



Independent assurance statement by Deloitte LLP ('Deloitte') to Standard Chartered Group ('SCB') over selected responses within Standard Chartered Group's UN Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB) Reporting and Self-Assessment Template for the year ended 31 December 2021, as defined by the PRB Guidance for Assurance Providers document.

What we looked at: scope of our work

SCB engaged us to perform limited assurance procedures on their UNEP FI PRB Reporting and Self-Assessment Template, in line with the Guidance for Assurance Providers document, published by the UNEP Finance Initiative in May 2021.

Subject matter

The subject matter that has been assessed is Standard Chartered Group's response to selected sections of their PRB Reporting and Self-Assessment Template. This is available as part of Standard Chartered Group's 2021 ESG Report. (sc.com/ESGreport)

Criteria

The specified criteria against which the subject matter has been assessed are the reporting and self-assessment requirements of the PRB Reporting and Self-Assessment Template. This is available on the UN Environmental Programme: Finance Initiative's website. (<https://www.unepfi.org/prb-reporting-and-self-assessment-template/>)

The PRB requires limited assurance over the following Principles and sections, which are listed below together with the assurance procedures performed:

Principle 2: Impact and Target Setting:

- **2.1.** Impact Analysis:

Unable to conduct procedures in line with PRB Guidance for Assurance Providers (see Limitation of Scope).

- **2.2.** Target Setting:

Together with the bank's public (sustainability) reporting, review working papers supporting its assertions regarding its targets including:

- Evidence that targets including their link to the SDGs and/or Paris agreement (and/ or other relevant international, national, or regional frameworks) have been set and published and are considered specific, measurable, relevant and time bound
- the disclosure of the baseline and the process undertaken to determine the baseline against which the targets are set
- the described process undertaken by the bank to analyse significant (potential) negative impacts of the set targets on other dimensions of the SDGs beyond those targeted for positive impact

- **2.3.** Plans for Target Implementation and Monitoring:

Together with the bank's public (sustainability) reporting, review working papers supporting its assertions regarding its targets including:

- Confirm that the disclosures presented are consistent with the defined actions, milestones and KPIs the bank has established, and any significant omissions are clearly referenced in this self-assessment

- **2.4.** Progress on Implementing Targets:

Together with the bank's public (sustainability) reporting, review working papers supporting its assertions regarding its targets including:

- confirm that the disclosures of the of the progress made by the bank is consistent with the actions and KPI reporting undertaken

- confirm that quantified impacts the bank discloses or qualitative descriptions of impact over time are correlated with actions and measures put in place by the bank
- confirm disclosures on reasons why actions could not be implemented and need to be changed, and how these are being adapted in order to achieve the target

Principle 5: Governance & Culture:

- **5.3.** Governance Structure for Implementation of the Principles:

Together with the bank's public (sustainability) reporting, review working papers supporting its assertions regarding its governance structure including:

- Confirm the consistency of the bank's disclosure on the governance structure for implementation of the Principles, including the structure for setting and achieving targets, with those established within the organisation.

Principle 6: Transparency & Accountability:

- **6.1.** Progress on Implementing the Principles for Responsible Banking:

Together with the bank's public (sustainability) reporting, review working papers supporting its assertions regarding progress in implementing the Principles, including:

- confirm that the disclosure of the banks progress over the last reporting period is consistent with the activities and achievements set out in supporting documents e.g., governance documents, process and control documentation, performance analysis etc.
- confirm that where references are made to existing and emerging international/regional good practices in the bank's disclosures, these accurately reflect their consideration in defining and determining good practices to prioritise.

Use of Report

This report is made solely to the Directors of Standard Chartered Bank PLC in accordance with our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Standard Chartered Bank PLC those matters we have agreed to state to them in this report and for no other purpose. Without assuming or accepting any responsibility or liability in respect of this report to any party other than Standard Chartered Bank PLC and the Directors of Standard Chartered Bank PLC, we acknowledge that the Directors of Standard Chartered Bank PLC may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Standard Chartered Bank PLC and the Directors of Standard Chartered Bank PLC as a body, for our work, for this report, or for the conclusions we have formed.

What we found: our assurance conclusion

Based on the scope of our work and the assurance procedures we performed in line with the PRB Guidance for Assurance Providers, except for the effect of the matter relating to 'Section 2.1 - Impact Analysis' described in the Basis for Qualified Conclusion section of our report below, nothing has come to our attention that causes us to believe that the selected sections of the PRB Reporting and Self-Assessment Template have not been prepared, in all material respects, in accordance with the applicable criteria.

Basis for Qualified Conclusion

We were unable to assure 'Section 2.1 – Impact Analysis', because the section was not properly prepared in accordance with the applicable criteria. Deloitte were unable to perform the assurance procedures listed by the PRB's Guidance for Assurance Providers on 'Section 2.1: Impact Analysis' of Standard Chartered Group's PRB Reporting and Self-Assessment Template because this section of the report had not been prepared in line with the criteria specified by the Template's requirements. For further details see the 'Limitation of Scope' section of this Assurance Statement.

Limitation of Scope

Deloitte were unable to perform the assurance procedures listed by the PRB's Guidance for Assurance Providers on 'Section 2.1: Impact Analysis' of Standard Chartered Group's PRB Reporting and Self-Assessment Template due to the fact that this section of the report has not been prepared in line with the criteria specified by the Template's requirements.

The Impact Analysis section of Standard Chartered Group's Reporting and Self-Assessment Template provides details of the impact on the climate of the Group's corporate lending activities to their Corporate, Commercial & Institutional Banking (CCIB) segment and how this analysis was conducted. The section does not include details of a Group-wide impact analysis process across all segments of their business activity to identify (potential) positive and negative impacts on sustainability considerations. These exclusions include the Group's Consumer, Private and Business Banking (CPBB) sector.

Respective responsibilities

Standard Chartered Bank are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the PRB Reporting and Self-Assessment Template that is free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Our responsibility is to express a conclusion on the selected sections of the PRB Reporting and Self-Assessment Template based on our procedures. We conducted our engagement in accordance with the International Standard for Assurance Engagements 3000 ("ISAE 3000") issued by the International Auditing and Assurance Standards Board (IAASB) in order to state whether anything had come to our attention that causes us to believe that the selected sections of the PRB Reporting and Self-Assessment Template have not been prepared, in all material respects, in accordance with the relevant criteria.

Our procedures consisted primarily of:

- Performing enquiries and interviews with management to understand how the applicable criteria have been applied in the preparation of the PRB Reporting and Self-Assessment Template;
- Understanding internal controls, the quantification process and data used to prepare the selected sections of the PRB Reporting and Self-Assessment Template, the methodology for gathering qualitative information;
- Inspecting documents relating to the Company's environmental performance, including board committee minutes, to understand the level of management awareness and oversight of the PRB Reporting and Self-Assessment Template;
- Considering the risk of material misstatement of the selected sections of the PRB Reporting and Self-Assessment Template;
- Verifying underlying data on a sample basis to source evidence and through virtual site visits to assess whether the data has been collected and reported in accordance with the applicable criteria; and
- Accumulating misstatements and control deficiencies identified and assessing whether material.

Inherent limitations

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and

Our independence and competence in providing assurance to Standard Chartered Bank:

- We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the Reporting and Self-Assessment Template.
- We have confirmed to SCB that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.
- Our team consisted of professionals with a combination of ESG and stakeholder engagement experience, including many years' experience in providing corporate responsibility assurance.
- The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor will we seek to review systems and controls beyond those relevant to the selected sections of the PRB Reporting and Self-Assessment Template.

The procedures do not require us to assess the completeness of disclosures selected by SCB for inclusion in the Reporting and Self-Assessment Template. Consequently, our procedures are limited to considering the existence of processes that have generated the information selected by management for inclusion.

Our independence and competence

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

We have applied the International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Yours sincerely

A handwritten signature in blue ink that reads "Deloitte LLP".

Deloitte LLP
London
30 March 2022