

**CHILD LABOUR**

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## **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

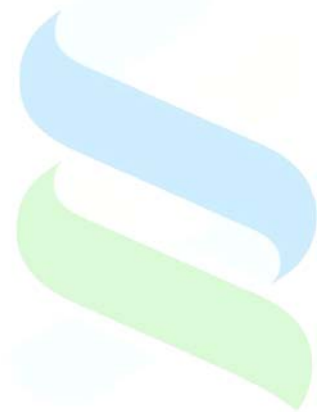
### **Training**

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](mailto:Our.environment@standardchartered.com).

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## **CHILD LABOUR**

### **Statement of Commitment**

Exploitation of children for labour can harm their health and often reinforce a cycle of minimal education and poverty. However, drawing a line between “acceptable” work and “child labour” can be difficult in practice and many families in developing markets depend on children’s earnings to feed themselves. Our commitment, as part of our aspiration to be a “Force for Good”, is to work with our clients towards the implementation of international best practices to avoid exploitation of children and promote their education and development.

### **Scope of Statement**

This position statement will apply to all financial services provided by the bank to new and existing clients worldwide.

For the purposes of this statement, the term child labour applies to all children under 18 involved in the “worst forms of child labour”, all children under the age of 12 taking part in economic activity and all 12 to 14-year-olds engaged in more than light work.

The International Labour Organization (ILO) defines light work as work that is not likely to be harmful to the children’s health or development and not likely to be detrimental to their attendance at school or vocational training.

“Child work, which can include simple household chores and other tasks which do not negatively affect children’s health or education, is generally regarded as positive” <sup>(1)</sup> and is not covered in this statement.

### **Sector standard**

SCB currently follows the International Labour Organization’s <sup>(2)</sup> (ILO) Conventions No. 138 (Minimum Age) <sup>(3)</sup> and No. 182 (Worst Forms of Child Labour) <sup>(4)</sup> on the use of children in the workforce.

In particular, it is the bank’s policy not to provide financial services to any organisation that directly or indirectly:

- Allows children to undergo any form of modern-day slavery practices, such as being trafficked into labour, bonded in labour to pay off debts or forced by others through threats, intimidation or other coercive means.
- Exploits children by procuring or offering them for prostitution, the production of pornography, the production and trafficking of drugs
- Allows children to be involved in work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of those children.

### **Implementation and Compliance**

While SCB recognises that the employment of children over the age of 14 is an important part of the economies of many developing markets, the bank is committed to upholding the thresholds laid down in ILO Convention 138 which governs the age limit and type of work allowable for people under the age of 18.

If the bank identifies situations where standards do not meet ILO 138 guidance, we will investigate the circumstances and determine mitigation options, always focusing on the best interests of the children, and agree an appropriate action plan with our client.

In the case of ILO Convention 182, the bank will support actions that take **immediate** measures to remove children from extremely harmful forms of work.

SCB does not accept use of children in contravention of ILO Conventions 138 and 182 in direct employment or in the supply chain. We will determine mitigation options with our clients should such instances be found, while recognising the bank may have a lower degree of control in identifying breaches in third-party practices.

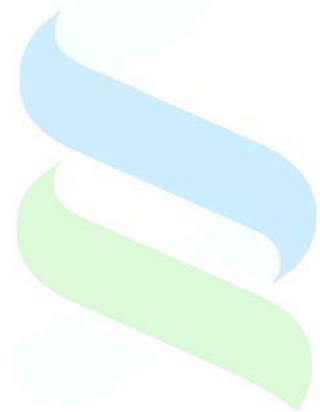
### **Engagement and feedback**

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In addition, should you be interested on the progress of the bank's implementation of its sustainability strategy, please visit our Sustainability Website <sup>(5)</sup>.

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## NOTES AND GLOSSARY

<sup>1</sup> UNICEF, Child Labour Resource Guide, Executive Summary  
([www.unicef.org](http://www.unicef.org))

<sup>2</sup> The **International Labour Organization** (ILO) is devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity.  
([www.ilo.org](http://www.ilo.org))

<sup>3</sup> ILO **Convention 138** (Minimum Age Convention) – governs the age limit and type of work allowable for people under the age of 18.  
(<http://www.ilo.org/ilolex/english/convdisp1.htm>)

<sup>4</sup> ILO Convention 182 (Worst Forms of Child Labour Convention) – focuses on forms of child labour that are dangerous to the child's physical, emotional and psychological health.  
(<http://www.ilo.org/ilolex/english/convdisp1.htm>)

<sup>5</sup> Standard Chartered Bank – Sustainability Website  
(<http://www.standardchartered.com/sustainability/index.html>)