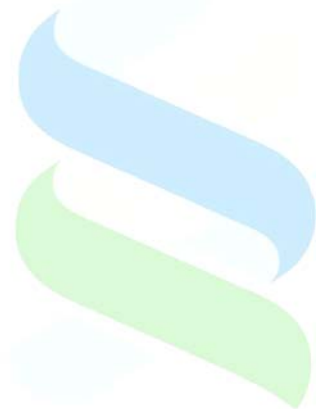


NUCLEAR POWER GENERATION

Standard
Chartered



INTRODUCTION TO SECTOR AND ISSUE POSITION STATEMENTS

Standard Chartered Bank (SCB) is a leading financial institution across Asia, Africa and the Middle East. With a deep presence in many markets, our future is tied to the successful social and economic development of these countries over the long term. Sustainable development is essential; for our clients, our communities and our shareholders.

We recognise that as a financial institution, the biggest impact we have on society and the natural environment is through the business activities of our clients. Our aspiration is to be a “Force for Good” and to initiate and support real changes in the markets in which we operate through our commitment to sustainable development.

Our long experience in emerging markets has taught us that reform takes time, and that positive change is best fostered in an environment of economic growth. Achieving sustainable development requires finding the right balance between economic, social and environmental concerns and is the collective responsibility of businesses, individuals and governments.

Our objective is to serve our clients commercially, while actively engaging with them and other stakeholders to work towards the implementation of sustainable business practices over a reasonable period of time. In so doing, we believe this will create competitive advantage for our clients, contribute to the development of local communities and play a part towards securing a better environment for future generations.

Sector and Issue Position Statements

One of SCB’s guiding principles for sustainable development is to consider environmental and social issues in our business activities. In order for us to evaluate and, where necessary, mitigate the social and environmental risks associated with business decisions, we have developed the following position statements to provide guidance on our approach towards sectors with high potential for social or environmental impact.

These position statements set out standards and practices to be followed when we conduct our activities. They are key elements of our “Building a Sustainable Business” strategy and govern the financial services provided by SCB globally. As SCB is also a signatory to the Equator Principles, these position statements complement and reinforce our commitment to those principles.

- Child Labour
- Forestry and Palm Oil
- Mining and Metals
- Dams
- Biofuels
- Fossil-Fuelled Power Generation
- Climate Change
- Transportation of Hazardous Materials
- Ship Breaking
- Oil & Gas
- Tobacco
- Gaming and gambling
- Nuclear

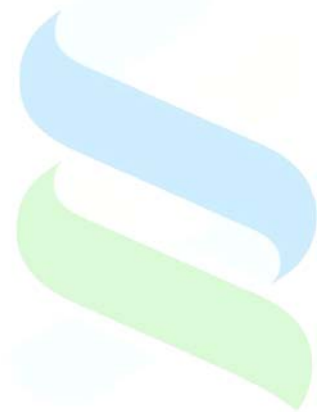
Training

Our banking professionals are required to make reasoned, common sense judgements on environmental and social issues. SCB is committed to provide appropriate training for personnel to better understand the environmental and social risks associated with financing the various sectors highlighted above.

Engagement and feedback

SCB welcomes all comments and feedback on our approach to Sector Position Statements. Should you wish to provide feedback please contact the Bank's Group Sustainability office at Our.environment@standardchartered.com.

Standard
Chartered



NUCLEAR POWER GENERATION

Statement of Commitment

The pressure to find low-carbon power generation options to address the challenge of climate change has made it possible for nuclear to emerge as a potential alternative. As a result, a significant number of countries look to meet their energy requirements using nuclear power. As part of our aspiration to be a “Force for Good”, SCB will carefully evaluate nuclear power transactions of new and existing plants. This includes a review of the capability and commitment of the client to comply with international best practices, qualifications of the host country's regulatory authority, facilities' site selection criteria, plant design criteria, safety management and decommissioning programme.

Scope of the statement

This position statement will apply to all debt and equity financing and advisory services provided by the Bank to new and existing customers for the explicit purpose of developing new, or upgrading or expanding existing, nuclear power plants and related infrastructure.

For the purposes of this statement, the nuclear sector covers the construction, commissioning, operation and decommissioning of nuclear power plants and radioactive waste management.

Please refer to SCB's position statement on mining and metals for issues related to uranium mining.

SCB will not under any circumstances support the manufacture or distribution of nuclear weapons. *Please refer to the SCB policy on defence equipment and armaments⁽¹⁾.*

SCB adopted the Equator Principles⁽²⁾ in 2003, therefore all project finance transactions will be undertaken in accordance with both the Equator Principles and this position statement.

Sector standard

SCB clients in the nuclear sector are expected to operate in accordance with the relevant international, regional and national laws. The International Finance Corporation (IFC) Performance Standards⁽³⁾, and the International Atomic Energy Agency (IAEA) Safety Standards⁽⁴⁾, Guidelines for Nuclear Transfers⁽⁵⁾, and Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software and Related Technology⁽⁶⁾ shall be used as a benchmark of internationally accepted standards.

It is the bank's policy not to provide financial and advisory assistance to operations that:

- Do not apply the IAEA Safety Standards in areas of general safety, nuclear facilities safety, radiation protection and safety of radiation sources, safe management of radioactive wastes, and safe transport of radioactive material;
- Provide equipment, materials, software or related technology to nuclear projects not in compliance with the IAEA Safety Standards, Guidelines for Nuclear Transfers, and Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software and Related Technology;
- Are located in or significantly affect sites featuring on the UNESCO World Heritage List⁽⁷⁾, unless the activities pre-date the UNESCO designation;
- Are located in or significantly affect wetlands of international importance, featuring on the Ramsar List⁽⁸⁾;
- Significantly convert or degrade critical natural habitats.

Since the determination of critical natural habitat requires professional expertise and judgement, clients should retain suitably qualified external expert to provide assistance.

Implementation and Compliance

As part of SCB's commitment to support our clients in the maintenance of high standards of sustainable development, we integrate environmental and social considerations into our business decisions, in all our markets.

In view of the paramount importance of nuclear safety to the environment, plant personnel, the general population and future generations, if clients do not meet the standards above, SCB will consider withdrawing from the transactions.

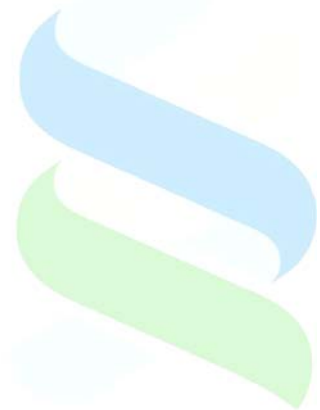
Engagement and feedback

SCB welcomes all comments and feedback on our approach to Sector Position Statements. Should you wish to provide feedback please contact the Bank's Group Sustainability office at Our.environment@standardchartered.com.

In addition, should you be interested on the progress of the bank's implementation of its environmental policy, please refer to SCB's annual Sustainability Review ⁽⁹⁾.

* * * * *

Standard
Chartered



NOTES AND GLOSSARY

¹ SCB's Defence Equipment and Armaments Policy
http://www.standardchartered.com/documents/defence-equipment-and-armament/sc_defenceEquipment.pdf

² The **Equator Principles** are a benchmark for the financial industry to manage environmental and social issues in project finance and advisory transactions.
<http://equator-principles.com>

³ The IFC's **Performance Standards** define the roles and responsibilities of companies for managing the social and environmental risks and impacts of their projects.
<http://www.ifc.org/ifcext/enviro.nsf/Content/PerformanceStandards>

⁴ The **International Atomic Energy Agency (IAEA) Safety Standards** are developed to provide technical guidance to member states regarding radiological practices and protection.
<http://www-ns.iaea.org/standards/default.htm>

⁵ The **Guidelines for Nuclear Transfer** governs the export of items that are especially designed or prepared for nuclear use. These include: nuclear material, nuclear reactors and equipment therefore, non-nuclear material for reactors, plant and equipment for reprocessing, enrichment, and conversion of nuclear material and for fuel fabrication and heavy water production, and technology associated with each of the items above.

⁶ The **Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software and Related Technology** governs the export of nuclear-related dual-use items and technologies, that is, items that can make a major contribution to an unsafeguarded nuclear fuel cycle or nuclear explosive activity, but which have non-nuclear uses as well, for example in industry.

⁷ The **United Nations Educational, Scientific and Cultural Organization (UNESCO)** seeks to encourage the identification, protection and preservation of cultural and natural heritage around the world considered to be of outstanding value to humanity.

The **UNESCO World Heritage Site** is a specific site, such as a forest, mountain, lake, desert, monument, building, complex, or city that is considered to be of outstanding importance to the common heritage of humanity.
<http://whc.unesco.org/>

⁸ The **Ramsar Convention** is an international treaty for the conservation and sustainable utilisation of wetlands.
<http://www.ramsar.org/>

⁹ Standard Chartered Sustainability Website
<http://www.standardchartered.com/sustainability/index.html>