than 10% dependent on thermal coal (based on % EBITDA at group level);

We **expect** clients to:

- monitor and publicly report greenhouse gas emissions annually in accordance with internationally-recognised methodologies such as the GHG Protocol, and where appropriate set clear targets for reducing greenhouse gas emissions.

## Nuclear power

We will only provide financial services to clients who:

- Demonstrate that their operations do not contribute to the manufacture or distribution of nuclear weapons, and that they have a long-term commitment to the use of nuclear technology and equipment for a peaceful purpose.
- Have nuclear operations in locations where the host country is a signatory to the Treaty for Non-Proliferation of Nuclear Weapons, or has in place appropriate IAEA Safeguard Agreements; and where the country of origin of the materials, equipment and technology is a member of the Nuclear Supplier Group Guidelines.
- Demonstrate compliance with the applicable IAEA Safety Standards and Nuclear Safety Series (including compliance with national nuclear safety law and regulation).
- Use the IAEA Site and External Events Design (SEED) review service for siting of new installations

## Renewable energy

We **expect** hydropower clients to:

- Follow the World Commission on Dams (WCD) Framework for Decision Making.
- Follow the International Hydropower Association's Hydropower Sustainability Assessment Protocol (HSAP).
- Follow to the IFC Good Practice Note on Environmental, Health, and Safety Approaches for Hydropower Projects.

We **encourage** clients to:

- Implement appropriate lifecycle and waste management processes aligned to recognised international standards, such as the EU Waste Electrical and Electronic Equipment (WEEE) Directive (2012/19), or the EU Batteries and Accumulators Directive (2006/66).
- Follow applicable industry safety guidance such as the DNV GL Safety, operation and performance of grid-connected energy storage systems (2017).