

Standard Chartered Position Statement

Nuclear Power

Our approach

Standard Chartered is a leading financial institution focused on banking the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. For us, sustainability is about creating long-term value for our shareholders, working in partnership with our clients to make a positive economic and social contribution in the markets where we operate. We recognise that our success as a bank is linked intrinsically to the health and prosperity of these markets.

The biggest impact we have is through the businesses we finance. By providing finance efficiently and responsibly, we can generate value for our shareholders while creating value more broadly for society.

Our approach is to engage proactively with clients, governments, non-governmental organisations and communities to manage the impact that stems from our financing decisions. Our Position Statements assist in this approach by outlining the standards we encourage or expect our clients to align to. The Position Statements are applied through our internal Policies and Procedures and reference appropriate industry wide benchmarks such as the IFC Performance Standards and Equator Principles.

We want to be a force for good by working with our clients to improve their sustainability performance. We believe this approach will further strengthen and develop our long-term relationships with our clients, contributing to their competitive advantage and promoting sustainable economic growth in our communities.

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.

Scope

The Bank is organised to service the following four client segment groups:

- Corporate and Institutional Banking;
- Commercial Banking;
- Private Banking; and,
- Retail Banking.

This Position Statement applies to all debt, equity and advisory services provided by the Bank for new and existing Corporate and Institutional Banking clients.

This Position Statement also applies to all lending provided to Commercial Banking clients, and Business Banking clients in our Retail Banking segment. The capacity and capability of such clients to meet international standards may be limited, but as a minimum standard, we will apply our restrictions (see 'Our commitment' below), and promote sustainable practices where appropriate.

We recognise that our level of influence and assessment is dependent on the nature of the services we provide.

Application to the Sector

For the purposes of this Position Statement, nuclear power refers to the construction and decommissioning of nuclear power stations and related infrastructure, the generation of power using nuclear energy, the provision of equipment, materials, and related technology to the activities listed above, and the management of radioactive waste.

Our concern

The pressure to address energy security issues and to find low-carbon power generation options in order to tackle the challenge of climate change has resulted in increased interest in adopting nuclear power generation by some countries. However, past nuclear accidents such as the one at the Fukushima nuclear power plant in Japan are a strong reminder of the importance of adhering to the highest safety standards.

Standard Chartered recognises the nuclear energy industry faces potential safety, environmental and social challenges, some of which may include long lasting adverse consequences of nuclear accidents on the environment, communities and economies; health and safety risks for workers and communities working in and living close to nuclear power plants, including exposure to radioactive materials; disposal of radioactive waste with potential for radioactive contamination of the environment and local population; and impacts on biodiversity and communities, including land acquisition and resettlement, depending on the location of project sites.

Our commitment

Where nuclear power 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 International Atomic Energy Agency (IAEA) Safety Standards
- The IAEA Security Series
- The most recent IFC Performance Standards¹
- The IFC General Environmental, Health and Safety Guidelines²
- The IFC Industry Sector Guidelines for Thermal Power Plants (as relevant for nuclear power plants)

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 World Association of Nuclear Operators (WANO)³
- The World Institute for Nuclear Safety (WINS)⁴
- The Nuclear Power Plant Exporters' Principles of Conduct⁵
- The World Nuclear Transport Institute (WNTI)⁶
- The Treaty for Non Proliferation of Nuclear Weapons⁷
- The IAEA Safeguard Agreements⁸
- The Nuclear Supplier Group Guidelines⁹
- The IAEA Guide 'Milestones in the Development of a National Infrastructure for Nuclear Power'¹⁰

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

- Demonstrate that their operations do not contribute to the manufacture or distribution of nuclear weapons, and that they have a long term commitment to the use of nuclear technology and equipment for a peaceful purpose

¹ <http://www.ifc.org/performancestandards>

² <http://www.ifc.org/ehsguidelines>

³ <http://www.wano.info/>

⁴ https://www.wins.org/index.php?article_id=61

⁵ <http://nuclearprinciples.org/the-principles/>

⁶ <http://www.wnti.co.uk/>

⁷ <http://www.un.org/disarmament/WMD/Nuclear/NPT.shtml>

⁸ <http://www.iaea.org/safeguards/sv.html>

⁹ Guidelines for Nuclear Transfers: <http://www.nuclearsuppliersgroup.org/Leng/PDF/infcirc254r11p1.pdf> Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software and Related Technology: <http://www.nuclearsuppliersgroup.org/Leng/PDF/infcirc254r8p2.pdf>

¹⁰ <http://www-pub.iaea.org/books/iaeabooks/8492/Milestones-in-the-Development-of-a-National-Infrastructure-for-Nuclear-Power>

- Have nuclear operations only in locations where the host country is a signatory to the Treaty for Non Proliferation of Nuclear Weapons, or has in place appropriate IAEA Safeguard Agreements and where the country of origin of the materials, equipment and technology is a member of the Nuclear Supplier Group Guidelines
- Demonstrate compliance with applicable IAEA Safety Standards and Nuclear Safety Series
- Use the IAEA Site and External Events Design (SEED) review service for siting
- Do not significantly impact upon, or have operations located within:
 - UNESCO¹¹ World Heritage Sites
 - RAMSAR¹² 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 Principles¹³

Feedback

We welcome feedback on our Position Statements. Please contact us at our.environment@sc.com.

¹¹ <http://whc.unesco.org/en/list>

¹² http://www.ramsar.org/cda/en/ramsar-documents-list/main/ramsar/1-31-218_4000_0__

¹³ <http://www.equator-principles.com/>