

Defence Equipment and Armaments

We see the defence industry as a legitimate business. But we also recognise that there are specific risks associated with this area. In order to manage our risks correctly, we have a specific policy on lending money to fund defence equipment contracts which includes checks in the approval process.

Our policy is clear. Standard Chartered will not under any circumstances support the manufacture or distribution of:

- Nuclear, biological or chemical weapons
- Landmines
- Any equipment designed to be used as an instrument of torture, or for inflicting cruel, inhuman or degrading treatment
- Any weapons or munitions including ordinance such as missiles, rockets, artillery shells and bullets
- Any military or security equipment transaction involving a third party broker
- Military or security equipment where the destination country is an oppressive regime

In deciding our policy on oppressive regimes and defence equipment, we were guided by the Ethical Investment Research Service (EIRIS). EIRIS compiles information for the FTSE4Good Socially Responsible Investment Index in which we are presently included. For further details visit <http://www.eiris.org> or <http://www.FTSE4Good.com>

For an armaments transaction to be approved, it must be:

- Exported from an acceptable country of origin (generally the UK, US, Canada, or EU)
- Covered, where required, by an export license from the country of origin
- Sold by a supplier acceptable to us (and, specifically, not by third party brokers)
- Imported to an acceptable country of destination
- Purchased by an appropriate central government agency