

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

We offer banking services that help people and companies to succeed, creating wealth and growth across our markets. Our heritage and values are expressed in our brand promise – Here for good.

With 85,000 employees and a presence in 60 markets, our network serves customers in close to 150 markets worldwide. We're listed on the London and Hong Kong Stock Exchanges.

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C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	October 1 2018	September 30 2019	Yes	1 year

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Angola
Argentina
Australia
Bahrain
Bangladesh
Botswana
Brazil
Brunei Darussalam
Cambodia
Cameroon
Canada
China
China, Hong Kong Special Administrative Region
Colombia
Côte d'Ivoire
Egypt
Falkland Islands (Malvinas)
France
Gambia
Germany
Ghana
Guernsey
India
Indonesia
Iraq
Ireland
Japan
Jersey
Jordan
Kenya
Lao People's Democratic Republic
Lebanon
Malaysia
Mauritius
Myanmar
Nepal
Nigeria
Oman
Pakistan
Philippines
Qatar
Republic of Korea
Saudi Arabia
Sierra Leone
Singapore
South Africa
Sri Lanka
Sweden
Taiwan, Greater China
Thailand
Turkey
Uganda
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Viet Nam
Zambia
Zimbabwe

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board Risk Committee (BRC), chaired and attended by board members has responsibility for overseeing climate risk, and Climate is included in the BRC's Terms of Reference (https://av.sc.com/corp-en/content/docs/SCPLC-Board-Risk-Committee-Terms-of-Reference-28-July-2020.pdf). The BRC receives regular progress updates on the Bank's approach to managing risks arising from climate change. Topics within recent climate risk discussion papers have included progress updates on the Bank's plan to meet the Prudential Regulation Authority's Supervisory Statement 3/19, incorporation of climate risk into stress testing, and the Bank's climate related financial disclosures (TCFD). Approval of the Bank's Climate Risk Appetite Statement in November 2019 is an example of a climate-related decision made by the BRC. The Group Chief Risk Officer (CRO) reports are included as a standing agenda at the BRC and includes updates on Climate Risk. At a country level where we have Boards due to our structure, there are Board-level updates on climate risk through respective risk committees. The Brand, Values and Conduct Committee of the Board oversees the Bank's key sustainability priorities, including climate related issues (Terms of Reference: https://av.sc.com/corp-en/content/docs/brand-values-committee.pdf). The Committee is responsible for reviewing the Bank's strategy, policies and opportunities in relation to sustainability including climate. To fulfil these responsibilities, the Committee receives periodic reports from the executive-level Sustainability Forum on the Group's progress against its sustainability strategy and Work Plans including on climate change and climate risk.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
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Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues Other, please specify (Overseeing progress and approach to meet regulatory obligations on climate risk)	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our bank lending activities on the climate The impact of our investing activities on the climate The impact of other products and services on the climate	The Group Risk Committee oversees the effective implementation of the Bank's central Enterprise Risk Management Framework (ERMF), and reviews Risk Appetite for all Principal Risks and material cross-cutting risk such as Climate Risk, and ensuring these are within the Group Risk Appetite Statement that is approved by the Board. Both the BRC and the GRC discuss climate topics. The BRC receives biannual climate updates and in 2019 the GRC received quarterly updates. Examples of 2019 topics are Task Force for Climate Related Financial Disclosure (includes exposure on lending in high carbon sectors) and methodologies to identify and mitigate physical and transition risk. 2. Brand, Values and Conduct Committee - Our public commitment to measure, manage and ultimately reduce our financed emissions 3. Brand, Values and Conduct Committee - Our environmental and social risk management policies; both via our thematic Climate Change Position Statement and via sector-specific requirements 4. Brand, Values and Conduct Committee - Our sustainable finance strategy and performance 5. Brand, Values and Conduct Committee - Monitoring progress against public targets related to climate change, in our Sustainability Aspirations such as our Science Based targets for our own emissions, or our target to fund and facilitate USD4bn toward clean technology between 2016-2020

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly
Risk committee	Risk - CRO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Chief Procurement Officer (CPO)	Finance - CFO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	As important matters arise
Business unit manager	Other, please specify (Various depending on Business Unit)	Assessing climate-related risks and opportunities	Risks and opportunities related to our own operations	As important matters arise
Sustainability committee	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Half-yearly
Other, please specify (Sustainable Finance team)	Other, please specify (Global Head of Sustainable Finance reports to the Global Head, Client Coverage, Corporate and Institutional Banking)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our other products and services	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Chief Risk Officer (CRO)

Reports to: Group Chief Executive

In 2019, and in response to the PRA's Supervisory Statement SS3/19 the Group CRO was appointed with Senior Management Function (SMF) responsibility, under the Senior Managers Regime (SMR) for Climate Risk. The CRO is responsible for Climate Risk management, as it relates to financial and non-financial risks to the Group arising from climate change. Our Group Chief Risk Officer is supported in his responsibilities by the Global Head, Enterprise Risk Management (GH, ERM), who is centrally responsible for second line of defence activities for climate risk, which currently includes development and implementation of a bank wide climate risk framework. The GH, ERM aids the Group Chief Risk Officer with day-to-day oversight of the risk and line management of the Climate Risk Team. We have built a central climate risk team within Enterprise Risk Management, with dedicated focus on climate risk management. The central team works very closely with various other risk specialists and business areas. Climate Risk Management Forum: To support the Group Chief Risk Officer in discharging his SMF responsibility, we have established a Climate Risk Management Forum. The Forum consists of senior business, risk and strategy leaders and is tasked with overseeing the development and implementation of the climate risk framework.

Climate Risk Management Forum (CRMF)

Reports to: Group Risk Committee

To support the Group Chief Risk Officer in discharging his SMF responsibility, we have established a Climate Risk Management Forum. The Forum consists of senior business, risk and strategy leaders and is tasked with overseeing the development and implementation of the climate risk framework. The climate risk framework sets out how we will manage both physical and transition risk across governance, risk management, scenario analysis and disclosures, to meet the expectations of Supervisory Statement 3/19. The CRMF's responsibilities also include providing challenge in the climate risk framework to increase effectiveness to escalate material issues to the Management Team (MT) or Group Risk Committee as appropriate.

Sustainable Finance Team

Reports to: Global Head, Global Banking

Climate opportunity identification and product development is led by our Sustainable Finance team, who support all client segments and product teams and report to the Global Head of Global Banking. The Global Head of Sustainable Finance chairs our Sustainable Finance Working Group, comprising senior individuals from across the Bank seeking to increase our climate and sustainable finance, which reports to the Sustainability Forum. We also have a wider Sustainable Finance Champions Network.

By providing a central team, and centre of expertise on sustainable finance including mobilising capital to support climate change adaptation and mitigation by clients, and then disseminating this knowledge via the Working Group and Champions Network we are able to effectively support awareness and increase climate-related business activity across the Bank.

Chief Procurement Officer

Reports to: Group Chief Executive

Our Global Head of Supply Chain Management sits on the Sustainability Forum, and oversees the Supply Chain Management functional Work Plan which includes actions on climate change within our supply chain.

Business Unit Manager

Reports to: Various

Individual credit decisions factor in climate related risks and opportunities. All credit approvals follow an established process, where the first line of defence (i.e. business) identifies the risk and mitigation plans, which is reviewed and approved by the second line of defence (i.e. credit officers or CROs, depending on their authority level). This includes our processes to assess and manage environmental and social risks described in detail in Q2.2b and Q2.2d.

Global Head, Sustainability and Community Engagement

Reports to: Group Head, Corporate Affairs, Brand & Marketing, Conduct, Financial Crime & Compliance

Our Global Head, Sustainability and Community Engagement leads the development of our sustainability strategy including promoting action on climate change throughout the Bank. The Group Sustainability team supports the Sustainability Forum in their development of functional Work Plans to take action on key themes including climate.

Sustainability Committee (Sustainability Forum)

Reports to: Management Team, Brand Values and Conduct Committee of the Board

The Global Head of Enterprise Risk Management chairs our Climate Change Working Group, which brings a range of functions together to identify priorities and assess progress against these. The Working Group reports to our Sustainability Forum, chaired by the Group Head, Corporate Affairs, Brand & Marketing, Conduct, Financial Crime and Compliance. This Forum oversees functional Sustainability Work Plans and provides periodic updates to our Management Team, Brand Values and Conduct Committee and main Board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Portfolio/fund alignment to climate-related objectives Other (please specify) (Our Group Scorecard and Long Term Incentive Plan both contain performance criteria on our climate performance, including our target to mobilise USD35bn toward clean technology between 2020-24 and our operational environmental performance)	We have a public commitment to fund and facilitate USD4bn toward clean technology between 2016 and 2020. This forms part of our Group level scorecard which determines variable remuneration for our Senior Management Team
Executive officer	Monetary reward	Portfolio/fund alignment to climate-related objectives Other (please specify) (Our Group Scorecard and Long Term Incentive Plan both contain performance criteria on our climate performance, including our target to mobilise USD35bn toward clean technology between 2020-24 and our operational environmental performance)	Our Group Chief Risk Officer has nominated our Global Head of Enterprise Risk Management to lead our response to climate change as a Principal Uncertainty. This forms part of both individuals' objectives and therefore directly affects remuneration
Facilities manager	Monetary reward	Emissions reduction target Energy reduction project	Facility managers directly contribute to reducing greenhouse gas emissions. The buildings they manage have Science Based Targets in line with Standard Chartered's commitment to reduce annual emissions by 90% to 18,000 tonnes by 2050 . Achieving these (and interim) targets is directly linked to their annual bonus and compensation.
Energy manager	Monetary reward	Energy reduction target	Energy saving has been part of the Group's longstanding CO2 emission reduction strategy (target of 35% energy reduction from Jan 2008 to Dec 2019 in our tropical climate locations) and subsequent Science Based Targets for emissions, and is factored into targets and compensation for those responsible for overseeing the Group's energy use.
Environment/Sustainability manager	Monetary reward	Efficiency target	Our Group Sustainability team, Enterprise Risk team and Sustainable Finance team, are delivering the project to meet the Group's September 2018 public commitment to 'measure, monitor and ultimately reduce' emissions related to our financing of clients. This forms part of the team's objectives and compensation.
Business unit manager	Monetary reward	Other (please specify) (Varies by business unit, but each Sustainability Aspiration (sc.com/sustainabilityaspiration) has an Accountable Executive and these Aspirations are included in functional scorecards used to assess performance-related pay)	Our Sustainable Finance team, led by our Global Head of Sustainable Finance, leads all our business activities in climate and sustainable finance. This team's objectives and reward are linked to growth in these business areas.
All employees	Non-monetary reward	Other (please specify) (Our Group Scorecard contains performance criteria on our climate performance, including our target to mobilise USD35bn toward clean technology between 2020-24 and our operational environmental performance. This is reflected in all variable pay)	We ran a group-wide employee challenge centred around World Environment Day 2019, entitled 'Do Something Differently'. This encourages employees to change their behaviours to become more environmentally sustainable including through action on climate change, and was supported by a global staff communications campaign involving our Group Chief Executive and other members of our senior team. Employees are encouraged to submit their pledges for change, and we have a reward programme for the best ideas which includes gifts like shopping vouchers and recognition amongst senior leaders for those submitting the best ideas.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as the default investment option for some plans offered	Our employment-based retirement scheme in the UK incorporates ESG and CC principles across all funds offered. We are looking at applying this approach to schemes outside the UK.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	In our business planning, we consider 'short term' to be less than two years and 'medium term' to be two to five years. It should be noted that majority of risk ratings are assigned and refreshed on an annual basis, or earlier if triggered by material change in circumstances.
Medium-term	2	5	In our business planning, we consider 'short term' to be less than two years and 'medium term' to be two to five years.
Long-term	10	20	Our physical risk assessments considers current day risk and risk at 2050 and 2100 As part of the PRA's biennial exploratory scenario on the financial risks from climate change we will be stress testing for climate risk up to 2030

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We define these within the context of our organisational Risk Appetite and Risk Management Framework. Within our Risk Management Framework, Climate is a Material Cross-Cutting Risk. The Board approved a Climate Risk Appetite Statement in November 2019, disclosed in TCFD as "The Group aims to measure and manage financial and non-financial risks from climate change, and reduce the emissions related to our own activities and those related to the financing of clients in alignment with the Paris Agreement".

Substantive or material impact is defined within the context of relevant business segment and Group / region / country level implications both from a financial risk and non-financial detriment perspective. Financial impacts are typically categorised by range of losses and non-financial detriments by different stakeholders' actions (e.g. regulatory censure or penalties, investor actions or NGO activism).

Within the context of relevant business, risk appetite is defined and approved based on a range of considerations by different Risk Types which inform our overall approach to risk management and risk culture, including regulatory minimum requirements and additional internal requirements built on top of these regulatory minimum requirements.

We set our Risk Appetite to enable us to grow sustainably and to avoid shocks to earnings or our general financial health and to manage our reputational risk so that it would not materially undermine the confidence of our investors and all internal and external stakeholders. Risk Appetite metrics and thresholds and other criteria contributing to such decisions are reviewed twice in a year and updated as necessary based on external market conditions and Group's internal control environment.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Operational risk arises from climate change when business continuity is impacted if there is undue concentration of climate risk in locations of the Group's own operations (or through a low frequency and extreme severity event), or locations of the critical third-parties. We conduct an annual assessment of physical risks to our facilities from factors including severe weather, wildfires and flooding. The physical risk identification methodology uses the MunichRe tool and considers the risk and hazard to properties at present day, and in the future (2050, 2100) under different temperature scenarios (RCP 2.6, 4.5, 8.5). The Group considers operational impacts from climate change within the risks managed by our Client Service Resilience and Safety and Security risk subtypes. The Group's Resilience approach includes an appropriate Incident and Crisis Management Framework, Continuity and Contingency plans and escalation and communication tools. These capabilities are annually refreshed, tested and the crisis management teams exercised. These capabilities give assurance that Group will be able to withstand high-severity low-frequency events (including extreme weather events). The Group has demonstrated its ability to activate such capability in the past through various events, including those triggered by climate events, such as the Chennai floods in 2015. As part of risk identification, assessment and mitigation process the Group stress tests for Operational Risk from climate change. The 2019 Internal Capital Adequacy Assessment Process (ICAAP) looked at significant business interruption scenarios and considered the potential losses resulting from a prolonged business interruption caused by a rare and extreme weather event in Hong Kong (which accounts for a large proportion of the Group's retail business) which impacted the integrity of building infrastructures like data centers, branches and ATMs. Estimated losses include several impacts of the event, both primary and consequential, covering costs to rebuild the data centers, regulatory penalty for reduced service levels, customer compensation as goodwill gesture and second order costs of refurbishing branches, new ATM installations and hardship allowances. Estimated capital requirements were included in the Operational Risk capital proposals, using Operational Risk capital methodology. While there is an element of risk transfer through existing insurance programmes, we recognise that the insurers themselves are vulnerable to climate risks (physical, transition and liability risks), and therefore we need to be cautious in treating insurance programmes as mitigation for climate risks. Nonetheless, the Group maintains and uses insurance as a strategic tool in BAU risk management and these implicitly cover elements of climate risks. For example the Group purchases property insurance for all of its locations. and this includes "Increased Cost of Working" cover so that in the event an office or location becomes inaccessible the Group can recover costs in occurred with finding an alternative site. Another example of insurance reducing gross physical risk includes the Group's property lending being backed by mortgage collaterals (both residential and commercial real estate) in key markets; these insurances typically have an "all risk / all perils" coverage, including natural disasters.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

We consider Climate Risk to be the potential for financial loss and non-financial detriments arising from climate change and society's response to it. As such Climate Risk is built into our risk management practices and has been integrated into our central risk framework, the Enterprise Risk Management Framework (ERMF). In 2019 the Board approved:

- Recognition of Climate Risk as a material cross-cutting risk in the ERMF. Climate Risk manifests through traditional Principal Risk Types (PRTs) including Credit, Market, Traded, Capital & Liquidity, Reputational, Compliance and Operational Risks. By the end of 2021 climate risk assessments will be integrated into each PRT Framework.
- A Risk Appetite Statement (RAS) for Climate Risk, disclosed in TCFD as "the Group aims to measure and manage financial and non-financial risks from climate change, and reduce emissions related to our own activities and those related to the financing of clients in alignment with the Paris Agreement." Risk identification through PRTs Our clients and the financial services we provide are subject to physical risk. We have identified that Climate Risk has the potential to impact the Group through the following channels and developing our risk management capabilities to reflect the different channels through which Climate Risk manifests.

Credit - For Corporate, Commercial and Institutional Banking (CCIB), through the locations of operations, Asset/ collateral; Clients' business model, and for Retail by location of collaterals (residential real estate, Business Banking) Traded - Weather events affecting commodity prices, transition risks affecting commodity price / exchange rate volatility Operational - Weather events compromising own property and critical operation, plus critical third-party suppliers Country - Impact to macroeconomics due to climate events and low-carbon transition Compliance - Failure to comply with regulations e.g. PRA SS 3/19 Reputational - Societal and investor response, if the Group does not act responsibly to reduce emissions & manage risk Capital & Liquidity - Impact to capital adequacy assessment Physical Risk To identify and assess these risks we use a bottom-up risk assessment tool known as NATHAN, provided by Munich Re, one of the world's largest reinsurers. Using NATHAN we analyse location based hazard and risk scores for physical risks (drought, wildfire, flood, sea-level rise etc). Risk assessments using NATHAN are used in the Group's stress testing, including in the Internal Capital Adequacy Assessment Process (ICAAP). The 2020 ICAAP allowed us to understand portfolio vulnerabilities to climate change and the learnings are fed back into BAU risk management processes, policies and standards. As an example, for Credit Risk we assessed impact of Physical Risk on our Retail Mortgage portfolio for Hong Kong, Singapore, India, the UAE and Malaysia. Here, the hazard and risks scores from NATHAN provided physical risk concentrations to inform judgmental valuation impacts. We are currently developing the integration of physical risk assessments as part of BAU credit risk assessments. Transition Risk Our Environmental and Social Risk Management (ESRM) team support our credit risk assessment process. Through defined Environmental and Social Risk Assessments we gather information on environmental and social risks related to a specific client or transaction, including climate change risks. All projects financed under the Equator Principles require an 'alternatives analysis' if they will emit over 10,000 tonnes of CO2/e per year, to understand what alternative technologies may be feasible which can deliver the project outcomes with lower emissions. Completed ESRAs are reviewed by Credit Risk approvers, escalated to the ESRM team if needed, and their impact on credit worthiness of the borrower is assessed in course of the credit due diligence process. For Project Financing, detailed risk assessments are undertaken specific to the location of the project and activities, which includes elements of physical risks arising from climate change (such as acute or chronic impacts) during project life. We are including new questions within the Reputational Risk Materiality Assessment (RRMA), designed to detect climate related Reputational Risks including a) current and/or future emissions profiles that may not align to the Paris Agreement, and b) failure to disclose climate related risk for physical and/or transition risks. High or Very High cases may then be presented to the Group Reputational Risk Committee for decision. We also consider transition risk in the Group's stress testing, and the 2020 ICAAP assessed the impact of a transition risk scenario on high carbon emitting sectors for Credit Risk CCIB using the PRA's insurance sector guidelines and credit grade migrations (based on credit officer judgements across geographies), plus a Country Risk sensitivity analysis to explore sovereign vulnerabilities. We recognise a low-carbon transition may have implications for business models across all sectors and geographies, and plan to explore that in much more depth as part of the 2021 Biennial Exploratory Scenario (BES). We are committed to disclosing the Group's own climate risk as per the TCFD recommendations. At present, our total loans and advances to the sectors deemed as high-transition risk is less than 10% of our total loans and advances, which provides comfort that our portfolio will be reasonably resilient to any short-term transition risks (page 16 of 2019 TCFD). This links into the Group's business strategy and for high carbon and thus high transition risk industries we have taken sector specific actions. For example, our prohibition on project financing of coal-fired power plants, and most recently introduced a new strategy on clients dependent on thermal coal. By the year 2030, the Group will only provide financial services to clients who are less than 10% dependent on thermal coal (based on % EBITDA at group level).

Value chain stage(s) covered

Upstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

Not defined

Time horizon(s) covered

Short-term

Medium-term

Description of process

We have piloted our physical climate risk assessment tools on a selection of suppliers, focussing on the key physical locations from which those suppliers operate to support us. Over time we hope to build out this pilot assessment to a more comprehensive and periodic exercise.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	We track new regulation applying to the Group and its entities as part of our Compliance processes. We also monitor key regulation, including climate regulation, in client sectors. This risk is inherently considered within transition risk, as governments progress toward delivering on their Paris Agreement commitments, they are passing increasing numbers of laws and regulations related to the low-carbon transition and supporting plans for adaptation to climate change. This affects the economics of clients in a range of sectors that the Bank is active in, and therefore there are risks associated with lending to clients who may be affected. For example, there are increasingly stringent regulations on deforestation such as (Indonesian forest clearing bans enacted in 2019) and use of fire for land clearance in the agricultural sector, so we have taken a clear public position that we will not support new plantations which convert or degrade High Conservation Value (HCV) or High Carbon Stock (HCS) Primary forests, peatlands, or designated legally protected areas, or operations which use fire for land clearance both of which create climate impacts often considered under Land Use, Land Use Change and Forestry ('LULUCF'). Regulation direct to the Group from central banks also presents a potential compliance risk. As such we recognise that Climate Risk is therefore a material risk through Compliance Risk (a Principal Risk Type) and we are developing proposals to formally embed Climate Risk within our Compliance Risk Framework. We fully recognise the ever increasing pace of regulatory developments in the climate risk space. In terms of current central bank regulations we are focused on meeting the expectations laid out by the PRA through Supervisory Statement SS3/19 and the 2021 biennial exploratory scenario (BES) on the financial risks from climate change. In 2019 we submitted the Group's two year work plan to meet SS3/19, assigned Senior Management Responsibility for Climate Risk to the Group CRO and are currently preparing to deliver the 2021 BES.
Emerging regulation	Relevant, always included	The monitoring of emerging regulation is an extension of our monitoring of current regulation. In client sectors, we are aware of the intent of a number of governments in the markets we are active in, including India and China to prohibit the sale of vehicles powered by internal combustion engines. Such a prohibition would have wide-ranging impacts on companies within the automotive value chain and therefore the risks of lending to such clients. We assess such risks as part of our portfolio review process, where we look at specific sectors and factors which may have a disruptive impact. Both Group and in-country teams have responsibility for tracking emerging regulation which applies to the Bank. These are subject to an internal governance process for monitoring developments, such as regulatory initiatives on climate risks, amongst our country level markets. Risks are identified, monitored and escalated through internal committees, including the Banks' Regulatory Developments Assessments Forum, and then where appropriate escalated to management. In July 2019 we have created a dedicated group to monitor sustainable banking regulatory developments including on climate change, reporting to the Sustainable Finance Working Group and Global Head, Public and Regulatory Affairs. Regulation is emerging at pace from central banks across our markets, particularly in Asia. To remain prepared for emerging regulation coming into force we engage in consultations with central banks where possible. Examples of emerging regulation on climate risk in the financial sector is seen by the Hong Kong Monetary Authority, Monetary Authority of Singapore and Bank Negara Malaysia, as well as other central banks and the work of the Network for Greening the Financial System (NGFS). For countries with distinct emerging regulatory requirements the Group Climate Risk Team supports Country Chief Risk Officers for local oversight.
Technology	Relevant, sometimes included	We are aware that the transition to a low-carbon economy will give rise to technology impacts across a range of sectors e.g. the automotive sector transitioning to electric cars, and utilities sector moving towards low carbon and renewables energy sources. We are also voluntarily piloting the 2 Degrees Investing Initiative (2dII) PACTA for Banks tool as an early adopter and providing feedback to improve the solution across several sectors. The tool uses semi-automated data matching to assess technology pathways under different climate scenarios and the alignment of clients to these pathways. We have applied this tool to a number of sector portfolios. While there are many areas of improvement in the underlying data and governance on results, the initial results are helpful to guide our sector planning, risk appetite and engagement with specific clients.
Legal	Relevant, sometimes included	We are carefully monitoring the growing trend of climate change litigation cases, and how these might affect the creditworthiness of borrowers. This is led by a working group within our Legal, which shares intelligence with our Sustainable Finance Working Group, Sustainability Forum and Climate Risk Management Forum.
Market	Relevant, sometimes included	The transition to a low-carbon economy means shifts in supply and demand for certain commodities, products, and services. To assess these transition risks systematically, we have onboarded a transition risk assessment solution from consultancy Baringa Partners who have extensive credentials on transition risk. The Baringa solution, with our contributions and adjustments, works at an extremely granular client-specific level. Client-level business model (demand supply elasticities, core financial information in terms of earnings, cashflows, and emissions and other transition-related information) is overlaid with climate scenarios and pathways (e.g. changes in demand profile of different products, impact to various sectors and geographies) to come up with a view on how much the creditworthiness of specific clients will be impacted. The 2021 Bank of England Biennial Exploratory Scenario requires us to cover 80% corporate client on a name by name basis (covering a lot more than only high carbon sectors), to which this tool will contribute.
Reputation	Relevant, always included	We are aware of the reputational impacts of lending to particular sectors, and engage with stakeholders including civil society to understand their perspectives and changes to these risks over time. This engagement supports our policymaking. Our 2018 decision to cease financing to new coal-fired power plant projects was in part informed by the growing reputational impacts of the sector. We are including new questions within our Reputational Risk Materiality Assessment (RRMA), designed to detect climate related Reputational Risks including a) clients whose current and/or future emissions profiles may not align to the Paris Agreement, and b) clients who fail to disclose climate related risk for physical and/or transition risks (TCFD). High or Very High cases may then be presented to the Group Reputational Risk Committee for discussion and decision-making on whether to continue the relationship.
Acute physical	Relevant, always included	Our climate related risk assessments consider the following acute physical risks - drought stress, wildfire stress, precipitation stress, river flood and tropical cyclones. We identify these risks we use a bottom-up risk assessment tool known as NATHAN, provided by Munich Re. Risk assessments using NATHAN are used in the Group's stress testing, including in the Internal Capital Adequacy Assessment Process (ICAAP) which allowed us to understand portfolio vulnerabilities to acute physical risks. The learnings are fed back into BAU risk management processes, policies and standards. As an example, for Credit Risk we assessed impact of acute physical risk on our Retail Mortgage portfolio for Hong Kong, Singapore, India, the UAE and Malaysia. Here, the hazard and risks scores from NATHAN provided physical risk concentrations to inform judgmental valuation impacts. We are currently developing the integration of physical risk assessments as part of BAU credit risk assessments. The Group considers operational impacts to our own operations from Climate Change within the risks managed by our Client Service Resilience and Safety and Security risk subtypes. The Group's Resilience approach includes an appropriate Incident and Crisis Management Framework, Continuity and Contingency plans and escalation and communication tools. These capabilities are annually refreshed, tested and the crisis management teams exercised. These capabilities give assurance that Group will be able to withstand high-severity low-frequency events (including extreme weather events). The Group has demonstrated its ability to activate such capability in the past through various events, including those triggered by climate events, such as the Chennai floods. Our 2019 ICAAP Significant Business Interruption scenarios considered the potential losses resulting from a prolonged business interruption caused by a rare and extreme weather event in Hong Kong which impacted the integrity of building infrastructures like data centres, branches and ATMs. Estimated losses include several impacts of the event, both primary and consequential, covering costs to rebuild the data centres, regulatory penalty for reduced service levels, customer compensation as goodwill gesture and second order costs of refurbishing branches, new ATM installations and hardship allowances. Estimated capital requirements are included in the Operational Risk capital proposals.
Chronic physical	Relevant, always included	Our climate related risk assessments consider chronic physical risks including sea level rise and heat stress. We identify these risks we use a bottom-up risk assessment tool known as NATHAN, provided by Munich Re. Risk assessments using NATHAN are used in the Group's stress testing, including in the Internal Capital Adequacy Assessment Process (ICAAP) which allowed us to understand portfolio vulnerabilities to chronic physical risks. Physical risk assessments (both chronic and acute) using NATHAN are scenario based and look to the future (2050, 2100) and RCP scenarios 2.6, 4.5 and 8.5. The Group considers operational impacts to our own operations from Climate Change within the risks managed by our Client Service Resilience and Safety and Security risk subtypes. The Group's Resilience approach includes an appropriate Incident and Crisis Management Framework, Continuity and Contingency plans and escalation and communication tools. These capabilities are annually refreshed, tested and the crisis management teams exercised. These capabilities give assurance that Group will be able to withstand chronic physical risks, and that these are considered in the selection or refitting of our property portfolio. We participated in the UNEP-FI TCFD pilot initiative working with Acclimatise to develop physical risk assessment tools for a range of sectors. These included tools looking at the effects of chronic physical climate change on a range of sectors including agriculture. (https://www.unepfi.org/publications/banking-publications/navigating-a-new-climate-assessing-credit-risk-and-opportunity-in-a-changing-climate/)

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	Please see C-FS2.2.c below for detail of this assessment process
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	Our approach to assessing climate-related risks and opportunities is based upon analysis of physical and transition risks using dedicated methodologies. The Group's NATHAN tool for the measurement of gross physical risk can produce a lending portfolio specific cut. In December 2018, we came together with four international banks to sign the Katowice Commitment, pledging to align lending portfolios with global climate goals. We initially focussing on seven high carbon sectors for lending: upstream oil & gas, shipping operations, automotive, power generation, coal mining, steel and cement manufacturing. At present, our total loans and advances to the sectors deemed as high-transition risk is less than 10% of our total loans and advances, which provides comfort that our portfolio will be reasonably resilient to any short-term transition risks. We are also working with a number of financial institutions, think tanks and technology solution providers to support emissions measurement and climate alignment capability across our entire lending portfolio, although gathering consistent client level emissions data and matching a diverse banking portfolio to companies in the real economy remains a globally recognised challenge. We are committed to supporting the wider industry progress with emissions measurements and are with the other banks providing publicly available guidance on understanding emissions profile for companies that banks lend to. For Retail Banking as part of the Internal Capital Adequacy Assessment Process (ICAAP) we assessed the susceptibility of retail mortgage portfolio in Hong Kong, Singapore, India, the UAE and Malaysia, to extreme physical risk scenarios (such as increased frequency and intensity of typhoon risk, sea level rise, frequent flash floods etc). It is generally expected that an increase in extreme weather events will occur in areas already frequently influenced by natural hazards rather than in areas that are historically less affected albeit with a higher intensity and frequency. There can be mitigants of this risk at the asset level depending on the structural characteristics of the property and/or location. For more detail on how we assess exposure for bank lending please see 2019 TCFD: https://av.sc.com/corp-en/content/docs/Standard-Chartered-Climate-Change-Disclosures-2019.pdf
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	For all lending transactions the client is asked whether they assess water availability and conservation to avoid water stress in the area of their operations, and avoid/minimise pollution from discharges and effluent. If they cannot answer 'Yes' then the client is referred to the environmental and social risk team to review their operations, mitigation and management of risks. If the risks are material and/or mitigations are inadequate it will be escalated to the Group Reputational Risk Committee for review which includes Senior Management level representation where a decision will be made on what plans need to be put in place for the client to bring them into compliance. In terms of portfolio exposure, we don't currently collate data on the proportion of clients with water related risks but we assess on a client and transaction level. In addition we can assess water risk at lending locations, including risk from river flooding and sea level change using the MunichRe NATHAN tool. We assess the risk at a location level, whereby NATHAN can pinpoint a client site and produces risk and hazard scores for current day and future temperature scenarios
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	All forestry clients are reviewed for compliance against stringent criteria which include requirements for no deforestation/land conversion commitments, no use of fire to clear land, no planting on peat or HCS_HCV land, use of an FPIC process for land acquisition, FSC/PEFC certification at the plantation level, sustainable supply chain processes etc. The whole forestry portfolio is reviewed for continued compliance every two years through a Central Risk Review process, overseen by Enterprise Risk and presented to the Group Reputational Risk Committee which has Board level representation.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	Our Position Statement framework, operational in the Bank for over a decade, is embedded through our Environmental and Social Risk Assessment templates. These require some climate-related information from clients operating in sensitive sectors such as Extractive Industries or Power Generation. As part of our preparation for the Bank of England's 2021 Biennial Exploratory Scenario (BES), and as we move to integrate climate risk assessment into our credit risk processes, the bank is preparing to introduce new client level risk assessments to frame their gross risk level for physical and transition risk aspects. The bank plans to engage with its clients to request information on their practices where this is not publicly disclosed. Clients will also be asked to supplement information to the bank where there is more information at their disposal than currently available in the public domain. These assessments will be key client level risk assessments that the bank undertakes for all of its lending portfolio. As part of the 2021 BES pilot exercise, we have initiated these client level assessments and due diligence with clients to source additional information on a sample basis, with a view to build scale over these engagements over the next 12-18 months, and advance our planning around integration of such client due diligence into our bank platforms and systems.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Current regulation	Regulation and supervision of climate-related risk in the financial sector
--------------------	--

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

Regulation direct to the Group from central banks presents a potential compliance risk. As such we recognise that Climate Risk is therefore a material risk through Compliance Risk (a Principal Risk Type) and we are developing proposals to formally embed Climate Risk within our Compliance Risk Framework. We fully recognise the ever increasing pace of regulatory developments in the climate risk space, and are building oversight mechanisms internally to ensure there is robust tracking of our level of compliance against applicable and emerging regulations. In terms of current central bank regulations we are focused on meeting the expectations laid out by the PRA through Supervisory Statement SS3/19 and the 2021 biennial exploratory scenario (BES) on the financial risks from climate change. In 2019 we submitted the Group's two year work plan to meet SS3/19, assigned Senior Management Responsibility for Climate Risk to the Group CRO and are currently preparing to deliver the 2021 BES.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We fully recognise the ever increasing pace of regulatory developments in the climate risk space, and are building oversight mechanisms internally to ensure there is robust tracking of our level of compliance against applicable and emerging regulations.

Cost of response to risk

4000000

Description of response and explanation of cost calculation

We fully recognise the ever increasing pace of regulatory developments in the climate risk space, and are building oversight mechanisms internally to ensure there is robust tracking of our level of compliance against applicable and emerging regulations. The cost above is the estimated annual cost of meeting currently compliance expectations on climate risk.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Funding risk

Company-specific description

Our climate related risk assessments consider the following acute physical risks - drought stress, wildfire stress, precipitation stress, river flood and tropical cyclones. We identify these risks we use a bottom-up risk assessment tool known as NATHAN, provided by Munich Re. Risk assessments using NATHAN are used in the Group's stress testing, including in the Internal Capital Adequacy Assessment Process (ICAAP) which allowed us to understand portfolio vulnerabilities to acute physical risks. The learnings are fed back into BAU risk management processes, policies and standards. As an example, for Credit Risk we assessed impact of acute physical risk on our Retail Mortgage portfolio for Hong Kong, Singapore, India, the UAE and Malaysia. Here, the hazard and risks scores from NATHAN provided physical risk concentrations to inform judgmental valuation impacts. We are currently developing the integration of physical risk assessments as part of BAU credit risk assessments. The Group considers operational impacts to our own operations from Climate Change within the risks managed by our Client Service Resilience and Safety and Security risk subtypes. The Group's Resilience approach includes an appropriate Incident and Crisis Management Framework, Continuity and Contingency plans and escalation and communication tools. These capabilities are annually refreshed, tested and the crisis management teams exercised. These capabilities give assurance that Group will be able to withstand high-severity low-frequency events (including extreme weather events). The Group has demonstrated its ability to activate such capability in the past through various events, including those triggered by climate events, such as the Chennai floods. Our 2019 ICAAP Significant Business Interruption scenarios considered the potential losses resulting from a prolonged business interruption caused by a rare and extreme weather event in Hong Kong which impacted the integrity of building infrastructures like data centres, branches and ATMs. Estimated losses include several impacts of the event, both primary and consequential, covering costs to rebuild the data centres, regulatory penalty for reduced service levels, customer compensation as goodwill gesture and second order costs of refurbishing branches, new ATM installations and hardship allowances. Estimated capital requirements are included in the Operational Risk capital proposals.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Our 2019 ICAAP Significant Business Interruption scenarios considered the potential losses resulting from a prolonged business interruption caused by a rare and extreme weather event in Hong Kong which impacted the integrity of building infrastructures like data centres, branches and ATMs. Estimated losses include several impacts of the event, both primary and consequential, covering costs to rebuild the data centres, regulatory penalty for reduced service levels, customer compensation as goodwill gesture and second order costs of refurbishing branches, new ATM installations and hardship allowances. Estimated capital requirements are included in the Operational Risk capital proposals.

Cost of response to risk

Description of response and explanation of cost calculation

Estimated capital requirements are included in the Operational Risk capital proposals.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Regulation and supervision of climate-related risk in the financial sector
---------------------	--

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

The monitoring of emerging regulation is an extension of our monitoring of current regulation. For example we are aware of the intent of a number of governments in the markets we are active in, including India and China to prohibit the sale of vehicles powered by internal combustion engines. Such a prohibition would have wide-ranging impacts on companies within the automotive value chain and therefore the risks of lending to such clients. We assess such risks as part of our portfolio review process, where we look at specific sectors and factors which may have a disruptive impact. Both Group and in-country teams have responsibility for tracking emerging regulation. The Bank has an internal governance process for monitoring developments, such as regulatory initiatives on climate risks, amongst our country level markets. Risks are identified, monitored and escalated through internal committees, including the banks Regulatory Developments Assessments Forum, and then where appropriate escalated to management. In July 2019 we have created a dedicated group to monitor sustainable banking regulatory developments including on climate change, reporting to the Sustainable Finance Working Group and Global Head, Public and Regulatory Affairs. Regulation is emerging at pace from central banks across our markets, particularly in Asia. To remain prepared for emerging regulation coming into force we engage in consultations with central banks where possible. Examples of emerging regulation on climate risk is seen by the Hong Kong Monetary Authority, Monetary Authority of Singapore and Bank Negara Malaysia, as well as other central banks and the Network for Greening the Financial System (NGFS). For countries with distinct emerging regulatory requirements the Group Climate Risk Team supports Country Chief Risk Officers for local oversight.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

We are aware of the reputational impacts of lending to particular sectors which, through their emissions, are significant greenhouse gas emitters. These were a consideration in our 2018 decision to cease financing to new coal-fired power plant projects. We are including new questions within the Reputational Risk Materiality Assessment (RRMA), designed to detect climate related Reputational Risks including a) clients whose current and/or future emissions profiles may not align to the Paris Agreement, and b) clients who fail to disclose climate related risk for physical and/or transition risks (TCFD). High or Very High cases may then be presented to the Group Reputational Risk Committee for discussion and decision.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Please select

Company-specific description

We are active in the green, social and sustainable bonds market, supporting our clients to issue such bonds. As part of this we are a member of the Green Bond Principles and the Climate Bonds Initiative. During 2019 we helped issuers raise over USD 18 billion of green bonds, up from 9 billion in 2018. During 2018 and early 2019 we mapped our existing business against the UN Sustainable Development Goals to create a Sustainability Bond framework that lists what we as an organisation view as sustainable activities. This captures all business that we undertake as a group that aligns with global development priorities and the Green, Social and Sustainability Bond Principles and Guidelines. In June 2019 we issued a €500m Sustainability Bond focused on emerging markets. The proceeds of the bond will be used to provide finance in areas aligned with the United Nations Sustainable Development Goals – including clean energy projects – helping drive employment, growth and prosperity across emerging markets.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Standard Chartered has publicly committed fund and facilitate USD4bn toward clean technology between 2016 and 2020 via advisory, financing, debt structuring services and policy advice. We achieved this target ahead of schedule in 2019, and have launched a new ambitious target to fund and facilitate USD 35bn toward clean technology between 2020 and 2024.

Cost to realize opportunity

1000000

Strategy to realize opportunity and explanation of cost calculation

The USD35bn is part of our commitment, made in our Climate Change Position Statement and Sustainability Aspirations.

Comment

The cost of management is an estimate of the annual cost of staff time and external awareness-raising and capacity building we have expended on this issue during 2019

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 2.6	Our 2017/8 work on physical risk as part of the UNEP-FI TCFD pilot which culminated in the ‘Navigating a new climate’ report used a model based on peer-reviewed literature of both chronic and acute physical climate change impacts under a 2 degrees climate scenario consistent with RCP2.6. This scenario was selected for its authoritative nature, and the depth of peer-reviewed literature which referenced it when discussing physical climate impacts. The time horizons considered were out to the 2040s. In part, this was because shorter-term physical risks are determined by the GHG concentrations already present in the atmosphere and are not heavily impacted by differing climate scenarios. The longer time horizon is also appropriate for longer-duration lending such as residential mortgages. It also reflects that as a relationship bank whilst the tenor of average loan facilities may be relatively short (with 70% of business loans maturing in less than one year), we anticipate longer-term credit exposure to (and interest payments from) clients through renewing loans as they expire. Our findings with reference to Chinese real estate exposure were that under the assumptions in the scenario we may see Loan To Value (LTV) ratios increasing by 1-5% for some borrowers. We are further reviewing these findings and how the methodology can be enhanced, as well as seeking to understand whether lending in other countries would generate similar results. We also used RCP2.6 as our climate scenario when developing our internal framework for assessing climate impacts on clients in the energy utilities sector. This work has helped us assess which clients are most susceptible to climate related risks, and allowed us to bring these risks into conversations with clients in a structured manner.
REMIND MESSAGE-GLOBIOM	Our work on transition risk as part of the UNEP-FI TCFD pilot which culminated in the ‘Extending our horizons’ report used the Potsdam Institute for Climate Impact Research (‘PIK’) REMIND-MAgPIE and IIASA MESSAGEix-GLOBIOM models calibrated for 2 degrees of global warming. As discussed in detail on page 27 of that report, the reason for selection of these models was that they were the most suitable tools to allow assessment of the economic effects of climate change on sectors and individual borrowers and thus provide participating banks with indicative impacts on loan portfolios.
IEA B2DS IEA Sustainable development scenario	As part of our work piloting the 2 Degrees Investing Initiative (2DII) PACTA tool for banks, we used both the B2DS and SDS scenario modules which form part of this tool to conduct analysis of our lending portfolio in certain sectors, principally automotive and oil & gas.
RCP 2.6 RCP 4.5 RCP 8.5	The NATHAN tool that we use to quantify physical risk to assets by location is able to estimate hazard and risk by RCP 2.6, 4.5 and 8.5 at 2050 and 2100. We consider this in our risk assessments and will use in the 2021 biennial exploratory scenario (BES).

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	In September 2018, we made a strategic commitment to “measure, manage and ultimately reduce” emissions related to our activities and those related to the financing of our clients, in support of the Paris Agreement goals to limit global warming to significantly below 2 degrees. We recognise the risk from high carbon-sectors, and the opportunities enabled by the transition of economies to lower-carbon forms of productivity and growth. At present, our total loans and advances to the sectors deemed as high-transition risk is less than 10% of our total loans and advances, which provides comfort that our portfolio will be reasonably resilient to any short-term transition risks. Opportunity has also influenced our strategy and recently we grew our support to Sustainable Finance and committed to provide \$35 billion worth of project financing services, M&A by 2024. This includes advisory, debt structuring, transaction banking and lending services for renewable energy that align to our verified Green and Sustainable Product Framework.
Supply chain and/or value chain	Please select	
Investment in R&D	Yes	Through research we aim to better forecast where, when and how climate risk affects our clients and our own operations – from now to decades into the future. In 2020 we committed to a four-year research partnership with Imperial College. The partnership, funded by Standard Chartered, aims to unlock solutions to practical questions like: how local policy actions will affect business models and trade in our markets; and how clients can build resilience to increasing physical risks such as flooding and rising sea levels. Raising awareness on Climate Risk across the Group and delivering education is a core part of the partnership - Imperial College are developing a bespoke digital learning, accessible to all staff across geographies. Bringing together Imperial College’s expertise in climate science and climate finance, with our unique footprint in emerging markets, we can help prepare our clients and support their own low-carbon transitions, particularly those in locations most exposed and least prepared for climate risk. Consistent with our Paris-aligned strategy, in December 2019 we published an approach to only support clients who are less than 10% dependent on earnings from thermal coal by 2030, with interim targets. We are actively working on transition pathways for other sectors.
Operations	Yes	Operational risk arises from climate change when business continuity is impacted if there is undue concentration of climate risk in locations of the Group’s own operations (or through a low frequency and extreme severity event), or locations of the critical third-parties. We conduct an annual assessment of physical risks to our facilities from factors including severe weather, wildfires and flooding. The physical risk identification methodology uses the MunichRe tool and considers the risk and hazard to properties at present day, and in the future (2050, 2100) under different temperature scenarios (RCP 2.6, 4.5, 8.5). The Group considers operational impacts from climate change within the risks managed by our Client Service Resilience and Safety and Security risk subtypes. The Group’s Resilience approach includes an appropriate Incident and Crisis Management Framework, Continuity and Contingency plans and escalation and communication tools. These capabilities are annually refreshed, tested and the crisis management teams exercised. These capabilities give assurance that Group will be able to withstand high-severity low-frequency events (including extreme weather events). The Group has demonstrated its ability to activate such capability in the past through various events, including those triggered by climate events, such as the Chennai floods in 2015. As part of risk identification, assessment and mitigation process the Group stress tests for Operational Risk from climate change. The 2019 Internal Capital Adequacy Assessment Process (ICAAP) looked at significant business interruption scenarios and considered the potential losses resulting from a prolonged business interruption caused by a rare and extreme weather event in Hong Kong (which accounts for a large proportion of the Group’s retail business) which impacted the integrity of building infrastructures like data centers, branches and ATMs. Estimated losses include several impacts of the event, both primary and consequential, covering costs to rebuild the data centers, regulatory penalty for reduced service levels, customer compensation as goodwill gesture and second order costs of refurbishing branches, new ATM installations and hardship allowances. Estimated capital requirements were included in the Operational Risk capital proposals.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments	Revenues As part of the corporate planning process, impact of climate risk is now considered as part of the process. This implies, for example, examining revenue reliance on markets most vulnerable and least ready from a physical risk perspective (and consequently evaluate new sourcing strategy in the most vulnerable markets). This also includes evaluating our revenue reliance on traditionally high carbon sectors, and incorporating diversification or transition of clients in these sectors in future growth plans. This ties in with our aggressive growth plans in sustainable finance. Capital expenditure To meet the challenge of gaps in data and methodology challenges to identify and assess Climate Risk we have increased expenditure to source solutions and develop our internal capabilities. Most recently these have included: - a four year research partnership with Imperial College unlock solutions to practical questions like: how local policy actions will affect business models and trade in our markets; and how clients can build resilience to increasing physical risks such as flooding and rising sea levels. - a new physical risk tool (NATHAN by MunichRe) to assess the physical risks of our own operations and those of our clients. - a new transition risk tool by Baringa to assess warming potential and alignment to the Paris Agreement, by portfolio - access to various external databases to inform transition risk assessments e.g S&P, MSCI, Sustainalytics. - external support on climate stress testing for the 2021 BES Indirect costs In 2019 we added additional headcount to address managing climate risk and set-up a new central Climate Risk Team within Enterprise Risk Management. Divestments In 2019 we committed to cease financing any new coal fired power stations anywhere in the world, save where there was an existing commitment. Our move away from financing high carbon sectors continued in 2019 when we pledged to support our mining, power generation and commodity trader clients who are today dependent on thermal coal to transition their businesses, so that by 2030 we will not bank any clients who are more than 10% dependent on coal, and added that we will not participate in any 'grandfathered' coal power projects. Capital allocation We have assessed the impact of physical risk on the Group's premises and retail mortgage portfolio, and impact of transition risk on the high carbon sectors in our wholesale lending portfolio, as part of the Internal Capital Adequacy Assessment Process (ICAAP).

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Our strategy and financial plans are informed by our Climate Risk Workplan, reviewed by the Management Team and Board, which spans the next two years and will deliver a range of actions including full implementation of the requirements of the PRA's SS3/19.

This includes significant integration of climate-related risks and opportunities into our business strategy. To date we have already taken sector-specific actions on our carbon exposure on project financing of coal-fired power plants, and most recently new strategy on clients dependent on thermal coal. We have a public commitment to measure, monitor and ultimately reduce the emissions linked to our clients. We are initiating building the linkage of this commitment into account planning and corporate planning.

We have introduced initial questions into the corporate plan assessment, recognising climate related physical and transition risks as a principal uncertainty. The second line risk challenge of the corporate plan includes challenge on climate risk.

Through raising awareness of climate risk within first and second line, these individuals are beginning to consider climate risk in strategy decisions e.g. board members have begun challenging regional strategy from a climate risk perspective (distinct from the sustainable finance opportunities). In 2019 we delivered training on Climate Risk to the Board and continue to deliver dedicated training across geographies and business areas.

An example of transition risk already impacting on our strategy is our public commitment that by January 2021, we will have no group level clients who are 100% dependent on earnings from thermal coal.

As we develop our climate risk identification and assessment methods, including BAU integration of climate risk, then climate risks and opportunities will only increase in their magnitude of impact and inclusion in longer term business strategy. We expect the outputs of the 2021 BES, with its 30 year time horizon to help drive our longer term strategy.

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy Underwriting policy Policy related to other products and services Engagement policy	Majority of the portfolio	As we progress through our climate risk work plan, climate risk considerations are being integrated into relevant frameworks, policies or standards for impacted principal risk types. For details on our risk governance structure, please see from page 206 in the Annual Report (https://av.sc.com/corp-en/content/docs/standard-chartered-plc-full-year-2019-report.pdf). The PRA SS 3/19 requirements mandate us to integrate climate risk considerations into such mainstream risk frameworks and policies. Risk policy / policy related to other products: Country risk and reputational risk policies have been updated to include climate risk considerations. This means reputational or country risk assessments have started incorporating climate risk considerations. Similar review is already in progress for operational risk and compliance risk types. Credit and underwriting policies: In addition to the ESRM criteria mentioned below, several pilots are in flight to determine how best to integrate client-level climate risk assessments into the wholesale credit process. Formal integration is planned for 2021 as per our climate risk workplan. We have restrictive policies on clients and transactions in carbon intensive sectors which are part of our due diligence processes. These include not financing any new coal fired power stations and supporting clients dependent on thermal coal to transition. We plan to integrate transition assessment questions into our due-diligence (client assessment) process, to assess the client's transition plans and so transition risk to the bank. Our Environmental and Social Risk Management (ESRM) team support our credit risk assessment process, including for lending. Through defined Environmental and Social Risk Assessments (ESRAs), we gather information on environmental and social risks related to a specific client or transaction, including climate change risks. All projects financed under the Equator Principles require an 'alternatives analysis' if they will emit over 10,000 tonnes of CO2/e per year, to understand what alternative technologies may be feasible which can deliver the project outcomes with lower emissions. Completed ESRAs are reviewed by Credit Risk approvers, escalated to the ESRM team if needed, and their impact on credit worthiness of the borrower is assessed in course of the credit due diligence process.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	

C-FS3.2b

(C-FS3.2b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending	New business/investment for new projects	We will not provide financial services directly towards new standalone non-captive thermal coal mining projects.
Coal	Bank lending	New business/investment for new projects	We will not directly finance any new coal-fired power plant projects, including expansions, in any location.
Oil & gas	Bank lending	New business/investment for existing projects	We will not provide financial services directly towards new or existing tar sands exploration and/or production activities.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2017

Covered emissions in base year (metric tons CO2e)

119777

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

101818

% of target achieved [auto-calculated]

14.9936966195513

Target status in reporting year

Underway

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

We have committed to SBTi as far as scope 1 and 2 GHG emissions, and publicly communicated this in our Sustainability Aspirations (sc.com/sustainabilityaspirations). Because scope 3 methodology has not been finalised, we are unable to get approval from SBTi at this time but are an active contributor to the Science Based Targets for Financial Institutions (SBTi-FI) Expert Advisory Group in working to develop approved methodologies. Our work in this area is outlined in our May 2019 Emissions White Paper (<http://sc.com/emissions>). During 2019 the bank made a commitment to become carbon neutral in their scope 1 and 2 emissions. We expect to complete this by 2025.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2009

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Other, please specify (kWh/m2/year)

Base year

2008

Intensity figure in base year (metric tons CO2e per unit of activity)

387

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

50

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

193.5

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)

223

% of target achieved [auto-calculated]

84.7545219638243

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)

We met our 2008-2019 energy intensity target in 2018, ahead of schedule. This reporting year we have set Science Based Targets (absolute). We have now set out new (internal) targets to further improve our efficiency to <200 EUJ by 2025. These have been submitted to SBT initiative. Location based baseline emissions have been calculated. Our new SBTs from 2019 are to reduce annual greenhouse gas emissions by 90% to 18,000 tonnes by 2050 with interim targets of 36% to 121,000 tonnes by 2025 and 55% to 84,000 tonnes by 2030. This is from a 2017 baseline of 187,936 tonnes

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

7

Target year

2030

Figure or percentage in target year

100

Figure or percentage in reporting year

7

% of target achieved [auto-calculated]

0

Target status in reporting year

Underway

Is this target part of an emissions target?

We have submitted SBT emissions targets but also have started the RE100 journey. We are attempting to secure 100% renewable electricity across all our markets over the next ten years. We recognise that this will be an extremely difficult target to meet as many of our geographies are not de-regulated energy markets.

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

We have started the RE100 journey and are in discussing for full membership. We are attempting to secure 100% renewable electricity across all our markets over the next ten years. We recognise that this will be an extremely difficult target to meet as many of our geographies are not de-regulated energy markets.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2009

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency	metric tons of paper consumed
------------------------------------	-------------------------------

Target denominator (intensity targets only)

unit FTE employee

Base year

2009

Figure or percentage in base year

50

Target year

2020

Figure or percentage in target year

10

Figure or percentage in reporting year

16.96

% of target achieved [auto-calculated]

82.6

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes. Although de minimum impact, the values are included in our emissions calculations. We recognise this as an important resource and as such realise we need to cut our our consumption considerably.

Is this target part of an overarching initiative?

Remove deforestation

Please explain (including target coverage)

Goal 12 of the UN SDGs

Target reference number

Oth 2

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (Emissions from business flights (Scope 3))
-----------------------	---

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

96196

Target year

2020

Figure or percentage in target year

93

Figure or percentage in reporting year

100

% of target achieved [auto-calculated]

99.9927161482992

Target status in reporting year

New

Is this target part of an emissions target?

Yes

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

We have a Sustainability Aspiration to Reduce our Scope 3 value chain emissions from business travel by 7% between Jan 2020 – Dec 2020, against our 2019 emissions.

Target reference number

Oth 3

Year target was set

2019

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Fossil fuel reduction target	Other, please specify (Client revenue from thermal coal)
------------------------------	--

Target denominator (intensity targets only)

<Not Applicable>

Base year

2018

Figure or percentage in base year

100

Target year

2030

Figure or percentage in target year

10

Figure or percentage in reporting year

100

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

This target is our first Paris Aligned sectoral policy, detailed in our TCFD report.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

We have taken the decision to only support group level clients who have reduced their exposure to thermal coal below 10% by 2030. To support our clients to transition their businesses ahead of this date, we have set interim targets as follows: • By January 2021, we will have no group level clients who are 100% dependent on earnings from thermal coal • By January 2025, we will extend this threshold to group level clients who are greater than 60% dependent on earnings from thermal coal • By January 2027, we will extend this threshold to group level clients who are greater than 40% dependent on earnings from thermal coal • By January 2030, we will extend this threshold to group level clients who are greater than 10% dependent on earnings from thermal coal Through the above commitment, we are reducing our support for thermal coal at a faster rate than well-established Paris Agreement-aligned scenarios from the Internal Energy Agency (IEA)

Target reference number

Oth 4

Year target was set

2016

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Green finance raised and facilitated (denominated in currency)
---------------	--

Target denominator (intensity targets only)

<Not Applicable>

Base year

Figure or percentage in base year

Target year

2020

Figure or percentage in target year

4000000000

Figure or percentage in reporting year

24900000000

% of target achieved [auto-calculated]

<Calculated field>

Target status in reporting year

Achieved

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

We set a target in 2016 to fund and facilitate USD4bn toward clean technologies, and exceeded this.

Target reference number

Oth 5

Year target was set

2020

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Green finance raised and facilitated (denominated in currency)
---------------	--

Target denominator (intensity targets only)

<Not Applicable>

Base year

Figure or percentage in base year

Target year

2024

Figure or percentage in target year

35000000000

Figure or percentage in reporting year

% of target achieved [auto-calculated]

<Calculated field>

Target status in reporting year

New

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Having achieved our target to mobilise USD4bn toward clean technology between 2016-2020 ahead of schedule (having achieved USD4.9bn between 2016-2018), we have set a new target to mobilise financing to create USD35bn in clean technology and renewable power between 2020-2025

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	140	15000
To be implemented*	40	4285
Implementation commenced*	60	6429
Implemented*	40	4285
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

1200

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

50000

Investment required (unit currency – as specified in C0.4)

500000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Lifecycle replacement of plant and equipment across the portfolio. Always looking for more efficient replacement technology, the Bank supports long term investment and doesn't always look for 2-3 year paybacks, recognising it's the right thing to do.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

1200

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

200000

Investment required (unit currency – as specified in C0.4)

1000000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

LED rollout programme continues aiming to be 100% LED by 2030 - retrofits are supported based on lifecycle change and also carbon reduction. The Bank recognises the benefit of LED improvements and as such does not look for quick win payback, rather than being Here for Good.

Initiative category & Initiative type

Energy efficiency in buildings	Motors and drives
--------------------------------	-------------------

Estimated annual CO2e savings (metric tonnes CO2e)

750

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

100000

Investment required (unit currency – as specified in C0.4)

250000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

The Bank recognises the need for variable speed systems and improvements on VSD across the HVAC industry has resulted in further efficiencies in our portfolio. Motors and drives are included in our lifecycle change. Plant assets are updated to reflect new technology and more efficient equipment. Inverter drives are recognised as high impact energy saves for variable speed installations.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

400

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

20000

Investment required (unit currency – as specified in C0.4)

250000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

The Bank wishes to install solar PV on as many properties as possible. Sometimes this is also solar thermal where we also have hot water load. The output of the solar PV is minimal on our consumption but has a direct impact on renewable scope 1.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

10

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

The Bank's Group Chief Executive has given up his diesel company vehicle in lieu of reducing his carbon footprint and uses public transport and / or his own EV for domestic business travel .

Initiative category & Initiative type

Transportation	Business travel policy
----------------	------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

7000

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1000000

Investment required (unit currency – as specified in C0.4)

100000

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

Our 7% travel emissions reduction target for 2020 is part of a wider programme to substitute business travel for other forms of collaboration where possible, with resultant emissions and cost savings

Initiative category & Initiative type

Waste reduction and material circularity	Waste reduction
--	-----------------

Estimated annual CO2e savings (metric tonnes CO2e)

100

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

100000

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

The Bank has committed to reducing its waste impact on the environment. We have introduced a waste reduction scheme which will see us halve the actual waste impact from properties. Of that final figure we are also aiming to double the recycling value.

Initiative category & Initiative type

Low-carbon energy generation	Liquid biofuels
------------------------------	-----------------

Estimated annual CO2e savings (metric tonnes CO2e)

500

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

10000

Payback period

No payback

Estimated lifetime of the initiative

11-15 years

Comment

Across some African markets we have introduced an alternative fuel to diesel used in our standby generators. The fuel is sourced and produced locally across Tanzania, Uganda and Kenya using the Croton nut. The nut is a by-product of local farming and has been discovered as a viable (alternative) source of diesel fuel which we are using. The fuel costs more, but brings a reduction in emissions.

Initiative category & Initiative type

Low-carbon energy generation	Biogas
------------------------------	--------

Estimated annual CO2e savings (metric tonnes CO2e)

400

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

50000

Payback period

No payback

Estimated lifetime of the initiative

6-10 years

Comment

In de-regulated markets such as the UK we use bio-gas sourced from our supplier directly (through the mains network). The supplier guarantees our consumption is generated from aerobic digestion plants.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Energy efficiency installations such as LED lighting, motion sensors, building management systems, inverter air-conditioning systems, etc are included in budgets for all major refurbishments of offices and branches. The capital and operating budgets of the Bank's Property function are well aligned with a strategic focus on lifecycle costs and the benefits of 'invest to save'.
Internal incentives/recognition programs	An environmental award was established to motivate and recognise teams to achieve sustainability excellence in our property portfolio. Achievement of energy and water reduction targets are included in the performance objectives of relevant employees, thereby tagging environmental objectives to compensation and rewards.
Employee engagement	We have a team of over 60 Country Environment Coordinators working in the different geographies across the Bank's Property function to embed environmentally responsible practices to business as usual, and incentivised on this basis. We run quarterly and annual update calls to provide data on energy and water performance. This ensures our country teams remain engaged with current consumption trends and have a clear understanding of progress against targets. Country offices also have employee led Environment Forums aimed at driving environmental and behaviour change.
Lower return on investment (ROI) specification	We take a through life approach to costing decisions, as well as balancing the external environmental impacts of our decisions in terms of energy and water use changes. We have approved metering work across Africa to improve data collection which will not provide significant ROI but will allow us to monitor usage with greater accuracy.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

We are active in the green, social and sustainable bonds market, supporting our clients to issue such bonds. As part of this we are a member of the Green Bond Principles and the Climate Bonds Initiative. During 2019 we helped issuers raise over USD 18 billion of green bonds, up from USD 9 billion in 2018. During 2018 and early 2019 we mapped our existing business against the UN Sustainable Development Goals to create a Sustainability Bond framework that lists what we as an organisation view as sustainable activities. This captures all business that we undertake as a group that aligns with global development priorities and the Green, Social and Sustainability Bond Principles and Guidelines. In June 2019 we issued a €500m Sustainability Bond focused on emerging markets. The proceeds of the bond will be used to provide finance in areas aligned with the United Nations Sustainable Development Goals – including clean energy projects – helping drive employment, growth and prosperity across emerging markets.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Climate Bonds Taxonomy

% revenue from low carbon product(s) in the reporting year

0.01

% of total portfolio value

Asset classes/ product types

Please select

Comment

Level of aggregation

Group of products

Description of product/Group of products

We support clean technology including renewable energy through advisory, financing and debt structuring services, and policy advice. In 2019 we funded and facilitated USD 20 billion of such services and advice. An example of Standard Chartered's support for clean energy, including renewables is the 700MW CSP (concentrated solar power) project in Dubai. This project – the fourth phase of the Mohamed bin Rashid Solar Park, the largest single-site concentrated solar power plant in the world – is a joint venture between Silk Road Fund, Acwa Power and the DEWA (Dubai Electricity and Water Authority). The project is expected to deliver electricity at a levelised tariff of USD7.30 cents/KWh with 24-hour storage; allowing the project to dispatch competitive electricity around the clock. Standard Chartered acting as the lead documentation-bank – along with ICBC as the mandated lead arranger. The Project will contribute significantly towards the achievement of the Dubai Integrated Energy Strategy 2030, which seeks to secure a sustainable supply of energy by diversifying energy supply sources. Once completed in 2022, it will provide clean energy to over 270,000 residences in Dubai, reducing 1.4 million tons of carbon emissions a year.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

0.1

% of total portfolio value

Asset classes/ product types

Please select

Comment

This is part of our commitment, made in our Climate Change Position Statement and Sustainability Aspirations, to fund and facilitate USD4bn toward the clean technology sector between 2016 and 2020, achieved ahead of schedule, and our subsequent commitment to mobilise USD35bn between 2020 and 2024.

Level of aggregation

Group of products

Description of product/Group of products

In May 2019 we launched the world's first sustainable deposit – a product for corporate and institutional clients, the funds from which we'll use to finance the UN SDGs (including SDG 13 - climate action) in low-income countries across Asia, Africa and the Middle East. Our pioneering product will bring capital to where it matters most. For instance, while 90 per cent of the SDG financing needs are covered in developed countries, only 60 per cent of the investment needs are addressed in emerging and developing regions, with Africa little as 10 per cent. Our Product Framework can be found here: <https://av.sc.com/corp-en/others/green-sustainable-product-framework.pdf> This framework governs all activities we as an organisation view as Green or Sustainable, including SDG 13 - climate action. We will use the framework to guide the development of themed Green and Sustainable Products which reference a specific Green and Sustainable use of proceeds. Our framework was developed in collaboration with Sustainalytics and Version 1.0 has been reviewed and approved by Sustainalytics

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

0.01

% of total portfolio value

Asset classes/ product types

Please select

Comment

Level of aggregation

Product

Description of product/Group of products

We are also an arranger of green loans and sustainability linked loans (aligned to the LMA Green Loan Principles, which we contributed to the development of) In October 2018 we helped DP World, the ports operator and a leading enabler of global trade, create a Green Loans Principles facility that supports a reduction in its greenhouse gas emissions. The Bank led the coordination of a repricing and extension of DP World Limited's Conventional and Murabaha (Islamic) revolving credit facilities by two years to July 2023. The transaction is structured such that the margin of the facility is linked to DP World's carbon emissions intensity, whereby the client is incentivised to reduce its greenhouse gas emissions. A total of 19 banks supported DP World in this innovative financing structure, with Standard Chartered leading as Green Co-ordinator. This is the first green loan in the region with an Islamic format that links pricing to environmental performance in this way. The transaction is a first-of-its-kind and aligns with the Bank's sustainable lending principles. Standard Chartered aims to be a force for good by working with its clients to improve their sustainability performance. This will further strengthen and develop the bank's long-term relationships with its clients, contributing to their competitive advantage and promoting sustainable economic growth in the communities and markets served by the Bank.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

0.01

% of total portfolio value

Asset classes/ product types

Please select

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

October 1 2007

Base year end

September 30 2008

Base year emissions (metric tons CO2e)

14913

Comment

The base year for our emissions was the full year 2007/2008 data as we started this journey in 2009. So we needed a full year's data to plan. Reporting year is always Oct-Sep so that we have enough time to submit, validate, verify and approve the numbers for the annual report.

Scope 2 (location-based)

Base year start

October 1 2007

Base year end

September 30 2008

Base year emissions (metric tons CO2e)

254989

Comment

The base year for our emissions was the full year 2007/2008 data as we started this journey in 2009. So we needed a full year's data to plan. Reporting year is always Oct-Sep so that we have enough time to submit, validate, verify and approve the numbers for the annual report.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We will report on location and market based emissions in 2020

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Voluntary 2017 Reporting Guidelines

Energy Information Administration 1605B

European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations

ISO 14064-1

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

4542

Start date

October 1 2018

End date

September 30 2019

Comment

We have invested in new operations plant and equipment under the lifecycle planning mentioned above. This investment has made our infrastructure stronger meaning less reliance on diesel fuel for standby generation.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

Start date

End date

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

We have decided to report scope 2 emissions via location based methodology. During 2020 we will begin reporting on both location and market based reporting using local GHG factors wherever possible.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

141771

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

October 1 2018

End date

September 30 2019

Comment

Whilst this is slightly higher than 2018 values, we had more accurate data from our smaller properties. Before this reporting year our method was to measure all properties over 1000m2 and 'scale up' all other properties below this value. So we are reporting on global emissions, but using country emission factors etc for smaller properties, based in tonnes/m2. We recognise this method can be improved and in 2020 we will report on all properties, regardless of size using actual invoices or meter reads. This method started in 2019 reporting year and as such we have seen an improvement in data, resulting in slightly higher emissions.

Past year 1

Scope 2, location-based

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

End date

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

46362

Emissions calculation methodology

These scope 3 emissions are directly associated with third party data centre operations. The data is calculated using IEA emissions factors related to both locations (UK and Hong Kong)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The emissions have increased since 2018 as in the UK we ran two operations simultaneously during hand over of the new project. The old site will be decommissioned in 2020 and we expect the emissions to drop down again. We have invested in high efficiency technology in the UK. The provider can assure a PUE of 1.2 as the cooling does not use chiller technology, but prefers free cooling from fresh air.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution, we are not heavily reliant on capital goods. We generate value from the expertise of our staff and much of our procurement relates to services. As such we don't consider this a material source of scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have any fuel and energy related activities outside of our current inventory.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution, we are not resource intensive in terms of consumption of upstream transportation and distribution. As such we don't consider this a material source of scope 3 emissions.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Waste is measured in kilos. We differentiate between general office waste and technology waste (desktop consumables etc). We also measure recycling as a percentage of general waste. Reporting on waste emissions will be included from 2020 reporting year. We have set bold targets to halve the waste and double the recycling. All waste reporting is verified and audited.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

96196

Emissions calculation methodology

Defra emissions factors for air travel

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

We report on business related air travel emissions annually.

Employee commuting

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The Bank generally has no upstream leased assets. There are minor exceptions in the form of a small number of buildings which have a de minimis impact on our emissions inventory.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

Emissions calculation methodology

Downstream transportation and distribution is mostly through our use of couriers. Our courier partner DHL uses the GO GREEN carbon neutral transport service. Calculation of CO2 emissions is managed at shipment level. Carbon accounting processes confirms to internationally recognised GHG protocols and ISO 14064. CO2 footprint is automatically calculated in DHLs ACCEPT tooling is also verified by an external third party.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

We contract DHLs GO Green Carbon Neutral service for all international couriers across 25 countries globally. Through this programme the Bank has offset our emissions generated by transportation through climate protection projects which has been verified by SocGen de Surveillance against the Carbon Management System and according to the GGP - product lifecycle accounting and reporting standard for the reporting period.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not sell physical products

Use of sold products**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not sell physical products

End of life treatment of sold products**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not sell physical products

Downstream leased assets**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have downstream leased assets

Franchises**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have no franchises

Other (upstream)**Evaluation status****Metric tonnes CO2e**

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00001

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

146313

Metric denominator

unit total revenue

Metric denominator: Unit total

15200000000

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

2018 = 147950 / \$14.958bn 2019 = 146313 / \$15.2bn both equal 0.00001 tonnes / dollar

Intensity figure

1.73

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

146313

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

84398

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

2018 = 147950 / 85402 FTE 2019 = 146313 / 84398 FTE both equal 1.73 tonnes / FTE

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	82	Decreased	5	There has been a 5% rise in clean energy since 2018 reporting year which equates to 82 tonnes. 2018=147950 2019 =146313 =1637 total save 5% = 82 tonnes
Other emissions reduction activities	1506	Decreased	92	There has been a 48% drop in scope 1 emissions resulted from less diesel and cleaner fuels which equates to 92% of the decrease value 2018=147950 2019 =146313 =1637 total save 92% = 1506 tonnes
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary	49	Decreased	3	There has been a 3% drop in real estate since 2018 reporting year which equates to 49 tonnes. 2018=147950 2019 =146313 =1637 total save 3% = 49 tonnes
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	18500	18500
Consumption of purchased or acquired electricity	<Not Applicable>	16500	223000	239500
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	555	<Not Applicable>	555
Total energy consumption	<Not Applicable>	17055	241500	258555

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

4800

Metric numerator

Kilo Tonnes per year

Metric denominator (intensity metric only)

% change from previous year

6

Direction of change

Decreased

Please explain

Bank wide reduction of waste campaign and a C suite led campaign to print less has resulted in less waste reported this reporting year.

Description

Other, please specify (Water)

Metric value

654

Metric numerator

Millions of litres per year

Metric denominator (intensity metric only)

% change from previous year

29

Direction of change

Decreased

Please explain

Significant efforts to drive water efficiency across our network starting with meter read data in 2015 resulting in actionable investment through to the present day. Water recycling, rainwater harvesting, waste water recycling and cooling tower recycling just some of the activities we have completed to manage this figure.

Description

Other, please specify (Paper)

Metric value

16.96

Metric numerator

Kg / FTE / year

Metric denominator (intensity metric only)

% change from previous year

4.2

Direction of change

Decreased

Please explain

Staff engagement across the Bank for paperless meetings, removing auto print functions and reducing number of printers available to staff

Description

Other, please specify (Client lending sectoral emissions intensity)

Metric value

221.4

Metric numerator

Grams of CO2 per kilometre

Metric denominator (intensity metric only)

% change from previous year

Direction of change

<Not Applicable>

Please explain

In page 25 of our 2019 TCFD report we lay out our initial approach for calculating portfolio emissions (Scope 3, Category 15 'Investments') for our automotive portfolio - <https://av.sc.com/corp-en/content/docs/Standard-Chartered-Climate-Change-Disclosures-2019.pdf>

Description

Other, please specify (Client lending sectoral emissions intensity)

Metric value

0.67

Metric numerator

Tonnes of CO2 per tonne of cement produced

Metric denominator (intensity metric only)**% change from previous year****Direction of change**

<Not Applicable>

Please explain

In page 25 of our 2019 TCFD report we lay out our initial approach for calculating portfolio emissions (Scope 3, Category 15 'Investments') for our cement portfolio - <https://av.sc.com/corp-en/content/docs/Standard-Chartered-Climate-Change-Disclosures-2019.pdf>

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

assurance-report-2019.pdf

Page/ section reference

Single page statement

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

assurance-report-2019.pdf

Page/ section reference

Single page statement

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C9. Additional metrics	Other, please specify (Waste impact)	ISO 14064-3	Annual verification exercise not limited to scope 1 and 2 emissions but also water and waste. assurance-report-2019.pdf
C9. Additional metrics	Other, please specify (Water impact)	ISO 14064-3	Annual verification exercise not limited to scope 1 and 2 emissions but also water and waste. assurance-report-2019.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

30

% total procurement spend (direct and indirect)

20

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

We have engaged with our Strategic Suppliers, those who are most critical to the functioning of the Bank and with whom we have the deepest relationship

Impact of engagement, including measures of success

Gathered emissions profiles of these suppliers, and information on the steps they are taking to reduce these emissions. Identified opportunities to collaborate with these suppliers as part of existing or future supply contracts to further reduce their emissions, and thus our Scope 3 emissions

Comment

We have not assessed our total Scope 3 supplier emissions, hence cannot accurately estimate the portion of emissions our Strategic Suppliers represent.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

As part of our preparation for the Bank of England's 2021 Biennial Exploratory Scenario (BES), and as we move to integrate climate risk assessment into our credit risk processes, the bank is preparing to introduce new client level risk assessments to frame their gross risk level for physical and transition risk aspects. We have commenced education and information sharing in this regard with a sample of clients from our portfolio, with plans to increase the scope and scale of this engagement over the next 12-18 months.

Impact of engagement, including measures of success

Reduction in the climate-related impacts of our clients, and enhancement of their transition risk readiness

Type of engagement

Information collection (understanding customer behavior)

Details of engagement

Collect climate change and carbon information at least annually from long-term customers

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

As part of our preparation for the Bank of England's 2021 Biennial Exploratory Scenario (BES), and as we move to integrate climate risk assessment into our credit risk processes, the bank is preparing to introduce new client level risk assessments to frame their gross risk level for physical and transition risk aspects. We have commenced information collections in this regard for a sample of clients from our portfolio, with plans to increase the scope and scale of this engagement over the next 12-18 months. We have also been working through the 2 Degrees Investing Initiative's Paris Agreement Capital Transition Assessment (PACTA) and the Science Based Targets working group to identify proxies for emissions information within selected high-emissions sectors, as set out in our 2019 Emissions White Paper (<https://av.sc.com/corp-en/content/docs/emissions-whitepaper.pdf>).

Impact of engagement, including measures of success

Reduction in the climate-related impacts of our clients, and enhancement of their transition risk readiness

Type of engagement

Information collection (understanding customer behavior)

Details of engagement

Collect climate change and carbon information at least annually from long-term customers

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

Majority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

As part of our Position Statement requirements, we expect clients in high emitting sectors 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.

Impact of engagement, including measures of success

Supporting our commitment to "measure manage and reduce" emissions related to our financing of clients

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support with minor exceptions	We engaged the European Commission on its consultation on a renewed sustainable finance strategy	We support measures to scale sustainable finance markets in the EU, as well as to integrate climate and ESG risks into prudential regulation
Other, please specify (Climate risk)	Support	We responded to the UK Bank of England discussion paper on its 2021 Biennial Exploratory Scenario for the financial risks of climate change	We responded to the BoE to support the approach to assessing the financial system's exposure to physical and transition climate risks. We are also part of the UK Climate Financial Risk Forum, helping to develop industry approaches to apply the UK PRA's Supervisory Statement on Climate Risk
Mandatory carbon reporting	Support	UK Financial Conduct Authority consultation on climate reporting	We support mandatory disclosure aligned to TCFD for premium listed corporates and financial institutions
Mandatory carbon reporting	Support	We responded to the UK FCA's discussion paper on green finance	We support increased reporting requirements for all firms aligned to TCFD on a 'comply or explain basis'. We note that climate scenarios (at the time of drafting) needed to be further developed. We support regulatory measures to promote green finance and increase financing of the low-carbon transition
Other, please specify (Climate risk)	Support	We responded to the UK PRA's consultation paper on managing the financial risks from climate change	We supported the UK PRA's proposed approach to ensure increased risk management, governance and disclosure on the financial risks related to climate change
Climate finance	Support	We responded to IOSCO's Growth and Emerging Markets Committee's consultation paper on sustainable finance in emerging markets	We support measures to develop a harmonised international approach to regulatory frameworks for sustainable finance, in order to avoid unintended consequences, enhance data quality, and provide greater clarity for firms in their allocation of resources
Mandatory carbon reporting	Support	In the course of our business, we regularly interact with our supervisors and regulatory bodies to promote increased reporting and disclosure standards on climate change	We support mandatory disclosure requirements aligned to TCFD for premium listed corporates and financial institutions
Adaptation or resilience	Support	In the course of our business, we regularly interact with our supervisors and regulatory bodies to promote sustainable finance activity to increase climate change adaptation and resilience	We support regulatory measures to support sustainable finance and sustainable products to help clients build climate resilience and undertake adaptation activities
Climate finance	Support	In the course of our business, we regularly interact with our supervisors and regulatory bodies to promote the role of financial services in providing finance to support the transition to a low-carbon economy	We support regulators in their work to scale sustainable finance markets in order to channel capital to where it is needed most to support the transition to a low-carbon economy

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

University of Cambridge Banking Environment Initiative

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

From the BEI's website "To keep global temperatures from rising by more than 1.5C in line with the Paris Climate Agreement will require a complete recalibration of the existing economic, energy and industrial agendas. It is estimated the transition to a low carbon economy will require \$90 trillion of infrastructure investment between 2016 and 2030. A 'business-as-usual' scenario, which does not meet Paris objectives, would see the same amount of capital invested. This highlights a simple truth: that there is enough capital to create a low-carbon economy – what matters is ensuring capital flows toward the right projects."

How have you influenced, or are you attempting to influence their position?

We are a participant in the University of Cambridge's 'Bank 2030' project - <https://www.cisl.cam.ac.uk/business-action/sustainable-finance/banking-environment-initiative/programme/banking-low-carbon>, and a successor project on climate transition pathways. Our Head of Sustainability is also Chair of the Banking Environment Initiative.

Trade association

Association of Financial Markets in Europe

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

AFME works to develop the Europe's capital markets and, in doing so, supports the development of climate and sustainable finance flows.

How have you influenced, or are you attempting to influence their position?

We are a Co-Chair of AFME's Sustainable Finance Working Group

Trade association

Institute of International Finance

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The IIF is undertaking work to encourage and enhance TCFD reporting by financial institutions

How have you influenced, or are you attempting to influence their position?

We sit on the IIF's Sustainable Finance Working Group, and TCFD sub-Group

Trade association

UK Finance

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

UK Finance is seeking to raise awareness amongst UK financial institutions of climate change, including managing climate risks and enhancing climate disclosures, corresponding to regulatory policy developments from the UK regulators covering these topics.

How have you influenced, or are you attempting to influence their position?

We sit on UK Finance's Sustainable Finance Working Group

Trade association

Global Financial Markets Association (GFMA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The GFMA seeks to promote industry priorities and solutions to sustainable finance activity and climate risk management. It engages with global standard setters and policymakers to foster international convergence.

How have you influenced, or are you attempting to influence their position?

We are a member of the GFMA Sustainable Finance Steering Committee and have engaged at the Board level on sustainability / climate risk priorities.

Trade association

Asia Securities Industry and Financial Markets Association (ASIFMA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

ASIFMA promotes regional and domestic policy development across the Asia region, with a focus on Hong Kong and Singapore. It promotes the development of capital markets activity for sustainable finance through its sustainable finance working group.

How have you influenced, or are you attempting to influence their position?

We are a member of the ASIFMA sustainable finance working group.

Trade association

UN Global Investors for Sustainable Development Alliance

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The UN-GISD is a member body that promotes investment into the UN SDGs. In doing so, it has advocated for the integration of ESG risks (including climate) into risk management frameworks and called for the development of science-based transition pathways. We note that, while formally not 'trade associations' the United Nations and other international development bodies have several formations that directly or indirectly influence policy formation. We are a member of some of these, including the UNEP-FI and the UN-PRB, and the World Economic Forum's Sustainable Markets Initiative and Great Reset Initiative

How have you influenced, or are you attempting to influence their position?

We are an active Board member and Strategy Group member, as well as represented on several working groups.

Trade association

International Swaps and Derivatives Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

ISDA is working to promote green or ESG derivatives, as well as hedge products for sustainable finance.

How have you influenced, or are you attempting to influence their position?

We sit on the ISDA Sustainable Finance Working Group.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

We have been working closely with the 2 Degrees Investing Initiative (2dii) to pilot their sector-level methods for assessing our clients' emissions profiles against the Paris Agreement, using a software solution. We have also benefited from collaborative dialogue with the Katowice Commitment banks and other banks that are considering the use of 2dii's assessment framework.

We have an academic partnership with the Imperial College Business School to support our capacity, and that of the financial sector, to understand and manage climate risks (<https://www.sc.com/en/media/press-release/weve-joined-forces-with-imperial-college-business-school-on-new-climate-partnership/>)

We have also worked between 2016 and 2018 with the University of Oxford to assess the impact of climate change on clients in the energy utilities sector.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our engagement on key policy and regulatory developments are managed by the Group Public and Regulatory Affairs team. In structuring engagement, we lead with the subject matter experts to ensure that such engagement is line with, and in support of, the Bank's climate change strategy and sustainability objectives. To foster consistency, we have a Group Standard on regulatory engagement and each country has a Government and Regulatory Relationship Plan. In addition, engagement activity is overseen by a number of internal committees, including the Sustainability Forum, Sustainable Finance Working Group, Regulatory Developments Assessment Forum and Group Reputational Risk Committee. We also publish on our website all of our relevant memberships (<https://www.sc.com/en/sustainability/political-engagement/> and <https://www.sc.com/en/sustainability/>).

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Underway – previous year attached

Attach the document

standard-chartered-plc-full-year-2019-report.pdf

Page/Section reference

Page refs are PDF: Governance - page 47 (board decisions), 80 (board discussions), 94-5 and 98 (Board Risk Committee) Risk - pages 40, 43 Opportunity - page 55 (Sustainable Finance) Emissions - page 145 Other metrics - Sustainability Aspirations target framework page 405 and throughout

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Underway – previous year attached

Attach the document

Standard-Chartered-Climate-Change-Disclosures-2019 (1).pdf

Page/Section reference

All - the report is structured along the TCFD pillars: Governance p6 onward Strategy p11 Risk 12 onward Metrics & Targets p21

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

emissions-whitepaper (2).pdf

Page/Section reference

All

Content elements

Emission targets
Other, please specify (Target setting framework)

Comment

This is our first document setting our our progress as part of the Science Based Targets Initiative Expert Advisory Group and subsidiary initiatives, on how we are progressing in measuring, managing and reducing the emissions associated with our financing of clients

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking Other, please specify	More detail on our involvement is given in ourTCFD report and t https://www.sc.com/en/sustainability/how-we-work/
Industry initiative	UNEP FI Principles for Responsible Banking Banking Environment Initiative Climate Bonds Initiative Partner Programme IIF Forum on Implementation of TCFD recommendations Natural Capital Finance Alliance Science-Based Targets Initiative for Financial Institutions (SBTI-FI) Soft Commodities' Compact UNEP FI UNEP FI TCFD Pilot We Mean Business Other, please specify (2 Degrees Investment Initiative PACTA, Coalition on Climate Resilient Investment, UNEP-FI CRROC)	More detail on our involvement is given in ourTCFD report and t https://www.sc.com/en/sustainability/how-we-work/
Commitment	Collective Commitment to Climate Action	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	At Standard Chartered Bank, we have committed to align our lending portfolio with the Paris goals of limiting global warming to significantly below 2 degrees, and to develop a methodology by which we could manage and ultimately reduce the emissions related not only to our own activities, but also those linked to our financing of clients. Our emissions measurement work has focussed primarily on piloting the 2 Degrees Investing Initiative (2dii) PACTA tool for banks, which whilst still in development, focusses on seven industry sectors that significantly contribute to global carbon emissions, at different points in the value chain. Piloting the PACTA tool has significantly advanced our understanding of our clients' emissions profiles, several climate scenarios and alignment measurement, whilst also shaping our wider approach to climate transition risk. With our advancement in transition risk tool procurement and access to other data sources, we are looking at other methodologies to address some of the existing limitations. We expect to announce more on this in our next TCFD report.
Investing (Asset manager)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	We are also working with a number of financial institutions, think tanks and technology solution providers to support emissions measurement and climate alignment capability, such as warming potential metrics across our entire portfolio.

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status

Relevant, not yet calculated

Scope 3 portfolio emissions (metric tons CO2e)

<Not Applicable>

Portfolio coverage

<Not Applicable>

Percentage calculated using data obtained from client/investees

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Please explain

The PACTA tool provides a client-level view of emissions intensive industry sectors, namely Automotive, Power Generation, Fossil Fuels Extraction, Shipping, Aviation, Steel and Cement Manufacturing, which can then be compared against specific scenario benchmarks to measure alignment. For some sectors, the methodology has gone a step further in providing emission intensity at a client-level, which is critical to understanding our financed emissions profile and enabling us to set targets. A team including client relationship managers has reviewed the PACTA outputs and compared results against clients' public disclosures and our deep understanding of their business profile. Our initial findings suggest that further work is required around documentation of assumptions to enable validation of the PACTA outputs accurately. This is critical where data is gathered at a higher level of granularity (e.g. at a client entity level), and for forward-looking projections. We are working with 2dii and other Katowice banks to establish this, and to further engage with our clients to take this forward. We recognise the PACTA methodology is a work in progress and is being enhanced with the pilot feedback from Standard Chartered and other participating banks. However, given the urgency around climate change and our longstanding commitment to transparency, we disclosed for the first time in our 2019 TCFD Report financed emission intensities for the automotive and cement manufacturing portfolio, to help support dialogue with a range of stakeholders, and plan to disclose for further sectors in our next TCFD report.

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type

Weighted average carbon intensity

Metric unit

Other, please specify (gCO2 /km)

Scope 3 portfolio metric

219.8

Portfolio coverage

More than 0% but less than or equal to 10%

Percentage calculated using data obtained from clients/investees

0

Calculation methodology

PACTA - for Automotive sector. Methodology PACTA combines granular datasets about different car production models and emissions factors for each type of car, to compute a client-level emission-intensity level. The metric used to measure emission-intensity for the automotive manufacturing sector is grams of CO2 per kilometre driven (g CO2 /km).

Please explain

For our Automotive clients, the simple average emissions-intensity of our portfolio is 221.4 g CO2 /km, and weighted average is 219.8 g CO2 /km - which are marginally below the global market average of 225.3 gCO2 /km (based on all companies in the PACTA database).

Metric type

Weighted average carbon intensity

Metric unit

Other, please specify (tCO2 e/tcement)

Scope 3 portfolio metric

0.65

Portfolio coverage

More than 0% but less than or equal to 10%

Percentage calculated using data obtained from clients/investees

0

Calculation methodology

PACTA - for Cement Manufacturing sector. Methodology 2dii combines granular datasets to compute a client-level emission-intensity level. For this sector, we have focussed on integrated cement manufacturing in the value chain process, which results in emissions from the chemical process of 'calcination' by heating limestone (CaCO3) to produce clinker (CaO) as part of the Portland cement manufacturing process (the largest commercially viable technology in use in our footprint markets). The power source used for heating the limestone and grinding the clinker into cement. In many of our markets, this power source reflects the composition of power in the wider economy.

Please explain

For Cement the simple average emissions-intensity of our portfolio is 0.67 t CO2 /t cement and weighted average is 0.65 t CO2/t cement - which are below the global market average at 0.70 t CO2 /t cement.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by industry	We disclosed for the first time in our 2019 TCFD Report financed emission intensities for the automotive and cement manufacturing portfolio and we plan to disclose for further sectors in our next TCFD report.

C-FS14.2b

(C-FS14.2b) Break down your organization's Scope 3 portfolio impact by industry.

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Automobiles & Components	Weighted average carbon intensity	Other, please specify (gCO2 /km)	219.8	For our Automotive clients, the simple average emissions-intensity of our portfolio is 221.4 g CO2 /km, and weighted average is 219.8 g CO2 /km - which are marginally below the global market average of 225.3 gCO2 /km (based on all companies in the PACTA database).
Materials	Weighted average carbon intensity	Other, please specify (tCO2 e/cement)	0.65	For Cement the simple average emissions-intensity of our portfolio is 0.67 t CO2 /t cement and weighted average is 0.65 t CO2/t cement - which are below the global market average at 0.70 t CO2 /t cement.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	We have pledged to align our lending portfolio to the Paris Agreement goals. We are working internally and in collaboration with a range of actors to be able to measure this as described above. We will communicate targets in due course.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	Piloting the PACTA tool has significantly advanced our understanding of our clients' emissions profiles, several climate scenarios and alignment measurement, whilst also shaping our wider approach to climate transition risk. Emissions produced or enabled by a sector are often seen as a primary indicator of high transition risk, although manifestation is dependent not only on sectoral considerations but also on geography, disruptive technological developments, shifting consumer preference and individual company action to mitigate transition risks, through strategy and business model adjustment. As we progress on additional methodologies, including temperature alignment metrics, these will be included in the holistic client-level assessment and included into the mainstream risk processes in 2021. Our climate risk workplan in response to PRA SS 3/19 already captures these steps.
Investing (Asset manager)	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable>
Other products and services, please specify	<Not Applicable >	<Not Applicable>

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	Yes, for some	We are engaged in client conversations to validate the results of our initial assessments and help refine the methodology, which is critical to ensuring the methodology can be implemented into decision-making processes within banks. Our ultimate objective is to have a clear path to aligning our lending in these sectors to the long-term goals of the Paris Agreement, and to achieve this through supporting our clients with the capital they need as they transition their businesses and reduce their carbon emissions. As we are interacting more with clients using client-level climate risk assessments, we are providing insights into various targets and how these targets translate to climate risk profile. Given our dynamic footprint across emerging markets, we have a key role to play in many cases in raising awareness of climate-related targets (including science based targets) and disclosures (including CDP and TCFD disclosures). As we formally integrate climate risk into mainstream risk processes, many of the activities which are currently "encouraged" may become more mandatory covenants.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N/A

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Global Head, Sustainability and Community Engagement	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

N/A

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	15271000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	GB	0004082847

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

<https://av.sc.com/corp-en/content/docs/standard-chartered-plc-full-year-2019-report.pdf>

<https://www.sc.com/en/faq/what-is-the-standard-chartered-plc-stock-symbol/>

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Our work on 'financed emissions' (Scope 3 Category 15) is seeking to support resolution of this issue

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Please see our 2019 Emissions White Paper at sc.com/emissions

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms