



## Sustainability Summary 2017

Driving commerce and  
prosperity through  
our unique diversity



OVERVIEW

Contributing to sustainable  
economic growth

Being a responsible  
company

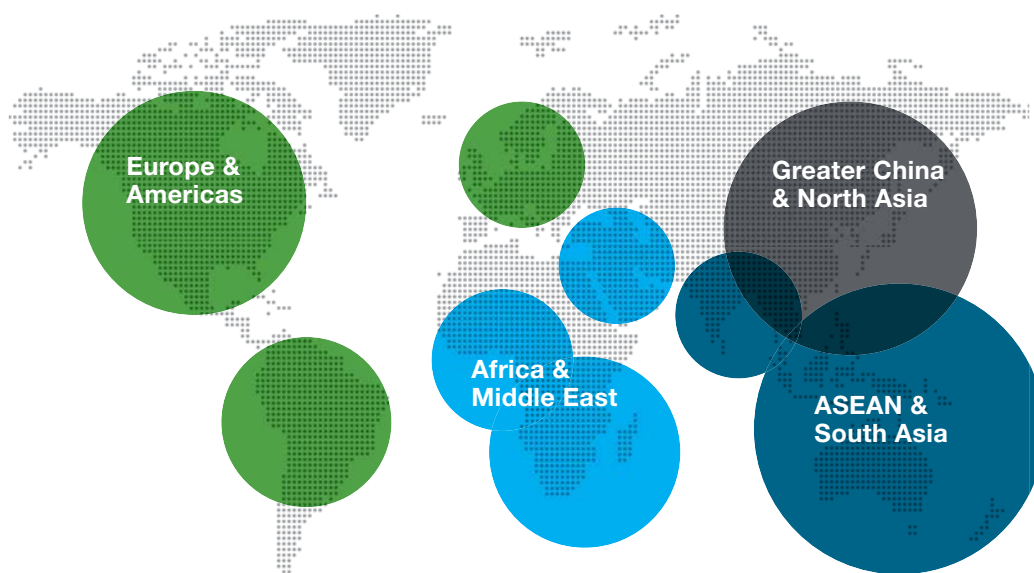
Investing in communities

Sustainability data

## Who we are

**Standard Chartered is a leading international banking group. Our heritage and values are expressed in our brand promise, Here for good.**

We operate in 63 markets worldwide, including some of the world's most dynamic. More than 80 per cent of our income and profits are derived from Asia, Africa and the Middle East. Our businesses serve four client segments in four regions, supported by seven global functions.



For more information about our sustainability performance, please visit [sc.com/sustainability](http://sc.com/sustainability)

Sustainability reporting is embedded throughout our 2017 Annual Report and Accounts. Visit [sc.com/annualreport](http://sc.com/annualreport)



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### Photo competition

Our aim was to make this year's cover as engaging and diverse as possible. As part of this, we invited all colleagues to participate in a photo competition. The top three entrants can be found on the front and back covers.

Unless another currency is specified, the word 'dollar' or symbol '\$' in this document means US dollar and the word 'cent' or symbol 'c' means one-hundredth of one US dollar.

Unless the context requires, within this document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administration Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Greater China & North Asia (GCNA) includes China, Hong Kong, Japan, Korea, Macau and Taiwan; ASEAN & South Asia (ASA) includes Australia, Bangladesh, Brunei, Cambodia, Laos, India, Indonesia, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam; and Africa & Middle East (AME) includes Bahrain, Egypt, Iraq, Jordan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

Standard Chartered PLC is headquartered in London. The Group's head office provides guidance on governance and regulatory standards. Standard Chartered PLC stock codes are: HKSE 02888; LSE STAN.LN; and BSE/NSE STAN.IN.



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# Embedding sustainability across our business



## 2017 Highlights

We have achieved our 2017 targets around conduct, financial crime prevention, people and diversity. We are also on track to deliver those Sustainability Aspirations with a longer time horizon. We have delivered our microfinance Aspiration three years ahead of schedule. Between 2016 and 2017, we extended just over \$1 billion to microfinance institutions for onward lending to the smallest business owners, helping our clients transform the lives of thousands of people, and their families, across our markets. Although we have met this target early, our commitment to support microfinance will continue.

As an international bank, we create real, positive change for people in the 63 dynamic and diverse markets where we operate. We do this by working with our clients to help them achieve their ambitions and by supporting social and economic development in the communities where we live and work.

This approach comes to life through our sustainability pillars – contributing to sustainable economic growth, being a responsible company and investing in communities – and 11 Sustainability Aspirations, which set out actions and targets to ensure we live up to our promises. These pillars and Aspirations form the basis for this summary of our 2017 performance, which we publish alongside our 2017 Annual Report and Accounts.

Our Aspirations provide focus and momentum for our sustainability work, and we have made good progress in their first year. As well as maximising opportunities in our markets through the Aspirations, we remained committed to managing environmental and social risks in line with our Position Statements, which set out sector-specific standards that are regularly reviewed and updated.

Our long-standing relationships with NGOs and community partners, as well as the support of our employees, enabled us to deliver our community engagement programmes. Two major initiatives in 2017 demonstrated our support for the creation

of economic opportunities for girls and women in our markets – the launch of a second Women in Technology incubator in Kenya, which follows the successful model we have established in New York, and our first Goal girls' empowerment summit in South Africa. We furthered our commitment to Seeing is Believing raising \$5.6 million and once again, our employees demonstrated their passionate support for our community programmes by providing more than 66,000 days of volunteering. Much of this was focused on financial education.

During 2018, we will be revising our Position Statements and developing a deeper understanding of the social and economic impact of our activities, including climate change. This will start with the release of our East Africa Impact Report and, later in the year, we will share the outcomes of an impact assessment of our flagship community engagement programme, Seeing is Believing. We remain committed to delivering better, more sustainable outcomes for our clients and communities.

**Vasuki Shastry**  
Global Head,  
Public Affairs & Sustainability



“We remain committed to delivering responsible, sustainable banking. We’re honouring this commitment through our three pillars and 11 Sustainability Aspirations, alongside industry and global collaborations including our participation in the UN Global Compact.”

**Bill Winters**  
Group Chief Executive

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## What we do

Serving client segments  
with differentiated expertise

## Global

## Corporate &amp; Institutional Banking

Serving over 5,300 large corporations, governments, banks and investors.

## Operating income

\$6,496m

Underlying basis

\$6,523m

Statutory basis

## Private Banking

Helping 7,000 high net worth individuals manage, preserve and grow their wealth.

## Operating income

\$500m

Underlying basis

\$500m

Statutory basis

## Regional

## Commercial Banking

Supporting over 40,000 local corporations and medium sized enterprises across Asia, Africa and the Middle East.

## Operating income

\$1,333m

Underlying basis

\$1,329m

Statutory basis

## Retail Banking

Serving over nine million individuals and small businesses.

## Operating income

\$4,834m

Underlying basis

\$4,903m

Statutory basis

## Central &amp; other items (segment)

## Operating income

\$1,126m

Underlying basis

\$1,170m

Statutory basis

## Total operating income

\$14,289m \$14,425m

Underlying basis

Statutory basis

## Global functions

Our client-facing businesses are supported by seven global functions, which work together to ensure the Group's day-to-day operations run smoothly and are compliant with banking regulations.

## Human Resources

Recruits and builds talent while providing learning and development opportunities to motivate colleagues

## Legal

Enables sustainable business and protects the Group from legal-related risk

## IT &amp; Operations

Responsible for the Group's operations, systems development and technology infrastructure



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## Where we do it

# Building a sustainable business in dynamic economies

### Greater China & North Asia

Serving clients in China, Hong Kong, Korea, Japan, Taiwan and Macau. The Group's largest region by income.

#### Operating income

**\$5,616m** **\$5,613m**  
Underlying basis Statutory basis

### ASEAN & South Asia

Our largest markets in ASEAN & South Asia by income are Singapore and India. We are active in all 10 ASEAN countries.

#### Operating income

**\$3,833m** **\$3,870m**  
Underlying basis Statutory basis

### Africa & Middle East

Present in 25 markets, of which the most sizeable by income are the UAE, Nigeria, Pakistan and Kenya.

#### Operating income

**\$2,764m** **\$2,764m**  
Underlying basis Statutory basis

### Europe & Americas

Centred in London and New York with a presence across both continents. Key income originator for the Group.

#### Operating income

**\$1,601m** **\$1,596m**  
Underlying basis Statutory basis

### Central & other items (region)

#### Operating income

**\$475m** **\$582m**  
Underlying basis Statutory basis

### Total operating income

**\$14,289m** **\$14,425m**  
Underlying basis Statutory basis

#### Risk & Compliance

Responsible for the sustainability of our business through good management of risk across the Group and ensuring that business is conducted in line with regulatory expectations



#### Group COO

Provides control and governance to operating platforms and processes, ensuring operating efficiency



#### Group CFO

Incorporates seven support functions: Finance, Treasury, Strategy, Investor Relations, Corporate Development, Supply Chain and Property. The leaders of these functions report directly to Andy Halford, Group Chief Financial Officer



#### Corporate Affairs & Brand and Marketing

Manages the Group's communications and engagement with stakeholders in order to protect and promote the Group's reputation, brand and services



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# Our approach to sustainability



Our purpose as an international bank is to drive commerce and prosperity through our unique diversity. We seek to ensure that the financial services we provide to individuals, businesses and global institutions improve livelihoods and provide new economic opportunities for people in our markets.

Our diverse, local network means we are a trusted partner for trade and development across our markets. We work closely with clients to address the issues that jeopardise sustainable economic growth, such as the infrastructure deficit, climate change and financial exclusion.

Our relationships with governments and other development institutions help them access financial markets, and we draw on our relationships with all stakeholders, including our colleagues, to create prosperous communities through our community engagement programmes around health and education. This is only possible if we remain committed to operating responsibly, encouraging good conduct and ethical behaviour across our organisation.

This is why our approach to sustainability focuses on three pillars – contributing to sustainable economic growth, being a responsible company, and investing in communities. Within each pillar, we have identified a number of Sustainability Aspirations, which set out measurable actions to achieve sustainable business outcomes. Our Aspirations form part of our response to the issues that matter to us and our stakeholders.

## Understanding our sustainability themes

We regularly engage with a range of stakeholders to understand the sustainability themes that matter to them, and that affect our business. During 2017, we undertook a desk-based materiality review, supported by external specialists, which identified topics of importance to both our business and our stakeholders. We share how we manage and measure progress against these through policies and statements on [sc.com](http://sc.com), the Group's 2017 Annual Report and Accounts and this publication.

The table below sets out where stakeholders can find responses to the top five topics identified:

SUSTAINABILITY THEMES	RESPONSES
<b>Climate change</b>	<ul style="list-style-type: none"> <li>→ Climate Change Position Statement (<a href="http://sc.com/positionstatements">sc.com/positionstatements</a>)</li> <li>→ Climate Change Aspiration (p7)</li> <li>→ Principal Uncertainty in Risk &amp; Capital Review (p181 of the 2017 Annual Report &amp; Accounts)</li> </ul>
<b>Conduct, values and ethics</b>	<ul style="list-style-type: none"> <li>→ Group Code of Conduct (<a href="http://sc.com/codeofconduct">sc.com/codeofconduct</a>)</li> <li>→ Conduct Aspiration (p9)</li> <li>→ Stakeholders and responsibilities (p36-41 of the 2017 Annual Report and Accounts)</li> </ul>
<b>Environmental and social risk management</b>	<ul style="list-style-type: none"> <li>→ Environmental &amp; Social Risk Assessment (<a href="http://sc.com/esrisk">sc.com/esrisk</a>)</li> <li>→ Standards and policies (<a href="http://sc.com/positionstatements">sc.com/positionstatements</a>)</li> </ul>
<b>Human rights</b>	<ul style="list-style-type: none"> <li>→ 2017 Modern Slavery Statement (<a href="http://sc.com/modernslavery">sc.com/modernslavery</a>)</li> <li>→ Human Rights Position Statement (<a href="http://sc.com/positionstatements">sc.com/positionstatements</a>)</li> <li>→ Stakeholders and responsibilities (p36-41 of the 2017 Annual Report and Accounts)</li> </ul>
<b>Talent attraction and engagement</b>	<ul style="list-style-type: none"> <li>→ People Aspiration (p9)</li> <li>→ Stakeholders and responsibilities (p36-41 of the 2017 Annual Report and Accounts)</li> </ul>





#### OUR APPROACH TO SUSTAINABILITY

## Launching our Aspirations

We created our Sustainability Aspirations in 2016 after engaging with stakeholders and colleagues to understand the main sustainability issues and opportunities we face as a business. The Aspirations set out measurable activities, and annual and multi year targets, in the areas where we believe we can have the greatest impact.

We have taken steps to embed the Aspirations within Standard Chartered through a series of workshops with colleagues in Singapore, New York and Hong Kong. These were aimed at illustrating the connection between participants' daily work for the Bank and our sustainability approach.

Senior business leaders recognise the potential of the Aspirations to connect our core business with positive social and economic outcomes in our markets and guide our contribution to the United Nations Sustainable Development Goals.

In 2017, we achieved the targets for annual Aspirations in conduct, people and financial crime compliance, and achieved our multi year Aspiration for microfinance three years ahead of schedule. Our aim for 2018 is to maintain this momentum and continue to help colleagues understand how they contribute to our ability to have a positive impact as an organisation.



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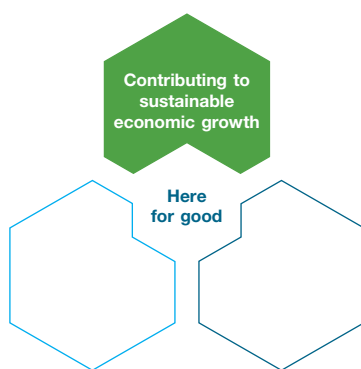
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TO SUSTAINABLE  
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# Contributing to sustainable economic growth



## Objective

We use our core business of banking to promote sustainable development in our markets.

## Overview

We finance individuals, businesses and projects that contribute to sustainable economic growth in some of the world's most dynamic and diverse markets. In 2017, we provided loans and advances of \$262,859 million to customers across Corporate & Institutional, Commercial and Retail Banking.

We work with clients to generate positive environmental and social impacts from our lending activities in sectors as varied as infrastructure and microfinance. This includes identifying and developing opportunities for blended finance solutions. In 2017, we funded and facilitated \$1.2 billion towards clean technology and made \$1 billion available to microfinance institutions for onward lending to entrepreneurs in 2016 and 2017, achieving our Aspiration three years early.

Managing our impact includes minimising environmental and social risks, and in 2017, our Environmental and Social Risk Management team reviewed 487 transactions against our 20 Position Statements, which set out best-practice environmental and social management standards. We updated our Position Statement on Palm Oil and started a similar review of all Position Statements, with updates due to be published in 2018.

Our performance against the six Aspirations under this pillar is set out on the opposite page.

## IMPACT AND SUSTAINABLE FINANCE

Developing partnerships to deliver financial inclusion

Value of loans to MFIs in Bangladesh, Indonesia and India

\$325m



Working together with the Asian Development Bank (ADB), we help drive prosperity for people traditionally excluded from the financial system.

We have extended a unique Risk Participation deal the first of its type for the microfinance sector in Asia when it launched in 2013 – with the ADB to increase the flow of credit to microfinance institutions (MFIs) across Asia. By increasing the capital available, partner MFIs are able to reach more unbanked individuals and finance additional micro enterprises.

Originally, we aimed to originate and service a \$150 million portfolio of MFI loans across Asia by the end of 2018, with the ADB sharing 50 per cent of the risk on the portfolio. Due to the programme's success, the ADB increased their risk participation ceiling from \$75 million to \$120 million, allowing us to increase the total programme size to \$240 million outstanding at any given time. The programme has now been recognised as part of the ADB's mainstream operations with no specified end date.

Together with the ADB, we have provided approximately 125 loans totalling \$325 million to 13 MFIs in Bangladesh, Indonesia and India, with the potential to expand to additional markets in Asia.



## Aspiration

## Infrastructure

Everyone should have access to safe, reliable and affordable power and infrastructure which transforms lives and strengthens economies



## Climate change

Climate change is one of today's greatest challenges and addressing it is essential to promote sustainable economic growth



## Entrepreneurs

Entrepreneurs are the heart of local economies, creating jobs and empowering people



## Digital

Everyone should have access to digital banking products enabling safe, efficient and inclusive banking



## Commerce

Trade creates jobs and contributes to economies by enabling people to connect across borders



## Impact and sustainable finance

Innovative financial products and partnerships can help us solve global development challenges and improve the lives of millions in our markets



## Target

We will work with our clients to:

→ Provide advisory, financing, debt structuring services and policy advice for \$25 billion of infrastructure projects, including \$4 billion toward clean technology

→ Introduce criteria to assess alignment to a 1.5 degree climate scenario for energy sector clients and transactions

→ Expand climate assessment criteria to other high-emitting sectors

→ Provide \$6 billion to Business Banking clients

→ Grow our lending to smaller business clients in our Commercial Bank by 20% as measured by assets

→ Continue to provide 'last mile' payments and collections to clients in our footprint through our Straight2Bank wallet

→ Bank 8,000 of our clients' international and domestic networks of suppliers and buyers through banking the ecosystem programmes.

→ Provide \$1 billion of financing to microfinance institutions to extend access to finance

→ Facilitate opportunities for our Private Bank clients to invest in impact investing funds in our markets

→ Continue to promote blended finance capabilities

## Target date

→ Jan 2017 – Dec 2019 (infrastructure)

→ Jan 2016 – Dec 2020 (clean technology)

→ May 2016 – Dec 2017

→ Jan 2018 – Dec 2018

→ Jan 2017 – Dec 2019

→ Jan 2017 – Dec 2019

→ Jan 2017 – Dec 2019

→ Jan 2017 – Dec 2020

→ Jan 2016 – Dec 2020

→ Jan 2016 – Dec 2020

→ Jan 2016 – Dec 2020

## Progress

## Ongoing

2017: \$12.8 billion



## Ongoing

2017: \$1.2 billion for clean technology

2016-2017: \$2 billion for clean technology



## Partly achieved

We have developed criteria for assessing energy utilities clients' power generation assets against a range of physical and transition risks, under multiple climate scenarios and a range of time horizons. The next step is to introduce the criteria into the business



## Ongoing



## Ongoing

2017: \$2.9 billion



## Ongoing

2017: 17% (Jan 2017 baseline: \$24.1 billion)



## Ongoing

2017: 15 mobile wallets markets – up from 12 in 2016

2017: 61% increase in average mobile money transactions to more than 70,000 per month



## Ongoing

2017: 2,099 new clients



## Achieved/Ongoing

2017: \$591 million

2016-2017: \$1 billion



## Ongoing

2017: 3 funds launched

2016-2017: 3 funds launched



## Ongoing

(see case study on previous page)



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# Being a responsible company



## Objective

We manage our company responsibly by promoting the right values and behaviours, investing in people, managing our environmental impact and supporting the fight against financial crime.

## Overview

We recognise that sound governance practices are a central element of responsible banking. We continued to encourage good conduct as a priority with 99.4 per cent of employees recommitting to the Group Code of Conduct in September 2017. We further enhanced our approach to financial crime prevention by strengthening our policies and extending training for employees on the front line of fighting financial crime.

Our diversity is a unique strength that helps us to deliver a positive impact on society. We work hard to create a culture of inclusion where talent and individuality are valued and respected. In 2017, we introduced a standard flexible working practice to ensure all colleagues can choose how they work and increased the benefits we offer parents globally. Our new Fair Pay Charter, agreed in 2017, sets out the principles which guide all of our reward and performance decision-making. This includes continuing to reward colleagues in a way that is free from discrimination on the basis of diversity, including gender. We supported more than 50 country-based employee networks and three global networks (Women, Disability and LGBT & Allies), offering professional development, mentoring, networking and connections to employees. We have set new targets under the People Aspiration to improve employee wellness and implement a new diversity and inclusion strategy in 2018.

We aim to minimise the environmental impact of our operations, and between 2008 and 2017, we reduced energy use by 34 per cent. In the same period, we reduced absolute water consumption by 36 per cent and water use by property area by 45 per cent.

Our performance against the four Aspirations under this pillar is set out on the opposite page.



## FINANCIAL CRIME COMPLIANCE

### Working with NGOs to de-risk through education

Our efforts to fight financial crime can have unintended consequences for clients that deliver critical humanitarian services to people in need. Financial crime controls can prevent payments to and from development and non profit organisations, and non governmental organisations (NGOs) providing humanitarian programmes in countries where bribery, corruption and money laundering are prevalent.

We are helping these clients to mitigate financial crime risk through education. In October, we hosted our first Financial Crime Risk Management workshop in Washington for US headquartered clients. The workshop builds on our successful Correspondent Banking Academies, and was delivered in partnership with the World Bank Group, World Vision and the US NGO membership group InterAction.

The event shared international best practices in financial crime compliance and showed organisations how they could strengthen their fraud, anti money laundering and counter terrorist financing controls. From 2018, we will also offer free financial crime compliance e learning modules to our NGO clients.

## Aspiration

## People

Our people are our greatest asset, and our diversity drives our business success



## Environment

Reducing our own impact on the environment will protect our planet for the benefit of our communities



## Conduct

Good conduct and high ethical standards are essential in achieving fair outcomes for our clients



## Financial crime compliance

Financial crime has serious social and economic consequences, harming individuals and communities



## Target

We will:

- Increase gender representation: 25% women at Board level
- 30% women in senior roles (bands 1-4)

- Apply a flexible working policy globally

- Increase the minimum paid parental leave across all of our markets to 20 weeks for the primary care giver and two weeks for the spouse or civil partner

- **New target for 2018:** Roll-out a comprehensive employee wellness programme across four key markets (UK, US, Singapore and Hong Kong)

- **New target for 2018:** Roll-out a refreshed diversity and inclusion strategy Bank-wide

- Reduce annual energy use by 35% to 230 kWh/m<sup>2</sup>/year in our tropical climate locations (80% of portfolio)

- Reduce annual energy use by 31% to 275 kWh/m<sup>2</sup>/year in our temperate climate locations (20% of portfolio)

- Reduce our annual water use by 72% to 0.5kL/m<sup>2</sup>/year

- Reduce annual office paper use by 57% to 10kg/FTE/year

- Implement a conduct management framework that ensures that all staff are able to identify, control and govern conduct-related risk

- **New target for 2018:** Effectively embed the conduct management framework so that all staff are able to identify, mitigate and manage conduct risk

- All eligible bank staff to complete relevant ABC, AML and sanctions training with less than 2% overdue

- Deliver at least 10 correspondent banking academies

- **New target for 2018:** Deliver at least 10 correspondent banking academies

## Target date

- Jan 2013 – Dec 2017
- Sept 2016 – Dec 2020

- Sept 2016 – Dec 2017

- Sept 2016 – Dec 2017

- Jan 2018 – Dec 2018

- Jan 2018 – Dec 2018

- Jan 2008 – Dec 2019

- Jan 2008 – Dec 2019

- Jan 2008 – Dec 2019

- Jan 2012 – Dec 2020

- Jan 2017 – Dec 2017

- Jan 2018 – Dec 2018

- Ongoing

- Jan 2017 – Dec 2017

- Jan 2018 – Dec 2018

## Progress

## Achieved

2017: 30.8% at Board level



## Ongoing

2017: 25.7% in senior roles



## Achieved



## Achieved



## Ongoing

2008-2017: 28% reduction



## Ongoing

2008-2017: 30% reduction



## Ongoing

2008-2017: 45% reduction



## Ongoing

2012-2017: 6% reduction



## Achieved

99.4% of employees reconfirmed commitment to the Code of Conduct



## Ongoing

99.3% of employees completed ABC training

99.2% of employees completed AML training

99.6% of employees completed sanctions training



## Achieved

18 correspondent banking academies delivered





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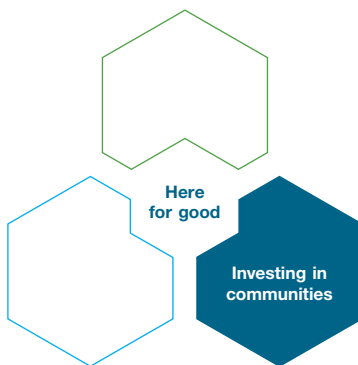
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**INVESTING IN  
COMMUNITIES**

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# Investing in communities



## Objective

We seek to promote sustainable economic and social development in our communities.

## Overview

Health and education are the foundation of social and economic development. We work with local partners to deliver programmes that improve people's health and educational opportunities. In 2017, we invested \$49.8 million in our communities and our employees contributed more than 66,000 volunteering days.

Seeing is Believing, our flagship global programme to treat avoidable blindness and visual impairment, raised \$5.6 million in 2017 through fundraising and matching by the Group. Between 2003 and 2017, Seeing is Believing raised \$98.4 million and reached 163.5 million people through medical intervention, screening, training and education.

Goal, our programme to empower girls and young women through sports and life skills training, reflects our belief that education is the foundation for economic opportunity. Goal reached more than 95,000 girls in 2017, and more than 381,000 between 2006 and 2017.

Through our financial education programmes, we trained more than 117,000 young people and just over 1,500 entrepreneurs, of which 90 per cent were women in 2017. We have achieved our financial education target a year early with more than 5,500 micro and small businesses educated between 2013 and 2017, of which 56 per cent are women-owned or led.

Our performance against the Aspiration under this pillar is set out on the opposite page.

## COMMUNITY ENGAGEMENT

### Supporting child eye health projects through Seeing is Believing



Eleven year old Safira lives in Indonesia with her parents, and dreams of becoming a doctor. This dream was threatened when cataracts started to affect her ability to participate in school. Access to treatment funded by Seeing is Believing (SiB) restored Safira's eyesight, and she now takes part in her lessons, rides her bike and plays with her friends.

Safira is one of thousands of children who has benefitted from SiB's focus on child eye health in 2017. An estimated 19 million children worldwide are visually impaired, and of these, 12 million are simply suffering from refractive error and require a pair of spectacles to correct their sight. SiB has committed 25 per cent of its \$100 million fundraising target to treat childhood blindness and visual impairment.

In 2017, SiB supported child eye health projects in Kenya, Uganda, Tanzania, Nigeria, China and Indonesia, and a project to reduce blindness caused by retinopathy of prematurity in India, in conjunction with the Queen Elizabeth Diamond Jubilee Trust.

Donations from the Bank's annual One Hour campaign, where employees donate one hour of their salary to SiB programmes, were also earmarked for child eye health projects in 2017. This year, employees raised \$347,000 as part of the campaign.

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## Aspiration

**Community engagement**

Health and education are vital for thriving and prosperous communities

**Target**

We will:

- Invest 0.75% of prior year operating profit (PYOP) in our communities
- Raise \$100m to tackle avoidable blindness
- Empower 600,000 girls through education and sport
- Educate 5,000 micro and small businesses, with 20% women-owned or led

**Target date**

- Jan 2006 – Dec 2020
- Jan 2003 – Dec 2020
- Jan 2006 – Dec 2020\*
- Jan 2013 – Dec 2018

**Progress in 2017****Ongoing**

2017: \$49.8 million community expenditure, which represents 12.18% of PYOP

**Ongoing**

2017: \$5.6 million raised and matched by the Group  
2003-2017: \$98.4 million raised and matched by the Group

**Ongoing**

2017: 95,837 girls participated in Goal  
2006-2017: 381,789 girls participated in Goal

**Achieved/Ongoing**

2017: 1,560 micro and small businesses – 90% women-owned or led  
2013-2017: 5,557 micro and small businesses – 56% women-owned or led



\* Extended from 2018 to 2020.

**COMMUNITY ENGAGEMENT**

## Building partnerships to empower girls and young women



Thirteen year old Potlotkwa grew up in a squatters' camp in South Africa where she was often hungry, frustrated and bullied. Despite going to school, she lacked the knowledge, skills and positive role models to create a more positive future for herself and her family.

After shyly watching from the sidelines, Potlotkwa joined our Goal girls' empowerment programme, gaining valuable life skills that have enabled her to blossom into a confident young woman. She shared her experiences, and her dreams of becoming a doctor in her local community, at our first Beyond Girls' Education Summit in South Africa in 2017.

The summit looked at ways to help girls and young women move from education to employment. More than 130 experts from the public, private and not for profit sectors joined Goal girls like Potlotkwa from Asia, Africa and the Middle East to create new partnerships to increase the employability of girls and young women. Delegates also experienced first hand how play based activities can enable dialogue about rights, financial education and conflict resolution by taking part in a Goal session.

More than 45 new commitments came out of the event. One example is a partnership with global charity Lensational, which is training Goal girls and young women in Kenya, Uganda and the UK in professional photography to increase their employability and income generation opportunities.

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### Contributing to sustainable economic growth

#### Microfinance

	2017	2016	2015
Loans extended (\$million)	591.4	409.9	271.6

#### Clean technology

	2017	2016	2015
Value of funds provided and facilitated (\$million)	1,228	800.8	968.0

#### Employees trained in environmental and social risk management (ESRM)

	2017	2016	2015
Employees trained <sup>1</sup>	568	118	1,708

1. Employees targeted for training are those in client-facing roles and relevant support teams. A new policy framework, launched in 2014, required a significant level of training to be delivered in 2015 and thus a one-off increase in training attendance

#### ESRM clients and transactions

	2017	2016
ESRM clients and transactions reviewed	487	328

#### Transactions reviewed by sector

	2017 (%)	2016 (%)
Chemicals & Manufacturing	17.9	28
Infrastructure & Transport	11.7	16.5
Oil & Gas	9.2	12.5
Mining and Metals	11.9	8.8
Fossil Fuel Power	14.8	13.1
Forestry	0.0	0.6
Palm Oil	1.2	3.7
Agribusiness	9.0	4.6
Ship Breaking	0.2	0.9
Nuclear Energy	1.0	0.3
Renewables	1.9	1.8
Dams & Hydropower	1.4	1.2
Other	19.3	6.7
Tobacco	0.4	1.2



Overview	Contributing to sustainable economic growth	Being a responsible company	Investing in communities	<b>SUSTAINABILITY DATA</b>
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## Equator Principles

	Project finance mandates			Project-related corporate loans			Project advisory mandates
	Cat A <sup>1</sup>	Cat B <sup>2</sup>	Cat C <sup>3</sup>	Cat A	Cat B	Cat C	
Total 2015	4	9	–	–	1	–	–
Total 2016	7	6	–	–	–	–	2
<b>Total 2017</b>	<b>1</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>–</b>	<b>1</b>

## 2017

### Sector

Mining	–	1	–	–	–	–	–
Infrastructure	1	3	1	–	1	–	–
Oil & Gas	–	3	–	1	–	–	1
Renewables	–	–	–	–	–	–	–
Telecoms	–	–	–	–	–	–	–
Power	–	2	–	–	1	–	–
Other	–	2	–	–	–	–	–

### Region

Greater China	–	–	1	–	1	–	–
North East Asia	–	–	–	–	–	–	–
South Asia	–	2	–	–	–	–	–
ASEAN	–	–	–	–	–	–	–
MENAP	–	7	–	1	–	–	1
Africa	1	2	–	–	–	–	–
Americas	–	–	–	–	1	–	–
Europe	–	–	–	–	–	–	–

### Designation<sup>4</sup>

Designated	–	–	–	–	1	–	–
Non-Designated	1	11	1	1	1	–	–

### Independent Review

Yes	1	11	1	1	2	–	–
No	–	–	–	–	–	–	–

1. 'Cat A' or Category A are projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented
2. 'Cat B' or Category B are projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures
3. 'Cat C' or Category C are projects with minimal or no adverse environmental and social risks and/or impacts
4. 'Designation' is split into designated and non-designated countries. Designated countries are deemed by the Equator Principles to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. Non-designated countries are countries that are not found on the list of designated countries. The list of countries can be found at [www.equator-principles.com](http://www.equator-principles.com)

## Investing in communities

### Community expenditure

	2017 \$million	2016 <sup>3</sup> \$million	2015 \$million
Cash contributions	22.1	21.3	24.5
Employee time (non-cash item)	18.1	17.3	20.0
Gifts In Kind (non-cash item) <sup>1</sup>	0.1	–	0.1
Management costs	4.5	4.7	5.5
<b>Total (direct investment by the Group)</b>	<b>44.8</b>	<b>43.3</b>	<b>50.1</b>
Leverage <sup>2</sup>	5.0	9.6	10.2
<b>Total (incl. leverage)</b>	<b>49.8</b>	<b>52.9</b>	<b>60.3</b>
<b>Percentage of prior year operating profit (PYOP)<sup>4</sup></b>	<b>12.18</b>	<b>–</b>	<b>1.42</b>

1. Gifts In Kind comprises all non-monetary donations
2. Leverage data relates to the proceeds from staff and other fundraising activity
3. Figures for 2016 are restated to include additional contributions
4. PYOP for 2016 was not meaningful based on 2015 operating profit

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## Being a responsible company

### People

#### Global<sup>1</sup>

	2017	2016	% change
Full-time employees (FTE)	85,931	86,580	-0.7
Headcount (year end)	86,021	86,693	-0.8
Employed workers	82,838	82,381	0.6
Fixed-term workers	3,183	4,312	-26.2
Non-employed workers	15,043	14,834	1.4
Headcount (12-month average)	86,794	84,916	2.2
Male			
FTE	46,634	46,468	0.4
Headcount	46,658	46,502	0.3
Female			
FTE	39,297	40,112	-2.0
Headcount	39,363	40,191	-2.1
Nationalities	125	130	-3.8

#### Position type

	2017	2016	% change
Executive and non-executive director	13	13	0.0
Female executive and non-executive director	4	3	33.3
Senior management (Bands 1-2)	255	239	6.7
Female senior management	43	33	30.3
Middle management (Bands 3-4)	3,635	3,655	-0.5
Female middle management	956	959	-0.3

#### Employment type

	2017	2016	% change
Business FTE	40,594	42,833	-5.2
Business headcount	40,636	42,888	-5.3
Business female headcount	20,219	21,434	-5.7
Support services FTE	45,337	43,747	3.6
Support services headcount	45,385	43,805	3.6
Female support services headcount	19,144	18,757	2.1

#### Regional

	2017	2016	% change
Greater China & North Asia FTE	20,428	20,935	-2.4
Greater China & North Asia headcount	20,451	20,957	-2.4
Greater China & North Asia female headcount	12,894	13,224	-2.5
ASEAN & Southeast Asia FTE	47,794	47,378	0.9
ASEAN & Southeast Asia headcount	47,814	47,412	0.8
ASEAN & Southeast Asia female headcount	18,981	19,326	-1.8
Africa & Middle East FTE	13,928	14,620	-4.7
Africa & Middle East headcount	13,941	14,645	-4.8
Africa & Middle East female headcount	5,831	6,026	-3.2
Europe & Americas FTE	3,782	3,647	3.7
Europe & Americas headcount	3,815	3,679	3.7
Europe & Americas female headcount	1,657	1,615	2.6

Overview	Contributing to sustainable economic growth	Being a responsible company	Investing in communities	<b>SUSTAINABILITY DATA</b>
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<b>Age</b>	<b>2017</b>	<b>2016</b>	<b>% change</b>
< 30 years FTE	<b>22,890</b>	24,749	-7.5
< 30 years headcount	<b>22,898</b>	24,763	-7.5
< 30 years female headcount	<b>11,856</b>	12,802	-7.4
30-50 years FTE	<b>57,639</b>	56,743	1.6
30-50 years headcount	<b>57,696</b>	56,816	1.5
30-50 years female headcount	<b>25,128</b>	25,129	0.0
> 50 years FTE	<b>5,402</b>	5,087	6.2
> 50 years headcount	<b>5,427</b>	5,114	6.1
> 50 years female headcount	<b>2,379</b>	2,260	5.3

<b>Talent management</b>	<b>2017</b>	<b>2016</b>	<b>% change</b>
Global voluntary turnover rate %	<b>13.0</b>	14.4	-1.4
Global turnover rate %	<b>17.3</b>	19.1	-1.8
Male %	<b>16.9</b>	19.8	-2.8
Female %	<b>17.6</b>	18.5	-0.9
Greater China & North Asia %	<b>18.2</b>	20.5	-2.3
ASEAN & South Asia %	<b>17.7</b>	19.8	-2.1
Africa & Middle East %	<b>14.9</b>	16.1	-1.2
Europe & Americas %	<b>15.2</b>	15.8	-0.6
< 30 years %	<b>24.2</b>	26.6	-2.4
30-50 years %	<b>14.4</b>	16.1	-1.6
> 50 years %	<b>16.7</b>	17.9	-1.2
Average tenure – male (years)	<b>6.2</b>	5.9	3.5
Average tenure – female (years)	<b>6.5</b>	6.3	3.4
Roles filled internally %	<b>37.5</b>	31.2	6.3
of which filled by females %	<b>44.5</b>	44.7	-0.2
Employees with completed performance appraisal <sup>2</sup> %	<b>99.9</b>	99.4	0.5
Absenteeism rate <sup>3</sup> %	<b>46.2</b>	43.4	2.8

<b>Learning</b>	<b>2017</b>	<b>2016</b>	<b>% change</b>
Employees receiving training %	<b>95.7</b>	95.0	0.7
Employees receiving training (excluding mandatory learning) %	<b>89.2</b>	83.9	5.3
Female %	<b>96.3</b>	95.4	0.9
Senior management %	<b>92.6</b>	92.5	0.1
Middle management %	<b>97.2</b>	96.4	0.8
Average number of training days per employee (including mandatory learning)	<b>3.17</b>	3.50	-9.4
Average cost of training per employee	<b>640</b>	677	-5.5

1 For all metrics expressed as a percentage, percentage change means percentage point change

2 Employees with completed performance appraisal numbers are based on 30 September 2017 eligible population

3 Absenteeism rate excludes Korea



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## Environment

In 2017, our measured Scope 1 and Scope 2 emissions were assured by The Carbon Trust, our independent third-party assurance provider for greenhouse gas (GHG) emissions, ensuring the accuracy and credibility of our reporting.

- + Review the methodology used to measure and assess our environmental performance data at [sc.com/environmentcriteria](https://www.sc.com/environmentcriteria)  
Download the independent assurance report for 2017 performance at [sc.com/environmentalassurance](https://www.sc.com/environmentalassurance)

	2017		2016		2015	
	Measured	Scaled Up	Measured	Scaled Up	Measured	Scaled Up
Offices reporting	188	–	189	–	190	–
Net internal area of occupied property (m <sup>2</sup> )	814,886	1,194,363	840,510	1,237,043	846,480	1,261,320
Green lease clause inclusion <sup>1</sup> (%)	76	–	71	–	67	–
Occupied net internal area where data is collected (%)	85	–	72	–	73	–
Full-time employees (FTE) covered by reporting	64,648	86,021	58,699	86,693	58,528	84,076
Annual operating income from 1 October to 30 September (\$m)	–	14,614	–	12,515	–	17,566
<b>Greenhouse gas emissions – Absolute (tonnes CO<sub>2</sub>eq/year)</b>						
Scope 1 emissions (combustion of fuels)	5,870	7,922	6,312	13,562	8,865	16,904
Scope 2 emissions (purchased electricity)	113,908	180,014	136,570	186,553	132,030	184,912
Scope 1 & 2 emissions	119,777	187,936	142,882	200,115	140,895	201,816
Scope 3 emissions without distance uplift (air travel)	59,179	59,179	49,393	52,056	54,519	54,519
Scope 3 emissions with distance uplift (air travel)	64,505	64,505	53,839	56,741	59,426	59,426
Scope 1, 2 & 3 emissions	178,956	247,115	192,275	252,171	195,414	256,335
Scope 3 emissions (Global Data Centre) <sup>2</sup>	–	23,904	–	22,653	–	19,339
<b>Greenhouse gas emissions – Intensity</b>						
Scope 1 & 2 emissions/m <sup>2</sup> (kg CO <sub>2</sub> eq/m <sup>2</sup> /year)	147	157	170	162	166	160
Scope 1 & 2 emissions/FTE (tonnes CO <sub>2</sub> eq/FTE/year)	1.85	2.18	2.43	2.31	2.41	2.40
Scope 3 emissions/FTE without distance uplift (tonnes CO <sub>2</sub> eq/FTE/year)	0.69	0.69	0.57	0.60	0.64	0.65
Scope 3 emissions/FTE with distance uplift (tonnes CO <sub>2</sub> eq/FTE/year)	0.75	0.75	0.62	0.65	0.69	0.71
Scope 1, 2 & 3 emissions/m <sup>2</sup> (kg CO <sub>2</sub> eq/m <sup>2</sup> /year)	220	207	229	204	231	203
Scope 1, 2 & 3 emissions/FTE (tonnes CO <sub>2</sub> eq/FTE/year)	2.77	2.87	3.28	2.91	3.34	3.05
Scope 1 & 2 emissions/\$m operating income (tonnes CO <sub>2</sub> eq/\$m/year)	–	12.86	–	15.99	–	11.49
Scope 1, 2 & 3 emissions/\$m operating income (tonnes CO <sub>2</sub> eq/\$m/year)	–	16.91	–	20.15	–	14.59
<b>Environmental resource efficiency</b>						
<b>Energy</b>						
Indirect non-renewable energy consumption <sup>3</sup> (GWh/year)	168	277	185	245	201	284
Indirect renewable energy consumption <sup>4</sup> (GWh/year)	21	19	23	20	14	13
Direct non-renewable energy consumption <sup>5</sup> (GWh/year)	24	32	26	47	36	68
Direct renewable energy consumption <sup>6</sup> (GWh/year)	–	–	–	–	–	–
On-site renewable energy consumption <sup>7</sup> (MWh/year)	330	330	247	247	276	276
Energy consumption (GWh/year)	213	327	234	312	252	365
Energy consumption/FTE (kWh/FTE/year)	3,291	3,807	3,986	3,599	4,306	4,341
Energy consumption/m <sup>2</sup> (kWh/m <sup>2</sup> /year)	261	274	278	252	298	289
<b>Water</b>						
Water consumption (ML/year)	649	1,149	917	1,181	793	1,037
Water consumption/FTE (m <sup>3</sup> /FTE/year)	10	13	16	14	14	12
Water consumption/m <sup>2</sup> (kL/m <sup>2</sup> /year)	0.80	0.96	1.09	0.95	0.94	0.82
<b>Paper<sup>8</sup></b>						
Print paper consumption (ktonnes/year)	1.62	1.89	–	–	–	–
Print paper consumption/FTE (kg/FTE/year)	21.97	–	–	–	–	–
<b>Waste<sup>9</sup></b>						
Waste (ktonnes/year)	4.8	–	5	–	5.2	–
Waste/FTE (kg/FTE/year)	74	–	85	–	89	–
Waste reused or recycled (%)	24	–	38	–	27	–
Retired IT equipment reused or recycled (ktonnes/year)	0.19	–	0.15	–	0.19	–

1. Percentage of green lease clause inclusion in all new and renewed leases within the reporting year. Refer to the eco-efficiency criteria for more information

2. Scope 3 emissions calculated from total energy consumption from our outsourced global data centres

3. Indirect non-renewable energy refers to purchased electricity from non-renewable sources

4. Indirect renewable energy refers to purchased electricity from off-site renewable sources

5. Direct non-renewable energy refers to the gross calorific values of fuels consumed on-site

6. Direct renewable energy refers to the gross calorific values of renewable fuels consumed on-site





7. On-site renewable energy refers to renewable energy generated and consumed on-site




8. During 2017, we introduced new methodology to measure paper consumption. This resulted in both an increase in reporting and overall paper consumption. Data from 2015 and 2016 is no longer considered representative and is, therefore, not shown

9. During 2017, more branches measured their waste generation and those reporting were found to have generated more waste per branch than our previous sample population. As a result, total waste generated across the portfolio increased. We are reviewing our scaling-up approach; scaled-up data from 2015 and 2016 is no longer representative, and is, therefore, not shown

# Sustainability Aspirations 2018

Our Aspirations build on our three sustainability pillars with measurable targets to demonstrate how we are achieving sustainable outcomes across our business. These also allow us to measure our contribution to the UN Sustainable Development Goals.

Aspiration	Target	Timeline
<b>Pillar 1: Contributing to sustainable economic growth</b> <b>Infrastructure</b> Everyone should have access to safe, reliable and affordable power and infrastructure which transforms lives and strengthens economies 	<b>We'll work with our clients to:</b>  → Provide advisory, financing, debt structuring services and policy advice for \$25 billion of infrastructure projects, including \$4 billion toward clean technology projects, including \$4 billion toward clean technology projects, including \$4 billion toward clean technology projects	  → Jan 2017 – Dec 2019 (infrastructure) → Jan 2016 – Dec 2020 (clean technology)
<b>Climate change</b> Climate change is one of today's greatest challenges and addressing it is essential to promote sustainable economic growth 	  → Introduce criteria to assess alignment to a 1.5 degree climate scenario for energy sector clients and transactions → Expand climate assessment criteria to other high-emitting sectors	  → May 2016 – Dec 2017 (partially met – carried forward) → Jan 2018 – Dec 2018
<b>Entrepreneurs</b> Entrepreneurs are the heart of local economies, creating jobs and empowering people 	  → Provide \$6 billion to Business Banking clients  → Grow our lending to smaller business clients in our Commercial Bank by 20% as measured by assets	  → Jan 2017 – Dec 2019  → Jan 2017 – Dec 2019
<b>Digital</b> Everyone should have access to digital banking products enabling safe, efficient and inclusive banking 	  → Continue to provide 'last mile' payments and collections to clients in our footprint though our Straight2Bank wallet	  → Jan 2017 – Dec 2019
<b>Commerce</b> Trade creates jobs and contributes to economies by enabling people to connect across borders 	  → Bank 8,000 of our clients' international and domestic networks of suppliers and buyers through banking the ecosystem programmes	  → Jan 2017 – Dec 2020
<b>Impact and sustainable finance</b> Innovative financial products and partnerships can help us solve global development challenges and improve the lives of millions in our markets 	  → Provide \$1 billion of financing to microfinance institutions to extend access to finance  → Facilitate opportunities for our Private Bank clients to invest in impact investing funds in our markets  → Continue to promote blended finance capabilities	  → Jan 2016 – Dec 2020  → Jan 2016 – Dec 2020  → Jan 2016 – Dec 2020

Aspiration	Target	Timeline
<b>Pillar 2: Being a responsible company</b> <b>People</b> Our people are our greatest asset, and our diversity drives our business success 	<b>We will:</b>  → Increase gender representation: 30% women in senior roles (bands 1-4) → Roll-out a comprehensive employee wellness programme across four key markets (UK, US, Singapore and Hong Kong) → Roll-out a refreshed diversity and inclusion strategy Bank-wide	  → Sept 2016 – Dec 2020  → Jan 2018 – Dec 2018  → Jan 2018 – Dec 2018
<b>Environment</b> Reducing our own impact on the environment will protect our planet for the benefit of our communities 	  → Reduce annual energy use by 35% to 230 kWh/m²/year in our tropical climate locations (80% of portfolio) → Reduce annual energy use by 31% to 275 kWh/m²/year in our temperate climate locations (20% of portfolio) → Reduce our annual water use by 72% to 0.5kL/m²/year → Reduce annual office paper use by 57% to 10kg/FTE/year → Effectively embed the conduct management framework so that all staff are able to identify, mitigate and manage conduct risk	  → Jan 2008 – Dec 2019 → Jan 2008 – Dec 2019 → Jan 2008 – Dec 2019 → Jan 2012 – Dec 2020  → Jan 2018 – Dec 2018
<b>Conduct</b> Good conduct and high ethical standards are essential in achieving fair outcomes for our clients 		
<b>Financial crime compliance</b> Financial crime has serious social and economic consequences, harming individuals and communities 	  → All eligible Bank staff to complete relevant ABC, AML and sanctions training with less than 2% overdue → Deliver at least 10 correspondent banking academies	  → Ongoing  → Jan 2018 – Dec 2018
<b>Pillar 3: Investing in communities</b> <b>Community engagement</b> Health and education are vital for thriving and prosperous communities 	  → Invest 0.75% of prior year operating profit (PYOP) in our communities → Raise \$100m to tackle avoidable blindness → Empower 600,000 girls through education and sport → Educate 5,000 micro and small businesses, with 20% women-owned or led	  → Jan 2006 – Dec 2020  → Jan 2003 – Dec 2020 → Jan 2006 – Dec 2020 → Jan 2013 – Dec 2018



#### Further information

Our online resources provide further information to support this document:

#### Annual Report

For a full review of our performance during 2017 visit [sc.com/annualreport](https://sc.com/annualreport)

#### Approach to sustainability

You can learn more about our approach to sustainability at [sc.com/en/sustainability](https://sc.com/en/sustainability)

#### Position Statements

You can find out more about our environmental and social standards and how we apply these in our work with clients at [sc.com/positionstatements](https://sc.com/positionstatements)

#### Code of Conduct

You can download our Code of Conduct at [sc.com/codeofconduct](https://sc.com/codeofconduct)

#### Tax reporting

You can find complete country by country tax reporting at [sc.com/cbcr](https://sc.com/cbcr)

#### Included in

DJSI, FTSE4Good

#### Contact us

If you have any comments or questions about the information in this report, contact us at [sustainability.feedback@sc.com](mailto:sustainability.feedback@sc.com)

