We are Here for good – as a leading international bank, we help people and businesses prosper across Asia, Africa and the Middle East.

Standard Chartered is a leading international banking group. Our heritage and values are expressed in our brand promise, Here for good. We operate in 59 markets worldwide, including some of the world’s most dynamic. More than 85 per cent of our income and profits are derived from Asia, Africa and the Middle East. We are active in 37 markets that receive official development assistance, including 11 of the least developed markets. We are listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

For over 150 years we’ve provided banking services that help people and companies to succeed, creating wealth, jobs and growth.

1.1 Our approach to sustainability

Our approach to sustainability is framed around a Sustainability Philosophy which sets out how we integrate sustainability into our organisational decision-making, a set of Position Statements which outline our environmental and social standards, and a list of Prohibited Activities that the Group will not finance.

Our approach is underpinned by our Sustainability Aspirations which provide tangible targets for sustainable business outcomes aligned to the United Nations Sustainable Development Goals (SDGs).

Our markets represent unique challenges, with rapid urbanisation, heightened vulnerability from climate change, and significant social and economic disruption brought by the COVID-19 pandemic.

We believe finance plays a role in addressing these challenges. It also plays a role in taking advantage of the opportunities; to leapfrog to low carbon technology and accelerate inclusion through digital solutions. It enables individuals to build a positive future for themselves and their families, businesses to thrive and grow, and governments to deliver economic prosperity for the wider community.

Supporting sustainable and responsible growth, including delivering the SDGs, represents a significant opportunity for us.

We build our knowledge and understanding of key issues and share best practice through our participation in a number of industry platforms and working Groups, supporting our progress and that of the industry as we demonstrate our contribution to achieving the UN SDGs. As at October 2021, we are members and Chair of the Net Zero Banking Alliance and the Banking Environment Initiative, and the Chair of the Steering Committee of the Equator Principles Association. We are also members of the UNEP Finance Initiative and the Climate Bonds Initiative, as well as one of the initial adopters of the Taskforce on Climate-Related Financial Disclosures (TCFD).

85%

More than 85 per cent of our income and profits are derived from Asia, Africa and the Middle East.

37

We are active in 37 markets that receive official development assistance, including 11 of the least developed markets.
1.2 Our approach to sustainable finance

The world is less than a decade away from its 2030 deadline to deliver on the UN Sustainable Development Goals (SDGs). According to a UN report, just 60 per cent of the financing needed to achieve the SDGs in low and middle-income countries is being met.¹ In Africa, this is as low as 10 per cent. COVID-19 has further widened this financing gap with the OECD estimating that for low and middle-income markets the annual financing gap could increase by up to 70%.²

Standard Chartered has had a long commitment to Sustainable Finance. We have the financial expertise, governance frameworks, innovative thinking, technology and geographical reach to get capital from where it exists to the markets where it matters the most.

We continue to be an early leader in sustainable finance focused on emerging markets, from launching the world’s first Sustainable Deposit to phasing out financial services to clients dependant on thermal coal worldwide. Our approach brings together three themes:

• We strive to be a responsible company, managing the potential negative impact of our activities through strong environmental, social and governance risk filters with an experienced and well-established Environmental and Social Risk Management team.

• We believe in the power finance can have in generating inclusive communities. Our dedicated Sustainable Finance team brings together our experience and expertise in managing environmental and governance risks with our ability to spot opportunities and structure solutions to maximise the positive impact potential of our financing.

• Finally, we are focused on where we believe catalysing new sustainable finance matters most – in the regions where the financing gap for sustainable growth is greatest, and where aligning with a pathway to a low carbon future will have a major contribution to the world’s ability to meet the target of Net Zero by 2050.

1.3 Environmental & Social Risk Management

The Group sets, and regularly reviews, environmental & social (E&S) standards for clients via a series of public Position Statements. This year we updated these to set new and tightened requirements Group-wide for undertaking business in five key sectors. The Position Statements set out our minimum standards and financing criteria covering the sectors that have a high potential environmental or social impact:

• Extractive industries (Oil & Gas, Mining & Metals);
• Power generation (Fossil Fuel Power, Nuclear Power, Renewable Energy – including Hydropower);
• Agro-industries (Agribusiness, Fisheries, Tobacco, Forestry, Palm Oil);
• Infrastructure & Transport; and,
• Chemicals & Manufacturing.

The refreshed Position Statements, effective from March 2022, can be accessed here. We require our clients to meet the minimum standards expressed in the Position Statements and to achieve higher levels of performance where possible. Our Environmental & Social Risk Management (ESRM) team, part of our wider Sustainable Finance team, is comprised of industry specialists and bankers who work with our Relationship Managers and clients to support them in embedding the requirements set out in each Position Statement. We will and have declined transactions or exited relationships where clients show insufficient intent or progress towards meeting the standards set in our Position Statements.

² https://www.oecd-ilibrary.org/sites/e3c30a9a-en/_itemId=content/publication/e3c30a9a-en&_csp_=fcd6899f9f71d7e0be347a0b641f252fa&itemIGO=oecd&itemContentType=book
There are also a number of activities that we will not support, regardless of industry. Specifically, we will not provide financial services to clients who:

**Cross-sector requirements**

- Are involved in child or forced labour, or violations of human rights
- Have operations that adversely impact upon the Outstanding Universal Value of UNESCO World Heritage Sites
- Have operations that are located within, or significantly impact negatively upon wetlands designated under the Ramsar Convention on Wetlands of International Importance
- Convert or degrade High Conservation Value (HCV), High Carbon Stock (HCS) forests, or peatlands
- Trade or process species listed on the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES)

**Oil and gas**
We will not provide financial services directly towards:

- New or existing tar sands exploration and/or production activities
- New or existing Arctic exploration and/or production activities, including the construction of associated export facilities
- New or existing exploration and/or production of extra heavy oil (defined as API equal to or below 10⁰)

**Mining and metals**
We will not provide financial services directly towards:

- Asbestos mining operations
- New thermal coal mining projects
- Thermal coal mine expansions
- Acquisitions of standalone thermal coal mines

- Infrastructure dedicated to thermal coal mining projects
- Mining operations that conduct direct marine or riverine tailings disposal
- Mining operations that conduct Appalachian Mountaintop Removal
- The exploration and/or production of deep-sea mining projects

**Fossil fuel power**
We will not provide financial services directly towards:

- New coal-fired power plant projects in any location
- Any coal-fired power plant expansions, retrofits or dedicated infrastructure, in any location

We will not provide financial services to clients that are:

- building new thermal coal infrastructure
- investing in new or additional thermal coal power-generating capacity
- acquiring standalone thermal coal power assets

We will only provide financial services to clients who:

- By 2024, are less than 80 per cent dependent on thermal coal (based on % revenue)
- By 2025, are less than 60 per cent dependent on thermal coal (based on % revenue)
- By 2027, are less than 40 per cent dependent on thermal coal (based on % revenue)
- By 2030, are less than five per cent dependent on thermal coal (based on % revenue)

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3 This restriction will apply to the client entity pursuing expansion plans and we will exit the relationship subject to contractual arrangements. Ongoing provision of financial services to the client group will be subject to enhanced due diligence including the following:
- Review of the client group’s transition strategy.
- Confirmation that any financial services provided to the client group will not and cannot be used for thermal coal.
- Support from our Group Responsibility and Reputational Risk Committee (or delegate)

4 Standard Chartered remains committed to supporting the transition. Where a client triggers a threshold but approaches us to provide Transition Finance we will consider our involvement on a case by case basis
Nuclear power
We will not provide financial services directly towards:

- The manufacture or distribution of nuclear weapons
- Nuclear operations in locations where the host country is not a signatory to the Treaty for Non-Proliferation of Nuclear Weapons, or does not have in place appropriate IAEA Safeguard Agreements; and/or where the country of origin of the materials, equipment and technology is not a member of the Nuclear Supplier Group Guidelines

Nuclear power plants where they have not used the IAEA Site and External Events Design (SEED) review service for siting of new installations

Agribusiness
We will not provide financial services directly towards:

- New plantations or livestock ranches which convert or degrade High Conservation Value (HCV) or High Carbon Stock (HCS) Primary forests, peatlands, Key Biodiversity Areas (KBA) or designated legally protected areas such as National Parks and Wildlife Reserves
- Operations which use fire, including for land clearance, and/or in the preparation of land for planting
- The production, manufacture or trade of fur or Angora wool
- Production systems using layer cages for poultry or caged rearing systems for livestock - applicable to producers
- Operations that grow, process or trade soy from the Brazilian Amazon
- Operations that grow soy in the Brazilian Cerrado
- Operations that grow, process or manufacture first generation biofuels grown on HCV-HCS land or recently deforested land; where it directly competes with food sources; or in areas of high-water stress
- Operations using pesticides categorized as 1A or 1B by WHO; substances banned under the Stockholm Convention on Persistent Organic Pollutants (POP); or substances listed in Annex III of the Rotterdam Convention – applicable to producers

Fisheries
We will not provide financial services to clients who:

- Practice shark finning or trade shark fin
- Use drift net fishing, deep sea bottom trawling or fishing with the use of explosives or cyanide
- Conduct Illegal Unreported and Unregulated (IUU) fishing, or use vessels known to have conducted IUU fishing

Forestry
We will not provide financial services to clients who:

- Develop new plantations by converting or degrading High Conservation Value (HCV) or High Carbon Stock (HCS) forests, legally protected areas, or peatlands
- Use fire in forestry or plantation operations including in the clearance and preparation of land for planting
- Are involved in illegal logging or trading activities

Palm oil
We will not provide financial services to clients who:

- Develop new plantations by converting or degrading:
  - High Conservation Value Forests (HCV)
  - High Carbon Stock Forests (HCS)
  - Primary forests
  - Designated, national or international legally protected or preserved areas
- Develop new plantations on fragile soils, including swamps and peat, regardless of depth
- Use fire in their plantation operations, including in the clearance and preparation of land for planting
- Exploit people or local communities – we expect consent to have been obtained through a credible Free Prior Informed Consent process (as applicable)

Soy
We will not provide financial services directly towards:

- Operations that grow, process or trade soy from the Brazilian Amazon
- Operations that grow soy in the Brazilian Cerrado
**Infrastructure**
We will **not** provide financial services directly towards infrastructure that is dedicated to thermal coal.

**Chemicals**
We will **not** provide financial services to clients who:

- Manufacture or produce goods containing ozone depleting substances, persistent organic pollutants (POPs), pesticides, and industrial chemicals and compounds such as mercury, which are subject to international restrictions, phase-outs or prohibitions
- Conduct testing on animals for non-healthcare related purposes

**Manufacturing**
We will **not** provide financial services to clients who:

- Trade or manufacture asbestos-containing products
- Produce products that contain plastic microbeads for personal care products such as cosmetics and cleaning agents

### 1.4 Our approach to impact

Through our loan portfolio, Standard Chartered supports local employment, wages, profits and tax payments in many different value chains – all of which contribute to sustainable economic growth via creating jobs, strengthening trading ties and broadening access to financial services. Routine reporting does not measure these impacts; however, we are committed to maintaining a leadership position in the banking sector and so we have commissioned impact reports since 2009 to quantify our impacts in a way that can be shared with external stakeholders.

These independent reports aim to measure the impact of the Group’s operations, in terms of economic value added and employment supported. The reports also make qualitative assessments of other ways in which Standard Chartered contributes to local communities, including through infrastructure, business practices and community investments. In previous years we have published country reports on Indonesia, Ghana, and Bangladesh, and regional reports on Sub-Saharan Africa (which used data from our operations in Angola, Botswana, Cameroon, Cote d’Ivoire, Ghana, Kenya, Nigeria, Sierra Leone, Tanzania, The Gambia, Uganda, Zambia, and Zimbabwe) and on East Africa (which used data from our operations in Kenya, Tanzania and Uganda). In September 2020, the Group published its updated report on the impact of our operations in Ghana. All of these reports can be found [here](#).

The reports illustrate the trickle-down effect of our financing in our unique footprint; moving from inputs (financing), to outputs (employment, wages, profits and taxes), and subsequently to impact (sustainable economic growth).

In addition, we report annually on the impact of our Sustainable Assets, as defined by alignment to the eligible activities set out in this Framework. This forms part of the allocation reporting for Standard Chartered’s Sustainability Bonds. Our 2021 Sustainable Finance Impact Report captures the impact of our entire portfolio of Sustainable Finance Assets.

- We have increased our asset base by 138% from USD 3.9bn to USD 9.2bn
- Over 70% of our assets are located in emerging and developing economies
- 1.4 million tonnes of CO2 emissions avoided from operational assets
- Over 540,000 tonnes of CO2 emissions avoided from assets in construction
- Over 885,000 microfinance loans enabled
- Nearly 20,000 SME loans disbursed

Through our COVID-19 USD 1 billion facility we have also supported the acceleration of the testing and vaccination programmes in:

- Philippines
- Indonesia
- Malaysia
- Singapore
- Hong Kong
- Australia
- Mainland China
1.5 Intended application

The aim of this document is to outline Standard Chartered Bank’s Green and Sustainable Product Framework (The Framework) and set out underlying eligible qualifying themes and activities. We also have mapped these against the relevant SDGs.

We will use the Framework to guide the development of themed Green and Sustainable products that reference a specific Green and Sustainable use of proceeds. Specific product propositions that are intended to have a Green or Sustainable use of proceeds feature must then reference this framework.

COVID-19 related products are considered eligible under this Framework if originated before July 2022.

Additional information on use of proceeds, selection and verification processes, assurance and reporting will be dependent on the product type and category. We may provide additional product-specific information as needed.

As mentioned above, the Framework has been developed by the Group with the support of Sustainalytics. It has been informed by the years of combined experience in sustainable finance and ESRM in the Standard Chartered Bank and Sustainalytics teams. The Framework has also been informed by the following principles and standards, among others:

- Green Bond Principles (2021), administered by the International Capital Markets Association (ICMA)
- Social Bond Principles (2021), administered by ICMA
- Sustainability Bond Guidelines (2021), administered by ICMA
- Green Loan Principles administered by the Loan Market Association (LMA)
- EU Taxonomy for sustainable activities, including the Technical Expert Group final report on the EU Taxonomy
- Climate Bonds Standard administered by the Climate Bonds Initiative (CBI)

We have also noted areas where there is broad alignment between the Framework and the EU Taxonomy. In particular, we have indicated the ‘sub-themes’ from the eligibility guide below, that align to the ‘technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation’. 5

1.6 External review process

This Framework was developed by Standard Chartered Bank, with the support of Sustainalytics. Sustainalytics, a leading provider of ESG research and ratings for investor, financial institution and corporate clients, also provided a review of this Version 3.0 of the Framework.

Standard Chartered Bank’s Sustainable Finance team is responsible for developing and maintaining the overall Green and Sustainable Product Framework, including ensuring that the underlying themes and activities align with market practice and expectation. The Sustainable Finance team seeks input and guidance from the Group’s Sustainability team, other teams within the Group as well as relevant external stakeholders. The Sustainable Finance team work to ensure that all Group transactions categorised as sustainable finance will adhere to the current version of this Framework and will periodically report publicly on lending and finance activities conducted under this Framework.

As information and understanding on environmental and social matters continues to evolve, Standard Chartered Bank commit to review this framework on an annual basis to evaluate if any changes need to be made to add or remove any qualifying activities.

5 This represents broad alignment by ‘sub-theme’ and does not represent official endorsement by either the EU or Sustainalytics
Qualifying Green and Sustainable Themes and Activities
Standard Chartered Bank teams will use this Impact Framework for the following purposes:

- Financing of eligible projects which qualify as green and/or sustainable activities based on the Framework below;
- Loans to, or investments in, non-publicly listed corporations where at least 90% of the company’s revenues are derived from activities in the Framework below.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Sub Themes</th>
<th>Eligible Activities</th>
<th>Exclusions</th>
<th>SDG Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy</td>
<td>Generation of energy from renewable sources</td>
<td>The generation of electricity from:</td>
<td>• Hydro projects that are large-scale (&gt;25MW) dam or reservoir-based, or run-of-river hydro projects with pondage</td>
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<td></td>
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<td>• Wind (onshore and offshore)</td>
<td>• Waste to energy where removal of recyclables prior to incineration cannot be ensured9</td>
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<td></td>
<td></td>
<td>• Solar (including floating)</td>
<td>• The production of hydrogen through steam reforming processes using natural gas (known as “brown hydrogen”) or using oil or coal (“grey/black hydrogen”)</td>
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<td>• Hydropower&lt;25 MW, or &gt;25MW where there is either a lifecycle carbon intensity of ≤100gCO2/kWh or power density ≥5W/m².</td>
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<td>• Waste to energy where majority of recyclables are segregated before incineration</td>
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<td>• Geothermal with direct emissions below 100gCO2/kWh</td>
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<td>• Production of biofuels from waste sources (forestry and agriculture residues, palm kernels only where these are RSPO certified)</td>
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<td>• Production of biofuels (including sustainable aviation fuels) from non-waste sources provided the biofuel production achieves each of the following: 1) does not take place on land with high-biodiversity; 2) does not compete with food sources; 3) achieves substantial reduction (at least 50% reduction for existing facility and at least 60% for new installations) in life-cycle emissions relative to fossil fuel baseline; and, 4) feedstocks are certified sustainable by a credible source7</td>
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<td></td>
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<td>• Green hydrogen projects8</td>
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6 For all new hydropower project an environmental and social impact assessment by a credible body is required per project. There should be no significant risk or expected negative impact identified.
7 Known credible certification schemes for crops to be used for biofuel production include the Roundtable on Sustainable Biomaterials (RSB), ISCC Plus, Bonsucro (for sugarcane) and RTRS (for soy). The Sustainable Finance Governance Committee may consider additional certification schemes so long as such schemes are evaluated to be equivalent, internationally-recognised certification schemes.
8 Production by electrolysis powered by renewable energy.
9 Waste to energy where removal of recyclables prior to incineration cannot be ensured will be eligible as transition activities where the carbon intensity of the waste to energy process matches, or is better than, the carbon intensity of the relevant national grid. This is captured under our [Transition Finance Framework](#).
<table>
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<tr>
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<tbody>
<tr>
<td>Manufacture of components for renewable energy technology</td>
<td></td>
<td>• Development and/or manufacture of renewable energy technologies, including equipment for renewable energy generation and energy storage. Examples could include wind turbines, solar panels, battery storage</td>
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</tr>
</tbody>
</table>
| Construction / maintenance / expansion of associated distribution networks |                                      | • Grid expansion / development that transmits a minimum of 90% renewable energy                                                                                                                                                                                                 | If a grid expansion/ development project will transmit less than 90% renewable energy, then Standard Chartered Bank may use one of the following:  
1. If grid is on a decarbonisation trajectory, in line with the EU Taxonomy,\(^\text{10}\) then it can be considered eligible; OR  
2. The % of the project that transmits renewable energy is equal to the % of the project that can be considered eligible for financing | 7        |
| Energy efficiency technologies     |                                      | • Development, manufacture and/or installation of energy efficiency technologies and products such as efficient appliances, smart meters, efficient lighting, etc.                                                                 | • Projects or technologies that improve the energy efficiency of fossil fuel production and/or distribution                                                                                                  | 11       |

\(^\text{10}\) Weighted average lifecycle emissions intensity of incremental new generation over the last 5 years being <100 gCO2e/kWh
### Themes

<table>
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</table>
| Commercial, public and residential buildings (existing and new construction) | • Buildings meeting any of the following conditions:  
  • Buildings certified to an acceptable level under an internationally recognised green building certification scheme; or,  
  • Buildings that achieve a minimum 20% improvement in energy use and/or carbon emissions compared to a mandated local or regional baseline or code;  
  • Replacement of existing heating/cooling systems in buildings with more efficient, non-fossil fuel powered systems, or installation of new cogeneration/ tri-generation/ combined heat and power plants that generate electricity in addition to providing heating/cooling  
  • Green data centres with a PUE of under 1.5  
  • Waste heat recovery improvements | • Improvement activities that result in the lock-in of fossil fuel technologies  
  • Activities related to buildings directly involved in the exploration, extraction, refining and distribution of fossil fuels  
  • Cogeneration/CHP plants powered by coal, oil or natural gas  
  • Projects from waste heat from fossil fuel production/operation |  |  |

#### Certificates

- EDGE (Certified)
- BREEAM (Excellent)
- LEED (Gold or above)
- Green Mark (Gold or above)
- Green Star (5 Stars or higher)
- China ‘Three Star System’ (two stars or higher)
- BEAM Plus (Gold or higher)
- G-SEED (Level 2 or higher), IGBC (Gold or above), EEWH (Gold or above)
- Estidama 4 Pearl rating or above OR 3 Pearl plus a 20-30% improvement over ASHRAE 90.1 2007

- BEAM PLUS Selective (Very Good or above with Energy Use (EU) category included under the assessment OR all levels - subject to building achieving at least 20% energy efficiency improvements)
- HQM (4 Stars or above)
- EPC B for buildings in the UK
- NABERS Energy (5 Stars or higher)

For building projects in the least developed, low income and lower middle-income OECD DAC markets, Standard Chartered may allow one level below the green building certification scheme (e.g. LEED Silver). The Sustainable Finance Governance Committee may consider additional certification schemes so long as such schemes are evaluated to be equivalent, internationally-recognised certification schemes.

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12 Certificates

11 For building projects in the least developed, low income and lower middle-income OECD DAC markets, Standard Chartered may require a 15% improvement in energy use and/or carbon emissions.

12 Cogeneration plans are limited to those powered by CSP/solar thermal or biomass waste, OR geothermal energy/bioenergy with emissions below 100gCO2/kWh(e).
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</table>
| Public services              | • Installation of energy-efficient lighting or equipment to increase the operational energy efficiency of utilities and/or other public services (excluding improvements in buildings) | • Improvement of heat efficiency of non-fossil-fuel powered-utilities, power plants, and other public services. Example projects could include rehabilitation of district heating systems, district cooling systems heat-loss reduction, and/or increased recovery of wasted heat.  
• Distribution network where it is primarily powered by renewables and/or waste heat  
• Retrofit of renewable energy power plants  
• Mobile network upgrades to 5G technology (energy efficiency) | • Projects to improve the energy efficiency of fossil fuel production and/or distribution | ![SDG Goal 7](https://i.imgur.com/7G59.png) |

| Agricultural processes, aquaculture processes and livestock management | • Improving the energy efficiency of irrigation, and other agriculture and livestock management processes as well as of tractor or equipment efficiency through fuel-switching to low-carbon options  
• Improving energy efficiency of aquaculture farming and processing facilities | • Energy improvements in equipment and technologies that are primarily driven by fossil fuels  
• Energy efficiency improvements for fish farms that are not Aquaculture Stewardship Council (ASC) certified or facilities that have achieved certification with a variance from the standard | ![SDG Goal 7](https://i.imgur.com/7G59.png)  
![SDG Goal 14](https://i.imgur.com/7G59.png)  
![SDG Goal 15](https://i.imgur.com/7G59.png) |
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<td></td>
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<td>• Improving energy efficiency of forestry-related activities, including the production of forestry-related products</td>
<td>• Energy efficiency improvements for forestry-related activities that are not certified by either the Forest Stewardship Council (FSC) certified or Programme for the Endorsement of Forest Certification (PEFC)</td>
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<td>• Products with any of the following certifications:</td>
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<td>• US Soy Sustainability Assurance Protocol (for agricultural purposes)</td>
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<td>• RSPO (waste to energy from palm oil operations)</td>
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<td></td>
<td></td>
<td>• Cotton Made in Africa</td>
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<td>• 2BSvs (soy)</td>
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<td></td>
<td>• Fairtrade(^{14})</td>
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<td></td>
<td></td>
<td>• Better Cotton Initiative</td>
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<td></td>
<td>Industrial processes and supply chains</td>
<td>• Development, manufacture, distribution and/or installation of products or services that increase the energy efficiency of industrial processes</td>
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<tr>
<td></td>
<td></td>
<td>• Industrial/utility energy-efficiency improvements involving changes in processes, reduction of heat losses and/or increased waste heat recovery. This includes the installation of renewable-powered cogeneration plant(^{13})</td>
<td>• Projects to improve the energy efficiency of fossil fuel production and/or distribution</td>
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<td></td>
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<td>• Production processes within heavy industries such as steel, cement, aluminium, etc.</td>
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<td>• Projects and/or services must be considered ‘green projects’ as opposed to ‘transition projects’(^{15})</td>
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<td></td>
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<td></td>
<td>• Plants powered by coal or oil</td>
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<td></td>
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<td></td>
<td>• Plants powered by natural gas are only eligible if they have a clear plan to transition to low carbon sources(^{16})</td>
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</tbody>
</table>

\(^{13}\) Fairtrade primarily speaks to social impacts within the context of agricultural and forestry activities, and as such it is considered eligible in the context of social financing

\(^{14}\) Cogeneration plants are limited to those powered by CSP/solar thermal or biomass waste, OR geothermal energy/bioenergy with emissions below 100gCO2/kWh(e)

\(^{15}\) Transition projects are separately captured in our Transition Finance Framework

\(^{16}\) Where low carbon sources are renewables and other energy sources with emissions below 100gCO2/kWh(e)
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Transmission and distribution systems</td>
<td>• Retrofit of distribution systems, transmission lines or substations to reduce energy use and/or technical losses (except for capacity expansion)</td>
<td>• Improving existing systems to increase efficient use of energy. Examples could include smart grid technologies, distributed generation, peak demand management, etc.</td>
<td>• Projects/systems where 25% or more of electricity transmitted is fossil-fuel-generated</td>
<td>7: Affordable and clean energy</td>
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<td></td>
<td>• Improvements to the energy efficiency of infrastructure and transport. An example could include reduction of empty running and logistics software</td>
<td></td>
<td>• Fossil fuel-based transportation, supporting infrastructure and transportation dedicated to fossil fuel transport</td>
<td>11: Sustainable cities and communities</td>
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<tr>
<td></td>
<td>• Vehicle or rail fleet retrofit or replacement with clean technologies including electric, hydrogen, or hybrid vehicles operating below 75 gCO2 per passenger km (in 2020) and below 56 gCO2 per passenger km (by 2030)</td>
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</table>
| Pollution prevention and control | • Activities with capital expenditures which achieve the following: | • Reduced air emissions  
• Mitigation of greenhouse gas emissions  
• Soil remediation  
• Waste prevention, reduction, recycling and sorting projects  
• Direct air capture  | • Any expenditures related to fossil fuels  
• R&D and commercial-scale carbon capture, utilisation and/or storage (CCU/CCS) applied to “hard-to-abate” industrial activities that are inherently carbon-intensive  
• Carbon Capture Utilisation (CCU) where captured carbon is intended for enhanced oil recovery | 3: Good health and well-being  
12: Responsible consumption and production |
<table>
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<tr>
<th>Themes</th>
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<th>Eligible Activities</th>
<th>Exclusions</th>
<th>SDG Goal</th>
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<tbody>
<tr>
<td><strong>Water management</strong></td>
<td>Sustainable water management</td>
<td>• Activities that provide access to adequate sanitation facilities</td>
<td>• Treatment of wastewater from fossil fuel operations</td>
<td>6</td>
</tr>
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<td></td>
<td></td>
<td>• Activities that improve water quality:</td>
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<td></td>
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<td>• Water treatment facilities</td>
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<td></td>
<td></td>
<td>• Upgrades to wastewater treatment plants to remove nutrients</td>
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<td></td>
<td></td>
<td>• Wastewater discharge infrastructure</td>
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<td></td>
<td></td>
<td>• Desalination plants primarily powered by low-carbon sources, such as renewables</td>
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<td></td>
<td></td>
<td>• Activities that increase water-use efficiency:</td>
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<tr>
<td></td>
<td></td>
<td>• Water recycling and reuse</td>
<td></td>
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<td></td>
<td></td>
<td>• Water saving systems, technologies and water metering</td>
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<tr>
<td><strong>Sustainable infrastructure</strong></td>
<td>Sustainable infrastructure and transportation</td>
<td>• Rail transportation projects for public use</td>
<td>• Efficiency improvements involving conventional fossil-fuel combustion engines (hybrid engines and technologies are eligible)</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rail transportation of goods (excluding transport dedicated to fossil fuels)</td>
<td>• Systems and infrastructure dedicated to the transportation of fossil fuels</td>
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<td></td>
<td></td>
<td>• Train infrastructure upgrades</td>
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<td></td>
<td></td>
<td>For all public mass passenger transportation that are not electrified, the following thresholds should be met: 75 gCO2 per passenger km (in 2020) and 56 gCO2 per passenger km (2030)</td>
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<td></td>
<td>For all freight transportation that are not electrified, the following thresholds should be met: 25 gCO2/t-km (2020) and 21 gCO2/t-km (2030)</td>
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<tr>
<td><strong>Climate change adaptation</strong></td>
<td></td>
<td>• Activities that increase the resilience of eco-systems, including integrated watershed management and biodiversity protection</td>
<td>Given the potentially significant impact of infrastructure on the environment, the development of Climate Change Adaptation Infrastructure should be supported by third party assessments</td>
<td>15</td>
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<td>Themes</td>
<td>Sub Themes</td>
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<tr>
<td><strong>Green financing instruments</strong></td>
<td></td>
<td>• Loans which are verified by a third-party as in compliance with the Green Loan Principles pertaining to categories not covered in this Framework</td>
<td></td>
<td>7 Affordable and Clean Energy</td>
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<td>• Projects involved in various international, regional or national carbon markets and trading systems, such as the CDM, EU ETS, JI, AAUs, as well as well-established, credible voluntary carbon standards like the VCS or the Gold Standard. For certainty, such projects must otherwise be eligible under this Framework</td>
<td></td>
<td>9 Industry Innovation and Infrastructure</td>
</tr>
<tr>
<td><strong>Sustainable agriculture, forests and land conservation</strong></td>
<td></td>
<td>• Financing for agricultural products certified under a credible scheme such as Rainforest Alliance, USDA Organic</td>
<td></td>
<td>12 Responsible Consumption and Production</td>
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<tr>
<td></td>
<td></td>
<td>• Loans to finance sustainable management of natural resources, i.e.:</td>
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<td>15 Life on Land</td>
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<td></td>
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<td>• Certified forests (FSC, PEFC or equivalent)</td>
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<td>• Certified organic agriculture(^\text{17})</td>
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<td></td>
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<td>• Investment in protected areas (regional natural parks)</td>
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<tr>
<td><strong>Circular economy</strong></td>
<td></td>
<td>• Development, manufacture and/or distribution of products designed for circularity and/or adaptive re-use. Eligible products go beyond an eco-label and demonstrate significant waste diversion and/or use of waste products(^\text{18})</td>
<td></td>
<td>8 Decent Work and Economic Growth</td>
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<td>9 Industry Innovation and Infrastructure</td>
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<td>12 Responsible Consumption and Production</td>
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\(^{17}\) Any certification listed in the IFOAM directory is considered eligible in relation to certification of organic agricultural produce (see https://directory.ifoam.bio/certification_bodies)

\(^{18}\) For clarity, products with a credible and recognised eco-label may be eligible but products will be assessed for reduction of raw resource inputs and outputs
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<tbody>
<tr>
<td><strong>Blue economy</strong></td>
<td></td>
<td>• Projects designed and implemented to provide coastal defences</td>
<td>Coastal defence projects should have a Vulnerability Assessment and Adaptation Plan in place</td>
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<td></td>
<td></td>
<td>• Capital expenditures related to creating and ongoing monitoring and surveillance of marine protected areas</td>
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<td>• Products and fisheries demonstrating sustainable aquaculture practices through certification by the Aquaculture Stewardships Council (Processing facilities require Chain of Custody certification)</td>
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<td></td>
<td></td>
<td>• Seafood products demonstrating sustainable practices through certification by the Marine Stewardship Council (MSC)</td>
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<td>Eligible Activities</td>
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| Access to finance | Access to affordable and responsible financial products and services to the poor and vulnerable populations | • Financing Microfinance Institutions (MFIs) via intermediaries, and financing of smaller businesses in least developed, low income and lower middle-income OECD DAC markets in which Standard Chartered operates  
• To be eligible for the use of proceeds, one or more of the following populations should be specifically targeted:  
  • Females  
  • Rural populations focusing on agricultural production and agricultural value chains  
  • Economically excluded individuals  
  • Populations in least, lower and lower-middle-income DAC markets  
To be identified as a small-medium sized enterprise (SME), as defined by the International Finance Corporation (IFC), the end-client should meet two of three criteria to qualify:  
1. Number of employees <300  
2. Turnover between USD 100,000 up to USD 15 million  
3. Total assets <USD 100,000  
Projects are classified as microfinance if they meet the following criteria. The end-client should meet two of the three criteria to qualify:  
1. Number of employees <10  
2. Turnover under USD 100,000  
3. Total assets <USD 100,000  
If data mentioned above is not available, the end-client average loan size should be less than USD 10,000 | Payday loans  
Loans to businesses involved in:  
• Adult entertainment  
• Manufacture and production of finished alcoholic beverages  
• Fossil fuel exploration and distribution  
• Lethal defence goods including small arms  
• Gambling  
• Military contracting  
• Nuclear power generation  
• Non-RSPO-certified palm oil  
• Predatory lending  
• Manufacture and production of finished tobacco products  
• Conflict minerals  
• Child labour  
• Forced labour | 9 Industry, Innovation and Infrastructure  
10 Reduced Inequality  
8 Decent Work and Economic Growth |

19 Where at least one of the following applies: (a) at least 51% owned by a woman or by women; or, (b) (i) at least 20% owned by a woman or by women, (ii) with a woman as CEO, COO, President or Vice President and (iii) a board of directors at least 30% comprised of women

20 Imposing unfair or abusive loan terms on a borrower. Any practice that convinces a borrower to accept unfair terms through deceptive, coercive, exploitative or unscrupulous actions for a loan that a borrower doesn’t need, doesn’t want or can’t afford. Involvement in predatory lending is defined as, either the company is involved predatory lending activities, or the company owns 10-50 per cent of another company with involvement predatory lending activities

21 Minerals (specifically tantalum, tin, tungsten and gold, often referred to as “3TG”) extracted from areas of armed conflict in the Democratic Republic of Congo (DRC)
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</table>
| Water             | Activities that expand public access to safe and affordable drinking water | • Construction, maintenance, and equipment for water supply infrastructure i.e. pipework  
• Financing to construct, equip, and/or operate:  
  • hospitals, clinics and health care centres for the provision of public/free/subsidised health services  
  • infrastructure for the provision of emergency medical response and disease control services |                                                                                                                                                                                                              | 6 Clean Water and Sanitation                                                                                                                   |
| Healthcare        | Healthcare infrastructure                                                  | • Financing to construct, equip, and/or operate:  
  • hospitals, clinics and health care centres for the provision of public/free/subsidised health services  
  • infrastructure for the provision of emergency medical response and disease control services |                                                                                                                                                                                                              | 3 Good Health and Well-being                                                                                                                    |
| Providers of      | supporting health-care related products and services                      | • R&D and manufacturing for equipment for the provision of emergency medical response and disease control services  
• Provision/distribution of healthcare equipment for public/free/subsidised services  
• Provision of free/subsidised/affordable training for healthcare professionals |                                                                                                                                                                                                              | 3 Good Health and Well-being                                                                                                                    |
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<th>Exclusions</th>
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</thead>
</table>
| Education                  | Primary, secondary, adult and vocational education | - Construction of public/free/subsidised schools  
- Construction of public universities  
- Construction of campuses for public schools and universities  
- Affordable schools and education providers in least developed, low income and lower middle income OECD DAC markets  
- Construction of student housing provided the rent is capped below the local or regional average to ensure affordability to all students  
- Free/subsidised/affordable training for educational professionals |                                                                                                                                                                                                   | 4 Quality Education                                                                                     |          |
| Affordable housing         | Affordable/social housing                       | - Access to adequate, safe and affordable housing for excluded and/or marginalised population or communities                                                                                                                                                        |                                                                                                                                                                                                           | 11 Sustainable Cities and Communities                                                                         |          |
| Affordable basic infrastructure | Establishing or improving connectivity in low income markets | - Development of roads (including road infrastructure such as bridges and tunnels) in least developed, low income and lower middle income OECD DAC markets with a goal to improve rural/remote connectivity and to improve passenger and commercial transport  
- Passenger buses in least developed, low income and lower middle income OECD DAC markets designed to improve connectivity  
- Rural telecoms/internet connectivity in least developed, low income and lower middle income OECD DAC markets |                                                                                                                                                                                                   | 9 Industry, Innovation and Infrastructure  
11 Sustainable Cities and Communities                                                                         |          |
COVID-19. Any financing specific to COVID-19 will only be eligible as a Sustainable Finance asset under this Framework if originated before July 2022. This will be reviewed dynamically by the Sustainable Finance Governance Committee depending on the COVID-19 pandemic situation globally.22

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<th>Eligible Activities</th>
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</table>
| COVID healthcare        | Healthcare services | • Financing to equip, operate and add capacity and efficiency to essential healthcare facilities such as hospitals, clinics, healthcare centres, acute care, emergency care, diagnostics, laboratory facilities, nursing home and rehabilitation facilities  
                          |                    | • Manufacturing, logistics and distribution of medical products and supplies essential to medical response, disease control services and vaccinations  
                          |                    | • Financing to equip, operate and add capacity to facilities for healthcare training  
                          |                    | • Financing to equip, operate and add capacity to facilities that house healthcare professionals  
                          |                    | • Hiring and training of medical personnel to assist in the prevention and/or treatment of COVID-19  
                          |                    | • Banking that directly finances:  
                          |                    | • Cosmetic facilities  
                          |                    | • Aesthetic medical facilities  
                          |                    | • Chiropractic facilities  
                          |                    | • Acupuncture facilities  
                          |                    | • Hospital greenfield construction  
                          | Healthcare supplies and equipment | • The conversion of facilities or equipment to produce supplies or equipment needed for the prevention or treatment of COVID-19  
                          |                    | • Financing the subsidisation of provision of pharmaceuticals needed in the treatment of COVID-19  
                          |                    | • Financing the production and distribution of pharmaceuticals needed in the treatment of COVID-19  
                          | Pharmaceuticals   |  

22 All assets considered as COVID-19 eligible will be funded through the USD 1 billion COVID-19 facility whereby Standard Chartered extends loans at not-for-profit rates. Financing under this facility at present is timebound to assets originated before July 2022. We expect that all urgent COVID-19 related funding will have concluded by this date. This will be reviewed dynamically by the Sustainable Finance Governance Committee.
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<tbody>
<tr>
<td>COVID sanitation</td>
<td>Sanitation</td>
<td>• Manufacturing, logistics and distribution of products and services for safely managed water, sanitation, and hygiene (WASH)(^{23})</td>
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<td>COVID food security</td>
<td>Food security</td>
<td>• In least developed, low income and lower middle income OECD DAC markets impacted by COVID-19 or in the recovery from COVID-19 - financing provided to facilitate the increase in capacity and efficiency in food systems and supporting the provisioning, production, logistics and distribution by companies of food and nutritional supplements</td>
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<tr>
<td>COVID socio-economic impact mitigation</td>
<td>Impacts on SMEs and employment</td>
<td>• Loans or other financial services to support SMEs who have been assessed by the Sustainable Finance Governance Committee as facing financial stress as a result of COVID-19</td>
<td>• Loans or other financial services to support initiatives designed to prevent or alleviate unemployment</td>
<td></td>
</tr>
<tr>
<td>Other impacts</td>
<td></td>
<td>• Financial support for the activities of charities, non-profit, non-governmental and other social service organisations who support populations directly affected by COVID-19</td>
<td>• Financial support related to medical nutrition in treatment of COVID19 or ensuring a secure food supply during phases of restricted contact</td>
<td></td>
</tr>
</tbody>
</table>

Businesses and projects that are involved in the following operations will not be eligible for financing under this Impact Framework:

- Payday loans
- Adult entertainment
- Manufacture and production of finished alcoholic beverages
- Fossil fuel exploration and distribution
- Lethal defence goods including small arms
- Gambling
- Military contracting
- Nuclear power generation
- Non-RSPO-certified palm oil
- Predatory lending
- Manufacture and production of finished tobacco products
- Conflict minerals
- Child labour
- Forced labour
Commitments and achievements
2021 Commitments and Achievements

Commitments

In 2021, we set out our detailed plan to meet the higher ambition of net zero carbon emissions from our financing by 2050. Of the 59 markets in which we are present, 33 do not currently have a commitment to reach net zero by 2050. We need to and will use our position to act as a torchbearer in these markets, giving our consumers, clients and governments the tools to come along on this journey with us.

To kick-start this, we renewed our Sustainability Aspirations for 2021, including tightening our position on financing clients dependent on thermal coal. We continue to make progress against our commitment to provide USD 75 billion in financing by the end of 2024 to support a low-carbon future. Within this, of the USD 35 billion of project financing services, M&A advisory and debt structuring services for renewables and clean-tech projects (Jan 2020 - Dec 2023), by 31 December 2020 we had provided USD 18.4 billion, and of the USD 40 billion committed to project financing for infrastructure that promotes sustainable development (Jan 2020 - Dec 2024), we had provided USD 2.4 billion, with an uptick expected from H2 2021 as infrastructure investment to support the COVID-19 economic recovery is expected.

2030

We will only support clients who actively transition their business to generate less than five per cent of revenue from thermal coal by 2030.

2030

By we plan to mobilise USD 300bn in green and transition finance

Of the USD 1 billion COVID-19 facility launched in April 2020, as of the date of publication, we have allocated over USD 900m of not-for-profit financing for areas such as PPE, vaccines, ventilators, critical care equipment and hospital infrastructure. This includes a USD 200m commitment to African Export-Import Bank (Afreximbank) for the African Union COVID-19 Vaccination Acquisition Programme. We have also made significant progress against our commitments to provide USD 15 billion to small business clients and USD 3 billion to microfinance institutions despite the pandemic conditions.

200m

We’ve committed a USD 200m facility with Afreximbank for the African Union COVID-19 Vaccination Acquisition Programme.

As part of our detailed plan to net zero, we have developed a content series around Industries in Transition, focusing on the highest emitting sectors and setting out levers for change. Our Climate Change Position Statement also requires all clients in high-carbon sectors to have a strategy to transition their business in line with the goals of the Paris Agreement.24

24 Highest emitting sectors include Extractive Industries, Power Generation, Chemicals & Manufacturing, Infrastructure, Transport.
At Standard Chartered, we remain committed to championing the development of a robust, transparent and liquid voluntary carbon market which will be key in meeting the goals of the Paris Agreement. Bill Winters, our Group Chief Executive, is the Chair of the Taskforce on Scaling Voluntary Carbon Markets which has this year published a Roadmap for Strengthening Market Integrity.

We have become a signatory to the Poseidon Principles, a global framework that aims to align carbon emissions in the shipping industry with the international targets set by the United Nations.

In further support of this agenda, we have invested in the joint venture, Climate Impact X, a carbon exchange and marketplace which will leverage satellite monitoring, machine learning and blockchain technology to enhance the transparency, integrity and quality of carbon credits.

Achievements

Issued our first US Dollar Sustainability Bond raising USD 500m for sustainable development activities aligned to this Framework.

In 2021, we also launched a suite of sustainable trade finance products. These products have been designed specifically to help companies implement more sustainable practices across their ecosystems and build more resilient supply chains.
2020 Commitments and Achievements

Commitments

In 2020, we announced that we would commit USD 1 billion of financing at preferential rates for companies that provide goods and services to help the fight against COVID-19, and those planning the switch into making products that are in high demand to fight the global pandemic. All companies in-scope include those associated with helping to tackle COVID-19, including manufacturers and distributors in the pharmaceutical industry and healthcare providers, as well as non-medical companies that have volunteered to add this capability to their manufacturing output – goods in scope include ventilators, face masks, protective equipment, sanitisers and other consumables.

We also announced a new four-year partnership with Imperial College London on climate change risk management. The risks arising from climate change are fast evolving into mainstream financial risks. We recognise that translating climate science into estimations of potential losses (and gains) remains inherently difficult. Therefore, the partnership aims to uncover solutions that will help embed climate risk identification and management into financial decisions, and to unlock solutions to practical questions such as how local policy actions will affect business models, and how clients build resilience to increasing physical risks, such as flooding and sea level rise.

Achievements

In 2020, we played a pivotal role in another landmark social themed bond with the Impact Investment Exchange to close USD 10.5 million 4.000% Women’s Livelihood Bonds due 2024. The Women’s Livelihood Bond is a series of innovative debt securities that mobilise private capital to invest in a portfolio of high-impact enterprises that empower underserved women through sustainable livelihoods, thereby advancing the United Nations’ SDG 5: Gender Equity (among 11 other SDG goals).

SDG 6: Ensure availability and sustainable management of water and sanitation for all, SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all, SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
2019 Commitments and Achievements

Commitments

In May 2019, we highlighted some of the challenges we, and others, faced in determining and reducing climate impact, including the lack of consistent reporting by companies of their emissions. We called for banks to work closer together to tackle this issue, raising the importance of reducing emissions with our respective clients. We also published a white paper that outlined the methodology by which we would review and measure our emissions within our lending portfolio, working with 2 Degrees Investing Initiative and initially focusing on seven climate relevant sectors; upstream Oil & Gas, shipping operations, automotive, power generation, coal mining, steel and cement manufacturing.

We were one of the first organisations to adopt the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), where we report on our progress on climate change. We released our updated TCFD report in 2019, and announced further measures including our commitment to net zero carbon emissions by 2030. Other announcements include:

• We are supporting our markets and clients in the transition to a low-carbon future, and are committed to providing USD 75 billion in financing by the end of 2024. Of this, USD 40 billion will be directed to project financing services for infrastructure that promotes sustainable development, and another USD 35 billion of project financing services, M&A advisory and debt structuring services for renewables and clean-tech projects.

• We will provide USD 15 billion to small business clients (previously USD 6 billion for 2017-2019) and USD 3 billion to microfinance institutions (previously USD 1 billion for 2016-2020).

• Emerging markets will be the most affected by climate change and have the greatest opportunity to leapfrog into a new low-carbon technology, but there has not been sufficient investment into this sector across emerging Asia, Africa and the Middle East. We commit to being part of the solution in bridging what the UN estimates to be a USD 2.5 trillion a year funding gap.
Achievements

We funded and facilitated USD 2.3 billion for infrastructure that supports sustainable development, mobilised USD 20 billion of clean technology projects and helped clients issue USD 18.3 billion in green, social and sustainable bonds. We also saw 9-fold increase year on year in green and sustainable loans to clients from USD 3.2bn to USD 29.1bn (2018 vs. 2019).

We supported entrepreneurs and smaller businesses by providing USD 2.8 billion for Business Banking clients and USD 710 million to microfinance institutions (MFIs) for onward lending, making a total of USD 2.4 billion of support to MFIs since 2016.

We successfully priced a EUR 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 (SDGs) – including clean energy projects, smaller business lending and microfinance loans – helping drive employment, growth and prosperity across emerging markets.

We launched the world’s first Sustainable Deposit, for financing sustainable assets in developing markets aligned to the United Nations’ SDGs. This is the first time any bank has launched a corporate deposit product linked to sustainability and the SDGs, which focuses on addressing global challenges such as poverty, inequality and prosperity. Priced in USD, GBP and EUR, liquidity raised by the Deposit will be used to finance activities set out in this framework. Deposits reached USD 1bn in January 2020 and then doubled in three months, highlighting that despite the recent economic turmoil brought by the COVID-19 pandemic, companies are still keen to finance the SDGs in emerging markets.

“We believe that sustainable finance can act as a powerful differentiator for our clients, shareholders, regulators and employees. The over-riding aim is to promote both economic and social development in a sustainable way and help to transform the markets in which we operate for the better, positioning ourselves as the leading Bank for sustainable finance in emerging markets”.

Tracey McDermott Group Head, Conduct, Financial Crime and Compliance