

# Extractive Industries

We remain committed to promoting sustainable practices in these sectors, while supporting economic growth and prosperity.

While the Group voluntarily adheres to these non-legally binding position statements, they reflect our aspiration to apply these principles consistently and to conduct our business with the highest standard of ethics and integrity. All staff are required to adhere to the position statements and endeavour to achieve these goals in line with our [Group Code of Conduct](#) and to live up to [our brand promise of Here for good](#).

## Applicable to

This Position Statement reflects the sector-specific criteria we assess our clients against when considering the provision of financial services to the Extractives Industries sector.

For the purposes of this Position Statement:

**Oil & Gas** refers to clients engaged in the exploration and production, transportation (including pipelines and tankers), processing of oil and gas resources and storage of gas and petroleum products, and decommissioning; and

**Mining & Metals** refers to clients engaged in exploration, mine construction, minerals and construction materials extraction and mine operation, all metal and minerals processing activities, and mine closure and rehabilitation.

## Our commitment

As a key part of our mission to be [Here for good](#), we only provide financial services to clients who manage their environmental and social impacts responsibly. The sector-specific criteria in this position statement, along with those in the [cross-sector requirements](#) set out the standards we assess our clients against.

We regularly engage with our clients to confirm that they're aligned with our environmental and social requirements, and consult with industry experts to ensure these stay relevant and effective.

## Oil & gas

Where oil and gas operations have potential adverse environmental and social impacts and are located in countries which are not High Income OECD members, we use the following standards to assess the capability of our clients to manage these impacts:

- The most recent IFC Performance Standards<sup>1</sup>
- The IFC General Environmental, Health and Safety Guidelines<sup>2</sup>
- The IFC Industry Sector Guidelines on Offshore Oil and Gas Development, Onshore Oil and Gas Development, and Liquefied Natural Gas Facilities

Where applicable, we will also look to the following industry best practices, guidelines and bodies to determine effective responses to risks faced by clients:

- The Global Gas Flaring Reduction Initiative
- The International Petroleum Industry Environmental Conservation Association (IPIECA)<sup>3</sup>
- The International Convention on Oil Pollution Preparedness, Response and Cooperation<sup>4</sup>
- The Voluntary Principles on Security and Human Rights<sup>5</sup>
- The International Labour Organisation<sup>6</sup>
- The UN Global Compact<sup>7</sup>
- The Extractive Industries Transparency Initiative (EITI)<sup>8</sup>
- The International Convention for the Prevention of Pollution from Ships (MARPOL)<sup>9</sup>

Standard Chartered is aware that in some circumstances environmental and or social risks and impacts cannot be successfully mitigated. In the oil and gas sector we will therefore restrict the provision of financial services to Corporate and Institutional Banking, Commercial Banking, and Business Banking clients who:

- Demonstrate access to adequate oil spill response resources when drilling offshore
- Only transport heavy grades of oil in double-hulled vessels
- Do not significantly impact upon, or have operations located within:
  - UNESCO<sup>10</sup> World Heritage Sites
  - RAMSAR<sup>11</sup> Wetlands, unless operations would result in 'no net loss' of biodiversity
- Follow IFC Performance Standard 6 where operations impact upon Protected Areas or Critical Habitats

And to Corporate and Institutional Banking clients who:

- Have implemented, or are in the process of implementing, an environmental and social management system which controls their specific risk exposure
- Support the application of the Equator Principles<sup>12</sup>

## Mining and metals

Where mining operations have potential adverse environmental and social impacts and are located in countries which are not High Income OECD members, we use the following standards to assess the capability of our clients to manage these impacts:

- The most recent IFC Performance Standards<sup>1</sup>
- The IFC General Environmental, Health and Safety Guidelines<sup>2</sup>
- The IFC Industry Sector Guidelines on Mining, Base Metal Smelting and Refining, Integrated Steel Mills and Foundries, and Construction Materials Extraction

For Clients in the Coal Mining Sector:

- We will not provide project finance or project finance advisory services to new standalone, non captive<sup>13</sup> thermal coal mining projects; for captive coal mining projects we also will apply the fossil-fuelled power criteria from the [Power Generation Position Statement](#).
- We will not provide financing to new mining clients whose only business activity is to operate standalone, non-captive thermal coal mines

Where applicable, we will also look to the following industry best practices, guidelines and bodies to determine effective responses to risks faced by clients:

- The UN Global Compact<sup>7</sup>
- The GHG Protocol<sup>14</sup>
- The International Labour Organisation<sup>6</sup>
- The International Seabed Authority Mining Code<sup>15</sup>
- The World Gold Council's Conflict Free Gold Standard<sup>16</sup>
- The Extractive Industries Transparency Initiative (EITI)<sup>8</sup>
- The International Council on Mining and Metals (ICMM)<sup>17</sup>
- The Responsible Jewellery Council<sup>18</sup>
- ICMM's "Working Together" Guidance<sup>19</sup>
- The LBMA's Guidance for Responsible Gold<sup>20</sup>
- The Voluntary Principles for Security and Human Rights<sup>5</sup>
- World Nuclear Association Principles 2, 3, 5, 6 and 8

Standard Chartered is aware that in some circumstances environmental and or social risks and impacts cannot be successfully mitigated. In the mining and metals sector we will therefore restrict the provision of financial services to Corporate and Institutional Banking, Commercial Banking, and Business Banking clients who:

- Follow the Kimberley Certification Process for the mining and trading of rough diamonds
- Mine and process uranium only in countries which are signatories to the Non-Proliferation Treaty and/or which submit to International Atomic Energy Agency (IAEA) regulations and inspections
- Commit to put in place all reasonable controls to ensure that the end use of uranium, where mined, is for peaceful purposes
- Are not involved in mining asbestos
- Do not significantly impact upon, or have operations located within:
  - UNESCO<sup>10</sup> World Heritage Sites
  - RAMSAR<sup>11</sup> Wetlands, unless operations would result in 'no net loss' of biodiversity
- Follow IFC Performance Standard 6 where operations impact upon Protected Areas or Critical Habitats

And to Corporate and Institutional Banking clients who:

- If their operations involve the processing of gold using cyanide, are, or are in the process of becoming, signatories to the International Cyanide Management Code
- Have implemented, or are in the process of implementing, an environmental and social management system which controls their specific risk exposure
- Support the application of the Equator Principles<sup>12</sup>

## Feedback

Your views are important to us. If you'd like to give your feedback on any of our Position Statements, please get in touch via email at [sustainability.feedback@sc.com](mailto:sustainability.feedback@sc.com)

## References

1. <http://www.ifc.org/performancestandards>
2. <http://www.ifc.org/ehsguidelines>
3. <http://www.ipieca.org/>
4. [http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Oil-Pollution-Preparedness,-Response-and-Co-operation-\(OPRC\).aspx](http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Oil-Pollution-Preparedness,-Response-and-Co-operation-(OPRC).aspx)
5. [http://www.voluntaryprinciples.org/files/voluntary\\_principles\\_english.pdf](http://www.voluntaryprinciples.org/files/voluntary_principles_english.pdf)
6. <http://www.ilo.org/>
7. <http://www.unglobalcompact.org/>
8. <http://eiti.org/>
9. [http://www.imo.org/en/about/conventions/listofconventions/pages/international-convention-for-the-prevention-of-pollution-from-ships-\(marpol\).aspx](http://www.imo.org/en/about/conventions/listofconventions/pages/international-convention-for-the-prevention-of-pollution-from-ships-(marpol).aspx)
10. <http://whc.unesco.org/en/list>
11. <https://www.ramsar.org/sites/default/files/documents/library/sitelist.pdf>
12. <http://www.equator-principles.com/>
13. 'Standalone, Non Captive' refers to thermal coal mines not dedicated to a specific power plant. As such, the power plant(s) in which the coal production is used cannot be determined, nor an assessment made of these plants' emissions performance.
14. <http://www.ghgprotocol.org/>
15. <https://www.isa.org.jm/mining-code>
16. [http://www.gold.org/about\\_gold/sustainability/conflict\\_free\\_standard/](http://www.gold.org/about_gold/sustainability/conflict_free_standard/)
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