

**Standard Chartered considers climate change as one of the greatest challenges facing the world today, given its widespread and proven impacts on the physical environment, human health and its potential to adversely impact economic growth.**

We operate in over 60 markets including many in Asia, Africa and the Middle East, giving us opportunity to engage with a wide range of stakeholders including clients, governments, civil society and academics on the impacts of climate change. We are committed to playing our part in contributing to, facilitating and leading this dialogue across our markets.

We recognise the role of the financial sector in achieving the 2015 Paris Agreement goals of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit temperature increase to 1.5°C, supporting climate adaptation, and directing finance flows toward a low carbon transition.

Climate change is a complex phenomenon which presents a mix of physical and transition risks and opportunities to countries, businesses and individuals. Recognising the impact and complexities of climate change, in 2017 we designated it as a Principal Uncertainty within our Enterprise wide Risk Management Framework.

Mitigating and adapting to climate risks presents policy challenges to governments as they support economic growth whilst facilitating a transition to a low-carbon economy.

For example, emerging markets need reliable and accessible energy to support economic growth and this needs to be balanced by mitigating the environmental impacts of power generation in a manner consistent with the Paris Agreement.

## How we work

We uphold our commitments in respect of climate change in the following ways:

### Our Operations

Standard Chartered is committed to reducing the climate change impacts of our own operations. We achieve this through minimising the use of natural resources in our business operations, where we have set targets to improve energy and water efficiency, reduce paper consumption and manage emissions from air travel.

### Our Suppliers

We recognise our indirect exposure to climate impacts through the goods and services we procure from our suppliers. Our Supplier Charter requires suppliers to support and promote environmental protection, support us in the use of goods and services which help mitigate our environmental impact, and promote the development and distribution of environmentally friendly technologies.

# Climate Change Position Statement

## Our Clients

We are committed to engaging with all business clients to understand how they are participating in the low-carbon transition, and how we can support this.

We have focussed our efforts since 2016 on the energy industry, recognising that it is the largest individual contributor to greenhouse gas emissions. Working with the University of Oxford, we have developed a tool to help us assess climate risks relating to our energy industry clients, in order to promote alignment with a 1.5 degrees climate scenario.

We continue to review how we play a role in helping achieve a balance between development and climate impacts in other industries including forestry, agriculture and transport.

This includes introducing a more restrictive appetite, via our sectoral Position Statements, for carbon-intensive sectors through climate-related technical standards for coal-fired power plants, activities which may induce deforestation and restrictions on new coal mining clients and projects.

For more about the technical standards we apply in working with clients, please see our Framework document and the Cross-Sector and Sector-specific requirements in our Position Statements.

Reflecting the opportunities presented by the low-carbon transition, we will fund and facilitate at least USD4bn toward clean technology between 2016 and 2020.

## Transparency and Communication

Timely and accurate information plays a critical role in driving widespread action on climate change. Recognising this, Standard Chartered has publicly confirmed its support for the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD).

We are working to implement the TCFD recommendations, including through collaborative efforts such as the United Nations Environment Programme for Financial Institutions (UNEP-FI) pilot and an Institute of International Finance (IIF)-led Preparer Forum for the banking sector.

We will continue to develop our climate change reporting over time, toward full TCFD alignment. We will also encourage others including clients and other financial institutions to take such steps.

## Feedback

Your comments are important to us and we welcome your feedback on our Position Statement on Climate Change. Please contact us at [sustainability.feedback@sc.com](mailto:sustainability.feedback@sc.com)

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