Residential Mortgages

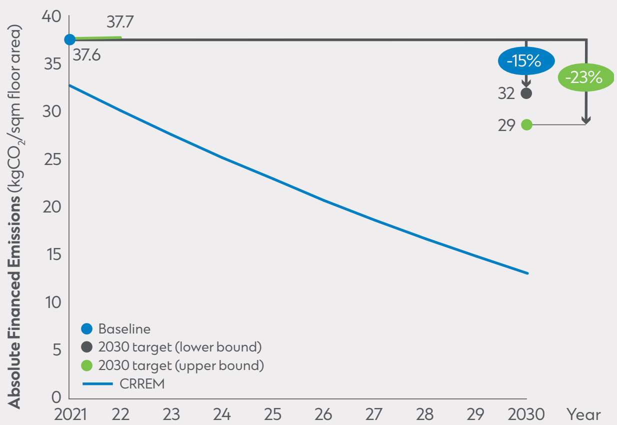
Balance in scope ($bn)	2030 interim target	Cumulative performance versus baseline	
74.3	29–32 kgCO_2e/Sq.m (15–23% reduction)	0%	On track

Sector background

The key drivers of the emissions in the residential mortgages portfolio include the size and energy efficiency, and the energy source powering the residential floor area.

Insulation and ventilation, building energy management, electrification and cleaner electricity will be key drivers of decarbonisation in the portfolio.

Baseline target and portfolio progress 2021 to 2030[2]



Progress in the year

During the year the Group measured its 2021 balance sheet baseline and 2022 progress of GHG emissions from the four main residential mortgage portfolios, namely Hong Kong, South Korea, Singapore and Taiwan, accounting for approximately 89% of the Group's exposure. Emissions measured in our baseline and annual progress include Scope 1 and 2 emissions from the residential properties the Group lends against. A physical intensity of kgCO_2e/Sq.m is the metric used to measure the portfolio's progress.

Standard Chartered, as a UK headquartered Group with a large footprint in Asia, is one of the first banks to set a target on its mortgage portfolio across multiple countries. While we have set a single group-level target, the very nature of the residential real estate market means all decarbonisation actions will take place at the local level. Achieving our target is dependent on actions by local governments and power companies decarbonising power generation. The target range has been set at the more ambitious end of the public commitments made by governments and power companies in the countries where the Group operates. These targets have been benchmarked to, and currently sit above, the global CRREM pathway to 2030. We will review this over time based on changes to country commitments and ambition. The Group has set a target of 29–32kgCO_2e/Sq.m being a 15% to 23% reduction by 2030 of the baseline portfolio intensity of 37.6kgCO_2e/Sq.m. The portfolio intensity remained consistent and will decrease over time through the decarbonisation of the national grids in our markets.

Thermal Coal Mining

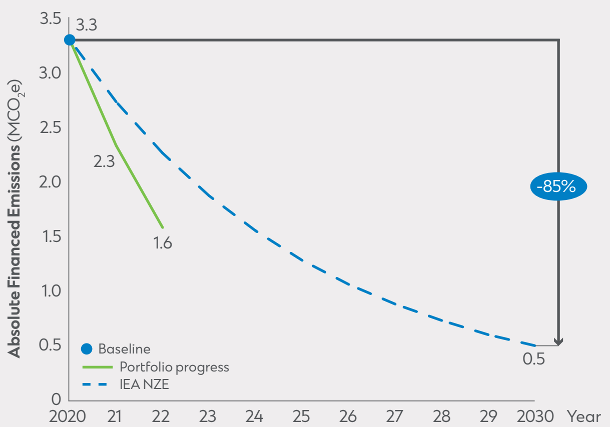
Balance in scope ($bn)	2030 interim target	Cumulative performance versus baseline	
0.04	0.5 MtCO_2e (85% reduction)	-52%	On track

Sector background

The coal sector is the largest energy source for electricity generation globally as well as being the largest single source of carbon emissions, contributing 42%[1] of total CO_2e missions when combusted.

Although global emissions related to coal have increased in 2022 due to the ongoing energy crisis, coal is expected, and is required to be phased out over the transition towards net zero.

Baseline target and portfolio progress 2020 to 2030[2]



Progress in the year

The Group has set a target of reducing our absolute baseline emissions by 85% by 2030. This target, in addition to our Position Statements, which places ever increasing limits on financial services the Group can provide to coal-reliant clients, recognises there is limited opportunity to reduce carbon intensities associated with the Coal sector and sets a decreasing carbon budget on this sector.

During the year we calculated our progress up to 2022 towards our absolute target against our 2020 balance sheet baseline. This includes thermal coal upstream (exploration and extraction), midstream (transportation) and downstream (refinement) when measuring our absolute emissions.

The absolute emissions of the portfolio from 2021 to 2022 decreased from 2.3MtCO_2e to 1.6MtCO_2e a decrease of 30%. This was due to the portfolio being run down subject to contractual commitments with no new use of proceeds financing having been provided.

On track   Transition alignment required

1 Emissions contribution per the IEA's World Energy Outlook 2023.
2 Graphs reflect 2022 balance sheet values reported during 2023.

Pillar 4: Leverage our innovation hubs

Announced in 2023, the four thematic innovation hubs – Adaptation Finance, Blended Finance[1], Carbon Markets and Nature Positive Solutions – focus on emerging themes of sustainability aligned to areas where the Group has a core competency and are particularly suited to our clients in our footprint markets. Each hub is transversal, run by senior leaders in the CSO organisation, and aims to identify opportunities for future returns outside of our core range of traditional products and services. By being deliberate in demonstrating leadership to advance the ecosystem in these emerging thematic areas, the Group will be well positioned to take advantage of the significant and differentiated revenue potential that will result from maturation of these thematic areas in the future.

For further information on collaborative initiatives the Group participates in, refer to **page 96**

1. Adaptation Finance

The world is experiencing impacts from changes in average temperature, seasonal shifting, an increasing frequency and intensity of extreme weather events, and slow onset events.

A significant proportion of our Group's footprint markets are coastal, which means that adaptation represents both a risk and an opportunity for us and our clients.

There is an urgent global need to unlock and scale public and private climate adaptation finance to build shared societal resilience. This need is applicable to all nations but is particularly acute in emerging and developing economies.

Acknowledging our geographical footprint and the multiplier effect of investment in adaptation – where every dollar spent on adaptation this decade could generate up to $12 of economic benefit (**sc.com/adaptation-economy**) – it is our ambition to act decisively and mobilise others on adaptation.

In 2023:

- Closed the Group's first Adaptation Finance transaction; an adaptation letter of credit with a parametric insurance provider for the renewable energy sector.
- Reviewed our Group's portfolio to analyse data on past transactions related to adaptation.
- Used data collected from our Climate Risk Assessments to design an 'adaptation readiness' test at the client level.
- Collaborated externally with KPMG and the United Nations Office for Disaster Risk Reduction (UNDRR) to develop the market's first Guide to Adaptation and Resilience Finance (GARF), which was announced at COP28 and published in early 2024.

"The Adaptation Hub has drawn on our diverse experience from across the Group. Our first Adaptation Finance deal provided a test case to scaling our efforts internally and demonstrate how private sector finance can be deployed into Adaptation. The new Guide for Adaptation and Resilience Finance (GARF) is centred around bankable opportunities and we hope it will unlock significant private sector capital flow towards adaptation in emerging markets."

Alex Kennedy
Head of Sustainable Finance Solutions

2. Blended Finance[1]

The Independent High-Level Expert Group on Climate Finance estimate that by 2030 there will be a $2.5–3 trillion per year financing gap between current baselines and what is required to deliver the UN Sustainable Development Goals (SDGs) in emerging markets and developing countries other than China.

Such sums cannot be delivered through public financing alone. They require the international private sector to step up, including in markets historically considered as too risky for high levels of investment. Blended finance – using concessional public funds to mobilise much larger volumes of private capital – can help to close this gap. The Just Energy Transition Partnerships (JETPs) are an example of such blended finance.

Our hub brings together public and private expertise across the Group, including one of the architects of the South Africa and Vietnam JETPs, to help commercialise blended finance. Some of the objectives of the JETPs – e.g., financing the early retirement of coal-fired power plants – will require truly innovative approaches and collaboration.

In 2023:

- Worked through international fora and industry groups (e.g., GFANZ) to leverage the Group's expertise and support – alongside other international banks – blended finance projects and programmes, including the development of frameworks for early coal retirement.
- Hosted both the Vietnamese and Indonesian governments as they launched their JETP events at COP28.
- Standard Chartered became one of the founding partners of the Bangladesh Climate and Development Partnership, which aims to use blended finance to help Bangladesh adapt to climate change.

"Where money goes today shapes tomorrow's world' was the theory of change for the COP26 organisers. While the scale of the challenge remains significant – the Vietnam and Indonesian JETPs alone each require over $100bn of private finance – the opportunities also remain clear. Blended Finance offers us in Standard Chartered the chance to make use of donor financing to help the markets that we call home accelerate their journeys towards net zero."

John Murton
Senior Sustainability Advisor

1 The hub developed an internal working definition in order to differentiate and build upon the Group's already long-established blended finance reputation in Export Credit Agency financing. We use 'Blended Finance' here to refer to the strategic use of catalytic public (and/or philanthropic) capital and regulatory reform to increase private sector investment that supports the SDGs. This can happen at a programme level or at a project level and may involve the creation and use of innovative financing instruments and structures to overcome barriers to investment.

3. Carbon Markets

A high-integrity carbon market, combined with corporate commitments to cut emissions and high standards of reporting, can accelerate the global progress towards net zero by 2050. The use of high-quality carbon credits can play a part in a multi-faceted and urgent approach to decarbonisation, as it enables climate action in sectors and geographies that remain severely underfunded today.

Carbon credits can be complementary to a credible corporate net zero transition plan and help bridge the gap between the emissions reductions that can be implemented now, and the longer lead time for technological solutions that are yet to scale.

Standard Chartered has been at the forefront of several initiatives that are working to ensure that a high integrity, scalable market develops. We offer trading, advisory, financing and risk management services to our clients around the world.

In 2023:

- Involved in some of the largest carbon market transactions, including the Regional Voluntary Carbon Market Company and Climate Impact X (CIX) auctions.
- Established primary supply partnerships with clients in Kenya, Brazil, China and Vietnam.
- Educated policymakers, clients and colleagues on the benefits of a liquid carbon market to bring funding to people and projects that likely would not receive it otherwise.
- Participated in several industry initiatives that support development of the global carbon market: the International Emissions Trading Association (IETA), the Integrity Council for the Voluntary Carbon Markets (ICVCM), the Voluntary Carbon Markets Integrity Initiative (VCMI) and the Africa Carbon Markets Initiative (ACMI).

"For many years, we have faced a huge challenge and a degree of scepticism, to build the framework for a global carbon market. With the arrival of the ICVCM's Core Carbon Principles and the development of end-to-end carbon market announced at COP28, that framework now exists. We have all the component parts of a vibrant market. We need to make it work in practice and make sure it grows big enough to make a meaningful contribution to global net zero."

Chris Leeds
Head of Carbon Markets Development

4. Nature Positive Solutions

It is estimated that over half of global GDP is moderately or highly dependent upon nature. Despite its importance, biodiversity is rapidly declining.

Having applied international environmental and social standards in our financing for more than 20 years, our presence in markets with some of the richest biodiversity in the world positions us to engage with a range of stakeholders. We are guided by our commercial ambition to increasingly shift financial flows toward nature positive outcomes and thereby contribute to the halting and reversing of biodiversity loss. Nature is also a critical lever for climate change mitigation and adaptation and the hub collaborates with the Carbon Markets and Adaptation Finance hubs to explore natural climate solutions and ecosystem-based adaptation opportunities.

In 2023:

- Conducted initial impact and dependency assessment to identify our exposure to potentially material sectors in our CCIB segment.
- Partnered externally with organisations such as the Ocean Risk and Resilience Action Alliance (ORRAA) and were invited to participate in the UN Global Compact Ocean Investment Protocol Steering Committee.
- Welcomed the publication of the Taskforce for Nature-related Financial Disclosures (TNFD) guidance and recommendations as we see the value in transparency and comparability when reporting on nature-related dependencies, impacts, risks and opportunities.
- In January 2024, the Group joined a cohort of early adopters of the TNFD framework preparing to publish our first TNFD-aligned disclosures in early 2026.

"The Kunming-Montreal Global Biodiversity Framework signed by 196 nations puts the global economy on a policy trajectory that is needed to bend the curve on biodiversity loss. Now is the opportunity for collective action to halt and reverse biodiversity loss to allow species and ecosystems to recover."

Oliver Withers
Head of Nature

Climate- and sustainability-related governance

Sustainability-related risks, opportunities and organisational implications are overseen by the Group's Board, Management Team and multiple supporting sub-committees.

Board oversight of climate- and sustainability-related risks and opportunities

The Board is responsible for the long-term success of the Group and its supporting committees consider climate-and sustainability-related risks and opportunities when reviewing and guiding strategic decisions. Throughout 2023, Board activities have included reviewing and guiding strategic decisions on our approach to reach net zero financed emissions by 2050. Since 2019, the Board has approved a Climate Risk Appetite Statement annually to reflect our aim to measure and manage the financial and non-financial risks arising from climate change and to reduce emissions related to the Group's own activities, including those associated with providing financial services to clients, in line with the Paris Agreement.

Management-level governance

Each member of the Group Management Team is responsible for strategically driving climate considerations within their geography, business segment or function in line with our net zero roadmap.

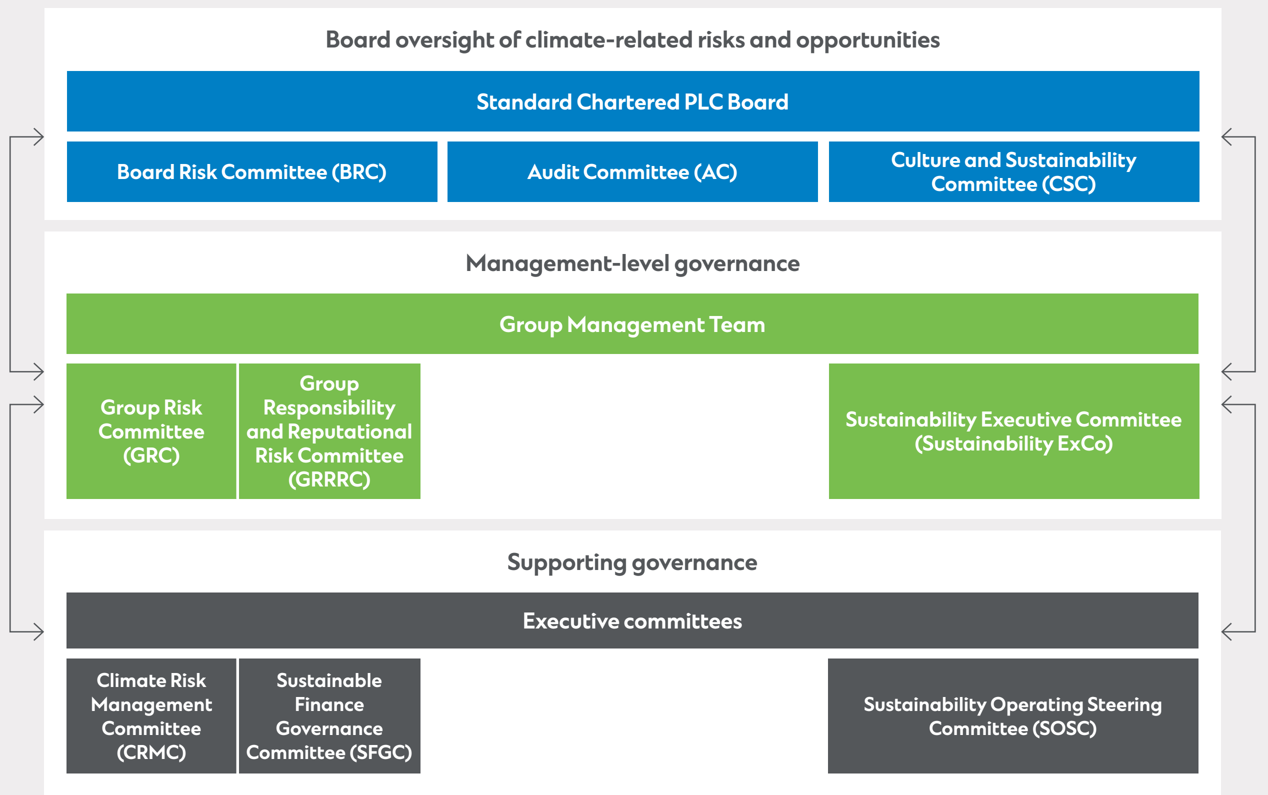
The responsibility for identifying and managing financial risks from climate change sits with the Group Chief Risk Officer (GCRO) as the appropriate Senior Management Function (SMF) under the Senior Managers Regime (SMR). The GCRO is supported by the Global Head, Enterprise Risk Management, who has day-to-day oversight and responsibility for the Group's second line of defence against Climate Risk.

The structure of the Group's Board and Management Team can be found on **pages 137 to 144**

Supporting governance

The oversight and management of climate and sustainability-related risks and opportunities are an integral part of our business management, involving several executive committees. These committees operate under their terms of reference, delineating responsibilities, decision-making process, authority and the escalation route for any material issues. Additionally, a number of teams across our business, risk and functional areas are either dedicated to, or spend a proportion of their time, working on climate and sustainability-related activities. We are also expanding governance and risk management at the regional, country and segment levels to better identify and manage climate-related risks and opportunities.

Structural overview of Standard Chartered PLC's climate- and sustainability-related governance



Governance committees and steering groups

Several committees and steering groups support the Group's Board and Management Team on the management and monitoring of climate and sustainability-related risks and opportunities and associated impacts on our business and for our key stakeholders.

Climate- and sustainability-related governance

Governance body	Chair	Agenda frequency and inputs	Roles and responsibilities	Topics covered in 2023
Standard Chartered PLC Board	Group Chairman	Annual update on Sustainability Climate Risk updates delivered quarterly through the Group CRO report	• Oversight of the Group's sustainability strategy	• Received an update on the Group's sustainability strategy, including progress made against key performance indicators and public commitments • Received quarterly Climate Risk updates through the GCRO reports • Approved Climate Risk Appetite Statement and Board-level Risk Appetite (RA) metrics • The Board received training on climate risk scenarios
Board Risk Committee (BRC)	Independent Non-Executive Director	Climate Risk updates are provided to BRC in Group CRO reports six times a year	• Provide oversight of the Group's key risks on behalf of the Board and is the primary risk committee at Board level that oversees Climate Risk • Consider the Group's Risk Appetite and make recommendations to the Board on the Climate Risk Appetite Statement • Assess risk types (including Climate Risk) and the effectiveness of risk management frameworks and policies • Provide oversight and challenge the design and execution of climate-related Group-wide enterprise stress tests mandated by a regulator	• Reviewed, discussed and challenged: (i) the Group's progress on embedding climate risk in line with the Prudential Regulation Authority (PRA) Supervisory Statement (SS 3/19) (ii) the results of the Group's first bespoke short-term base case and tail risk scenarios and development of the Group's internal modelling capabilities, and (iii) key focus areas for 2024 • Reviewed Climate Risk Information Report quarterly • Monitored adherence to RA metrics
Audit Committee (AC)	Independent Non-Executive Director	Updated annually in the fourth quarter and more frequently if any material disclosures are made outside of the Group's Annual Report	• Responsible for oversight of the Group's quantitative reporting metrics and controls over those metrics	• Reviewed changes to the climate and carbon emissions-related quantitative disclosures to be reported in this Annual Report, and the key controls around those quantitative disclosures
Culture and Sustainability Committee (CSC)	Independent Non-Executive Director	Three times in 2023	• Review the Group's overall sustainability strategy and monitor its execution • Monitor the development and implementation of the Group's public commitment to net zero financed emissions by 2050	• Received an update on the Group's sustainability strategy, including risk, regulatory and governance matters, public commitments, and Position Statements • Reviewed progress on the Group's net zero roadmap • Oversaw the update and consolidation of the Group's Sustainability Aspirations • Reviewed and discussed the Group's Environmental, Social and Governance (ESG) rating scores against prioritised frameworks
Group Risk Committee (GRC)	Group Chief Risk Officer (CRO)	Climate Risk updates were provided to GRC in Group CRO report 10 times during 2023	• Ensure the effective management of Climate Risk in support of the Group's strategy • Review Risk Appetite (RA) and approve Management Team-level RA metrics and thresholds for Principal Risk Types and integrated risks, including Climate Risk	• Received an update on Climate Risk embedding and the Climate Risk profile as part of the Risk Information Report • Approved the Management Team-level Climate RA metrics and monitored adherence to these

Governance body	Chair	Agenda frequency and inputs	Roles and responsibilities	Topics covered in 2023
Group Responsibility and Reputational Risk Committee (GRRRC)	Group Head, Conduct, Financial Crime and Compliance	Monthly	• Oversee and approve Position Statements including sector-specific and cross-sector statements including Climate Risk • Oversee climate-driven Reputational and Sustainability Risk Appetite • Oversee changes to Climate Risk decision frameworks	Reviewed: • Exposure to clients that do not comply with enhanced environmental and social criteria • Transactions where Position Statement criteria are not fully met • Transactions with high or very high Reputational Risk with climate change factors and decisions on whether to decline transactions or not • The process for net zero portfolio steering and governance, including: (i) evaluating clients' transition plans, (ii) refreshed financed emissions data for clients in sectors where the Group has set net zero targets and (iii) ongoing approach to net zero portfolio management • Updates for cross-sector and sector-specific Position Statements
Sustainability Executive Committee (Sustainability ExCo)	Chief Sustainability Officer (CSO)	At least eight times a year	• Hold ultimate decision-making authority over all material Sustainability initiatives as delegated by the Group Management Team • Direct actions as necessary for areas of improvement to ensure the effective implementation of Sustainability initiatives • Review findings and escalations from delegated committees (including but not limited to the Sustainability Operating Steering Committee) • Oversees the net zero programme	Reviewed and approved: • New or updated net zero sector targets for Aluminium, Steel, Power, Cement, Residential Mortgages and Commercial Real Estate • Consolidation of the Group's Sustainability Aspirations Discussed: • The Group's approach to integrating nature-related risk into the business model • The Group's ESG ratings and priority disclosures
Climate Risk Management Committee (CRMC)	Global Head, Enterprise Risk Management	Six times in 2023	• Oversee development and implementation of the Climate Risk framework, including relevant regulatory requirements • Oversee all aspects of risk management practices for climate-related financial and non-financial risks, including leadership and oversight in developing and effectively implementing the Group's Climate Risk management framework • Provide structured governance around engagement with relevant Principal Risk Types impacted by or linked to Climate Risk • Provide challenge and recommend Climate Risk-related Enterprise Stress Test results • Review, challenge and provide input on external disclosures such as Climate Risk-related financial disclosures, including those set out by the Taskforce on Climate-related Financial Disclosures (TCFD) • Monitor and manage the Climate Risk and net zero profile of the Group within Risk Appetite	Drove delivery of: • Climate-related Group-wide stress testing and management scenario analysis • Progress associated with integrating Climate Risk across all impacted risk types • Climate Risk-related external disclosures, including those discussed in this report • Climate Risk research with Imperial College London • Regulatory feedback and supervision • Climate-related management information and Risk Appetite metrics • Approach to delivering training and upskilling staff on Climate Risk across the Group • Oversight on the development, ownership, as well as the results of Climate Risk models in scope

Governance body	Chair	Agenda frequency and inputs	Roles and responsibilities	Topics covered in 2023
Sustainable Finance Governance Committee (SFGC)	Global Head of Sustainable Finance (SF)	At least six times a year	• Provide leadership, governance and oversight in delivering the Group's SF offerings • Review and endorse SF products • Guide the Group in identifying opportunities in SF and managing the greenwashing risks relating to SF	Reviewed and approved: • SF products including sustainable cash products, sustainable trade finance products and SF retail loan products • Green and sustainable finance transactions including transactions with climate-related key performance indicators • The Group's approach to launching sustainable and climate products • The Group's Green and Sustainable Product Framework (GSPF), encompassing a range of climate finance activities • The Group's Transition Finance Framework outlining our approach to defining transition activities • The Group's approach to pureplay clients which align to the Group's GSPF
Sustainability Operating Steering Committee (SOSC)	Head Strategic Initiatives, Sustainable Finance	Monthly	• Central forum where all strategic priorities related to sustainability are consolidated, prioritised and agreed upon • Oversee and monitor milestones and deliverables of sustainability initiatives • Ensure sustainability investment budget is centrally prioritised and allocated to Business and Function's Quarterly Performance Reviews • Be a forum for escalation and decision-making	• Tracked delivery of net zero sectoral target setting against our commitments • Enforced accountability and fostered collaboration across the Group to implement the Group's net zero plan requirements and advance the digitalisation of Sustainable Finance data and reporting • Provided updates on advancement within the Group's innovation hubs

Governance of our Sustainable Finance frameworks

We have Product Programme Guidance documents which underpin each Sustainable Finance product that we offer, signed off by a delegate of the Sustainable Finance Governance Committee (SFGC) following approval of the product construct by the SFGC.

The SFGC is our forum for reviewing Sustainable Finance products and derives its authority from the Group Responsibility and Reputational Risk Committee (GRRRC). The SFGC is our foremost committee on managing greenwashing risk in Sustainable Finance product design and labelling.

- Our **Green and Sustainable Product Framework** sets out our approach to mitigating greenwashing risk across our product suite and defines the themes and activities that we consider eligible for green and social financing. The Framework is informed by international market guidelines and standards on green and sustainable finance, among others, the Climate Bonds Standard, EU Taxonomy for sustainable activities and the Green Loan Principles. Co-authored with Morningstar Sustainalytics, our Framework is reviewed annually to ensure it remains in line with the latest industry standards. For more infromation, please visit sc.com/gspf.
- Our **Sustainability Bond Framework** governs our sustainable debt products, providing transparency and guidance on the use of proceeds and the impact of the green, social and sustainability bonds and notes issued by the Group. It has received a Second Party Opinion from Morningstar Sustainalytics, which confirms our Framework is credible, impactful and aligns with industry guidelines. For more infromation, please visit sc.com/sustainability-bond-framework.
- We have outlined our approach to defining Transition Finance in our **Transition Finance Framework**. This Framework is informed by the 2023 IEA NZE 2050 scenario and is reviewed annually to ensure it is in line with the latest available science and industry standards. For more information, please visit sc.com/transition-finance-framework.

Incentive structure

Our sustainability-related goals and targets are reflected in the measures that determine employee incentives and variable remuneration. Variable remuneration is based on measurable performance criteria linked to the Group's strategy and overseen by the Remuneration Committee.

Annual incentive

Annual incentives are based on the assessment of the Group scorecard which contains financial and strategic measures and is operated for the majority of our employees.

Sustainability-related measures continue to be included in the 2024 Group scorecard related to:

- Growing Sustainable Finance income in our CCIB segment
- Reducing our financed emissions for key sectors in line with our risk appetite and based on our interim 2030 sectoral targets
- Meeting key milestones for building client and transaction-related, and central data infrastructure for delivering on our net zero ambition
- Reducing Scope 1 and 2 emissions in line with our operational net zero by 2025 target

Long-Term Incentive Plan (LTIP)

LTIP awards are granted to senior executives who have the ability to influence the long-term performance of the Group. Members of the Group Management Team are eligible for LTIP awards, which may also be granted to other employees in the Group.

Sustainability continues to be included in the 2024–26 LTIP through the following performance measures:

- Accelerating zero: Progress towards our 2030 Sustainable Finance mobilisation target in each of the three performance years
- Lifting participation: Year-on-year growth in financing activity with female and/or small and medium enterprise (SME) clients and other underserved populations
- Delivering on our Sustainability Aspiration to further develop the global sustainability ecosystem by actively contributing to global partnerships, initiatives and cross-sector collaborations

Further details can be found in the Directors' remuneration report on **pages 195 to 204**

Key individuals or teams with climate-related objectives which impact variable remuneration

In addition to the Group scorecard and LTIP performance measures, dedicated climate and sustainability-related objectives apply across functional and regional scorecards including the Risk function, and individual objectives add a further link between sustainability outcomes and reward.

Individual or team	Objectives/performance linkage
Group Management Team (MT)	Members of the Group MT are eligible for an annual incentive based on the outcome of our Group scorecard and an LTIP award which both include sustainability-related measures. Further details can be found on pages 200 to 203 of this Annual Report.
Group Chief Risk Officer (CRO)	The Group CRO is responsible and accountable for Climate Risk under the Financial Conduct Authority's Senior Managers and Certification Regime. This includes responsibility for overseeing the delivery of the Climate Risk workplan covering Climate Risk governance, Climate Risk assessment, Climate Risk scenario analysis and stress testing, and Climate Risk disclosure.
Chief Sustainability Officer (CSO)	The CSO helps drive the Group's sustainability agenda and brings together its Sustainable Finance, Sustainability Strategy, Net Zero Delivery, Strategic Initiatives and Environmental and Social Risk Management (ESRM) teams. Performance measures for the CSO include progress against the delivery of net zero roadmap and Sustainable Finance targets.
Global Head of Supply Chain Management	The Global Head of Supply Chain Management is responsible for ensuring and overseeing the delivery of supply chain emissions and climate related objectives and plans in partnership with contract owners across the Bank. This includes baselining our supply chain emissions related to products and services, supply chain emissions disclosures, and the implementation of plans to reduce supply chain-related emissions and managing climate risks in partnership with our suppliers.
Global Head, Property	The Global Head, Property is responsible for delivering on our aim to reach net zero carbon emissions in our own operations by 2025.
All employees	Selected sustainability-related targets are incorporated into our annual Group scorecard which determines annual incentives for the majority of our employees.

Managing Environmental and Social Risk

We seek to proactively manage Environmental and Social (E&S) Risks and impacts arising from the Group's client relationships and transactions.

For over 20 years, our cross-sector Environmental and Social Risk Management (ESRM) Framework has helped us apply international standards and best practices across all our markets. In the frontline, our ESRM team within the Chief Sustainability Officer (CSO) organisation oversees the management of E&S Risks associated with our client relationships.

For further information please refer to our ESRM Framework at **sc.com/esriskframework**

Our approach is embedded directly into our credit approval process and supports us to work with our stakeholders to identify, manage, mitigate and monitor the potential impacts that stem from our financing decisions.

Our Position Statements, approved by the Group Responsibility and Reputational Risk Committee (GRRRC), outline the cross-sector and sector-specific criteria we apply to assess whether to provide financial services to our clients.

We use these statements – which draw on International Finance Corporation (IFC) Performance Standards, the Equator Principles (EP) and global best practice – to assess E&S risk related to our financing.

Position Statements

Cross-sector Position Statements

Climate Change	Human Rights	Nature

Sector-specific Position Statements

Agribusiness	Chemicals and Manufacturing	Extractive Industries
Infrastructure and Transport	Power Generation	Thermal Coal

Prohibited Activities

We reviewed 1,341 clients and 708 transactions that presented potential for elevated E&S risk in 2023. If we find a material E&S issue, we take steps to proactively engage the client to mitigate identified risks and impacts, and support and guide our clients to improve their E&S performance over time. However, for clients who do not meet our Position Statement criteria, we may look to withdraw financial services and exit the relationship if we cannot work with them to align over time.

In 2023, we completed the review and update of our cross-sector Climate Change and sector-specific Position Statements covering all sensitive sectors, with the requirements to take effect in 2024. We also commenced the review of our cross-sector Human Rights Position Statement.

During the year, we evolved our approach to nature risk assessment. This included a loan book analysis to identify impacts and dependencies from nature-related risks at sector, country and financial services levels. The Group's cross-sector Nature Position Statement provides a consolidated view of our approach to managing Nature Risk across our business, operations and supply chain.

Read more about our Position Statements at **sc.com/positionstatements**

Our list of Prohibited Activities can be found at **sc.com/prohibitedactivities**

Our reporting against the Equator Principles can be found on **page 504** or at **sc.com/equatorprinciples**

We have seen an improvement in data coverage since the creation of our Climate Analyst team in the first line of defence and Relationship Managers engaging clients to close data gaps. Additionally, we are in the process of setting up a centralised data store which will capture all sustainability-related data for our clients, including monitoring of the data quality, and reduce the usage of proxies over time. We recognise that data coverage will keep pace with client disclosures and reporting, which is likely to be aligned with timelines on sovereign requirements and commitments. This places some reliance on proxy information, and we will refine our evaluations and methodologies progressively as the availability and quality of data improves.

The data we have captured through various sources has helped us develop our client-level climate-risk assessments for both existing and new clients, improve our internal climate modelling capabilities and strengthen the risk measurement and monitoring of our portfolios.

Integrating climate-related risks into overall risk management, client segments and own operations

We manage Climate Risk according to the characteristics of the impacted Principal Risk Types (PRTs). Risk Framework Owners for the impacted PRT are an integral component of the Enterprise Risk Management Framework (ERMF) and responsible for embedding Climate Risk requirements within their respective risk types. In 2023, we have continued to build Climate Risk into existing risk management frameworks and processes. The areas where we have made progress to embed Climate Risk considerations within the first line of defence and across PRTs are listed in the following table.

Impacted Risk Type	Key updates in 2023	Next steps	Page
Credit Risk – CCIB Disruption to clients' business models due to physical or transition risk impacting their profitability and thereby affecting their capacity to repay debt, or the capital and collateral required to back the loan.	• Completed ~4,100 Climate Risk Assessments (CRAs) accounting for ~85-90 per cent of our corporate portfolio limits. • Established linkages to Credit Underwriting Principles for four sectors (Oil and Gas, Shipping, Commercial Real Estate (CRE) and Mining), spanning climate-related analysis, portfolio-level caps and additional data gathering measures. • Designed Version 3 of the Climate Risk Questionnaire with sector-specific nuances and covering questions related to net zero and Credible Transition Plans (CTPs). • Established a Net Zero Climate Risk Working Forum to discuss account plans and risk decisions on high Climate Risk and net zero divergent clients. • Initiated work on building our approach to assess physical and transition risk to underlying collateral specifically for CRE and Shipping portfolios. • Assessed the impact of climate risks for approximately 95 per cent of our CCIB portfolio under different climate scenarios. • The first-generation transition risk models. for Corporates (priority sectors including Oil & Gas, Mining, Steel and Power, and a generic Carbon Elasticity Model), Sovereign, as well as the Temperature Alignment models for Automotive Manufacturers, Oil and Gas, Steel, and sector agnostic models have been developed.	• Enhance portfolio management and oversight on clients exposed to climate-related risks within the credit decisioning processes. • Enhance quality and streamlining underlying client-level assessments across financial and non-financial impacts from ESG risks including climate and net zero. • Upskill all impacted client relationship staff including credit officers with a net zero certification. • Build Physical Risk grading capabilities.	300
Credit Risk – CPBB Physical risks, such as rising sea levels and severe flood events, could adversely impact repayment ability through damages to properties or loss of insurance cover, leading to potential increases in credit losses or due to changes in the economic environment as the economy transitions towards lower emissions.	• We now assess physical risk for 79 per cent and transition risk for 54 per cent of our CPBB credit portfolio as of September 2023. • We have quantified the transition risk for our top consumer mortgage markets using energy bills data, where available and proxies based on financed emissions, while utilising actual energy performance certificate data for the markets where this information is available (currently only Jersey). • Worked with Imperial College London to enhance the Retail Mortgages physical risk approach (through Property Price Index haircut), for usage in stress testing exercises.	• Expand our scenario analysis capabilities for CPBB across physical and transition risks. • Continue to refine the transition risk approach to enable factoring in the impact from transition risk on underlying collateral.	298

Physical Risk Transition Risk

Impacted Risk Type	Key updates in 2023	Next steps	Page
Operational and Technology Risk ▲ Impact of acute or chronic physical risks may disrupt our own properties, data centers and third parties leading to business disruptions. Furthermore, increased costs may arise through implementation of practices such as renewable energy sources and waste reduction to reduce emissions.	• Physical risk scenarios impacting our sites and causing disruption to services are assessed for loss estimates. • New sites onboarded within the Group are assessed for physical risk vulnerabilities. • Third-party continuity plans have been enhanced to include climate risk related disruptions.	• Gather site locations for our material vendors to assess their physical risk exposures, such that suitable continuity plans can be developed.	308
Country Risk ▲▲ Both Physical and Transition risks can have a direct impact on a sovereign's economic strength and increase their cost of borrowing, directly impacting overall creditworthiness.	• Our methodology for Physical and Transition Risk Sovereign Rankings serves as an input into the annual sovereign reviews and quarterly early warning indicators. • We have developed Climate Risk report cards for approximately ~30 sovereigns covering 75% of GCR exposure across our footprint, which provide a detailed breakdown of the Physical and Transition Risk scores, along with key takeaways and historic climate disaster statistics. • We have built an in-house Sovereign climate model that forecasts Sovereign credit grades across the various NGFS scenarios. • Country limit benchmark computations consider climate factors.	• Enhance our methodology for the assessment of sovereign physical risks to limit reliance on static data sources from external research and expand coverage to include nature/biodiversity risks.	306
Reputational and Sustainability Risk ▲ Potential for stakeholders to view the Group negatively due to actual or perceived actions or inactions in response to our stated climate, ESG and net zero commitments. Increasing expectations from governments, regulators, NGOs, investors, and individuals heightens reputational risks.	• Additional due diligence is conducted to support client or transaction level assessments for (i) clients covered by the Group's net zero targets for high-carbon sectors (Oil & Gas, Power, Steel, Aluminium, Cement, Automobiles, Shipping, Aviation & CRE) (ii) clients with a coal nexus as well as (iii) those assessed as high climate risk. • Governance standards and new controls rolled out to mitigate the greenwashing risk throughout the lifecycle of Sustainable Finance products. The controls aim to ensure accurate Sustainable Finance labelling and ongoing monitoring of clients, products, and transactions, and are continuously reviewed and tested for control effectiveness, bearing in mind the changing regulatory landscape and innovation in Sustainable Finance. • Established key management information to track divergence of net zero pathways from group-level sector targets to aid the monitoring of the impact of climate risk on various portfolios.	• Increase in the pace and variety of Regulations around Sustainability with a focus on greenwashing will be a key priority for 2024. • Ensure framework and controls consider new regulations and the controls are embedded in an effective manner.	305
Traded Risk ▲▲ Acute physical risk events or a disruptive transition can cause sudden changes in the fair value of assets driven by commodity price changes. Additional impact may result due to trigger sales, sudden and negative price adjustments where these risks are not yet incorporated into prices.	• The Traded Risk stress testing framework covers market impacts from Climate Risk, including an assessment of transition effects from climate change policies and two physical risk scenarios as part of the global Traded Risk scenarios inventory. These flow into existing Traded Risk Appetite metrics.	• Extend the tail scenario narratives developed for the CCIB portfolio to develop transition risk scenarios for the trading book and implement enhancements related to Market Risk factors and shorter-term shocks.	308

▲ Physical Risk ▲ Transition Risk

Impacted Risk Type	Key updates in 2023	Next steps	Page
Treasury Risk Impact on client business models and their overall financial stability from transition to a low-carbon economy can impact capital adequacy and/or liquidity levels needed to ensure financial stability during periods of stress.	• Progressed towards a more quantitative approach as we continue to consider capital requirements as part of the Group Internal Capital Adequacy Assessment Process (ICAAP). • Commenced monitoring of climate risk-related vulnerabilities and readiness of our top corporate liquidity providers, leveraging our client-level climate risk assessments.	• Review risk pockets within high Climate Risk and net zero divergent sectors as part of the ICAAP. • Advance our capabilities to assess Climate Risk as part of the Internal Liquidity Adequacy Assessment Process (ILAAP).	309
Model Risk Model Risk may exist from inappropriate design / specification / development / governance of a model relative to the intended business objectives and/or ineffective model remediation in response to issues identified by model validation.	• The first-generation of internal models have been developed and are in various stages of model governance.	• Target to enhance physical risk modelling capabilities, advancing sector models to factor in sector-specific nuances and building carbon elasticity models for Shipping and Automobile. • Implementation of models within the Group's infrastructure.	309

Physical Risk Transition Risk

Investing in Climate Risk research

Since the launch of our four-year partnership with Imperial College London in 2020, the Group has sponsored a series of public research projects. As part of our ongoing academic partnership, we supported new climate research on the range of opportunities that exist for private investors in nature-related investments and cross-sectoral implications of electrification of transport in India. In 2023 we have cooperated with Imperial College London on three specific projects:

1. Asset haircuts

For our key residential mortgage markets, we have collaborated with our academic partner to develop an internal model for revaluating property valuations under different climate scenarios using the forward-looking risk indices from Munich Re. These revaluations are then used to inform haircuts on the property prices and arrive at climate adjusted Expected Credit Loss values for the mortgage book.

2. Country Risk

The cooperation involves the construction of a methodology used to project sovereign ratings along selected NGFS climate scenarios for 40 target countries. The model develops a term structure of sovereign Probability of Defaults (PDs) along each climate scenario and associated projected ratings and compares it with a term structure of sovereign PDs and ratings in a counterfactual (non-climate change) scenario.

3. Cross-sectoral implications of transport electrification in India

Exploring the potential impact of introducing a legislative requirement for the switch to electric vehicles (EVs), including, but not limited to supply chain management, the strain on existing power supply (as some regions are already experiencing regular blackouts), and the need for expansion of the power grid to support the connection of the required number of chargers. The research has been completed and preparations for the publication have been made.

Integrity, conduct and ethics

We aim to live our valued behaviours, which are 'Never settle', 'Better together' and 'Do the right thing' through our actions, decisions and interactions day-to-day with colleagues and clients.

Good conduct is critical to delivering positive outcomes for our clients, markets and stakeholders. It is fundamental to achieving our brand promise, here for good. Conduct Risk may arise anywhere in the Group at any time. The Group therefore expects all employees to be responsible for managing Conduct Risk given it is a transversal risk, which means it impacts every aspect of the Group's operations.

Our Conduct Risk management approach has been strengthened since 2022 through several initiatives, including launching the new Group Conduct Risk Management Standard, which sets minimum standards for the management of Conduct Risk across our operations. The Group employs a risk-based, three lines of defence approach to Conduct Risk management, where oversight, governance and controls applied are proportionate to our assessment of the risk. We set target Conduct Outcomes that the Group aspires to deliver for clients, external stakeholders, employees, and the environment.

Code of Conduct and Ethics

The Code of Conduct and Ethics (the Code) remains the primary tool through which we communicate our conduct expectations. In October 2023, we launched the refreshed Code to improve alignment with our Stands, strengthen the link between ethics, culture, conduct, and the Group's strategy. The Code is intended to be more than a guidance document: rather, it is a code to live by, designed to guide colleagues through how to live our valued behaviours on a day-to-day basis, whatever their business, function, region, or role. We have made the Code more user friendly, interactive and accessible to all colleagues. The Code also includes more content on ethical leadership, the way we use personal data, having a culture of inclusion and feeling safe to speak up.

+ Download our Code of Conduct and Ethics at **sc.com/codeofconductandethics** and visit **sc.com/speakingup** to find more about how our Speaking Up programme works

To reinforce our shared commitment to the highest possible standards of conduct, each year we ask our colleagues to reconsider what the Code means to them through a refresher e-learning, and to reaffirm their commitment. In 2023, 99.8 per cent of our colleagues completed the mandatory training and affirmation. Colleagues who are overdue without a valid reason are subject to a 25 per cent reduction in their annual variable compensation for the year they failed to attest.

99.8%

of employees affirmed recommitment to our Code annually

Speaking Up

Our Speaking Up programme provides a safe, independent and confidential way to report concerns. It helps build and maintain a strong ethical culture, with integrity, trust, and transparency. The early disclosure of concerns reduces the risk of financial and reputational loss caused by misconduct. We encourage colleagues, contractors, clients, suppliers and members of the public to use our Speaking Up programme without fear of retaliation. When a concern is raised, our Shared Investigative Services team will determine whether the matter is a Speaking Up disclosure or if it is an out-of-scope disclosure. Examples of Speaking Up concerns may include breaches of regulatory requirements or breaches of Group policy or standards. Out-of-scope disclosures will be referred to the appropriate internal teams. If a matter is considered a Speaking Up Disclosure, relevant Shared Investigative Services and/or Employee Relations colleagues will conduct fact-finding into the matter, with any follow-up action taken as required following the fact-finding process.

Throughout 2023, we hosted a series of awareness campaigns to ensure that our colleagues understand the importance of upholding our conduct standards and know how, and when, to Speak Up. To recognise Whistleblowers' Day on 23 June, the Global Head of Conduct, Financial Crime and Compliance issued a Group-wide communication underlining the importance of Speaking Up. A World Whistleblowers' Day panel discussion was held, covering Speaking Up and ESG (Environmental, Social and Governance) topics, with Group Independent Non-Executive Director and Whistleblowing Champion Phil Rivett as a panellist.

This event was part of the wider Global Conduct Week from 19 to 23 June, themed 'Be the Change', which encouraged colleagues to think about how their individual actions on a daily basis can aggregate to a much wider impact on outcomes for our clients, customers and other stakeholders. In addition, in October 2023, a Group-wide panel discussion was held to celebrate Global Ethics Day, with the theme 'Ethics Empowered'. All campaigns included interactive messages from our senior leaders and live panel discussions designed to both set the tone from the top and nurture it from within.

The Speaking Up programme continues to be utilised across all countries, businesses and functions, and our 2023 MyVoice survey found that 88 per cent of employees (no change from 2022) felt comfortable raising concerns through these channels. The Board reviews a Speaking Up report annually. For the period July 2022 to June 2023 a three per cent (34 cases) decrease was noted in the volume of total disclosures via Speaking Up channels compared with the previous period (i.e. July 2021 to June 2022).

88%

of employees in our MyVoice survey felt comfortable raising concerns through Speaking Up channels

+ Visit our Speaking Up programme's website **https://secure.ethicspoint.eu/domain/media/en/gui/108379/index.html**

Fighting financial crime

Access to the financial system helps transform lives around the world, helping to reduce poverty and spur economic development. But the financial system is also used by those involved in some of today's most damaging crimes – from human trafficking to terrorism, corruption and the drug trade. Our ambition is to help tackle these crimes by making the financial system a hostile environment for criminals and terrorists. We have no appetite for breaches in laws and regulations related to financial crime.

Our Conduct, Financial Crime & Compliance (CFCC) team sets our financial crime risk management framework. We seek to protect our clients and communities against money laundering (AML), terrorist financing, sanctions, fraud and other risks, applying core controls such as client due-diligence, screening and monitoring, and strengthening our people's understanding as to how to identify, manage and mitigate such risks. In addition, anti-bribery and corruption (ABC) controls aim to prevent colleagues, or third parties working on our behalf, from engaging in bribery or corruption.

A particular focus of our financial crime investigatory teams is the use of data analytics to identify those clients and cases which generate the greatest financial crime risk. This has strengthened the second line of defence in support of colleagues in business lines and country teams across the Group.

To mitigate the risk of financial crime, particularly laundering the proceeds of corruption, in the lead-up to, during and after major political elections in footprint markets, the Group conducts enhanced monitoring designed to identify and investigate transactions of potential concern. In 2023, enhanced monitoring was conducted during major elections and times of political transition or conflict, for example in Nigeria, Sierra Leone and Zimbabwe.

Since the beginning of the war in Ukraine on 24 February 2022, the authorities of the European Union, United Kingdom, United States, and several other nations have imposed multiple rounds of sanctions against Russia by targeting a wide range of Russian entities (state-owned and private) and a large number of Russian elites, oligarchs, political leaders and officials. While the pace of change and the complexity of these sanctions against Russia are unprecedented and had the potential to create areas of uncertainty as to the scope of some of the regulatory prohibitions, we have sought to comply with these requirements fully and promptly. This work remains a significant area of focus for teams across the first and second line of defence.

We have invested significantly to ensure our employees are properly equipped to combat financial crime. In 2023, 99.9 per cent of colleagues and governance body members completed financial crime mandatory e-learnings which cover topics such as ABC, AML including terrorist financing, sanctions, tax evasion and fraud topics (Asia: 99.9 per cent, AME: 99.8 per cent, EA: 99.8 per cent, Governance body members: 100 per cent).

99.9%

of colleagues and governance members completed financial crime mandatory e-learnings

Fighting financial crime continued

For those in high-risk roles and functions, we delivered additional training across all financial crime areas, including in-depth awareness on Russia sanctions, ABC training for targeted roles, training on tax evasion risks, trade AML, and money laundering risks concerned with money mules and shell companies. We also delivered new training modules on financial crime risks in fintech and digital assets. In addition, masterclasses and forums were held to deepen understanding. We shared our Supplier Charter, which sets out our principles and expectations, and provides guidance related to ABC, with 11,563 suppliers and third parties across 48 markets.

This was supported by our Group-wide financial crime awareness campaign, 'The Whole Story', which aimed to raise employee awareness of the real-life impact of financial crime and highlight the work we are doing individually and collectively to build a robust risk culture and lead in the fight against financial crime. The Whole Story 2023 theme of 'Let's get #fightingfit' focused on how we can reboot and recharge the fight against financial crime and play a part in driving the right outcomes for our clients, through the right conduct and culture, vigilance and risk management.

Collaborative initiatives

Our public-private partnerships are aimed at producing new insights about various criminal typologies and advances in how we collectively combat financial crime in an increasing number of jurisdictions, including Singapore, Hong Kong, South Africa, India, the UK and UAE.

Throughout 2023, we also engaged with peers in contributing to the ongoing dialogue to advance effectiveness in combating financial crime through our active participation in several of the leading industry groups, including the Wolfsberg Group of global banks, Madison Group and UK Finance.

We also participated in discussions and forums with many external thought leaders including participation with the World Economic Forum's Partnering Against Corruption Initiative and United Nations Office on Drugs and Crime, in addition to hosting events with clients designed to foster dialogue on the tackling of financial crime.

For more, visit **sc.com/fightingfinancialcrime**

Responsible lending and fair treatment of our customers in our CPBB segment

The Group's Board of Directors provides oversight of the Group's treatment of customers through its reporting and committee structures. The relevant governance forum or Risk Committee is required to challenge the business for any new or material product proposals prior to the commencement of the product approval process.

Escalations may be taken to the CPBB Risk Committee chaired by the CPBB Chief Risk Officer or the Group Risk Committee chaired by the Group Chief Risk Officer, and ultimately to the Group's Board and Board Risk Committee. Oversight and governance of Collections is performed by the CPBB Risk function with regular reviews of performance metrics and complaints-handling data.

Complaints management

Formal avenues are established for CPBB customers to lodge complaints. A complaints-handling process has been put in place to enable the proper receipt, acknowledgement and independent and effective handling of complaints, which are to be resolved and notified to customers within a reasonable turnaround time without compromising the quality of the review.

At the global level, key complaints insights, trends and root causes are provided to the CPBB Risk Committee every month. Examples of key metrics that are used to track and manage complaints across CPBB markets include: total number of complaints received in the month split by type and root cause, including sub-categories such as potential inappropriate sales, proven mis-selling or fraud, and percentage of complaints resolved within the pre-determined turnaround time.

Loan modifications

Where possible, practical support programmes may be offered to customers experiencing financial difficulty. Loan modification options that may be offered to our customers take into account the most recently available information on the customer's income, expenditures and circumstances. Collections staff managing these arrangements are trained to discuss options thoroughly with customers in order that any restructured payments, if agreed, are kept affordable.

Collections

Across the Group, while the approach may vary across markets in line with local regulations, programmes to assist retail banking borrowers in financial distress are handled by Collections teams.

The expectation on the Bank's Collections teams include meeting the following requirements:

- Providing a fair and reasonable treatment regarding any late fees
- Aligning calling and visitation hours to local regulations and practices
- Updating the financial status of customers on a timely basis in our systems to support fair treatment
- Having all customer interactions with the Collections teams, complaints and feedback monitored and regularly reviewed

All Collections staff responsible for dealing with customers in financial distress are trained prior to commencement of collection activities, and in particular, are required to be familiar with the Bank's Code of Conduct and Ethics. Where external collections agencies are utilised, these agencies undergo assessment and due diligence in accordance with Group sourcing standards and their staff must undertake the same training as the Group's internal Collections teams.

Respecting human rights

We strive to be a responsible company and respect human rights across our business. We recognise that the global nature of our business may expose us to the risk of modern slavery and human trafficking in our operations, supply chain and client relationships and we are committed to managing and mitigating these risks. Our Modern Slavery Statement details our approach and actions to manage modern slavery risks across our value chain.

Read our Modern Slavery Statement at **sc.com/modernslavery**

Due diligence is a central part of our approach in assessing and managing risks associated with the provision of financial services to our clients. We approach this due diligence in accordance with our Environmental and Social Risk Management (ESRM) and Financial Crime Compliance (FCC) frameworks.

Our Position Statement on Human Rights is a key part of our framework and was developed following engagement with a range of external stakeholders, including expert practitioners and civil society organisations. Like our cross-sector Position Statements, the Human Rights Position Statement applies to our clients, suppliers and employees and is regularly reviewed to ensure it addresses emerging risks and issues.

Read more about our ESRM Framework and Position Statements at **sc.com/esriskframework** or **sc.com/positionstatements**

Standard Chartered will not enter into relationships with suppliers involved in human trafficking, modern slavery, or forced labour. Suppliers that are identified as presenting higher risks of modern slavery are subject to enhanced due diligence. Our Supplier Charter sets out the principles for the behavioural standard that Standard Chartered expects from all its suppliers, and those within a supplier's sphere of influence that assist them in performing their obligations to us.

Read our Supplier Charter at **sc.com/suppliercharter**

Our Fair Pay Charter sets out the principles by which we seek to deliver fair and competitive remuneration to all employees. We use these principles to guide reward and performance decision-making globally, including how we set, structure and deliver remuneration. Further information on our alignment to the Fair Pay Charter can be found in our 2023 Diversity, Equality and Inclusion Report available at **sc.com/diversityfairpayreport**.

Directors' report

Liverpool FC and Standard Chartered encourage girls to 'Play On'

In May, alongside our long-time partners Liverpool FC, we launched 'Play On', our four-year campaign aimed at encouraging girls to play sport because of the transferable life skills it teaches off the pitch. As well as raising awareness that twice as many girls than boys drop out of sport by age 14, the programme delivers physical support and training for female grassroots coaches in our key markets.

The campaign also provides a digital repository where girls, teachers, coaches and parents can access useful resources.

Read more at **sc.com/playon**

Group Chairman's governance overview

Dr José Viñals
Group Chairman

"In times of uncertainty, a robust corporate governance framework is especially important."

In my opening letter, I referred to the uncertainties in our markets caused by the multiple geopolitical and macroeconomic events affecting the year. These require our close attention given their ability to impact our various businesses in quite different ways. The Board has monitored these developments carefully and proactively, devoting agenda time at the Board and across our committees and also considering them at the Group's International Advisory Council (IAC), which includes representatives from our Management Team.

The Board also received a series of briefings from internal and external experts who provided valuable insights from their diplomatic, central banking, economic, regional and political vantage points to help us prepare for events which may occur in the future. In the same vein, the Board Risk Committee (BRC) and Audit Committee (AC) jointly held a Blue Sky Thinking session on forward-looking geopolitics and their impact on the work of those committees. The session was facilitated by Robert Zoellick, the Chair of our IAC.

In times of uncertainty, a robust corporate governance framework is especially important, and this report sets out how the Board and our committees work to ensure that risks are addressed, opportunities are taken, and the Group continues to deliver sustainable value.

The Board was disappointed with the market reaction to the Group's third-quarter results. We considered carefully the reasons for that with our advisers and also at our December Board meeting, from which we drew a number of lessons.

The Board's priorities for 2023 were guided by our business objectives, the environment in which we operate and suggestions from last year's externally facilitated Board evaluation. These were woven into agendas at the beginning of the year and reviewed regularly.

In February 2023, the banking sector faced volatility caused by the collapse of the Silicon Valley Bank which was followed by that of Credit Suisse. The BRC monitored the situation carefully, receiving regular updates from management on our own financial position and actions to address issues arising in the markets. These were also shared with the Board which also received updates at meetings.

Information and cybersecurity (ICS) risk was also a key area of focus for both the Board and the BRC in 2023. The BRC devoted significant time to reviewing and discussing ICS matters, including a new ICS Risk Appetite Statement that was also brought to the Board. The AC had a very busy year, reviewing internal controls and assurance around the Group's activities. It paid close attention to the carrying value of loans and investments in certain industries, locations and subsidiaries, especially China.

The Remuneration Committee continues to work hard to implement the remuneration strategy approved in 2022. Our Directors' Remuneration Report, which details the key activities of the Remuneration Committee in 2023, can be found on page 182.

In January, we appointed Linda Yueh as an independent Non-Executive Director (INED). Linda then succeeded Jasmine Whitbread as chair of the Sustainability and Culture Committee (CSC) following Jasmine's retirement from the Board in May. Jasmine has been an excellent contributor to the Board across her eight years and has led the CSC with distinction. We are also very sorry to see the departure of Andy Halford, who stepped down from his Group Chief Financial Officer (GCFO) role in January 2024, after a tenure of over nine years, marked by his very significant contributions to the Group.

We welcomed Diego De Giorgi to the Group in September 2023 as GCFO Designate, following a thorough external talent mapping and selection process overseen by the Governance and Nomination Committee (GNC). Following regulatory approval, Diego began his role in January 2024 following a thorough induction programme and handover from Andy. Further detail regarding the changes made to our Board appears in the GNC report starting on page 177.

We have been following the proposals for UK Audit and Corporate Governance (ACG) reforms, both at Board level and across our committees. Following the Financial Reporting Council (FRC) publication of the UK Corporate Governance Code 2024, we are considering the changes in readiness for the application of the new UK Code in 2025, and additional internal control reporting provisions coming into force in the following year.

We travelled to a number of markets as a Board during 2023, with visits to Hong Kong, Jakarta and Seoul; in addition, onward market visits were made by a number of directors to obtain an on-the-ground perspective of the business, opportunities and challenges faced. In each market we visited as a Board, employee engagement sessions were held where directors met and listened to colleagues from across our footprint, either face-to-face or through hybrid mechanisms. We welcomed the opportunity to engage with so many of our valued colleagues, both long-standing employees and newer recruits. These market visits provided an opportunity to test enhancements made to the Board's workforce engagement model, which facilitate more face-to-face contact following our emergence from the COVID pandemic. Details of the changes to our workforce engagement model are set out in the CSC report on page 174. Apart from allowing us to connect with colleagues from across our footprint, overseas board visits also provide opportunities for the Board to strengthen the links with subsidiary boards. The Board is planning to visit several countries across our footprint in 2024. Further detail regarding Board engagement with stakeholders appears on page 157.

Engagement with all stakeholders, including, of course, our investors is key to our decision-making. I hosted a stewardship event in November alongside the chairs of the Audit and Remuneration Committees to provide an update regarding the Group's strategy, including with respect to sustainability, and on the work of our Board committees. Close engagement has continued between the Board and our subsidiary boards, through regular exchanges among the chairs, committee chairs and other INEDs.

The Corporate Plan is an important part of the Board's agenda each year. In June, we held a deep and productive two-day strategy discussion, which considered any impact from the economic and political headwinds emerging in 2023. The session concluded with the Board's firm belief that it remains the right strategy for the Group. Throughout the year, the Board considered a number of strategic opportunities for growth in the context of our Corporate Plan and Risk Appetite.

Finally, the Board remains confident for the Group's future and is committed to our strategy and our purpose, and is laser focused on developing sustained and sustainable returns within our Risk Appetite.

Dr José Viñals
Group Chairman

Board of Directors

Committee key

- Committee Chair shown in green
- (A) Audit Committee
- (Ri) Board Risk Committee
- (S) Culture and Sustainability Committee
- (N) Governance and Nomination Committee
- (R) Remuneration Committee

Dr José Viñals (69)
Group Chairman

Appointed October 2016 and Group Chairman in December 2016. José was appointed to the Court of Standard Chartered Bank in April 2019.

Experience José has substantial experience in the international regulatory arena and has exceptional understanding of the economic, financial and political dynamics of our markets and of global trade. He has a broad network of decision-makers in the jurisdictions in our footprint.

Career Until 2016, José was the Financial Counsellor and the Director of the Monetary and Capital Markets Department at the International Monetary Fund (IMF) and was responsible for the oversight and direction of the IMF's monetary and financial sector work. He was the IMF's chief spokesperson on financial matters, including global financial stability. During his tenure, José was a member of the Plenary and Steering Committee of the Financial Stability Board, playing a key role in the reform of international financial regulation. Prior to the IMF, José began his career as an economist and as a member of the faculty at Stanford University, before going to the Central Bank of Spain, where he was the Deputy Governor. He is a past President of the International Monetary Conference.

José has held many other board and advisory positions, including chair of Spain's Deposit Guarantee Fund, chair of the International Relations Committee at the European Central Bank, member of the Economic and Financial Committee of the European Union, and chair of the Working Group on Institutional Investors at the Bank for International Settlements.

External appointments José is Co-Chair of the United Nations' Alliance of Global Investors for Sustainable Development (GISD). He is a board member of the Institute of International Finance (IIF), a member of the board of directors of the Bretton Woods Committee, member of the Leadership Council of CityUK, and member of the Business Advisory Group to the Director General of the World Trade Organisation (WTO).

Committees N

Bill Winters (62)
Group Chief Executive

Appointed June 2015. Bill was also appointed to the Court of Standard Chartered Bank in June 2015.

Experience Bill is a career banker with significant frontline global banking experience and a proven track record of leadership and financial success. He has extensive experience of working in emerging markets and a proven record in spotting and nurturing talent.

Career Bill began his career with JP Morgan, where he went on to become one of its top five executives and later Co-Chief Executive Officer at the investment bank from 2004 until he stepped down in 2009. Bill was invited to be a committee member of the Independent Commission on Banking to recommend ways to improve competition and financial stability in banking. Subsequently, he served as an adviser to the Parliamentary Commission on Banking Standards and was asked by the Court of the Bank of England to complete an independent review of the bank's liquidity operations.

In 2011, Bill founded Renshaw Bay, an alternative asset management firm, where he was chairman and CEO. He stepped down on appointment to the Standard Chartered PLC Board. Bill was previously a non-executive director of Pension Insurance Corporation plc and RIT Capital Partners plc. He received a CBE in 2013. Bill is a director of Standard Chartered Holdings Limited.

External appointments Bill is an independent non-executive director of Novartis International AG, listed on SIX Swiss Exchange. He is also an Advisory Group Member of the Integrity Council for Voluntary Carbon Markets and a member of the Steering Committee of the UK Voluntary Carbon Markets Forum.

+ Bill leads the Management Team

As announced on 1 August 2022, Christine Hodgson retired from the Board on 31 January 2023. Jasmine Whitbread retired from the Board on 3 May 2023.

As announced on 21 December 2023, Andy Halford stepped down as Group Chief Financial Officer and from the Board on 2 January 2024, and therefore will not seek re-election at the 2024 Annual General Meeting (AGM).

As announced on 16 February 2024, Gay Huey Evans will step down from the Board with effect from 29 February 2024. Carlson Tong's departure from the Board will take place on 9 May 2024, ahead of the AGM. Diane Jurgens will join the Board as an INED, with effect on 1 March 2024.

Diego De Giorgi (53)
Group Chief Financial Officer

Appointed January 2024. Diego was also appointed to the Court of Standard Chartered Bank in January 2024.

Experience Diego has more than three decades of experience in the global financial services sector, working with clients across the UK, Europe, the US, Asia, the Middle East and Africa. This has helped him build a strong understanding of the complexity of delivering across diverse markets.

Career Diego spent 18 years at Goldman Sachs, with leadership roles in the Equity Capital Markets Group and the Financial Institutions Group before becoming the Chief Operating Officer for the Global Investment Banking division. Following this, he moved to Bank of America Merrill Lynch, where he spent six years, rising to Head of Global Investment Banking. He served as a non-executive director at UniCredit and a member of their Compensation Committee in 2020 and 2021.

From 2021, Diego was the Co-Chief Executive of Pegasus Europe, Europe's largest-ever Special Purpose Acquisition Company (SPAC), which was focused on the financial services sector and was listed on Euronext Amsterdam.

External appointments Diego also sits on the Board of the MIB Trieste School of Management.

Maria Ramos (65)
Senior Independent Director

Appointed January 2021. Maria was also appointed to the Court of Standard Chartered Bank in January 2021. She was appointed as Senior Independent Director in September 2022.

Experience Maria has extensive CEO, banking, commercial, financial, policy and international experience.

Career Based in South Africa, Maria served as chief executive officer of ABSA Group Limited (previously Barclays Africa Group), a diversified financial services group serving 12 African markets, from 2009 to 2019. Before joining ABSA, Maria was the group chief executive of Transnet Ltd, the state-owned freight transport and logistics service provider, for five years. Prior to her CEO career, Maria served for seven years as director-general of South Africa's National Treasury (formerly the Department of Finance), where she played a key role in transforming the National Treasury into one of the most effective and efficient state departments in the post-apartheid administration. Maria has served on a number of international boards, including Sanlam Ltd, Remgro Ltd, and SABMiller plc and more recently was a non-executive director of The Saudi British Bank and Public Investment Corporation Limited before stepping down in December 2020.

External appointments Maria is Chair of AngloGold Ashanti PLC and a non-executive director of Compagnie Financière Richemont SA. She is also a member of the Group of Thirty, sits on the International Advisory Board of the Blavatnik School of Government at Oxford University and on the Wits Foundation Board of Governors.

Committees Ri A R N

Shirish Apte (71)
Independent Non-Executive Director

Appointed May 2022. Shirish was appointed to the Court of Standard Chartered Bank in January 2023.

Experience Shirish has extensive corporate, investment banking, risk management, commercial and retail banking experience. He has a deep understanding of financial services, notably across the Asia Pacific, Middle East, Africa and Central and Eastern European regions.

Career Shirish spent over 30 years with Citigroup, where he focused on corporate and investment banking, and managed commercial and retail banking businesses at country and regional level. He has strong risk experience at country and regional level and was a Senior Credit Officer and a Senior Securities Officer at Citigroup. Shirish was Co-CEO for Citi's Europe, Middle East and Africa business from 2008 to 2009, and Regional CEO Asia Pacific from 2009 to 2011. He was Chairman of Asia Pacific Banking from 2012 until his retirement in 2014.

He was on the Executive and Operating Committees of Citigroup from 2008 to 2014. From June 2014, he was an independent non-executive director at the Commonwealth Bank of Australia until stepping down in October 2022.

External appointments Shirish is an independent non-executive director at Singapore Life Pte Ltd, and an independent non-executive director of Keppel Corporation Limited, where he is a member of its Audit and Board Risk Committees.

Committees R A Ri N

Phil Rivett (68)
Independent Non-Executive Director

Appointed May 2020. Phil was also appointed to the Court of Standard Chartered.

Experience Phil has significant professional accountancy and audit experience, specifically focused on the financial services sector. He has a strong technical accounting knowledge and understanding of disclosure requirements. He has broad financial and business experience especially of the financial services sector.

Career Phil joined PricewaterhouseCoopers (PwC) as a graduate in 1976, becoming a Partner in 1986. He spent more than 30 years at PwC and was lead relationship Partner for several FTSE 100 companies, including a number of international banks and financial services institutions. He also has substantial international experience, having worked with banks across the Middle East and Asia, in particular China. He became Leader of PwC's Financial Services Assurance practice in 2007 and was appointed Chairman of its Global Financial Services Group in 2011. Phil has sat on a number of global financial services industry groups, producing guidelines for best practice in governance, financial reporting and risk management.

External appointments Phil is an independent non-executive director and Chair of the Audit Committee at Nationwide Building Society.

Committees A Ri N

Dr Linda Yueh, CBE (52)
Independent Non-Executive Director

Appointed January 2023. Linda was also appointed to the Court of Standard Chartered Bank in January 2023.

Experience Linda is a renowned economist and financial broadcaster with a diverse range of skills and experience across financial services, technology, not-for-profit and business-to-business service sectors.

Career Linda has held various academic roles and acted in various advisory roles after starting her career as a corporate lawyer at Paul, Weiss, Rifkind, Wharton & Garrison.

Linda was Economics Editor at Bloomberg News from 2010 to 2012 and Chief Business Correspondent for the BBC between 2013 and 2015. She was a Visiting Professor at LSE IDEAS at the London School of Economics and Political Science from 2019 to 2022 and served on the Independent Review Panel on Ring-Fencing and Proprietary Trading for HM Treasury. Linda held non-executive directorships with Scottish Mortgage Investment Trust Plc, London & Partners Ltd and JPMorgan Asia Growth & Income Plc. She was Senior Independent Director of Fidelity China Special Situations Plc. Linda was awarded a CBE for Services to Economics in the New Year Honours List of 2023. Linda was a Trustee of the Coutts Foundation and Adviser to the UK Board of Trade.

External appointments Linda is a Fellow at St Edmund Hall, Oxford University and Adjunct Professor of Economics at London Business School. She currently serves as an independent non-executive director of Rentokil Initial Plc and Segro Plc. She is Chair of the Baillie Gifford The Schiehallion Fund Ltd, an investment company listed on the Specialist Fund Segment of the London Stock Exchange Main Market. Linda is Executive Chair of the Royal Commonwealth Society, and an Associate Fellow at Chatham House.

Committees S R N

David Conner (75)
Independent Non-Executive Director

Appointed January 2016.

Experience David has significant global and corporate, investment and retail banking experience, strong risk management credentials and an in-depth knowledge of Asian markets.

Career David spent his career in the financial services industry, living and working across Asia for 37 years, for both Citibank and OCBC Bank. He joined Citibank in 1976 as a management trainee and went on to hold a number of Asia-based senior management roles, including Chief Executive Officer of Citibank India and managing director and marketing manager at Citibank Japan, before leaving Citibank in 2002. David joined OCBC Bank in Singapore as Chief Executive Officer and director in 2002. He implemented a strategy of growth and led the bank through a period of significant turbulence. David stepped down as Chief Executive Officer in 2012 but remained as a non-executive director on the board of OCBC Bank, before leaving the group in 2014. He was previously a non-executive director of GasLog Ltd.

External appointments David is Chair of the Barnard Cancer Institute and an emeritus trustee of Washington University in St Louis.

Committees A Ri R

David is also a member of the Combined US Operations Risk Committee of Standard Chartered Bank.

Gay Huey Evans, CBE (69)
Independent Non-Executive Director

Appointed April 2015. Gay was appointed to the Court of Standard Chartered Bank in April 2019.

Experience Gay has extensive banking and financial services experience with significant commercial and UK regulatory and governance experience.

Career Gay spent over 40 years working within the financial services industry, the international capital markets and with the UK financial regulator. Gay spent seven years with the Financial Services Authority from 1998 to 2005, where she was director of markets division, capital markets sector leader, with responsibility for establishing a market-facing division for the supervision of market infrastructure, oversight of market conduct and developing markets policy. From 2005 to 2008, Gay held a number of roles at Citibank, including head of governance, Citi Alternative Investments, EMEA, before joining Barclays Capital where she was vice chair of investment banking and investment management. She was previously a non-executive director at Aviva plc, the London Stock Exchange Group plc and Itau BBA International Plc. In 2016, she received an OBE for services to financial services and diversity and a CBE for services to the economy and philanthropy in the Queen's Birthday Honours 2021. Gay is a former Chair of the London Metal Exchange.

External appointments Gay is a non-executive director of ConocoPhillips and S&P Global, and a non-executive member of the HM Treasury board. Gay also sits on the panel of senior advisers at Chatham House and the board of the Benjamin Franklin House.

Committees Ri

Jackie Hunt (55)
Independent Non-Executive Director

Appointed October 2022. Jackie was also appointed to the Court of Standard Chartered Bank in October 2022.

Experience Jackie is a Chartered Accountant and has spent most of her career within financial services. She brings significant UK and international financial services experience, including asset management, insurance, regulatory and accounting knowledge.

Career Jackie has held a number of senior management positions in companies including Aviva, Hibernian Group, Norwich Union Insurance, PwC and RSA Insurance. From 2016, Jackie was a member of the Allianz SE management Board with executive responsibility for the asset management and US life insurance divisions, a position she held until 2021. Prior to that, Jackie was an executive director of Prudential plc and CEO of Prudential UK, Europe and Africa. She was Group Chief Financial Officer of Standard Life plc from 2010 to 2013, where she helped transform the life insurer into a diverse savings, pensions and asset management business. Jackie was previously the Senior Independent Director of National Express Group PLC, a non-executive director of TheCityUK and the Deputy Chair of the FCA Practitioner Panel. She was also an independent non-executive director of Man Group PLC, Rothesay Life PLC and OneWeb Holdings Limited.

External appointments Jackie is an independent non-executive director of Willis Towers Watson plc.

Committees A S

Robin Lawther, CBE (62)
Independent Non-Executive Director

Appointed July 2022. Robin was appointed to the Court of Standard Chartered Bank in December 2022.

Experience Robin brings extensive international banking experience in global markets and financial institutions. In addition to a broad understanding of commercial banking, she has specialist knowledge in investment banking, mergers and acquisitions and capital raising.

Career Robin spent over 25 years at JP Morgan Chase in a number of senior executive positions. She has valuable executive and non-executive experience across global markets and has considerable understanding of regulatory and governance issues. From 2019 to 2021, she served as a non-executive director on the board of M&G plc. In January 2014, Robin joined Shareholder Executive, which later became UK Government Investments (UKGI), as a non-executive board member until completing her term in May 2022. She received a CBE for services to finance and diversity in the Queen's Birthday Honours 2020. From 2018 to 2023, she served as an independent non-executive director of Nordea Bank Abp.

External appointments Robin is an independent board member of Ashurst LLP and a member of the advisory board at Aon PLC.

Committees Ri S R

David Tang (69)
Independent Non-Executive Director

Appointed June 2019. David was also appointed to the Court of Standard Chartered Bank in June 2019.

Experience David has a deep understanding and experience of emerging technologies in the context of some of our key markets, most notably mainland China.

Career David has more than 30 years of international and Chinese operational experience in the technology and venture capital industries, covering venture investments, sales, marketing, business development, research and development and manufacturing. From 1989 to 2004, David held a number of senior positions in Apple, Digital Equipment Corp and 3Com based in China and across the Asia Pacific region. From 2004 to 2010, David held various positions in Nokia, including corporate vice president, chairman of Nokia Telecommunications Ltd and vice chairman of Nokia (China) Investment Co. Ltd. He went on to become corporate senior vice president and regional president of Advanced Micro Devices (AMD), Greater China, before joining NGP Capital (Nokia Growth Partners) in Beijing as managing director and partner in 2013, a position he held until retiring in June 2021. David was a non-executive director of Kingsoft Corporation, a leading Chinese software and internet services company listed on the Hong Kong Stock Exchange.

External appointments David joined Kaiyun Motors, an electric vehicle start-up based in China, in June 2021 as Chief Value Officer. David is also a non-executive director of JOYY Inc., the Chinese live streaming social media platform listed on the Nasdaq Stock Market. He is also an adviser to NGP Capital.

Committees Ri S

Carlson Tong (69)
Independent Non-Executive Director

Appointed February 2019.

Experience Carlson has a deep understanding and knowledge of operating in the financial services and regulatory sectors in mainland China and Hong Kong.

Career Carlson joined KPMG UK in 1979, becoming an Audit Partner of the Hong Kong firm in 1989. He was elected Chairman of KPMG China and Hong Kong in 2007, before becoming Asia Pacific chairman and a member of the global board and global executive team in 2009. He spent over 30 years at KPMG and was actively involved in the work of the securities and futures markets, serving as a member of the Main Board and Growth Enterprise Market Listing Committee of the Stock Exchange of Hong Kong from 2002 to 2008 (Chair from 2006 to 2008). After retiring from KPMG in 2011, he was appointed a non-executive director of the Securities and Futures Commission, becoming its Chair in 2012 until he stepped down in October 2018. He oversaw a number of major policy initiatives during his term as the Chair, including the introduction of the Hong Kong and Shanghai/Shenzhen Stock connect schemes and the mutual recognition of funds between the mainland and Hong Kong. From 2017 until July 2020, Carlson was a non-executive director of the Hong Kong International Airport Authority. He was a member of the Hong Kong Human Resource Planning Commission from April 2020 until December 2022 and Chair of the Hong Kong University Grants Committee from January 2016 until he stepped down in December 2022.

External appointments Carlson is an independent non-executive director of MTR Corporation Limited, Chairman of its Audit & Risk Committee and a member of its Finance and Investment Committee. He sits on various Hong Kong SAR government bodies and is also an observer on behalf of the Hong Kong Government for Cathay Pacific Airways Limited. He is a board member of Hong Kong Investment Corporation Limited and the Hong Kong Stock Exchange.

Committees A Ri

Adrian de Souza (53)
Group Company Secretary

Appointed Adrian was appointed Group Company Secretary in May 2022.

Career Adrian qualified as a lawyer in 1997. Prior to joining Standard Chartered, he was General Counsel for Vivo Energy PLC, a FTSE-250 pan-African fuel retailer, where he was responsible for the Company Secretarial, Governance, Ethics, Compliance and Forensic Investigations functions, and was a member of the group's Executive Committee.

After working in private practice at international law firms Hogan Lovells and Clifford Chance, Adrian served as General Counsel and Company Secretary at IQSA Group (a Goldman Sachs private equity business); Company Secretary at Barclays Bank UK PLC, General Counsel and Company Secretary of the FTSE 100 company, Land Securities Group PLC, where he was a member of the Group's Executive Committee and Head of Legal at SABMiller PLC, Europe.

Reasons why the contribution of each director standing for re-election is, and continues to be, important to Standard Chartered PLC's long-term sustainable success will be included in the Notice of AGM 2024.

Management Team

Bill Winters (62)
Group Chief Executive

Diego De Giorgi (53)
Group Chief Financial Officer

Simon Cooper (56)
CEO, Corporate, Commercial & Institutional Banking and Europe & Americas

Simon joined the Group as CEO, Corporate & Institutional Banking in April 2016. He assumed additional responsibility for Commercial Banking in March 2018 and the Europe & Americas region in January 2021.

Career Simon was previously group managing director and chief executive of Global Commercial Banking at HSBC. He has extensive experience across our markets and client segments. Simon joined HSBC in 1989 and held a number of senior roles there, including deputy chairman and chief executive officer, Middle East and North Africa; chief executive officer, Korea; and Head of Corporate and Investment Banking, Singapore. He has extensive experience in the areas of investment banking, corporate banking and transaction banking.

External appointments Simon is Chairman of the advisory board of the Lee Kong Chian School of Business.

Claire Dixon (51)
Group Head of Corporate Affairs, Brand & Marketing

Claire joined Standard Chartered as Group Head, Corporate Affairs, Brand & Marketing in March 2021.

Career Claire is a seasoned communications expert who has led teams at global brands in a variety of sectors, in Europe and the US. She spent nearly eight years living and working in Silicon Valley, including for eBay/PayPal and latterly as Chief Communications Officer at Intel. Throughout her career she has been a champion for creating positive global impact, including leading Global Corporate Responsibility at GlaxoSmithKline. Claire is Chair of the Standard Chartered Foundation.

External appointments None.

Judy Hsu (60)
CEO, Consumer, Private & Business Banking

Judy was appointed CEO, Consumer, Private & Business Banking on 1 January 2021 and has been a member of the Group Management Team since 2018.

Career Prior to her most recent appointment, Judy was Regional CEO, ASEAN & South Asia, a position she held from June 2018. Judy was the country CEO for Standard Chartered Singapore from 2015 to 2018. She joined Standard Chartered in December 2009 as the Global Head of Wealth Management and led the strategic advancement of the Bank's wealth management business. Prior to this, Judy spent 18 years at Citibank, where she held various leadership roles in its Consumer Banking business in Asia.

External appointments Judy was appointed to the board of CapitaLand Investment Limited as a Non-executive Independent Director in June 2021.

Mary Huen (56)
CEO, Hong Kong and Cluster CEO, Hong Kong, Taiwan and Macau

Mary was appointed Chief Executive Officer (CEO) for Hong Kong in March 2017, and took on an expanded role as Cluster CEO for Hong Kong, Taiwan and Macau in January 2021.

Career Mary has over 30 years of experience in business management and banking services. Prior to her current role, Mary was Regional Head of Retail Banking, Greater China & North Asia, and the Head of Retail Banking, Hong Kong. She is a board member of Standard Chartered Bank (Hong Kong) Limited and the chairperson of the Board of Standard Chartered Bank (Taiwan) Limited.

External appointments Mary is the vice chairperson of the Hong Kong Association of Banks, a member of the Banking Advisory Committee of the Hong Kong Monetary Authority and the Aviation Development and Three-runway System Advisory Committee.

She is also a representative of Hong Kong, China to the Asia-Pacific Economic Cooperation (APEC) Business Advisory Council, and holds Board positions in the Hong Kong Tourism Board, the Hospital Authority, and the Community Chest of Hong Kong.

Benjamin Hung (59)
CEO, Asia

Ben was appointed CEO, Asia on 1 January 2021. He is the Chairman of Standard Chartered Bank (China) Limited and Standard Chartered Bank (Singapore) Limited.

Career Ben joined Standard Chartered in 1992 and has held a number of senior management positions spanning corporate and retail banking. Prior to his current role, Ben was Regional CEO for Greater China & North Asia and CEO for the Bank's Retail Banking and Wealth Management businesses globally. He is currently based in Hong Kong and has international banking experience in the United Kingdom and in Canada. Ben was previously chairman of the Hong Kong Association of Banks, a member of the Financial Services Development Council and a board member of the Hong Kong Airport Authority and the Hong Kong Hospital Authority. He was also a Council Member of the Hong Kong University.

External appointments Ben is an independent non-executive director of the Hong Kong Exchanges and Clearing Limited. He also sits on the Exchange Fund Advisory Committee and is a member of the General Committee of the Hong Kong General Chamber of Commerce. He is a strategic adviser at the International Consultative Conference on the Future Economic Development of Guangdong Province, China.

Tanuj Kapilashrami (46)
Group Head, Human Resources

Tanuj joined the Management Team as Group Head, Human Resources (HR) in November 2018.

Career Prior to joining the Group, Tanuj built her career at HSBC. She has worked across multiple HR disciplines in many of our footprint markets (Hong Kong, Singapore, Dubai, India and London). Tanuj joined the Bank in March 2017 as Group Head, Talent, Learning and Culture and took on additional responsibility as Global Head HR, Corporate, Commercial and Institutional Banking in May 2018.

External appointments Tanuj is a non-executive director of Sainsbury's PLC and a member of their Nomination and Remuneration committees. She is a member of the Asia House board of trustees, of which Standard Chartered is a founding stakeholder. Asia House is a London-based centre of expertise on trade, investment and public policy whose mission it is to drive political, economic and commercial engagement between Asia and Europe. Tanuj is also a board member of the UK Financial Services Skills Commission.

Sunil Kaushal (58)
CEO, Africa & Middle East

Sunil was appointed CEO, Africa & Middle East on 1 October 2015.

Career Prior to his current role, Sunil was regional CEO South Asia, responsible for Standard Chartered's operations in South Asia (which included India, Bangladesh, Sri Lanka and Nepal). He has over 36 years of banking experience in diverse markets and has been with Standard Chartered for over 26 years, holding senior roles across the Wholesale and Consumer Bank. Sunil has rich experience across the Group's footprint, having served as the Head of Corporate Banking in UAE, Head of Originations and Client Coverage in Singapore, Global Head Small and Medium Enterprises and New Ventures in Singapore and Chief Executive Officer of Standard Chartered Bank (Taiwan) Ltd.

Before joining Standard Chartered in 1998, Sunil held various banking positions at a number of leading international financial institutions.

External appointments None.

Roel Louwhoff (58)
Chief Technology, Operations and Transformation Officer

Roel joined the Group in November 2021 as Chief Digital, Technology & Innovation Officer, before becoming the Chief Transformation, Technology & Operations Officer from 1 April 2022. He spearheads the Bank's Technology and Operations strategy and the development of its technology systems, business resilience framework and infrastructure which support its clients and employees globally and leads the innovation agenda of the Bank. Roel is also responsible for leading bank-wide transformation, which includes the digital transformation of the Bank into an agile, digital and future-focused organisation.

Career Prior to joining Standard Chartered, Roel was Chief Operations and Transformation Officer at ING Bank, where he oversaw operations, technology and the broader transformation agenda. During his seven years in this role, Roel led the successful digital transformation of ING, seen by many as a trailblazer in digitising financial services. Before ING, Roel spent 10 years at British Telecom (BT), latterly as CEO of BT-Operate based in the UK. At BT, he redefined the technology and operational approach and led the BT communication side of the 2012 Olympics before applying that learning in delivering turn-key digital and infrastructure solutions for major exhibition and sporting events.

External appointments None.

Tracey McDermott, CBE (54)
Group Head Conduct, Financial Crime and Compliance

Tracey has been the Group Head Conduct, Financial Crime and Compliance since January 2019.

Career Tracey originally joined Standard Chartered as Group Head of Corporate, Public and Regulatory Affairs in March 2017, subsequently adding Brand and Marketing to her portfolio in December 2017 and Compliance in March 2018. Prior to joining the bank, Tracey served as Acting Chief Executive of the Financial Conduct Authority (FCA) from September 2015 to June 2016. She joined the then Financial Services Authority (FSA) in 2001 where she held a number of senior roles, including Director of Supervision and Authorisations, and Director of Enforcement and Financial Crime. Tracey also served as a Board Member of the FSA from April 2013, as a member of the Financial Policy Committee of the Bank of England, and as non-executive director of the Prudential Regulation Authority from September 2015 to June 2016. Prior to joining the FCA, Tracey worked as a lawyer in private practice, having spent time in law firms in the UK, USA and Brussels. In 2016, Tracey received a CBE for her services to financial service consumers and markets. She is a trustee of the Standard Chartered Foundation.

External appointments Tracey chairs the Net Zero Banking Alliance, is a member of the International Regulatory Strategy Group Council and chairs the Conduct and Ethics Committee of the Fixed Income, Currencies and Commodities Markets Standards Board. She is also a non-executive director of 25x25 Limited and a Member of the Management Board of Cambridge Endowment for Research in Finance.

Sandie Okoro, OBE (59)
Group General Counsel

Sandie Okoro joined the Bank as Group General Counsel in April 2022. In the role, she leads the Bank's Legal, Group Corporate Secretariat and Shared Investigative Services functions.

Career Sandie is a pre-eminent lawyer, having served as General Counsel and Senior Vice President, and Vice President for Compliance, at the World Bank Group. Prior to joining the World Bank, Sandie was General Counsel for HSBC Global Asset Management and Global General Counsel at Barings. Sandie is an Honorary Bencher of Middle Temple in the United Kingdom (2018) and was named one of the Upstanding 100 Leading Ethnic Minority Executives (2016), Top 20 Global General Counsel (2019) by the Financial Times, and was recognised as Britain's 10th most influential person of African and African Caribbean heritage by Powerlist (2023).

Sandie received a lifetime achievement award from the UK Black Solicitors Network (2016), was named one of the Power 100 Women by City A.M., 100 Women to Watch by Female FTSE Board and received an OBE for services to Diversity in International Finance in 2024.

External appointments Sandie was appointed inaugural Chair of the UK-based charity Women of the World Foundation in June 2021, she received an honorary lifetime Emeritus membership of the Law Societies' Compact and Forum for Sustainable Development Goal 16 in June 2022, and she is a Governor of the Royal Shakespeare Company.

Sadia Ricke (53)
Group Chief Risk Officer, director of Standard Chartered Bank

Sadia Ricke joined the Bank in February 2023.

Career Sadia has a broad range of financial and risk experience and a thorough understanding of our footprint markets.

She joined the Bank from Société Générale, where she started in 1994 in the Financial Institutions Credit department. She gained more than 13 years of structured finance experience in the Natural Resources and Energy Finance division where she was Co-Deputy Head, a position she held until 2010. She then became Head of Credit Risk for SG CIB in Paris, before moving to Hong Kong to take on the role of Head of Global Finance for Asia Pacific in January 2015. She was appointed Group Country Head and Head of Coverage and Investment Banking for the UK in 2017. In 2019, Sadia became Deputy Chief Risk Officer and then Group Chief Risk Officer in January 2021.

External appointments Sadia became a member of the International Financial Risk Institute Foundation Board in February 2023 and was appointed as Vice-Chair in March 2023.

Corporate governance

This section provides an insight into key Board items and activities covered during the year, as well as the structure of the Board, its committees, and its meetings.

Code compliance

The directors are pleased to confirm that the Company continued to comply with the UK Corporate Governance Code 2018 (UK Code) and the Hong Kong Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules (HK Code) for the whole of the year under review.

We share insights into how governance operates within the Group and how we have applied the principles set out in the UK Code and HK Code in the pages that follow and in particular on page 217. Copies of the UK Code and the HK Code can be found at frc.org.uk and hkex.com.hk respectively.

The Group confirms that it has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than required by Appendix C3 of the Hong Kong Listing Rules.

Having made specific enquiry of all directors, the Group confirms that all directors have complied with the required standards of the adopted code of conduct.

To the extent applicable, information required by paragraphs 13(2) (c), (d), (f), (h) and (i) of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is available in Other disclosures on **pages 217 to 228**

Our stakeholders, their interests: driving commerce and prosperity through our unique diversity

The Board is conscious of the need to create and maintain positive stakeholder relationships and spends significant time interacting with them to better understand their views, as well as the opportunities, challenges and the Group's impact across our diverse markets.

These relationships were considered extensively during Board and Committee meetings and in decision-making, and also in the individual and collective engagements that took place throughout the year. Examples of this can be found in the stakeholder engagement section on pages 157 to 161, within the feature sections on the following pages and on pages 54 to 64.

Clients
Read more on **page 55**

Regulators and governments
Read more on **page 57**

Investors
Read more on **page 57**

Suppliers
Read more on **page 58**

Society
Read more on **page 59**

Employees
Read more on **page 60**

Key areas of Board discussion and activities during 2023

Strategy

- Reviewed the Group's strategy over two days at a Board and senior management offsite, discussing progress, possible enhancements and confirming that it remains appropriate
- Reviewed and approved the 2024–2028 Corporate Plan as a basis for preparation of the 2024 budget, receiving confirmation from the Group Chief Risk Officer that the plan is aligned to the Enterprise Risk Management Framework and the Group Risk Appetite Statement
- Reviewed and scrutinised the strategic and operational performance of the business across client segments, product groups and regions, which included details of their priorities, progress, opportunities and response to current events. This included deep dives into the following areas:
  - Information and Cybersecurity
  - Private Banking
  - SC Ventures
  - Hong Kong, South Korea, and the ASEAN region
- Received and discussed regular corporate development updates
- Discussed and reviewed the Group's sustainability strategy
- Discussed and reviewed the Group's Transformation, Technology & Operations strategy
- Received updates on the Group's investment in its associate China Bohai Bank and on real estate investments in China
- Approved the sale of its global aviation finance leasing business
- Monitored the sales of its subsidiaries in Angola, Cameroon, The Gambia, and Sierra Leone, and its Consumer, Private & Business Banking (CPBB) business in Tanzania

Spotlight

Driving transformation with SC Ventures

SC Ventures, the Group's innovation, fintech investment and ventures arm, was set up in 2018 and now encompasses a portfolio of 36 ventures across four themes: Digital Assets, Sustainability & Inclusion, Online Economy & Lifestyle and SME & World Trade. In 2023, the Group completed the restructuring and ringfencing of SC Ventures' activities. Within the Group, SC Ventures is driving a culture of innovation by scaling up intrapreneurship, fintech engagement, and collaborating with the bank's clients. SC Ventures is continuing to build a sustainable ecosystem of ventures and partners for the bank and accelerating transformation in banking.

Given the size of the SC Ventures portfolio, the Board considered how best to articulate its value both to the organisation and externally to investors. The Board scrutinised management's plans in respect to SC Ventures' current and future business model. The Group will focus on putting Ventures in a position where it would help transform the core bank.

Stakeholders

Clients
Employees
Investors

Risk management

- Received and discussed briefings from management on ICS matters, approved a revised ICS Risk Appetite and completed training on the topic
- Approved the Operational Resilience Self-assessment
- Reviewed work on projects to replace and upgrade data centres in Asia
- Discussed macroeconomic headwinds and tailwinds as both risks and opportunities for the Group
- Reviewed and discussed risk reports from the Group Chief Risk Officer
- Reviewed and approved the draft Group's Resolvability Assessment, delegating the final approval to the Board Risk Committee
- Engaged with the Prudential Regulation Authority (PRA) on the findings of their 2023 Periodic Summary Meeting Letter
- Reviewed the FCA's periodic Firm Evaluation Letter
- Assessed progress in continuing to strengthen the Group's risk culture
- Approved the Risk Appetite for 2024 which included a consideration of principal risks
- Approved the renewal of the Group's insurance policies for 2023/2024
- Approved material changes to the Enterprise Risk Management Framework

Spotlight

Blue Sky Thinking session facilitated by Robert Zoellick, a former President of the World Bank and Chair of our International Advisory Council

The Board Risk and Audit Committees jointly attended a Blue Sky Thinking session entitled the "Forward-Looking Geopolitical Agenda". Robert Zoellick led the session by introducing three key meta-trends (technology innovation, demographics and the environment) and three key constituents (consumers, workers and investors). Drawing upon analyses prepared by our Group Regulatory and Public Affairs team, committee members considered the interaction of meta-trends, key constituents and policy levers. Committee members then analysed how key policy and regulatory levers can be used in response to pressures created by the meta-trends and constituents.

Stakeholders

Clients
Suppliers
Regulators and governments
Society
Employees
Investors

Financials and performance

- Monitored the Group's financial performance
- Approved the 2022 full year and 2023 half year results
- Monitored and assessed the strength of the Group's capital and liquidity positions
- Considered the carrying value of the Group's investments
- Considered the Group's approach to capital management and returns
- Approved a 2022 final dividend and 2023 interim dividend
- Approved two share buy-back programmes
- Received half yearly updates on, and discussed, the Group's major investment programmes in 2023
- Received half yearly updates on, and discussed, investor relations matters
- Approved the Group's 2022 Country-by-Country Reporting disclosures

Spotlight

Dividend payments and share buy-backs

In 2023, the Board approved two dividend payments and two ordinary share buy-back programmes. As part of its decision-making process, the Board noted the importance of approving distributions and other capital management activities within an appropriately prudent framework. Assurance was also sought from management regarding the protection of the Group's capital position and its ability to execute planned investment activities for future growth. By November 2023, the two share buy-back programmes initiated during the year successfully completed approximately $2 billion in shareholder returns for 2023, complemented by a total dividend payment of $569 million. This progress brings us closer to our goal of achieving at least $5 billion in shareholder returns by 2024.

Stakeholders

Clients | Regulators and governments | Investors

People, culture and values

- Approved the Group's 2022 Modern Slavery Statement
- Approved the Group's refreshed Code of Conduct and Ethics
- Discussed progress made against the Group's people strategy and culture aspirations
- Discussed aspects of the Group's global employee engagement survey, My Voice
- Received updates on the progression and evolution of the Management Team's and senior management's succession plans following a number of recent appointments
- Discussed the Group's diversity and inclusion initiatives
- Reviewed the Board Diversity Policy
- Approved changes to the Group's operational resilience strategy
- Reviewed an annual report update on the operation and effectiveness of the Group's Speaking Up programme

Spotlight

Culture of Excellence

The Board considered the Group's People Strategy and discussed the extent to which objectives could be introduced to better measure the transformation of the organisation. They discussed with management the Group's culture aspiration, which is to encourage a culture of ambition, action and accountability, improve operational efficiency and drive client centricity through a culture of high performance and execution. The Board noted the importance of the People Strategy to the success of the transformation of the business, and ultimately the delivery of the Group's strategic objectives.

Stakeholders

Clients | Employees | Society

External environment

- Received updates on the macroeconomic headwinds and tailwinds in the global economy, including an assessment of the impact on the key drivers of the Group's financial performance
- Received internal and external briefings and input across a range of subjects, including:
  - global market trends
  - the global macro impact of geopolitical uncertainties in the Middle East
  - China's emergence from the COVID pandemic
  - Russia-Ukraine war
  - China/ US tensions
  - societal and business implications of global demographic trends
  - strategic insights into global markets, geopolitics and policy
  - regulatory developments and updates

Spotlight

Global market trends

The Board invited a number of internal experts and guest speakers to attend Board dinners providing important and specialist insight and context to the Board discussion on a variety of matters. Geopolitical uncertainties and global market trends were among the topics which were covered this year.

Stakeholders

Clients | Suppliers | Regulators and governments | Society | Investors | Employees

Key areas of Board discussion and activities during 2023 continued

Governance

- Monitored developments and trends in corporate governance, focusing on changes proposed by the UK Government, FRC and Hong Kong Stock Exchange
- Noted and/or approved changes to the membership of the Board's committees, including the appointment of Linda Yueh as the new Committee Chair of the CSC
- Received reports at each scheduled meeting from the Board committee chairs on key areas of focus for the committees and quarterly updates from Standard Chartered Bank (Hong Kong) Limited (SCBHK) and its Audit and Board Risk committees
- Undertook training on directors' duties and the governance landscape
- Discussed and reviewed the independence, performance and annual re-election of the non-executive directors
- Approved the re-appointment of the independent adviser to the Board on cyber security and cyber threats
- Approved the replacement of the independent adviser to the Board on financial crime with an annual externally-facilitated session on financial crime risk
- Authorised potential conflicts of interest relating to directors' external appointments
- Discussed the observations and themes arising from the 2023 internal Board and committees' effectiveness review ahead of approving the 2024 Action Plan
- Reviewed, and where appropriate, approved updates to the Terms of Reference for each Board committee
- Further developed meaningful linkages between the Board and its subsidiaries at chair, board and committee level

Spotlight

Appointment of the Group Chief Financial Officer

In 2023, the GNC led the search process for a successor to Andy Halford as GCFO. The GNC oversaw a robust search and assessment process, conducted in conjunction with executive search firm Russell Reynolds, which resulted in some exceptionally talented internal and external candidates being interviewed and considered. Diego De Giorgi emerged as the preferred choice, and joined the Group as GCFO Designate in September 2023. He received a thorough induction and training programme, meeting colleagues and other stakeholders from around the Group's footprint. Following regulatory approval, Diego's appointment as GCFO took effect on 3 January 2024.

Stakeholders

- Clients
- Suppliers
- Regulators and governments
- Society
- Investors
- Employees

Shareholder and stakeholder engagement

- Engaged with investors, held meetings with brokers, discussed the views of institutional shareholders
- Discussed and reviewed the approach to engaging investors and other relevant stakeholders ahead of the 2023 AGM
- Engaged with clients, shareholders and regulators
- Engaged with colleagues around the business throughout the year
- Hosting a stewardship event, with a focus on strategy, including sustainability
- Received bi-annual updates from Investor Relations, including share price and valuation analysis, market engagement and ownership analysis and sell-side sentiment

Spotlight

Stewardship Event

The Group Chairman welcomed external investors to our annual stewardship event in November 2023, alongside the chairs of the Board Audit and Remuneration Committees. The event took a hybrid format and was attended by investors representing 43 per cent of the Group's shareholders by value. The Group Chairman provided an update regarding the Group's strategy, including with respect to sustainability, and was supplemented by opening remarks from the Remuneration Committee Chair. The Audit Committee Chair also discussed key updates on the activities of the Audit and Board Risk Committees during the year. This was followed by a Q&A session.

Stakeholders

- Investors

For a detailed overview of our strategy see **pages 24 and 25**

Board and committee structure: decisions, responsibilities and delegation of authority

Standard Chartered PLC

The Board sets the Company's purpose, values and strategy. Under the Board's Terms of Reference, it is collectively responsible to shareholders for the governance, strategic direction and performance of the Company and the delivery of sustainable value within a framework of prudent and effective controls to which the Company's culture is aligned. The Board is responsible for understanding the views and interests of key stakeholders and for considering those views and interests during Board discussions and decision-making. It is responsible for overseeing the Group's conduct and affairs and for promoting its long-term sustainable success.

The Board discharges its responsibilities directly or, in order to ensure effective independent oversight and stewardship, delegates specified responsibilities to its committees.

Detail of how the Board fulfilled its responsibilities in 2023, as well as key topics discussed and considered by the Board committees, can be found in this Directors' report.

Biographies for each director are set out on **pages 137 to 141**

Audit Committee	The Audit Committee is responsible for oversight and review of matters relating to financial reporting, the Group's internal controls, including internal financial controls, and the work undertaken by the Conduct, Financial Crime & Compliance, Group Internal Audit and the Group's Statutory Auditor, Ernst & Young LLP (EY).	Read more on **page 162**
Board Risk Committee	The Board Risk Committee is responsible for oversight and review of the Group's Risk Appetite Statement, the appropriateness and effectiveness of the Group's risk management systems and the principal risks, including Climate Risk, to the Group's business. Furthermore, it considers the implications of material regulatory change proposals and due diligence on material acquisitions and disposals.	Read more on **page 168**
Culture and Sustainability Committee	The Culture and Sustainability Committee is responsible for oversight and review of the Group's culture and sustainability priorities.	Read more on **page 174**
Governance and Nomination Committee	The Governance and Nomination Committee is responsible for oversight and review of Board and executive succession, overall Board effectiveness and corporate governance issues.	Read more on **page 177**
Remuneration Committee	The Remuneration Committee is responsible for oversight and review of remuneration, share plans and other incentives.	Read more on **page 182**

Group Chief Executive

The Board delegates authority for the operational management of the Group's business to the Group Chief Executive for further delegation by him in respect of matters that are necessary for the effective day-to-day running and management of the business. The Board holds the Group Chief Executive accountable in discharging his delegated responsibilities.

Management Team

The Management Team comprises the Group Chief Executive and the Group Chief Financial Officer, regional CEOs, client segment CEOs, and our global function heads. It has responsibility for executing the strategy. Details of the Group's Management Team can be found on **pages 142 to 144**.

Terms of Reference for the Board and each committee are in place to provide clarity over where responsibility for decision-making lies. These are reviewed annually against industry best practice and corporate governance provisions and guidance, including the PRA Supervisory Statement on Board Responsibilities (as amended).

With the exception of the Governance and Nomination Committee (where the Group Chairman is its Chair) all of the Board committees are composed of INEDs who bring a diversity of skills, experience and knowledge to the discussion.

Written Terms of Reference for the Board and its committees can be viewed at **sc.com/termsofreference**

Our Board meetings

The Board is committed to maintaining a comprehensive schedule of meetings and a forward agenda to ensure its time is used most effectively and efficiently, and is supported by the Group Company Secretary to facilitate this. Flexibility in the programme is important and permits key items to be added to any agenda so that the Board can focus on evolving and important matters at the most appropriate time.

Performance against delivery of the agreed key financial priorities is reviewed at every scheduled meeting, with particular reference to the detailed Group management accounts. The Group Chief Executive and Group Chief Financial Officer comment on current trading, business performance, the market, colleagues, relevant stakeholders, and regulatory and external developments at each scheduled meeting, and present comparative data and client insight.

In addition, the Group Chief Risk Officer periodically attends meetings to update the Board on key risks.

The Group Chairman holds INED-only meetings ahead of each scheduled Board meeting, which provides the opportunity for discussion on key agenda items and other matters without the executive directors and management present.

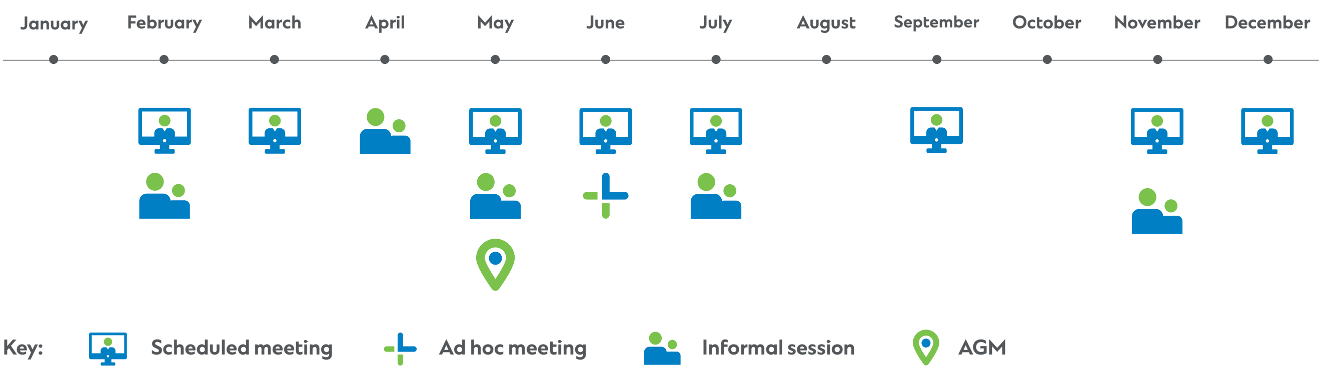
Sir Iain Lobban and Paul Khoo, as independent advisers to the Board and its committees on cyber security and cyber threat management and financial crime respectively, attended a combination of Board and committee meetings to provide an independent and current view on the Group's progress in this area.

Our Board committees

The Board places significant reliance on its committees by delegating a broad range of responsibilities and issues to them. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole, not least as it is impracticable for all INEDs to be members of all of the committees. Mechanisms are in place to facilitate these linkages, including ensuring that there are no gaps or unnecessary duplications between the remit of each committee and overlapping membership between Board committees where necessary. Alongside interconnected committee membership, the Board regularly receives a written summary of each of the committee's meetings, and verbal updates at the Board, where appropriate.

Further details on each committee, including their oversight and focus during 2023, can be found in the Board committee reports starting on page 162.

Board activities during 2023



Board composition, roles and attendance in 2023

The Group Chairman is committed to ensuring optimal Board effectiveness. A key mechanism to drive this is the appropriate composition and balance of the Board.

The Board is composed of a majority of independent non-executive directors who provide an independent perspective, constructive challenge, and monitor the performance and delivery of the strategy within the Risk Appetite and controls set by the Board.

Detail regarding Board diversity can be found within the Governance and Nomination Committee report on **pages 177 to 181**

Group Chairman

Group Chairman
José Viñals

Responsibilities
Responsible for leading the Board, ensuring its effectiveness in all aspects of its role and developing the Group's culture with the Group Chief Executive. Promotes high standards of integrity and governance across the Group and ensures effective communication and understanding between the Board, management, shareholders and wider stakeholders.

	Attendance
AGM	Y
Scheduled	8/8
Ad hoc	1/1

Executive directors

Group Chief Executive
Bill Winters

Responsibilities
Responsible for the management of all aspects of the Group's businesses, developing the strategy in conjunction with the Group Chairman and the Board and leading its implementation.

	Attendance
AGM	Y
Scheduled	8/8
Ad hoc	1/1

Group Chief Financial Officer
Andy Halford

Responsibilities
Responsible for Finance, Corporate Treasury, Strategy, Group Corporate Development, Group Investor Relations, Property and Supply Chain Management functions.

As announced on 21 December 2023, Diego De Giorgi succeeded Andy as Group Chief Financial Officer on 3 January 2024.

	Attendance
AGM	Y
Scheduled	8/8
Ad hoc	1/1

Independent non-executive directors

Senior Independent Director
Maria Ramos

Responsibilities
Provides a sounding board for the Group Chairman and discusses concerns that are unable to be resolved through the normal channels or where such contact would be inappropriate with shareholders and other stakeholders. Chairs the Governance and Nomination Committee when considering succession of the Group Chairman. Is available to shareholders if they have concerns that cannot be resolved or for which the normal channels would be inappropriate. Can be contacted via the Group Company Secretary at 1 Basinghall Avenue, London EC2V 5DD.

	Attendance
AGM	Y
Scheduled	8/8
Ad hoc	1/1

	Attendance		
	AGM	Scheduled	Ad hoc
David Conner	Y	8/8	1/1
Gay Huey Evans, CBE	Y	8/8	1/1
Phil Rivett	Y	8/8	1/1
David Tang	Y	8/8	1/1
Shirish Apte	Y	8/8	1/1
Robin Lawther, CBE	Y	8/8	1/1
Jackie Hunt	Y	8/8	1/1
Jasmine Whitbread	N/A	3/3	1/1
Linda Yueh, CBE	Y	8/8	1/1
Carlson Tong	Y	8/8	1/1

INEDs who stepped down in 2023

Christine Hodgson and Jasmine Whitbread stepped down from the Board on 31 January 2023 and 3 May 2023 respectively. No Board meetings took place in 2023 prior to Christine leaving the Board.

INEDs who joined in 2023

Linda Yueh joined the Board on 1 January 2023.

Board committee roles and attendance can be found in the committee sections starting from **page 162**.

The biographies of each director are set out on **pages 137 to 141**

Linda Yueh joined the Board on 1 January 2023. Further information can be found on **page 139**

The roles of the Group Chairman and Group Chief Executive are distinct from one another and are clearly defined in detailed role descriptions which can be viewed at **sc.com/roledescriptions**

Director induction

Linda Yueh joined the Board on 1 January 2023. Her experience can be found in her biography on page 139. Along with Shirish Apte, Robin Lawther and Jackie Hunt, who were all appointed in 2022, the new directors were given a comprehensive induction programme, tailored to meet each director's individual level of experience and expertise.

Diego De Giorgi was appointed as Group Chief Financial Officer on 3 January 2024, following the retirement of Andy Halford on 2 January 2024. Diego received in-depth handovers from Andy, which included a period of shadowing from September 2023 to January 2024. As well as numerous tailored, individual training sessions, Diego also attended formal training sessions on topics including Directors' Duties (on 20 September 2023), Climate Risk (on 28 September 2023), Trading Activity Wind-Down Governance (on 28 September 2023), Environmental, Social and Governance (ESG) litigation (on 30 November 2023), ICS Horizon Scanning (on 5 December 2023) and Directors' Duties applicable to directors of Hong Kong-listed companies (on 14 December 2023). Following his relevant training provided by a firm of solicitors on 14 December 2023, Diego confirmed his understanding of the obligations as a director of a listed issuer pursuant to Rule 3.09D of the Hong Kong Listing Rules.

The Group Company Secretary supports new directors as they undertake their induction programmes, which are typically completed within the first six to twelve months of their appointment. The induction programmes are regularly reviewed and take into account directors' feedback to ensure continuous development and improvement.

Progress against induction programmes

The Governance and Nomination Committee is responsible for periodically reviewing the induction programme of all new INEDs, to understand the level of progress made and to consider where any areas of additional focus might be required. The Committee is satisfied that all new INEDs have made good progress completing induction work, both in London and as part of overseas Board visits to our markets.

Ongoing development plans

Continuous training and development beyond a director's induction plan is essential for maintaining a highly engaged, effective and well-informed Board. Ongoing development plans also help ensure directors lead with integrity and promote the Group's culture, purpose and values.

Mandatory learning and training are important elements of directors' fitness and propriety assessments as required under the UK Senior Managers and Certification Regime. During the year, all directors received a combination of mandatory learning and training, internal and external briefings, presentations from guest speakers, and papers on a wide range of topics to ensure the directors are well informed and that the Board remains highly effective. The table below gives further detail on who received these briefings.

In 2023, Board members received briefings from and engaged with leading diplomats, former national security advisers, former leaders of international organisations and economists on topics including China's emergence from the COVID pandemic, the evolving geopolitical landscape in the Middle East, and the global macroeconomic environment.

The Board committee members also received specific training relevant to the work of their respective committees. In 2023, the Board Risk Committee received training on topics including: Threat Scenario-led Risk Assessment, Trading Activity Wind-Down Governance, Operational Risk and the implications of Basel 3.1.

The Group Chairman reviews with each director their training and development needs both in real time and as part of the annual performance cycle. Where it is recognised that the Board or individual directors need further training or development in key areas, additional sessions are arranged with subject matter experts.

2023 director training overview

	Induction[1]	Directors' duties and regulatory updates	Digital assets	Climate Risk	ICS Horizon Scanning Emerging Risks
José Viñals	N/A	✓	✓	✓	✓
Bill Winters	N/A	✓	✓	✔	✓
Andy Halford	N/A	✓	✓	✓	✔
Shirish Apte[2]	✓	✔	✓	✓	✓
David Conner	N/A	✓	✓	✓	✓
Gay Huey Evans, CBE	N/A	✔	✔	✓	✔
Jackie Hunt[2]	✓	✓	✓	✔	✔
Robin Lawther, CBE[2]	✓	✓	✓	✓	✓
Maria Ramos	N/A	✓	✓	✓	✓
Phil Rivett	N/A	✓	✓	✓	✓
David Tang	N/A	✓	✓	✓	✓
Carlson Tong	N/A	✓	✓	✔	✔
Jasmine Whitbread[3]	N/A	N/A	✓	N/A	N/A
Linda Yueh, CBE[2]	✓	✓	✓	✓	✔

1 Applicable to directors who received induction training during 2023

2 Shirish Apte, Robin Lawther, Jackie Hunt and Linda Yueh joined the Board on 4 May 2022, 1 July 2022, 1 October 2022 and 1 January 2023 respectively

3 Jasmine Whitbread stepped down from the Board on 3 May 2023

✓ Director attended the session

✔ Director was unable to attend the session but received any accompanying material and had opportunities to raise questions and observations with the Group Chairman and Group Company Secretary

All of the directors have access to the advice of the Group Company Secretary, who provides support to the Board and is responsible for advising the Board on governance matters. Directors also have access to independent, professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as directors.

Directors' performance

The Group Chairman led the evaluation of individual director performance during 2023. These one-to-one sessions considered:

- their performance against core competencies and their individual effectiveness
- their time commitment to the Group, including (where relevant) the potential impact of any outside interests
- their ongoing development and training needs
- the Board's composition, taking into account when each INED envisaged stepping down from the Board
- the current and future committee membership and structure
- their engagement across the Group.

These performance reviews are used as the basis for recommending the re-election of directors by shareholders at the 2024 AGM and to assist the Group Chairman with his assessment of the INEDs' competencies. In addition, the Group Chairman has responsibility for assessing annually the fitness and propriety of the Company's INEDs and the Group Chief Executive Officer under the Senior Managers Regime. These assessments were carried out in respect of each INED and the Group Chief Executive and no issues in relation to fitness and propriety were identified.

Group Chairman's performance

Maria Ramos, as Senior Independent Director, reviewed José Viñals' performance as Group Chairman, meeting with each director separately to take their feedback. Consolidated feedback was shared with him.

Time commitment

Our INEDs commit sufficient time in discharging their responsibilities as directors of Standard Chartered. In general, we estimate that each INED spent approximately 40 to 90 days on Board-related duties.

Spotlight

Interview with Dr Linda Yueh

An insight into one of our new INEDs

Dr Linda Yueh
Independent Non-Executive Director

Q. What drew you to Standard Chartered and have your initial impressions aligned with your experiences as an INED one year on?

A. One of the key things that attracted me to Standard Chartered was the Group's culture and its people. Prior to my appointment, I had a number of discussions with several directors, including the Group Chairman, who offered insights into serving on the Board of a global financial institution. I was particularly impressed with their willingness to listen and engage collaboratively in constructive discourse over issues of importance to the Group. One year on, I'm pleased to say that I am working with a great group of people from a variety of backgrounds, who possess strong skills and industry-leading experience in their respective fields. In my role as Chair of the Culture and Sustainability Committee (CSC), I am able to actively engage with the issues around culture that are central to a people business. This has been particularly rewarding.

Q. How effective have you found your induction programme in preparing you as an INED and for the Standard Chartered Board and committee discussions?

A. The induction programme, designed to be undertaken over several months, is extensive and well-designed. As my knowledge of the Group grew, my induction meetings became a mixture of introductions and substantive discussions, which worked well. I met with various employees and stakeholders around the Group, which provided a great opportunity to listen to, and understand, a number of different aspects of the bank. The induction programme also included joint sessions with other INEDs who joined the Board in 2022. These joint induction sessions were extremely helpful, as we learned from each other's perspectives and got to know each other better through the process. In addition, I joined part of the BRC meetings as an observer, on discussions covering topics such as reputation and sustainability risks, which dovetail into the work of the CSC. I also travelled with the Board to Hong Kong, Seoul and Singapore and undertook part of my induction in these overseas locations. Market visits are a helpful part of the induction programme and provide important commercial and regulatory context, which helped me to better understand the global nature of Standard Chartered's business.

Q. As the new chair of the Culture and Sustainability Committee, what do you see as its key priorities over the next five years?

A. It is a privilege to chair the CSC and to help define the priorities of the Group in areas which lie at the heart of our organisation and inform everything that we do.

In terms of culture, our priorities include embedding a high-performance culture, whereby our people can excel and do so in prudent ways. Diversity and inclusion are essential building blocks which will go a long way in ensuring that our employees can succeed and thrive. Another key component to driving a healthy culture is through embedding valued behaviours, such as risk awareness, into the Group's culture.

In terms of sustainability, our key priorities include achieving the Group's net zero transition pathway, with particular focus being placed on ensuring that the milestones are clearly defined, measured and delivered. In addition, biodiversity and other emerging issues around safeguarding our planet will also be in focus in the coming years.

Q. How important is a company's culture to you and what are your views on the culture at Standard Chartered?

A. Standard Chartered is a people business, so culture is central to its success and ability to contribute positively to our stakeholders, including clients, investors, employees and wider society. The Group is a global institution with footprints in over 52 markets, so it is particularly important that INEDs and executive directors continually engage with our stakeholders and always remain sensitive to the cultural and business context in which particular issues arise in individual markets. In the year I've been on the Board, I have been impressed by the focus on culture and the thoughtfulness of the Group in this area that is not straightforward to manage.

Q. As an INED, how do you build connections and maintain relationships with our key stakeholders?

A. Delivering for our stakeholders is an area I have placed great focus on. I am pleased that the CSC has been refocused on supporting the Board's engagement notably with our employees, communities, suppliers and shareholders. For instance, our relationship with our colleagues has been strengthened by honing our Board workforce engagement sessions this year. During our workforce engagement sessions, which regularly take place as part of the Board's overseas market visits as well as in the Group's London headquarters, INEDs will spend time with colleagues to understand the areas in which the business excels, and also the areas where the My Voice survey scores are below average. With those insights, the CSC and the Board can have informed follow-up discussions, where we can reflect and act upon what we have heard to continually improve the Group's operations.

Board effectiveness

The 2023 Board and committees' effectiveness review was conducted internally, facilitated by the Group Company Secretary, and in accordance with the UK Code.

Progress against the 2023 Action Plan

The 2023 Action Plan set out a number of actions to be achieved following the externally facilitated Board evaluation conducted in 2022. The 2023 Action Plan was regularly reviewed during the year and good progress had been made against many of the actions as evidenced by this year's internally facilitated Board effectiveness review.

Key observations from the 2023 internal effectiveness review

- The Board remains effective at testing and shaping the Group's strategy.
- Board meetings had focused well on business opportunities with a good level of discussion and challenge, which helped to set strategic priorities.
- The Board has a comprehensive understanding of the Group's principal risks and explores them extensively.
- The Board engaged well with a range of key stakeholders at different levels.
- The Board agenda had accommodated the impact of emerging geopolitical vulnerabilities and the evolving macroeconomic landscape.
- The management of the transition of new INEDs on the Board had been handled well.

2024 Action Plan

- Review the length and focus of Board papers, ensuring a focus on key points for the Board to understand, discuss, challenge and agree on actions.
- Evaluate the balance of topics on the Board agenda to maximise time allocation and focus on key strategic items, challenges and commercial opportunities.
- Enhance measurement of progress on the Group's engagement with its key stakeholders.
- Continue to enhance the sustainability aspect of the Board's education programme.

Internal evaluation process

- **Review approach agreed**
- **Questionnaires completed**
- **Evaluation and report**
- **Findings shared with committee Chairs and committees**
- **Findings discussed with the Group Chairman and Governance and Nomination Committee**
- **Board discussion and agreed Action Plan for 2024**

2023 Board effectiveness review

This year's review took the form of a questionnaire-based evaluation for the Board and its committees which was completed by every Board member. These questionnaires explored some of the themes for the previous year's review as well as probing the Board's and committees' performance through the year.

The results were compiled into a detailed report and conclusions were discussed with the Group Chairman and by the Governance and Nomination Committee ahead of a Board discussion. At the Board meeting, the key findings and recommendations were presented along with an Action Plan for 2024, which was then approved. Details of the key observations from this year's review and the agreed Action Plan are set out on page 155.

The Board's five committees were also included as part of the effectiveness review. The observations and key themes arising from the review were shared with the relevant committee Chairs before being circulated to each of the committees and action plans for 2024 agreed. Details of the key observations and action plans for each of the committees can be found within each of the committees' reports.

Director independence

The GNC reviews the independence of each of the non-executive directors, taking into account any circumstances likely to impair, or which could impair, their independence. Recommendations are then made to the Board for further consideration.

In determining the independence of a non-executive director, the Board considers each individual against the criteria set out in the UK Code and the Hong Kong Listing Rules and also considers their contribution and conduct at Board meetings, including how they demonstrate objective judgement and independent thinking.

The Board considers all of the non-executive directors to be independent of Standard Chartered, concluding that there are no relationships or circumstances likely to impair any INED's judgement.

External directorships and other business interests

Board members hold external directorships and other outside business interests. We recognise the significant benefits that broader boardroom exposure provides for our directors. However, we closely monitor the nature and quantity of external directorships our directors hold, in order to satisfy ourselves that any additional appointments will not adversely impact their time commitment to their role at Standard Chartered, and to ensure that all of our Board members remain compliant with the PRA directorship requirements, as well as the shareholder advisory groups' individual guidance on 'overboarding'. These requirements impose a limit on the number of directorships both executive and INEDs are permitted to hold.

Details of the directors' external directorships can be found in their biographies on pages 137 to 141. Before committing to an additional appointment, directors confirm the existence of any potential or actual conflicts, that the role will not breach their limit as set out by the PRA, and provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfil their role as a director of the Company. All directors continue to hold no more than four non-executive directorships (or one executive directorship alongside two non-executive directorships) permitted under the General Organisational Requirements Part of the PRA Rulebook.

Our established internal processes ensure that directors do not undertake any new external appointments without first receiving formal approval of the Board. The Board has delegated authority to make such approvals to the Group Chairman, with the exception of his own appointments. Of those INEDs who took on new external directorships during the year, two were regarded as significant directorships (appointed to the board of a listed company) and as such were announced to the market in line with our listing obligations. Further detail on the specific appointments are provided below:

- Carlson Tong was appointed to the board of Hong Kong Stock Exchange as a Board member on 23 April 2023.
- Jackie Hunt was appointed to the Board of Willis Towers Watson plc as an independent non-executive director on 1 April 2023.

The two directors discussed their respective appointments with the Group Chairman in advance of accepting the positions. Each director confirmed the existence of any potential or actual conflicts; provided assurance that the respective roles would not breach their limits as set out by the PRA; and confirmed that their appointments would not impact their abilities to devote sufficient time and focus to both their Board and committee responsibilities.

Stakeholder engagement

Ensuring authentic engagement across our markets

Investors

Clients

Suppliers

Regulators and governments

Society

Employees

The Board recognises the importance of stakeholder consideration and interaction. It forms a crucial part of Board decisions and discussions, as well as the review of our purpose, values and strategy.

Board activities led to a number of invaluable opportunities to engage with stakeholders across the Group's diverse network, including those identified on the following pages. Directors did not just engage collectively with stakeholders, but also individually. The Remuneration, Culture and Sustainability, Board Risk and Audit Committees also engaged directly with employees. Informal and formal sessions with stakeholders across our footprint help provide INEDs and independent adviser members with a comprehensive understanding of the Group's market operations, implementation of strategy, and the external and internal impact of the Group's activities.

Further detail regarding the Board's engagement with our stakeholders can be found on the following pages. Detail regarding how Board committees and their members engaged with stakeholders can be found in the committee report sections starting from page 162.

Chairman and INED travel across our markets

The Chairman and INEDs, either together or individually, visited a range of markets.

Europe and the Americas

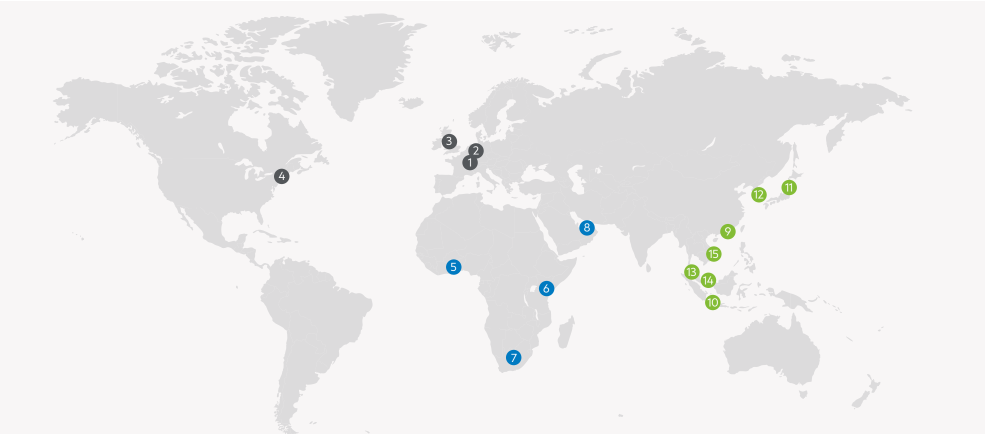
1. Germany
2. Poland
3. UK
4. US

Africa and Middle East

5. Ghana
6. Kenya
7. South Africa
8. UAE

Asia

9. China, including Hong Kong
10. Indonesia
11. Japan
12. South Korea
13. Malaysia
14. Singapore
15. Vietnam



3. London, United Kingdom
In September 2023, the Board and committees held their meetings in London. The Board was joined by UK-based colleagues for an informal top talent lunch at which colleagues shared their experiences of working at Standard Chartered. The Board also heard from other UK colleagues through the employee townhall, held to mark 170 years of Standard Chartered's presence in the UK. Board members also met with the UK PRA, and Hong Kong Trade Development Council in London.

9. Hong Kong, China
The Board and committees held their meetings in Hong Kong in March 2023. During this visit, the Board met with clients, colleagues, senior government officials and regulators. An informal top talent lunch was held where the Board met with employees from Hong Kong representing different functions and discussed the goals, challenges and opportunities of the business. The Board also took the opportunity to visit Mox Bank, the Group's virtual bank in Hong Kong and hosted a client dinner.

10. Jakarta, Indonesia
In June 2023, the Board travelled to Jakarta. During this visit, the Board took the opportunity to meet with a wide range of stakeholders, including informal discussions with senior leaders, other colleagues at the bank as well as top government officials. The Board also hosted an employee townhall and concluded the visit with a client dinner celebrating 160 year of Standard Chartered's presence in Indonesia.

12. Seoul, South Korea
The Board held its November meetings in Seoul. The week's programme began with a global townhall, with colleagues around the world tuning in virtually. The Board also hosted a talent lunch and met with colleagues based in Korea. As part of the trip, the Board met with clients, top government officials, and local regulators, and engaged with local entrepreneurs for a community engagement session.

The Board's engagement with investors

Our approach

Aiming to deliver robust returns and long-term, sustainable value for shareholders is of key importance to the Board. We continuously reflect on how the Board engages with our investors, openly seeking feedback and reviewing previous activities. We believe this strengthens engagements and helps support the Board's focus on developing open and trusted relationships with investors.

During the year, we maintained a comprehensive programme of engagement, including with investor advisory bodies and credit rating agencies, and provided updates on progress made to transform our business for improved returns.

The Group Chairman and other Board directors had direct contact with investors and advisory voting bodies during the year, and received regular updates from the Investor Relations team, including reports on market developments. The Group Chairman, as part of his role, leads engagement with shareholders and hosted the 2023 AGM alongside fellow Board members. The Group Chairman and certain Board members also held an investor stewardship event.

Maria Ramos, our Senior Independent Director, was available as an alternative point of contact for shareholders.

Bill Winters and Andy Halford were the primary spokespeople for the Group in 2023. Throughout the year they engaged extensively with existing shareholders and potential new investors during individual or group meetings and conferences, either in person or virtually. Diego De Giorgi has replaced Andy, following his retirement, in this regard from January 2024. In addition, Ben Hung, CEO Asia hosted investors and analysts in Asia aimed at promoting greater awareness of our strategy and progress in that region. Various members of the Group's Management Team also participated in investor conferences throughout the year.

Institutional shareholders

The Group maintains a diverse, high-quality and predominantly institutional shareholder base. The Investor Relations team has primary responsibility for managing day-to-day communications with these shareholders and provides support to the Group Chairman, Group Chief Executive, Group Chief Financial Officer, other Board members and senior management in conducting a comprehensive engagement programme.

Presentation material and webcast transcripts are made available on the Group's website and can be viewed at **sc.com/investors**

Investor stewardship event

The Group Chairman hosted a stewardship event in November 2023 alongside the chairs of the Board Audit and Remuneration committees. The Group Chairman provided an update regarding the Group's strategy, including with respect to sustainability, which was supplemented by opening remarks from the Remuneration Committee Chair. The Audit Committee Chair also provided updates on both the Audit and Risk committees and their activities during the year. This was followed by a Q&A session. Questions could be submitted in advance of the event, asked live in person or via a web-based platform for those who joined electronically.

Debt investors and credit rating agencies

Our Debt Investor Relations team has primary responsibility for managing the Group's relationships with debt investors and the three major rating agencies, with local market chief executives and chief financial officers leading on smaller subsidiary ratings. In 2023, management met with debt investors across the regions, and maintained a regular dialogue with the rating agencies.

It is important that the Group, as an active issuer of senior unsecured and non-equity capital, maintains regular contact with debt investors to ensure continued appetite for the Group's credit. The Group's credit ratings are a key part of the external perception of our financial strength and creditworthiness.

Further information can be viewed at **sc.com/investors**

Engagement with investors: what we did during 2023

February
2022 full-year results and roadshows

March
Conferences and roadshows

April
2023 first quarter results and conferences

May
AGM, Asia seminar and conferences

June
Conferences

July
2023 half-year results

August
Roadshows

September
Conferences and roadshows

October
2023 third-quarter results

November
Stewardship event, sustainability event and conferences

December
Conferences

The Board's engagement with investors

Retail shareholders

The Group Company Secretary oversees communication with our retail shareholders.

AGM

The meeting was held on 3 May 2023. We were pleased that in addition to in-person attendance, we offered shareholders the opportunity to participate electronically via a live web portal. Within this portal, shareholders were able to view a live video feed of the AGM, submit voting instructions and questions in writing or ask them through an audio line. Shareholders who attended the meeting in person were able to submit voting instructions and ask questions directly.

The AGM is a key date in the Board's calendar and the hybrid format ensured that shareholders could engage with them regarding the Company's recent performance and strategic priorities. Questions received from shareholders covered a diverse range of topics, including climate and the Group's net zero pathway; diversity; the Group's strategy; director remuneration; shareholder engagement; share price and regulatory developments.

All Board-proposed resolutions were passed, with shareholder support for each ranging from 94.70 per cent to 100 per cent. We remain very grateful for the support of our shareholders.

Detail regarding the directors' remuneration report resolution can be found in the Directors' Remuneration Report starting on page 182. Further detail on how the Group engaged with investors more generally can be found on page 57.

+ Voting results from the 2023 AGM can be viewed at **sc.com/investors**

+ A summary of responses to questions on key themes raised by shareholders was made available on our website after the meeting and can be found at **sc.com/agm**

The Board's engagement with clients and suppliers

Clients are central to everything we do and promoting productive, sustainable relationships with them is a key priority. In 2023, Board members, either collectively or individually, met clients face-to-face or virtually to keep abreast of developing client trends, experiences and needs. As part of our overseas Board programme, members of the Board also travelled within our footprint for meetings with clients and hosted client dinners throughout the year. In addition, updates on clients' insights form part of deep dives into product segment strategy at Board meetings.

Suppliers provide efficient and sustainable goods and services for our business and certain members of the Board also met with them during the year. Detail on how the Group engaged more generally with clients and suppliers can be found on pages 55, 56, 58 and 59 of the Strategic report.

The Board's engagement with regulators and governments

The Board, either collectively or individually, engaged with relevant authorities and regulators including in the UK, Hong Kong and South Korea to discuss key items and developments. Topics of discussion varied, including change management, Execution Risk, information and cybersecurity, Data Risk, Model Risk management, Climate Risk, Credit Risk and macroeconomic developments, resolvability, and risk-free rate transition. Further detail on how the Group engaged with regulators and governments more generally can be found on page 57 of the Strategic report.

The Board's engagement with society

The Board receives regular updates from management concerning the communities and environment in which we operate.

Either collectively or individually, directors were able to visit some of the Group's markets this year. Directors participated in a volunteering day in Jakarta, where they taught four modules from our financial education programme to children aged 15–16. In Seoul, directors took part in a community engagement session where they facilitated a mock investment and solution challenge with three female start-up CEOs from our Women in Entrepreneurship programme.

In addition, external and internal speakers provided input to the Board's discussions, which covered key societal issues such as China's emergence from the COVID pandemic, the evolving geopolitical landscape in the Middle East, and the global macroeconomic environment. Further detail on how the Group engaged with society more generally can be found on page 59.

The Board's engagement and linkages with the Group's subsidiaries

The Board and its committees recognise the importance of creating, maintaining and building upon appropriate linkages with the Group's subsidiaries. In 2023, the Group Chairman and INEDs engaged with the Group's subsidiaries through a number of forums. This included a video-enabled chair and committee chair engagement session, as well as other forms of interaction.

The Group Chairman hosted a virtual subsidiary chair engagement session during 2023. The event opened with an update from Bill Winters on the third-quarter results, progress against our strategic priorities, and areas of focus for the remainder of the year and going into 2024. The subsidiary chairs asked questions, both on the Group's performance and questions specific to their markets. José Viñals then updated the subsidiary chairs on Board changes, areas of focus for the year so far at the PLC Board, and Board diversity. The Chairman finished his thoughts on the macro outlook and challenges for the Group into 2024.

Committee chair engagement

The Audit Committee held its annual videoconference during the year, followed by a Q&A session. This was hosted by the Audit Committee Chair and attended by the Group Chairman and the chairs of subsidiary audit committees. The Group Financial Controller; Group Head, Internal Audit; Regional Head, Audit, Europe and the Americas, and Africa and the Middle East; Group Head, Conduct, Financial Crime and Compliance; members of the Group's statutory auditor, EY, including the lead audit partner; the Group Company Secretary and the Committee Secretary also participated in the call. Items discussed during the call included:

- 2023 Audit Committee focus areas
- Group Finance update, which featured UK Audit and Corporate Governance reforms and likely impact on subsidiaries, IFRS 9 models, increased sustainability disclosure and an update on capitalised software
- Conduct, financial crime and compliance update
- Group Internal Audit reporting to subsidiary audit committees
- Group statutory audit update from EY.

The Board Risk Committee Chair hosted the annual videoconference with chairs of the subsidiary board risk committees, followed by a Q&A session. The Group Chairman; Group Chief Risk Officer; Global Head of Enterprise Risk Management and Deputy Chief Risk Officer Standard Chartered Bank; the Group Company Secretary and Committee Secretary also participated in the call.

Items discussed during the call included:

- 2023 Board Risk Committee focus areas
- Group Chief Risk Officer's 2023 priorities
- Update on Model and Treasury Risk.

The Remuneration Committee Chair also held a videoconference attended by the subsidiary remuneration committee chairs and the chairs of subsidiary boards that have remuneration responsibilities. The call was also attended by the Group Chairman, other members of the Group Remuneration Committee and executives from Human Resources and Reward. The call fostered knowledge sharing and best practice between the Group Remuneration Committee and the subsidiary remuneration committees and raises awareness of the priorities felt by the wider workforce in our markets. Topics that were discussed included:

- The Fair Pay Charter and recent benefits-related initiatives
- Key focus areas for the 2023 year-end pay review and our drive to embed a high-performance culture through strong differentiation
- Discussion on key focus areas for the subsidiaries
- 2024 priorities, including the development of a new recognition platform.

Other activities that took place during 2023 to further strengthen the linkages across the Group included the following:

- The Group Chairman attended a SCBHK board meeting
- The Chair of the Group Audit Committee attended an audit committee meeting of Standard Chartered Bank (Singapore) Limited (SCBSL). The audit committee chairs of SCBHK and SCBSL attended one Group Audit Committee Meeting
- The Chair of the Board Risk Committee attended a risk committee meeting of SCBHK. The risk committee chairs of SCBHK and SCBSL joined one Group Board Risk Committee meeting.

Further detail regarding how the Group engages with its stakeholders can be found on **pages 54 to 64**.

The Board's engagement with employees

The Board places great importance on workforce engagement and values its interactions at all levels of the Group. Two-way dialogue through a variety of forums helps build the Board's understanding of key issues and developments around its markets, as well as providing an insight into the hands-on experiences of colleagues.

The role of the Board is distinct from management, and the directors are aware of the importance of overseeing, supporting and, where necessary, challenging management in implementing its people strategy and ensuring that the voice of colleagues is heard and reflected in decision-making.

Following a review of the existing Board workforce engagement model by the CSC, an enhanced model involving more face-to-face colleague interaction was approved and implemented during the year. This enhances the model that was put in place immediately preceding the COVID pandemic and was reliant on virtual touchpoints. As part of these changes, the Board continues to adopt an alternative workforce engagement method as set out in the UK Code.

The enhanced model is designed to improve how Board members gather and share feedback obtained from colleagues, while paying special attention to expanding participation in engagement sessions to a more diverse set of voices. In 2023, the Board met colleagues in various markets, including Hong Kong, Jakarta, Seoul and London, with the enhanced model being trialled successfully in London, where the Board conducted informal listening sessions in September, and again as part of the Board's trip to Seoul in November. Ahead of these informal listening sessions, directors were briefed on the individual market, including local trends provided by the annual employee engagement survey (My Voice) and other relevant data points offered by local and regional management teams. Following the listening sessions, feedback was subsequently shared with the CSC and other stakeholders, where appropriate. Through these sessions directors were able to appreciate the challenges, successes and concerns shared by colleagues in each of the markets. The Board will continue to implement our enhanced model of engagement in London and in three overseas markets which the Board plans to visit in 2024.

In addition to this enhanced model, the Group has a comprehensive employee listening programme, through which the Board has an opportunity to understand diverse employee perspectives. These tools include the annual employee engagement survey, a continuous listening programme, lifecycle surveys and diagnostic research on specific areas of focus, such as flexible working and performance management. Details on all of our employee engagement can be found on page 60.

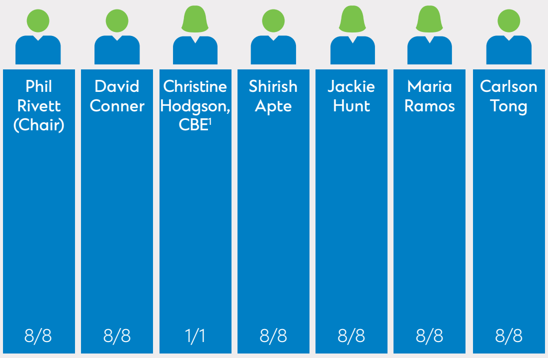
The Board is also informed about the operation of the Speaking Up programme, including on the themes of employee concerns raised through Speaking Up, employee confidence level in Speaking Up and the programme's usage volume. For more details on Speaking Up, please refer to page 131. Our Brand and Culture Dashboard has been in place since 2018 and provides a comprehensive overview of cultural change by reporting on several key metrics that allow us to monitor progress of our culture journey.

Further detail regarding employee engagement this year can be found within the Culture and Sustainability Committee report starting on page 174.

Audit Committee

"In light of the challenging external environment, the Group's investment in China Bohai Bank (Bohai), and the Group's exposures to China Commercial Real Estate (CRE) in particular, was an area of significant focus."

Committee composition



1 Christine stepped down from the Committee on 1 May 2023.

What are the main responsibilities of the Committee?

The Committee is responsible for oversight and advice to the Board on matters relating to financial, non-financial and narrative reporting. The Committee's role is to review, on behalf of the Board, the Group's internal controls, including internal financial controls. The Committee has exercised oversight of the work undertaken by the internal Conduct, Financial Crime & Compliance (CFCC) and Group Internal Audit (GIA) functions and EY. The Committee Chair reports to the Board on the Committee's key areas of focus following each meeting.

The Committee has written Terms of Reference that can be viewed at **sc.com/termsofreference**

Who else attended 2023 Committee meetings?

The Group Chairman; Group Chief Executive; Group Chief Financial Officer; Group Chief Financial Officer Designate (from 2 September); Group Chief Risk Officer; Group General Counsel; Group Head, Internal Audit; Group Head of CFCC; Group Head, Central Finance; representatives from Group Finance; Group Statutory Auditor; and the Group Company Secretary. Paul Khoo, independent adviser to the Board, attended a discussion on Financial Crime Compliance-related matters.

As part of, and in addition to most scheduled Committee meetings, the Committee held private members-only meetings. The Committee also met with the Group's Statutory Auditor, EY and the Group Head, Internal Audit, without management being present. The Committee members have detailed and relevant experience and bring an independent mindset to their role.

The Board is satisfied that Phil Rivett has recent and relevant financial experience. Phil is a chartered accountant with over 40 years' experience of professional accountancy and audit focused on banks and insurance companies. He led the audits of a number of leading banks during his career as senior audit partner of PricewaterhouseCoopers. He is also chair of the audit committee for Nationwide Building Society.

Biographical details of the Committee members can be viewed on **pages 137 to 141**

I am pleased to present the Audit Committee report for the year ended 31 December 2023. This report sets out the areas of significant focus for the Committee and its activities over the course of the year.

Throughout the year, the Committee has carefully scrutinised and challenged credit impairments, key accounting issues, significant accounting estimates and judgements made by management to ensure that they are appropriate and clearly communicated in the Group's public disclosures. In light of the challenging external environment, the Group's investment in China Bohai Bank (Bohai), and the Group's exposures to China Commercial Real Estate (CRE) in particular, was an area of significant focus. The Committee reviewed carrying values for larger investments and management overlays.

Sovereign ratings and credit impairments have also been reviewed and discussed, including Sri Lanka, Pakistan, Nigeria and Ghana. The Committee is mindful of the work of the BRC on emerging sovereign and country risks. The Audit Committee's work during the year complemented the wider review undertaken by the BRC on sovereign and country risks.

The Committee has been focused on the Group's implementation plan addressing UK ACG reforms, including the FRC's consultation on the UK Code and legislation published, and later withdrawn, by the UK government. In readiness for those proposals, work has been done on controls, process improvement and examining work already undertaken on stress testing, going concern and viability statements. Following its consultation, the FRC decided not to take forward a number of proposals. The Committee is considering which of the proposals the Group may decide to take forward on a voluntary basis. The updated UK Code was published in January 2024 and management is reviewing the implications and timings, with reporting being provided to the Committee regularly throughout the year.

As the Board-appointed Consumer Duty Champion, I am fully engaged on the progress of Standard Chartered Bank's implementation plans, through regular briefings with the Consumer Duty Accountable Executive. The Committee also receives updates on Consumer Duty, including progress on agreed commitments and actions to ensure that Consumer Duty is fully embedded in our customer experience.

The Committee reviewed and discussed the refresh of the Group Code of Conduct and Ethics, and recommended this to the Board for endorsement. This was a substantial refresh, designed to provide a guide for colleague behaviour in a fast-changing world with new technologies including artificial intelligence, customer expectations and the shifting geopolitical landscape. We were keen to understand the roll-out and training that would be provided to fully embed this within the Group.

The Committee is cognisant of the benefits of engaging with broader stakeholders and updating them on the Committee's priorities and activities. As Audit Committee Chair, I participated in the Group's stewardship event in November 2023, where the work of the Audit Committee was discussed. Details on the stewardship event may be found on page 158.

The Committee has exercised its authority delegated by the Board for ensuring the integrity of the Group's published financial information by discussing and challenging the judgements and disclosures made by management, and the assumptions and estimates on which they are based. The Committee has exercised judgement in deciding which of the issues it considered to be significant in the financial statements, and this report sets out the material matters that it has considered in these deliberations.

As a result of the Committee's work in 2023, assurance has been provided to the Board on the quality and appropriateness of the Group's financial reporting, and on internal audit, compliance and regulatory matters, to continue to safeguard the interests of the Group's broader stakeholders. The following pages provide insight and context into the Committee's work and activities during the year.

Phil Rivett
Chair of the Audit Committee

Activities during the year	
Financial reporting	• Satisfied itself that the Group's accounting policies and practices are appropriate. • Reviewed the clarity and completeness of the disclosures made within the published financial statements, in particular, that they are fair, balanced and understandable. • Monitored the integrity of the Group's published financial statements and formal announcements relating to the Group's financial performance, reviewing the significant financial judgements, estimates and accounting issues. • Considered the forthcoming UK ACG Reforms and discussed how the Group will implement the new proposals. • Considered the 'Audit Committees and External Audit Minimum Standard' published by the FRC in May 2023 and is satisfied that the Committee met the relevant requirements. Significant accounting judgements considered during 2023 are shown below. The Committee can confirm that the key judgements and significant issues reported are consistent with the disclosures of key estimation uncertainties and critical judgements as set out in Note 1 starting on page 367.

Key area	Action taken
Impairment of loans and advances	• Reviewed and challenged, on a quarterly basis, reports detailing the composition and credit quality of the loan book, concentrations of risk and provisioning levels. • Understood the Expected Credit Loss (ECL) model output, reviewed ,considered and challenged judgemental Post Model Adjustments (PMAs) and management overlays in both the wholesale and retail portfolios on a quarterly basis, that were required to estimate ECL. • Applied careful consideration and challenge on ECL provisions relating to China CRE lending and sovereign exposures. • In the case of PMAs, understood adjustments made where model performance breached monitoring standards or validation standards. • Reviewed and challenged management's proposed reduction of management COVID overlays for CPBB, as the outlook has improved during 2023. • As well as the expectation of elevated losses in industries and locations, paid particular attention to the China CRE sector and certain sovereigns. In respect of high-risk credit grade exposures, received briefings on business plans, including remedial actions and management assessment of the recoveries and collateral available. • Received a briefing on the assessment of the output of the Group's Monte Carlo model incorporating a wider range of scenario outcomes than the previous model, with the effect of increasing non-linearity in the model output. Reviewed and challenged the judgement to release the previously held PMA for CPBB, as a result of the output of these model changes. Benchmarked the ECL non-linearity calculated using the Monte Carlo model against discrete scenarios as a stand-back assessment. • Reviewed the Group's high-level quantitative assessment of the impact of Climate Risk on the Group's ECL and considered the materiality of the impact and the judgement to disclose a potential range of impact, rather than to adjust the ECL given the immaterial impact. • Received a briefing on the performance of ECL models and the remediation plans in place to address material non-performance issues, where these had been identified. • Received a briefing on the Group's adoption of the high-quality practices relating to IFRS 9 ECL and the areas of focus recommended by the PRA in recent Dear CFO letters. • Considered the appropriateness of the staging of higher-risk loans. For Stage 3 loans, monitored the impairment coverage rates, recovery forecasts and material movements.
Carrying value of investments in associates	• Challenged management on the assumptions made on the decline in Bohai's Net Interest Margin (NIM), and the outlook should China GDP not improve. • Reviewed and challenged management's assessment that the Group maintained significant influence and satisfied itself that it remained appropriate to continue to equity account for the investment.
Valuation of financial instruments held at fair value	• Received reports and updates at each reporting period detailing the key processes undertaken to produce and validate valuations of financial instruments, including any changes in methodology from prior years and significant valuation judgements. • Received regular updates on the level of unsold positions in the syndications portfolio and the valuation of these positions and plans for sell down. • Reviewed credit valuation adjustments, debit valuation adjustments, funding valuation adjustments and own credit adjustments, and considered the explanation and rationale for any significant movements.

Activities during the year continued

Other areas of focus	
Goodwill impairment	• Reviewed management's annual assessment of goodwill impairment, covering key assumptions (including forecasts, discount rate and significant changes from the previous year), headroom availability and sensitivities to possible changes in key assumptions and related disclosures.
Recoverability of parent company's investment in subsidiaries	• Discussed and challenged management's impairment assessment of investments in subsidiaries.
Disposals of aviation finance business and businesses in the Africa and Middle East (AME) region	• Reviewed and challenged the accounting treatment and impact of the disposals of the aviation finance business and businesses in the AME region.
Classification of assets as held for sale	• Reviewed management's assessment of whether certain assets or disposal groups should be reclassified as held for sale. This included reviewing the facts and circumstances for the proposed sale of the business exits in the AME region, the sale of the aviation finance business, shipping assets and remaining Principal Finance investments.
Hold to collect portfolio	• After the collapse of several US banks during the first quarter of the year, reviewed the Group's portfolio of hold to collect debt securities on a quarterly basis to monitor the amount of any unrecognised losses and to understand the potential impact.
Restructuring costs	• Reviewed and considered, on a quarterly basis, income statement charges and credits classified as restructuring.
Taxation	• Reviewed and considered a paper on the key drivers of the Group's tax rate, and updates on the Group's Deferred Tax Assets, tax exposures and recent tax developments. • Considered the impacts of the global minimum tax rules which will apply from 2024.
Provisions for legal and regulatory matters	• Considered advice presented on the current status of significant legal and regulatory matters, and reviewed management's judgements on the level of provisions and the adequacy of disclosure, as set out in Note 26 on page 434.

Going concern assessment and viability statement	• Reviewed management's process, assessment and conclusions with respect to the Group's going concern assessment and viability statement, including the forward-looking Corporate Plan cashflows, the results of various stress tests that explore the resilience of the Group to shocks to its balance sheet and business model, principal and emerging risks, liquidity and capital positions and key assumptions. Ensured that the going concern assessment and viability statement is consistent with the Group's Strategic report and other risk disclosures. Further details can be found on **pages 369, 218 and 229**
Fair, balanced and understandable	• Considered, satisfied itself and recommended to the Board that the processes and procedures in place ensure that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and the business risks it faces.

Examples of deeper discussions into specific topics	• **EY regional partner and topical overviews:** Received a presentation from EY's local regional partners in India on the Group's global business services hubs. We also held discussions with EY's specialist partners on Climate Risk and ACG reforms, providing external perspective and peer comparison. These EY regional partner overviews and technical topics will continue in 2024 and beyond. • **UK ACG reforms implementation approach:** Received and discussed updates on the implementation by the Group, including end-to-end controls and process improvement. Discussion focused on the adequacy of resourcing, potential impact to Committee and Board responsibilities under the new requirements and broader market developments associated with the reforms. The proposed approach for an Audit and Assurance Policy (AAP) was discussed, with the Committee providing feedback on this. Even though this was a proposal not taken forward by the FRC, the Committee continues to consider what might be done on a voluntary basis, where beneficial for the Group. • **Aspire programme:** Discussed an update on the Group's Aspire programme (a programme launched to deliver a modern technology system and data landscape for financial management and reporting). Discussion focused on the programme's potential in driving control enhancement and cost efficiencies in resourcing. • **Internal financial controls:** Received and discussed a paper setting out the approach taken to safeguard the production of the Group's financial books and records. • **IFRS 9 models:** Received and discussed updates on the Group's use of IFRS 9 ECL models. • **Finance resourcing:** Reviewed and discussed a paper providing assurance that the Accounting and Financial Reporting function is adequately and appropriately resourced; the qualifications, experience and training of colleagues is appropriate; and in the context of a stretching agenda, the level of resource is deemed to be appropriate to cover the implementation of ACG reforms, new capital rules under Basel 3.1 and the deployment of the Aspire programme. • **Tax update:** Received and discussed a paper setting out an update on international tax reform and a review of tax exposures and deferred tax assets. EY's specialist tax partner also joined this discussion. • **Large Exposures:** Received and discussed reports on the methodology supporting the Group's Large Exposures reporting to the regulators. • **Financial regulatory reporting:** Received and discussed an update on the Group's financial regulatory reporting remediation programme. • **Data management:** Received and discussed updates on progress in reducing the Group's Data Risk exposure. The H1 2023 discussion focused on managing Data Privacy risks in SC Ventures investments and Data Sovereignity Risk in high-risk jurisdictions, given numerous data storage, transfer and access obligations across the Group's footprint. The H2 2023 discussion focused on progress made in refreshing the focus of the Data Shield Programme, previously known as the Group's Data and Privacy Transformation Programme, resourcing and the roadmap and timelines to reach the desired end-state. This will continue to be an area of focus for 2024. • **China Data Security:** Received and discussed an update on China Data Security measures. • **Financial Crime:** Reviewed and discussed an update on Financial Crime, cognisant of the work of the BRC and Board on this matter. • **Report of the Group Money Laundering Report Officer (MLRO):** Reviewed and discussed the annual report from the MLRO. • **Group Code of Conduct Refresh:** Received and discussed a paper setting out the refreshed Code, which better connects to the Group's valued behaviours and introduces additional areas such as data ethics. The Committee recommended the Code to the Board for endorsement. • **Politically Exposed Persons (PEP):** In light of external events, received and discussed a paper setting out an overview of the Group's approach to managing PEP risk. • **FCA Consumer Duty:** Received updates on Standard Chartered Bank's implementation plans and oversight for compliance with the FCA Consumer Duty. Particular focus was placed on management information, client documentation, pricing and processes. This will continue to be an area of focus for 2024. • **Major disputes, significant regulatory and government investigations:** Received and discussed updates on major disputes and significant regulatory government investigations facing the Group. • **Technology costs:** Reviewed and considered updates from management and EY on work undertaken on capitalised technology costs, including software as a service (SaaS) arrangements. • **Technology controls:** Reviewed and considered updates from EY on the results of their testing of privileged user access management controls, noting improvements made by management in this area during 2023.

Activities during the year continued

Group Statutory Auditor, EY	• Reviewed and discussed the risks identified by EY's audit planning, as well as EY's planned audit strategy in response to those risks. • Satisfied itself that EY has allocated sufficient and suitably experienced resources to address these risks and reviewed the findings from the audit work undertaken. • Sought and received assurance that no undue pressure has been asserted on the level of audit fees, to ensure that audit work can be conducted effectively and independently. • Conducted an annual performance and effectiveness review of EY. Input was received from Committee members, chairs of subsidiary audit committees, the Group Management Team, regional/country chief financial officers, members of the Group Finance Leadership Team and GIA senior leadership. The results of this input were discussed by the Committee. Overall, it was felt that EY is considered to be effective, objective and independent in its role as the Group's Statutory Auditor. The Committee agreed to propose to the Board that the re-appointment of EY as the Group's Statutory Auditor for a further year be recommended to shareholders at the 2024 AGM. This recommendation was made without any influence from a third party and free from any contractual obligation to do so, including for the avoidance of doubt, any contractual term described in Article 16(6) of the Audit Regulation. • Reviewed and discussed EY's audit planning report and any updates, audit results reports and interim review reports. • Received and discussed a paper setting out EY's control themes and observations from the 31 December 2023 year-end audit, as well as an update on these matters later in the year. • Reviewed and discussed EY's approach to the private Written Auditor Report to the PRA for the year ended 31 December 2023. Updates from management were also provided. • Received reports from EY and management regarding EY's FCA Client Assets (CASS) audit of Standard Chartered Bank. The Committee met privately with EY at the end of certain Committee meetings, without management being present. Phil Rivett met regularly with the EY partners leading the Group's audit during the course of the year. The Company complies with the Statutory Audit services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the external auditor. As a UK public interest entity, the Group is required to tender the audit every 10 years and rotate the auditor every 20 years. As long as the Committee remains satisfied with EY's performance, the Group has no current intention of tendering for an alternative external auditor to commence before the end of the current required 10 year period. Any tender would be in respect of 2030 onwards and would likely occur in 2027, in order to allow sufficient time to plan for a transition. EY has been the Group's Statutory Auditor for four years. In accordance with the Audit Practices Board's requirements, the lead audit engagement partner will have held the role for five years following the completion of the audit for the year-ending 31 December 2025. The lead engagement partner, David Canning-Jones, has a background of auditing banks and understands the markets in which the Group operates. Following completion of the audit for the year-ending 31 December 2024, Micha Missakian, an EY senior audit partner who is also experienced in auditing global banking institutions, will assume the role of the lead audit engagement partner. Following the 2017 audit tender, EY was appointed as the Group's Statutory Auditor for the financial year ended 31 December 2020. EY has been re-appointed as the Group's Statutory Auditor for the financial year ended 31 December 2023 at the 2023 AGM.
Non-audit services	• In 2023, the Group spent $14.1 million on non-audit services provided by EY (including audit-related assurance services such as quarterly and half year reviews and regulatory reporting) and $41.2 million on the audit of the Group and its subsidiaries. Further details on non-audit services provided by EY can be found in Note 38 on **page 462** and the Group's approach to non-audit services on **page 228**
Internal controls	• Discussed reports from GIA that provide GIA's view on the system of internal controls across all risk types, business and country functions, including summary highlights of the most significant matters identified by GIA and areas of thematic interest that have arisen as part of the audits and warrant the Committee's attention. On a periodic basis, GIA reports on any overdue remediation of findings. The BRC and the CSC discussed separate reports from the Group Head, Internal Audit on GIA's appraisal of controls across key risks, subject to each committee's oversight. Further details on internal controls can be found on **page 222**
Group Internal Audit	• Assessed the role and effectiveness of the GIA function, and reviewed and monitored GIA's progress against the 2023 Audit Plan and the review and monitoring of audit themes, trends and significant issues. Significant changes to the Audit Plan were also discussed and approved by the Committee. • Reviewed and approved GIA's 2024 Audit Plan, resourcing and budget, and is satisfied that these are appropriate. • Reviewed and approved the refreshed GIA Charter. • Received and discussed reports from the Global Head, Audit Quality Assurance (QA) on the QA function's view of the control environment in GIA. • Scrutinised any long overdue issues raised by GIA and requested management to develop risk reduction plans for items with long closure periods to be monitored by GIA. • Reviewed GIA's functional strategy, including GIA's mission, vision and priorities. The Committee is satisfied with the independence and objectivity of the GIA function. • Received an update on the planned External Quality Assurance Review that will take place in 2024. • Over the course of the year, Phil Rivett met regularly with the Group Head, Internal Audit and the Audit Executive Team. The Group Head, Internal Audit also met privately with the Committee.

Activities during the year continued

Conduct, Financial Crime & Compliance	In 2023, the Committee was updated on and discussed: • regulators' supervisory focus areas, regulatory updates and forward-looking themes, the status of the Group's core college regulatory relationships and enforcement matters • topical compliance issues, for example, the Committee was updated on transaction reporting and the use of unapproved communication channels, recognising progress made to date and issues faced by the Group • the importance of continuing to strengthen the effectiveness in our overall risk management • the function's operating model, including an overview of the CFCC budget and organisational changes to simplify the function • CFCC's resources and budget to deliver against its mandate, including the use of automation. Phil Rivett met regularly throughout the year with the Group Head, CFCC.
Speaking Up	The Committee reviewed and discussed an annual report on the operation and effectiveness of Speaking Up, the Group's confidential whistleblowing programme. The report provided the Committee with assurance of the Group's ongoing compliance with the PRA and the FCA's Whistleblowing Rules. Once reviewed and discussed by the Committee, this report was submitted to the Board. In 2023, the Committee Chair received updates on Speaking Up outside of formal Committee meetings and regularly met with senior management from Conduct and Compliance. Further details on Speaking Up can be found on **page 131**
Interaction with regulators	Phil Rivett attended a trilateral meeting with EY and the PRA and also met with the PRA in his capacity as Audit Committee Chair.
Linkages with subsidiary audit committees	In 2023, Phil Rivett attended an audit committee meeting of SCBSL. The audit committee chairs of SCBHK and SCBSL attended one Standard Chartered PLC Audit Committee meeting. This practice will continue in 2024 to reinforce these important linkages. Phil Rivett hosted an annual video-conference with the chairs of subsidiary audit committees and INEDs in May 2023. Please refer to page 160 on linkages between the Committee and chairs of subsidiary audit committees.

Progress against the 2023 Action Plan

The 2023 Action Plan set out a number of actions from the externally facilitated Committee evaluation conducted in 2022. The 2023 Action Plan was reviewed during the year and good process had been made against the actions, with all of them being completed.

Committee effectiveness review

During 2023, the Group Company Secretary facilitated an internal Board and Board committee effectiveness review.

Key observations from the 2023 internal effectiveness review

The feedback on the Committee's functioning and effectiveness was positive and specifically highlighted the following:

- The Committee's oversight and understanding of all the key issues under its remit was rated highly, with focused agendas and productive discussions.
- While there were no identified gaps in the technical skills of Committee members, there is a need to monitor the Committee's composition to ensure that sufficient experience in banking, accounting and financial reporting remain in the Committee as Committee members step down.
- The contributions from EY and GIA were well rated. A suggestion was made for more engagement with members of the GIA function, in addition to the Group Head, Internal Audit.

2024 Action Plan

The 2024 Action Plan for the Committee reflects suggestions from the evaluation and continues to build on the solid progress made last year:

- Maintain focus on enhanced internal controls to meeting forthcoming legislative and corporate governance requirements.
- Continue to monitor the length, focus and timeliness of papers.
- Schedule training sessions in 2024 to cover topics such as ECL, internal controls and an optimum control environment.

Board Risk Committee

"In an ever-changing and complex geopolitical and macroeconomic environment, the Committee remained focused to ensure efficient and effective risk management across the Group."

Committee composition

	Maria Ramos (Chair)	David Conner	Gay Huey Evans, CBE	Phil Rivett	David Tang	Carlson Tong	Shirish Apte	Robin Lawther, CBE[1]
	6/6	6/6	6/6	6/6	6/6	6/6	6/6	6/6
Ad hoc	5/5	5/5	5/5	5/5	5/5	5/5	5/5	4/5

1 Robin was unable to attend one ad hoc meeting due to a prior business commitment

What are the main responsibilities of the Committee?

The Committee is responsible for exercising oversight, on behalf of the Board, of the key risks of the Group. It reviews the Group's Risk Appetite Statement and Enterprise Risk Management Framework (ERMF) and makes recommendations to the Board. Its responsibilities also include reviewing the appropriateness and effectiveness of the Group's risk management systems, key controls and considering the implications of material regulatory change proposals, reviewing reports on principal risks, including Climate Risk, to the Group's business, providing oversight and challenge to the design and execution of stress testing, and ensuring effective due diligence on material acquisitions and disposals. The Committee Chair reports to the Board on the Committee's key areas of focus following each meeting.

The Committee has written Terms of Reference that can be viewed at **sc.com/termsofreference**

Who else attended Committee meetings in 2023?

The Group Chairman; Group Chief Executive; Group Chief Financial Officer; Group Chief Financial Officer Designate (from 2 September); Group Chief Risk Officer (GCRO); Group Head of Enterprise Risk Management; Group General Counsel; Group Treasurer; Group Head, Conduct, Financial Crime & Compliance; Group Head, Internal Audit; the Group's Statutory Auditor; and the Group Company Secretary.

Sir Iain Lobban, independent adviser to the Board, regularly attended discussions on Information and Cyber Security Risk and technology. Paul Khoo, an independent adviser to the Board, attended discussions on Financial Crime Risk (FCR) related matters. EY attended all Committee meetings in 2023. As part of, and in addition to scheduled Committee meetings, the Committee held private members-only meetings. The Committee's membership comprises INEDs who have a deep and broad experience of banking and the risk factors affecting the Group, including geopolitical, economic, IT, Financial Crime (FC) and general business risks.

Biographical details of the Committee members can be viewed on **pages 137 to 141**

I am pleased to present the Board Risk Committee's report for the year ended 31 December 2023.

In an ever-changing and complex geopolitical and macroeconomic environment, the Committee remained focused to ensure efficient and effective risk management across the Group.

Market volatility earlier in the year, resulting from the challenging external environment, prompted the Committee to focus on key macroeconomic issues. In particular, a severe liquidity stress test was performed, in light of banking sector events, and the Committee also reviewed and challenged the Group's Annual Cyclical Scenario (ACS) stress test results for submission to the Bank of England (BoE).

Credit Risk has been reviewed and discussed at most Committee meetings, given the uncertain external environment, with China CRE and global CRE being key areas of focus. Sovereign Risk remained a priority, with global trends throughout the year being closely monitored.

The Group's hedging strategies were robustly challenged, with specific deep dives on Interest Rate Risk in the Banking Book, Foreign Exchange, Treasury Portfolios and Financial Markets.

The Committee is aware of its critical role in overseeing and assessing robust ICS defence strategies. A key focus of 2023 was ICS Risk management, with representation from the three lines of defence and our Cyber Advisor to the Board, Sir Iain Lobban. In particular, we scrutinised the Group's ICS Risk Appetite and Strategic Plan. The Committee has dedicated significant time to ICS Risk this year, including scheduling an ad hoc meeting and completing ICS training. ICS Risk will remain a key priority given the evolving and dynamic landscape in which we operate.

The Committee has had oversight of Operational Risk during the year, with particular focus on the Group's data centre migration programme.

Resolvability was discussed regularly throughout the year, and we reviewed and approved the Group's Resolvability Assessment Report, ahead of submission to the PRA in October 2023. Assurance was taken from the extensive work performed by the second and third lines of defence to review and challenge Resolvability documentation prepared by the first line.

Operational Resilience remained a key topic in 2023, with the Committee challenging the embedding of Important Business Services (IBS) and Impact Tolerance Statements (ITS) within the Group. The Committee reviewed and recommended to the Board for approval the Group's Operational Resilience Self-Assessment. Furthermore, we considered and approved material changes to the Group's IBS and ITS arising from the annual review, in accordance with authority delegated by the Board. Progress to meet the 2025 regulatory deadline continues to be carefully monitored to ensure compliance.

Financial Crime Risk has been a key feature of the Committee's work during the year. The CCIB and CPBB Risk reviews both covered FCR matters, and we received dedicated papers on client due diligence and surveillance and Russian sanctions. Towards the end of the year, we considered emerging FC threats faced by the Group and risk mitigation; and we reviewed and discussed the coverage of FCR by the Committee, Audit Committee and the Board, to ensure that the balance is appropriate. This discussion provided useful suggestions for enhancement, which will be taken forward in 2024.

In December 2023, we welcomed the board risk committee chairs from the Group's Hong Kong and Singapore banking subsidiaries as observers. I hosted a call with subsidiary board risk committee chairs from across the Group in July 2023, designed to strengthen subsidiary governance linkages and engagement.

The following pages provide insight and context into the Committee's work and activities during the year.

Maria Ramos

Maria Ramos
Chair of the Board Risk Committee

Activities during the year

Risk Appetite	• Reviewed, challenged and approved at half year changes to the Group's Risk Appetite Statement and Board metrics. • Scrutinised and recommended to the Board for approval the revised ICS Risk Appetite Statement and Board metrics. • Reviewed and recommended to the Board revisions to the Group's Risk Appetite Statement and Board metrics for 2024. Challenge was provided to ensure that the Risk Appetite sets appropriate boundaries in respect of each Principal Risk Type and is affordable within the overall context of our financial resources. Specific consideration was given to redistribution of metrics between the Board and management-level, as well as appropriate Board oversight and reporting, including any breaches. • Monitored actual exposures throughout the year relative to Risk Appetite limits using regular Board Risk Information reports. Further details of the Group's Risk Appetite are set out on **pages 314 to 316**
Enterprise Risk Management Framework (ERMF)	• Reviewed proposed material changes to the ERMF, arising from the 2023 annual review, including a refreshed definition of the Risk Culture and recommended these changes to the Board for approval. • Considered the approach and key outcomes of the 2023 annual effectiveness of the ERMF. Affirmation was received from the GCRO that the Group's risk management and internal control framework is materially effective and improvement areas were highlighted for management attention. Further details of the ERMF are set out on **pages 314 to 316**
Principal Risk Types	• Received reports on the Group's Principal Risk Types at each of its scheduled meetings, through a Board Risk Information report. In addition, the Committee had deeper discussions on the topics set out on page 172. Further details on Principal Risk Types, including the definitions of each, are set out on **pages 317 to 337**

Key area	Action taken
Operational and Technology Risk	• Received regular updates on the risk environment including progress of key change and technology programmes. • Discussed independent reports on Cash Payments systems and Client Lifecycle Management in CCIB, particularly the progress to address the recommendations provided. • Considered the Group's ISO 20022 readiness ahead of launch and the technological developments required. • Received updates on the progress of key technology transformation programmes, particularly data centre resilience and updates to the Group's Cloud strategy, from all three lines of defence. • Sought assurance as to appropriate risk management of the key programmes.
Model Risk	• Reviewed and discussed the key risks and issues relating to Model Risk management. • Provided review and challenge on the Group Model Risk Appetite. • Considered the progress of the programme for Advanced Internal Ratings Based model delivery. • Received updates on the Group Model Risk profile, Risk Appetite and the progress of Model Risk strategic initiatives. • Considered the recent PRA requirements relating to Model Risk management for banks (SS1/23), the implications for the Group's model framework and expectations of the Board.

Activities during the year continued

Key area	Action taken
ICS Risk	• Reviewed and discussed ICS Risk management, with representation from the three lines of defence and our Cyber Adviser to the Board, Sir Iain Lobban. This included oversight of key milestones and topical deep dives. • Challenged management as to its progress on the ICS Transformation Programme and scrutinised the ICS Strategic Plan. • Considered the ICS Risk Appetite in detail. In particular, this included ICS Risk Appetite linkages to the Group's Threat-led Scenario Risk Assessment and calibration between Board and management-level metrics and leading indicators. • Recommended three refreshed ICS Risk Appetite Board-level metrics to the Board for approval. • Received assurance from GIA on the ICS programme and monitored management's progress to address audit actions. • Monitored progress of the Insider Threat Programme and endorsed management's holistic approach. • Committee members were invited to attend meetings of the Group's Cyber Security Advisory Forum, along with the rest of the Board.
Treasury Risk	• Received the Group Treasurer's report, at each scheduled meeting, which covers market developments, capital, liquidity, leverage and funding, recovery and resolution planning, regulatory updates and rating agency updates. • Reviewed and discussed papers on Hedging strategies: Interest Rate in the Banking Book, Foreign Exchange and Treasury Portfolios deep dives. • Considered and discussed the Group's capital and liquidity position and the regulatory environment in the context of regulatory submissions. • Reviewed, discussed and challenged the Group's ACS stress test results for submission to the BoE, as well as the Internal Capital Adequacy Assessment Process (ICAAP) and a severe liquidity stress test in response to external market events. For further detail on the Committee's work on stress testing see **page 171** The Committee's work on Resolvability is set out on **page 171**
Credit Risk	• Received and discussed updates on Credit Risk, with China-related impairments being key areas of focus, cognisant of the work of the Audit Committee. These discussions were further enhanced through deep dives into various countries, sovereigns, and business/client segments, details of which are set out in examples of deeper discussions on specific topics.
Traded Risk	• Received and discussed papers on developments and changes in the risk profile of Treasury and Financial Markets over the past year. The size and volatility of the Treasury book was reviewed, as well as the quality and resilience of the Financial Markets business. • Discussed management's work to de-risk the Treasury Markets portfolio and the review of the Treasury Market Risk Appetite. • Requested a deep dive on changes to the Financial Markets Fair Value portfolios.
Financial Crime Risk	• Reviewed FCR matters as part of regular CCIB and CPBB Risk reviews. • Discussed a paper on the Group's approach to managing FCR, including client due diligence and surveillance, as well as a Russian sanctions update. • Considered a paper setting out emerging FCR threats and the Group's risk mitigation. • Reviewed and discussed the coverage of FCR by the Committee, Audit Committee and the Board, whereby enhancements for 2024 were discussed.

Activities during the year	
Board and senior talent succession planning	• Engaged Russell Reynolds[1], a signatory to the voluntary code of conduct for executive search firms, to review the market for future INED candidates with capabilities in technology, consumer experience, sustainability and market representation. • Discussed the composition of the Board and considered the orderly succession of current INEDs and the skills, knowledge, experience, diversity (in the widest sense) and attributes required of future INEDs, both immediately and in the medium to longer term. In considering the Board's succession, the Committee takes into account the length of tenure of the INEDs, and the importance of regularly refreshing the Board membership. • Systematically reviewed a number of INED long and short lists throughout the year to identify potential candidates with a diverse range of skills, experience, knowledge and perspectives. • Worked with Russell Reynolds to conduct an external talent mapping and search process for the Group Chief Financial Officer role. Oversaw a thorough assessment and interview process for both external and internal candidates for the role. The process resulted in the Committee recommending to the Board the appointment of Diego De Giorgi. • Maintained oversight of the progress made by Shirish Apte, Robin Lawther, Jackie Hunt and Linda Yueh, against their tailored Board and committee induction programmes. • Provided oversight of the detailed executive and senior management (level below Management Team) succession plans, alongside other critical roles, including the oversight of a process of external market mapping of key management roles. • Reviewed succession plans for the committee chair roles, identifying appropriate individuals with the necessary skills and attributes to provide emergency cover as required, as well as on a longer-term basis, including acknowledging and addressing where gaps exist. As part of this process, the Committee recommended to the Board the appointment of Linda Yueh as Chair of the CSC.
Board and committees' effectiveness review	• Provided oversight of the Board and committees' evaluation, and monitored progress against the 2023 Action Plan, which addressed the key observations from the 2022 effectiveness review. • Discussed the observations and recommendations which flowed from the 2023 internally facilitated Board and committees' review and recommended to the Board the 2024 Action Plan. Details of this year's Board and committees' evaluation, including the process which we followed, observations from the review and the resulting 2024 Action Plan can be found on **pages 155 and 156**
Board Diversity Policy	• Reviewed progress made in 2023 against the agreed commitments set out in the Board Diversity Policy. • Conducted a review of the Board Diversity Policy to ensure that it continued to drive diversity in its broadest sense, while continuing to take account of best practice, specifically in the area of gender, social and ethnic backgrounds, knowledge, personal attributes, skills and experience. No changes were made to the Policy in 2023. • Considered the Company's current and projected compliance against the targets set out in the UK Listing Rules and Disclosure Guidance and Transparency Rules (DTRs) in relation to diversity and inclusion on company boards. Further details of progress the Board has made against the key objectives set out in the Board Diversity Policy are set out on **page 180**
Independent advisers	• Recommended to the Board the extension, for a further 12 months, of Sir Iain Lobban's appointment as independent adviser to the Board and its committees on cyber security and cyber threats.
Outside interest	• Conducted an annual review of the directors' existing and previously authorised potential and actual situational conflicts of interest and considered whether any circumstances would necessitate the authorisation being revoked or amended. Also noted directors' other directorships and business interests taken during the year in the context of time commitment, overboarding and the PRA limits on directorships as well as other regulatory requirements in this area.
Assessment of the non-executive directors' independence	• Considered the independence of each of the non-executive directors, taking into account any circumstances likely to impair, or which could impair, their independence. Noted the thorough process undertaken to assess individual director performance and effectiveness, taking these reviews into account along with tenure and succession plans in making its recommendation to appoint the INEDs for a further year.
Subsidiary governance	• Received updates from the three regional CEOs on the Group's approach to subsidiary governance. Received assurance of effective oversight and compliance with the Group's Subsidiary Governance Policy and discussed material regulatory trends, initiatives and considerations likely to impact the current or future governance of the Group's banking subsidiaries; the key actions arising from banking subsidiary board effectiveness reviews; and linkages between banking subsidiaries and the Group.
Corporate governance	• Considered the FRC's proposed reforms to the 2018 UK Corporate Governance Code, the outcome of the FRC's consultation and potential implications on the Group's governance, including on risk management, internal controls and reporting obligations.
Terms of Reference	• Conducted a review of the Committee's Terms of Reference during the year, taking into account the responsibilities, obligations and best practice principles it has in the UK and Hong Kong.

1 Russell Reynolds also provides senior resourcing to the Group. The Company is not aware of any connections between Russell Reynolds and the Company's directors.

Implementation of the Board Diversity Policy

The Committee conducted its annual review of the Board Diversity Policy (the Policy) in 2023. No changes were made to the Policy.

Although our Board Diversity Policy does not contain specifications or targets for committee membership, the Policy provides for a diverse Board with a wide range of skills and perspectives which its members bring to our Board committees.

Progress against the Board Diversity Policy objectives, and targets set out in the UK Listing Rules 9.8.6(9)

As the composition of the Board continues to change, the balance of women directors on the Board this year fell slightly compared with last year, with female representation on the Board ending the year at 38 per cent following the departures of Christine Hodgson and Jasmine Whitbread (as at 31 December 2022 it was at 43 per cent). This falls short of both the requirements set out in the Policy and in the Listing Rules. The Board is absolutely committed to ensuring female representation on the Board is at least in line with the target of 40 per cent set out in the Listing Rules and the Policy. Following the composition changes to the Board, announced on 16 February 2024, by the 2024 AGM female representation on the Board will be 42 per cent.

As of 31 December 2023, the senior positions on the Board, as defined by the Listing Rules, are held by one female director and three male directors, in line with the minimum requirement set out in the Listing Rules. More details are set out on page 178.

As of 31 December 2023, directors from an ethnic minority background represented 31 per cent of the Board, above the 30 per cent target set out in our Policy. Of the thirteen directors on our Board, four directors are from an ethnic minority background, above the minimum requirement set out in the Listing Rules. More details are set out on page 178.

Aligned to the Policy's broad ambition, this year we continue to report on the progress made against the seven objectives set out in the table below.

Board Diversity Policy objectives	Progress
Increasing the representation of women on the Board with an aim to have a minimum of 40 per cent female representation	Increasing gender representation on the Board remains an important focus of the Board's succession planning process, ensuring that female candidates are fairly represented on long and short lists. The composition of the Board continued to change during the year, with the retirement of two INEDs, Christine Hodgson and Jasmine Whitbread from the Board on 31 January 2023 and 3 May 2023 respectively. Linda Yueh was appointed an INED to the Board on 1 January 2023 and we announced the appointment of Diego De Giorgi as Chief Financial Officer Designate to succeed Andy Halford, with effect from 3 January 2024. Female representation on the Board is currently 38 per cent, below both the Board's target and that set out in the Listing Rules. Following the composition changes to the Board, announced on 16 February 2024, by the 2024 AGM female representation on the Board will be 42 per cent.
Adopting an ethnicity aspiration of a minimum of 30 per cent from an ethnic minority background	Following the changes to the composition of the Board during the year, representation from ethnic minority background has increased from 21 per cent in 2022 to 31 per cent at the end of 2023. We remain committed to our ethnicity aspiration and to ensuring a broad representation of our directors from across our markets.
Ensuring that our Board reflects the diverse markets in which we operate	What sets Standard Chartered apart is our diversity of people, cultures and networks. The Board has representation from across the regions in which we operate, including the UK, EU, North America, North and South-East Asia and Africa. Many of the INEDs have additional experience of having worked and lived in many of the Group's markets. As part of the Committee's succession planning in 2023, it has considered a significant number of potential future INED candidates who are representative of some of our key regions and markets.
Ensuring that the Board is comprised of a good balance of skills, experience, knowledge, perspective and varied backgrounds	Throughout the year the Committee has focused on identifying the collective experience, skills and attributes required both immediately and in the medium to longer term. The Committee has systematically reviewed candidate longlists and shortlists to identify potentially suitable INED candidates. Areas of particular focus in 2023 included: • Expertise from the Technology sector • Global Consumer experience (non-FS) • Former CEO experience • Representation from Group's markets.
Ensuring that we consider the Group's aspirations in relation to disability, sexual orientation, gender identity and gender expression	We remain committed to all aspects of diversity as we undertake any Board succession process.
Only engaging search firms who are signed up to the Voluntary Code of Conduct for Executive Search firms	We continue to only engage search firms signed up to the Voluntary Code of Conduct. We worked with Russell Reynolds to assist us in identifying and building a pipeline of high-quality potential INED candidates for a number of assignments. Russell Reynolds is signed up to the Voluntary Code and is committed in supporting our ambitions to widen all aspects of diversity on the Board.
Reporting annually on the diversity of the executive pipeline as well as the diversity of the Board, including progress being made on reaching the Board's gender and ethnicity aspirations	The Committee takes an active role in reviewing the succession planning for the Executive, Management Team and senior management one level below the Management Team. We continue to improve our reporting of Board and senior talent succession planning as well as reporting on the importance of a diverse Board as a means of capturing differing perspectives and enhancing discussion. Progress enhancing diversity along with the Board's gender and ethnicity aspirations will continue to be developed.

Details of the Board's diverse composition are set out on pages 137 to 141 of this report, and that of the Management Team can be found on pages 142 to 144. Our approach to collecting Board diversity data is set out on page 503.

Details of the Group's wider diversity and inclusion strategy, including gender balance across the Group and targets for ethnic representation, can be found on pages 60 to 63 of this report.

A copy of the full Board Diversity Policy can be viewed at sc.com/boarddiversitypolicy and further details on the Group's approach to Diversity and Inclusion can be viewed at sc.com/diversity-and-inclusion

Progress against the 2023 Action Plan

The 2023 Action Plan set out a number of actions from the externally facilitated Committee evaluation conducted in 2022. The 2023 Action Plan was reviewed during the year and good process had been made against the actions.

Committee effectiveness review

During 2023, the Group Company Secretary facilitated an internal Board and Board committee effectiveness review.

Key observations from the 2023 internal effectiveness review

The feedback on the Committee's functioning and effectiveness was positive and specifically highlighted the following:

- Work had been done to improve the pace of the identification and assessment of candidates.
- The Committee's focus and diligence in identifying skills and experience required on the Board, and oversight of CEO, CFO and INED succession was rated highly.
- The INED induction programmes, including the phased nature of their delivery, were well rated.

2024 Action Plan

The 2024 Action Plan for the Committee reflects suggestions from the evaluation and continues to build on the solid progress made last year:

- Continue to focus on Board succession planning, with particular focus placed on increasing diversity and adding further deep banking expertise, global markets representation and sustainability expertise to the Board.
- Consider increasing the time allotted for meetings to ensure sufficient deliberation.
- Follow up on the suggestions for training to be provided in 2024, including on diversity and inclusion.

Directors' remuneration report

"Rewarding strong performance and delivering on our targets."

Key sections

Summary of 2023 remuneration decisions

- Group performance in 2023 was strong across both financial and non-financial metrics. Remuneration decisions have been made to reflect this performance and the delivery of our targets.
- Discretionary incentives are USD1,574m, down 1 per cent on 2022, reflecting Group performance and affordability.
- Annual incentive awards for executive directors, Bill Winters, Group Chief Executive (CEO) and Andy Halford, Group Chief Financial Officer (GCFO), were assessed at 66 per cent and 65 per cent of the maximum, and are 2.5 per cent and 2.6 per cent lower than 2022 awards respectively.
- Global average salary increases of 2.2 per cent for 2024, focused on junior employees and those in high inflation markets. No salary increases for executive directors in line with this approach.
- Projected performance outcome of 66 per cent for the 2021-23 long-term incentive plan (LTIP) awards.
- Reward for all Group employees, including the executive directors, continues to be aligned to the Group's strategic priorities, through the annual and long-term incentive scorecards.

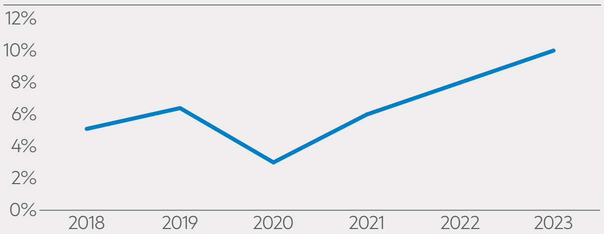
I am pleased to present our directors' remuneration report for the year ended 31 December 2023. This report provides an overview of the Remuneration Committee's work on remuneration for the executive directors and the wider workforce. The directors' remuneration policy has operated as intended, incentivising performance linked to the Group's strategy and aligning with shareholder interests.

The Group continues to make significant progress and has delivered strong performance in 2023, achieving our ambition of a double-digit return on tangible equity (RoTE) for the full year. The decisions taken by the Committee were based on careful consideration of a broad range of factors including the economic environment in our markets, performance across the Group, and the need for appropriate and fair reward for our workforce.

Our performance in 2023

Underlying profit before tax is up 27 per cent at ccy on 2022, reflecting significant progress in our high-growth markets despite an uncertain picture for the global economy. RoTE has continued to grow above pre-pandemic levels and is up 240 basis points to 10.1 per cent.

RoTE performance



The Group remains well capitalised with Common Equity Tier 1 (CET1) ratio at 14.1 per cent.

The formulaic outcome for Group performance, based on the balanced scorecard, was 80 per cent. Of this, 38 per cent (out of a possible 50 per cent) related to financial performance including income up 13 per cent and the increase in RoTE. The remaining 42 per cent related to the achievement of non-financial goals, including strong client satisfaction performance, improved growth across target markets and achievements against our sustainability targets.

See **pages 196 and 197** for more information

Financial KPIs

Profit before taxation	Common Equity Tier 1 ratio
$5,678m	14.1%
↑27%	↑10bps

Return on tangible equity	Total shareholder return
10.1%	9.4%
↑240bps (underlying basis)	2022: 41.4%

Group-wide remuneration

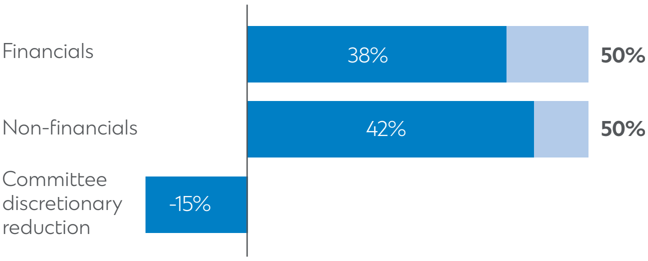
2023 discretionary annual incentives

The Group scorecard formulaic assessment of 80 per cent is the starting point for determining discretionary incentives.

To arrive at a distributable pool, the Committee considers additional factors not captured by the scorecard, such as the external environment, market competitiveness and overall affordability. The Committee also considers risk, control and conduct matters, including ongoing investigations and matters raised by regulators.

Following its review of these factors, the Committee determined that a reduction of 15 percentage points from the initial scorecard outcome was appropriate. In making this decision, while noting that 2023 performance was very positive, the Committee was conscious to maintain an appropriate balance between rewarding our employees and delivering appropriate value to shareholders.

Calculating the Group scorecard outcome for discretionary incentives



65% Group scorecard outcome

See **pages 196 and 197** for further details

Discretionary incentive pool

Incentive pool ($m)	% change (reported)	% change (same store basis)
1,574	(1%)	(2%)

2024 salaries

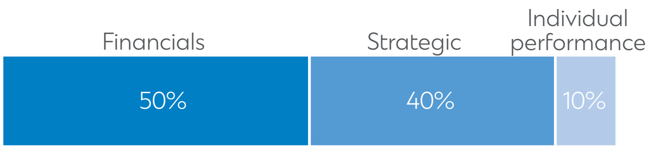
We have increased salaries in 2024 by 2.2 per cent on average globally. This is lower than last year, reflecting falling inflation in a number of our locations. We have focused the increases on junior employees, and on markets that continue to experience high rates of inflation.

Additionally, we have provided targeted support through off-cycle salary increases to colleagues facing economic hardships in countries such as Angola, Argentina, Egypt, Ghana, Nigeria, Pakistan, Sierra Leone, Turkey and Zimbabwe.

Executive director remuneration in 2023

Annual incentives for executive directors

Annual incentives for Bill and Andy are based predominantly on the Group scorecard with an additional element for personal performance, as below.



For 2023, the Committee approved the following annual incentive outcomes, including individual performance assessments, for Bill and Andy. The Committee is satisfied that these are appropriate given 2023 Group performance and the significant personal contributions from Bill and Andy.

	2023 annual incentive (£)	% of maximum	Year-on-year change (%)
Bill Winters	**1,461,874**	66%	(2.5%)
Andy Halford	**920,348**	65%	(2.6%)

See **pages 196 to 199** for further details

2021-23 LTIP awards vesting in March 2024

The 2021-23 LTIP awards are due to start vesting in March 2024 with a projected performance outcome of 66 per cent, based on RoTE performance of 10.1 per cent (maximum outcome), relative total shareholder return (TSR) ranking between median and upper quartile and above target performance against sustainability and other strategic measures. As usual, the final relative TSR outcome will be assessed three years from the date of award, in March 2024. The values delivered by this projected outcome are based on the three-month average share price to 31 December 2023 and are included in the single total figures of remuneration for Bill and Andy.

	Award share price (£)	Valuation share price (£)	2021-23 LTIP projected outcome (£)
Bill Winters	4.90	6.72	**3,340,237**
Andy Halford	4.90	6.72	**2,135,206**

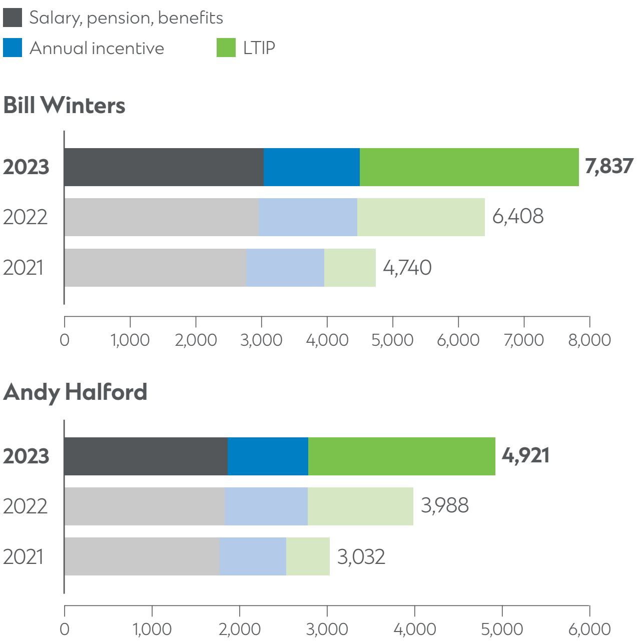
The Committee considered the grant price against that of the previous year's award, and against the average share price in the period leading up to the grant date. Based on the review, the Committee determined that the price difference was not significant and, therefore, there was no windfall gain and no adjustment to the award was required.

See **pages 200 and 201** for further details

Single total figure of remuneration for 2023

The 2023 annual incentive and projected 2021-23 LTIP performance outcome results in a 2023 single figure for Bill of GBP7,836,987 and for Andy of GBP4,921,095. This represents year-on-year increases of 22 and 23 per cent respectively, largely due to the projected performance outcome of the 2021-23 LTIP award.

2023 single total figure of remuneration (£000)



A significant portion of both Bill's and Andy's total remuneration is share-based with delivery and release over an eight-year period. The deferral, retention and recovery provisions of their pay continue to reinforce alignment with shareholder interests and the Group's long-term performance. Both Bill and Andy continue to exceed their shareholding requirements.

See **page 195** for further details

Directors' remuneration report
continued

Executive directors' remuneration in 2024

Change in GCFO

On 31 August 2023 we announced that Andy Halford had decided to retire as GCFO and as an executive director. He has been succeeded by Diego De Giorgi who joined on 1 September 2023. Diego was appointed as GCFO and joined the Board as an executive director on 3 January 2024, after receiving regulatory approval.

Andy
Andy remained as GCFO and an executive director until 2 January 2024, helping to ensure a smooth transition. After stepping down as GCFO, he is continuing as a Senior Adviser, working on strategic projects for the Group. He will continue to receive his salary and benefits until he retires on 31 August 2024.

Andy will be considered an eligible leaver and, in accordance with the directors' remuneration policy, was eligible for a 2023 annual incentive award, determined by the Committee based on Group and individual performance during 2023.

As an eligible leaver, Andy will retain all existing LTIP awards subject to the achievement of performance measures. He will receive the full value of his 2021-23 LTIP award given the performance period will complete during his employment. His other awards will be pro-rated for the period until he retires. All outstanding awards will vest and release as scheduled and remain subject to malus and clawback arrangements. Andy is not eligible for any further LTIP awards and will not receive an award in March 2024.

Andy will be eligible to be considered for a pro-rated 2024 annual incentive award for time served as a Senior Advisor, based on contribution.

Diego
Diego's remuneration arrangements have been set in accordance with the directors' remuneration policy.

	Value (£)	Delivery method
Salary	1,650,000	67% cash 33% delivered in shares – released in equal amounts over five years
Pension	110,000	10% of the cash element of salary

Diego also receives core benefits in line with the approach for all UK employees with additional role-specific benefits appropriate to his responsibilities.

Diego was eligible for a 2023 annual incentive which has been pro-rated to reflect the period for which he was employed during the year. He is also eligible to receive an LTIP award that will be granted in 2024.

Diego did not receive a buyout award.

In line with the approved directors' remuneration policy, the Committee considers annual salary increases for executive directors taking account of any increase in scope or responsibility, market competitiveness, and any salary increases across the Group. Taking these factors into account, and in line with the approach of focusing increases on junior employees, fixed pay for Bill and Diego will not be increased in 2024 with their salaries being GBP2,517,000 and GBP1,650,000 respectively.

2024-26 LTIP awards to be granted in March 2024

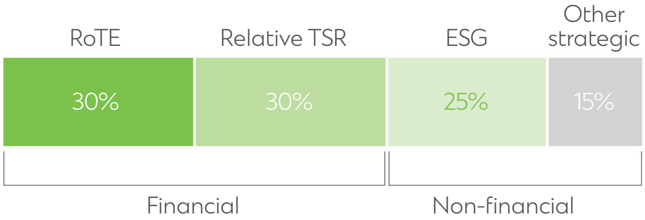
Having considered 2023 performance, the Committee has approved the following LTIP awards for the period of 2024-26.

	2024-26 LTIP award (£)	% of salary
Bill Winters	3,322,440	132%
Diego De Giorgi	2,178,000	132%

The LTIP awards are performance-linked and outcomes will depend upon achieving specified targets by the end of the three-year performance period.

Following the assessment of performance, resulting shares will vest pro-rata from years three to seven, with an additional retention period of 12 months after vesting.

Performance will be assessed on:



See **pages 202 and 203** for further details

Working closely with the Culture and Sustainability Committee we have considered the categorisation of performance measures and reorganised the non-financial strategic measures that relate to environmental, social and governance (ESG) issues. These are now combined with the existing sustainability measures, with a weighting of 25 per cent for this category. The overall scorecard continues to be split 60 per cent financial and 40 per cent non-financial.

Discussions with shareholders were held in December 2023 and January 2024 on the development of these performance measures and targets and the input received was incorporated into the final decisions by the Committee.

Removal of the bonus cap

On 24 October 2023, the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) confirmed the removal of the bonus cap in the UK, effective immediately.

We aim to pay our colleagues competitively for performance aligned to the strategic aims of the Group, through structures that are consistent with and promote sound and effective risk management. This should support the Group in generating sustained and sustainable returns in the interests of shareholders and other stakeholders. The removal of the cap does not change this.

We are considering our pay structures and how they might evolve now that the cap has been removed. For our executive directors, remuneration will continue to be set in line with relevant regulations and guidance and our approved directors' remuneration policy which includes maximums in respect of variable pay. These maximums do not change as a result of the cap being removed and the current structure will continue until a new policy is proposed and approved by shareholders, scheduled to be at the 2025 Annual General Meeting (AGM).

In January 2024 the Financial Reporting Council (FRC) published a revised UK Corporate Governance Code which will apply from 1 January 2025. Following a consultation on potential changes during 2023, many of the proposed changes were not included in the revised Code. We will reflect the updates that have been made in our 2025 report.

In the rest of this report we present the disclosures required by regulations, as well as additional information to explain how remuneration for our executives aligns with our strategy, shareholder interests and wider workforce pay. In making remuneration decisions for 2023 and beyond, we have also been mindful of the experience of our wider stakeholder group.

I would like to thank my fellow Committee members for the work they have put into the Committee, and our shareholders for their ongoing support and engagement.

Shirish Apte
Chair of the Remuneration Committee

(All disclosures in the directors' remuneration report are unaudited unless otherwise stated. Disclosures marked as audited should be considered audited in the context of the financial statements as a whole.)

How to use this report

Within the directors' remuneration report we have used colour coding to denote different elements of remuneration, as follows:

- Salary, pension, benefits (fixed remuneration)
- Annual incentive
- LTIP

We have also used the following icons for ease of navigation through this section and to show alignment between remuneration and the strategic objectives of the Group.

See **pages 20 to 26** for further details

Investors	Risk management	Ways of Working
Clients	Employees	Innovation
Sustainability	Lifting Participation	Resetting Globalisation
Accelerating Zero	People and culture	

Remuneration at a glance

How does remuneration link to Group strategy?

		As measured by	2023 Annual incentive	2021-23 LTIP
Financial KPIs Further details can be found on **pages 196 and 202**	Income	Financial results	✓	
	Costs		✓	
	Return on tangible equity		✓	✓
	Common Equity Tier 1 ratio		✓	✓
	Relative total shareholder return			✓
Strategic priorities Further details can be found on **page 25**	Network business	Achievement against objectives	✓	✓
	Affluent client business		✓	✓
	Mass Retail business		✓	✓
	Sustainability		✓	✓
Critical enablers Further details can be found on **page 24**	People and culture		✓	✓
	Ways of Working		✓	✓
	Innovation			✓

How did we determine variable remuneration outcomes in 2023?

2023 Group scorecard

	Outcome	Maximum
Financials	38%	50%
Clients	13%	15%
Sustainability	10%	10%
Enablers	6%	10%
Risk and control	13%	15%

15ppt Committee discretionary reduction to the formulaic outcome. See page 183 for further details

2023 Group scorecard outcome **65%**

2021-23 LTIP

	Outcome	Maximum
RoTE with CET1 underpin	30%	30%
Relative TSR	9%	30%
Sustainability	13%	15%
Strategic	14%	25%

Following the detailed performance assessment of measures and proof points, the Committee considered the projected performance outcome to be consistent with Group performance and no adjustment has been made.

66% 2021-23 LTIP projected outcome

How do executive directors' remuneration outcomes compare with the maximum opportunity?

2023 annual incentive (£000)

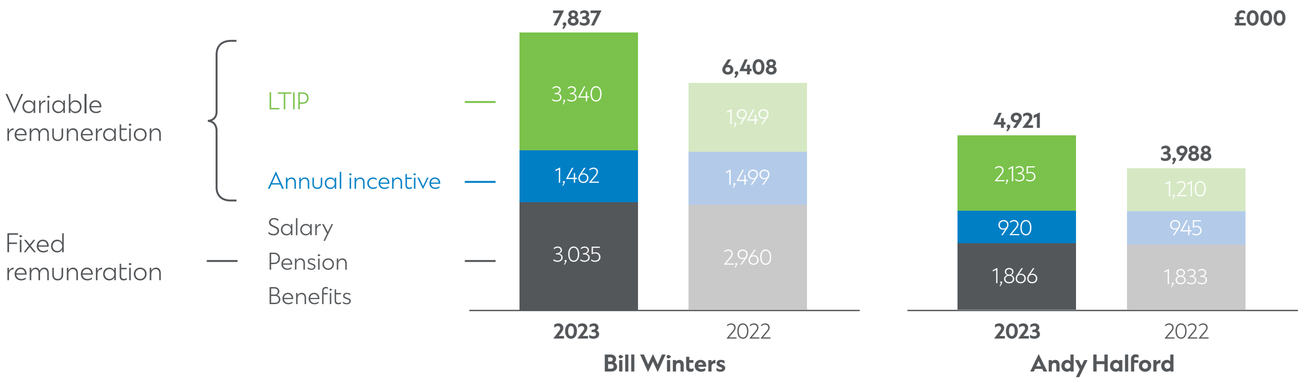
	Actual	Max
Bill Winters	1,462	2,215
Andy Halford	920	1,416

2021-23 LTIP projected outcome (£000)[1]

	Actual	Max
Bill Winters	3,340	5,061
Andy Halford	2,135	3,235

1 The values of the projected outcome and maximum opportunity are calculated using a three-month average share price to 31 December 2023

How did we pay our executive directors in 2023 (single total figure of remuneration)?



How is executive director remuneration delivered over time?[1]

	Awarded for 2023 £000	Delivery method	Structure and timing of payment
Salary	CEO: £2,496	CEO: 50% cash	**Cash** (2023)
		CEO: 50% shares	**Shares** Released in equal amounts between 2024 and 2028
Pension	CEO: £251	100% cash	**Cash** (2023)
Annual incentive[2]	CEO: £1,462	50% cash	**Cash** (2024)
		50% shares	**Shares** (2025)
LTIP[2]	CEO: £3,322	100% shares	Performance measured over 3 years (2023–2026); **Shares** Delivered in equal amounts between 2027 and 2031 (subject to 12 month retention post release)

2023 2024 2025 2026 2027 2028 2029 2030 2031

1 Information is provided for the CEO only due to the change in GCFO at the end of the year
2 Annual incentive and LTIP shares are subject to clawback for up to 10 years from grant

68% of Bill's maximum remuneration opportunity is delivered in shares creating strong alignment of interests between executives and shareholders to generate long-term value.

Summary of the directors' remuneration policy

The forward-looking remuneration policy for executive directors and independent non-executive directors (INEDs) was approved at the AGM held on 4 May 2022 and applies for three years from that date. A summary of the executive director policy, including the key remuneration elements, is set out below for information.

The full policy, including recruitment and leaver provisions, can be found on **pages 159 to 164** of the 2021 Annual Report and on our website at **sc.com**

Our approach to remuneration is consistent for all employees and is designed to create alignment with our Fair Pay Charter, which applies globally. However, our pay structures may vary according to location (to comply with local requirements) and, therefore, the table below explains the alignment between the executive directors and our UK workforce, being the most relevant market.

Fixed remuneration	Policy	Alignment with UK employees
Salary Set to reflect the role, and the skills and experience of the individual.	• Delivered part in cash and part in shares. • To maintain alignment with shareholders, the share element is subject to a holding period of five years, with 20 per cent being released annually.	• The process of setting and annually reviewing salaries against market information is the same for all employees. • For all other UK employees, salary is paid 100 per cent in cash in line with market practice.
Pension To facilitate long-term retirement savings.	• For directors who joined before 4 May 2022, an annual pension allowance or contribution of 10 per cent of salary is payable. • For directors who joined after 4 May 2022, 10 per cent of the cash element of salary only will be payable.	• Pension is set at 10 per cent of salary for both the executive directors and other UK employees, aligned with the provisions of the UK Corporate Governance Code.
Benefits A competitive benefits package to support executives to carry out their duties effectively.	• A range of benefits is provided including holiday and sick pay, a benefits cash allowance, private medical insurance, life insurance, financial advice and tax return preparation. A car and driver or other car-related service is available to the CEO, which is a role-based provision due to security requirements. • Executive directors receive a lower cash benefits allowance than other UK employees as a percentage of their salary.	• Core benefits are aligned with all employees. Some additional, role-specific benefits are received by the current executive directors. • Employees are eligible for tax return preparation in the year of an international relocation.

Variable remuneration	Policy	Alignment with UK employees
Annual incentive Remuneration based on measurable performance criteria linked to the Group's strategy and assessed over a period of one year.	• Annual incentive awards are delivered as a combination of cash and shares subject to holding requirements, and deferred shares. • The maximum value of an annual incentive award cannot exceed 88 per cent of salary and can be any amount from zero to the maximum. • Awards are determined by the Committee, based on the assessment of the Group scorecard which contains financial (at least 50 per cent of the scorecard) and strategic measures, as well as the personal performance of the individual.	• The annual incentive plan is operated for all employees, paid in cash up to certain limits with the balance deferred over at least three years in shares and/or cash. • The same Group scorecard is used in assessing incentives for executive directors and other UK employees.
LTIP LTIP awards are granted to senior executives who have the ability to influence the long-term performance of the Group. Awards are performance dependent based on measurable, long-term criteria.	• LTIP awards are granted annually, based on performance in the relevant year. • The maximum value of an LTIP award cannot exceed 132 per cent of salary and can be any amount from zero to the maximum. • Following the grant of awards, performance is measured over three years with no vesting before the third anniversary of the grant. • LTIP awards are delivered in shares and subject to holding requirements.	• Members of the Management Team are also eligible for LTIP awards, granted annually and assessed on the same performance measures and targets, with awards typically at a lower level. • LTIP awards may also be granted to other employees in the Group which may be subject to the same or different performance conditions.

Other remuneration	Policy	Alignment with UK employees
Sharesave Provides an opportunity for all employees to invest voluntarily in the Group.	• Participants are able to open a savings contract to fund the exercise of an option over shares. • The option price is set at a discount of up to 20 per cent of the share price at the date of the invitation to participate. • Savings per month of between £5 and the maximum set by the Group, which is currently £250.	• All employees are eligible to participate in Sharesave, which enables employees to share in the success of the Group at a discounted share price.
Shareholding requirements Provides alignment with the interests of shareholders during employment.	• The CEO and the GCFO are required to hold 250 per cent and 200 per cent of salary in shares, respectively. • Post-employment shareholding requirement in place for two years following cessation of employment. The amount to be held is as described above or, if lower, the actual shareholding on departure.	• Formal shareholding and post-employment shareholding requirements are operated for the executive directors only. • However, material risk takers are also required to hold shares in-line with regulatory deferral and retention requirements.

Appropriateness of executive directors' remuneration

We maintain a consistent remuneration approach for all employees, in line with our Fair Pay Charter. Remuneration for executive directors is reviewed annually against internal and external measures to ensure appropriate levels, aligned with the approach for other employees.

Executive director policy at target opportunity compared with industry peers

We compete for talent in a global marketplace, with many of our key competitors based outside the UK. We review executive director fixed and variable remuneration opportunity against a peer group of international banks to ensure that it remains appropriately competitive. This peer group reflects both our global footprint and where we compete for talent. Market data used in benchmarking is based on the latest published report and accounts. In addition, we consider executive director remuneration against FTSE30 companies, with data sourced from an external provider.

Bank peer group

FTSE 30

Bottom quartile | 3rd quartile | 2nd quartile | Top quartile

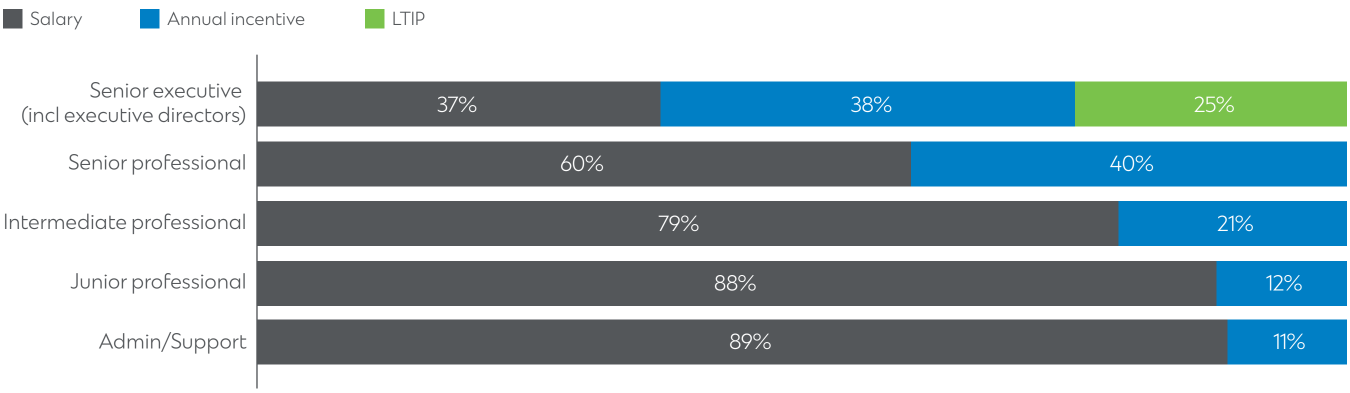
Executive director target opportunity

The current bank peer group comprises: ANZ, Bank of America, Bank of Nova Scotia, Barclays, BBVA, BNP Paribas, CIBC, Citigroup, DBS, Deutsche Bank, FirstRand, HSBC, ICICI, JPMorgan Chase & Co, Lloyds Banking Group, National Australia Bank, NatWest, OCBC, Santander, Société Générale, UBS, United Overseas Bank

1 GCFO total compensation is based on Diego De Giorgi's target opportunity

Executive director remuneration compared with wider workforce

The balance between fixed and variable remuneration is geared to provide a greater proportion of fixed remuneration for more junior employees to give more financial security. In comparison, for more senior employees, including the executive directors, the variable remuneration opportunity is larger reflecting their ability to influence the Group's performance and in turn, their remuneration outcome.



See **pages 196 to 198** for how Bill's remuneration links to Group performance, individual performance, and risk, control and conduct-related matters

Remuneration alignment

Alignment with...

Our culture

Our performance and reward framework supports us in embedding a high performance culture and aligns with our principle that colleagues should share in the success of the Group. For example:

- All remuneration decisions are grounded in our Fair Pay Charter.

See **page 194** for further details on our Fair Pay Charter

- The wider workforce and our executive directors participate in continuous performance management and feedback, to ensure that performance is discussed and assessed throughout the year.
- Employee performance is assessed based on what is achieved and how it is achieved in line with our valued behaviours. Our remuneration structure and policies ensure that behaviours consistent with these values are appropriately recognised and rewarded.
- Our LTIP further supports this with an assessment to ensure appropriate levels of conduct have been demonstrated to meet our conduct gateway requirement.

Our strategy

Remuneration decisions made across the Group, including for our executive directors, align with our strategic priorities and our Stands, including our commitment to sustainable social and economic development:

- Performance measures in our Group and LTIP scorecards are designed to drive achievement of the financial and strategic goals that will deliver long-term sustainable value for our stakeholders.
- Sustainability and our Stands are key considerations for setting and measuring financial and strategic targets.
- If scorecard outcomes are not consistent with progress against our strategic commitments the Committee has the discretion to make adjustments.

See **page 186** for further details on how our incentive plans are aligned to our strategy

Our approach to risk and control

The determination of our remuneration policy and outcomes align with the Group's risk and control framework. In particular:

- Our scorecards include risk and control measures, and the Committee has the discretion to adjust incentive outcomes for risk and control matters that are not reflected in the scorecards.
- The Committee can apply a discretionary risk adjustment in respect of the Group scorecard outcome and has a track record of applying discretion appropriately.
- Long-term sustainable performance is supported through the ability to make adjustments to variable remuneration for risk, control and conduct behaviours, the deferral of variable remuneration, and the ability to apply malus and clawback where appropriate.

See **page 215** for further details

- Incentives for employees engaged in Audit, Risk and Compliance functions are set independent of the businesses they oversee.

Managing risk and control

The Group has a robust formal process for reviewing risk and control matters and reflecting these in remuneration outcomes at both an individual and Group level. All material risk events (MREs) are reviewed by a dedicated group of senior colleagues in Control Functions to ensure lessons are learned and appropriate actions are taken for accountable individuals. If necessary, a deep dive will be commissioned to understand risk, control and conduct issues in a particular location or business area. The most severe MREs are escalated for oversight by the Remuneration Committee. At year end, a summary of risk and control matters will be reviewed and discussed to determine any impact to Group incentives. The outcomes of the 2023 reviews are one component in the adjustment to the 2023 scorecard outcome as detailed on pages 196 and 197. Details of our approach to risk adjustment, including our malus and clawback provisions, are provided on page 215.

How does our directors' remuneration policy address other key features set out in the UK Corporate Governance Code?

Proportionality

- In line with our commitment to pay for performance, a significant proportion of executive director pay is delivered through incentives based on performance metrics aligned with our strategy. The Committee sets robust and stretching targets to ensure there is a clear link between Group performance and executive director awards.
- Executive directors' interests are further aligned with shareholders' long-term interests through the deferred release of salary, annual incentive and LTIP awards over a period ranging from one to eight years. Incentive awards are also subject to clawback provisions for up to 10 years from grant.
- Shareholding requirements are in place for executive directors, requiring them to build and maintain a significant shareholding in Company shares while in employment and for a period of two years post-employment. Bill and Andy currently exceed their respective shareholding requirements.

Predictability

- The range of possible rewards to individual executive directors is set out in the scenario charts on page 205 where we also demonstrate the impact of a 50 per cent share price appreciation over the three-year performance period of the LTIP.
- In addition to maximum award levels specified in our remuneration policy, the value of incentive awards will vary depending on achievement against specified performance targets and the share price at the time of delivery for the significant part of reward which is delivered in shares.

Simplicity and clarity

- Simplicity is a key driver for the structure of our executive pay, subject to adherence to regulatory requirements arising from operating as a UK regulated bank.
- Our remuneration structure comprises straightforward and well-understood components. The purpose, structure, alignment with strategy and consistency with arrangements for the wider workforce are clearly set out in the remuneration policy.

See **pages 188 and 189** for further details

- We set and report our performance-related measures, targets and outcomes in a clear, transparent and balanced way.

How is our executive director remuneration aligned to stakeholder experience?

Investors

- Remuneration outcomes reflect key financial and non-financial performance delivered in the year.
- Variable remuneration awards are based on stretching targets.
- A significant portion of executive remuneration is paid in shares and shareholding requirements apply.
- Post-employment shareholding requirements further reinforce the importance of sustainable long-term performance.
- The Remuneration Committee Chair regularly engages with shareholders on remuneration matters to seek feedback which helps guide decision-making.

Employees

- The same remuneration principles apply to executives and employees, including consistent benefit and pension provision by location.

See **pages 188 and 189** for further details

- Annual incentives for executive directors are based on the same scorecard used to determine discretionary incentives across the Group.
- In line with our approach to 2024 salary increases, focusing on junior employees and those in high inflation markets, fixed pay for Bill and Diego will remain unchanged.

Regulators and governments

- Remuneration outcomes take into account risk, control and conduct considerations.
- Pay structures are aligned to relevant best practice, including the application of deferrals and malus/ clawback.

Society and sustainability

- Remuneration outcomes from both annual incentive and LTIP awards consider performance against sustainability objectives.
- The Committee tracks gender and ethnicity pay gaps, and actively monitors the actions being taken to close them.

Clients

- Remuneration outcomes reflect performance delivered including client-related performance objectives (e.g. improved client satisfaction).

Committee at a glance

Committee composition

Member	Meetings attended
Shirish Apte (Chair)	5/5
David Conner	5/5
Robin Lawther, CBE	5/5
Maria Ramos	5/5
Jasmine Whitbread[1]	2/2
Linda Yueh, CBE[2]	5/5

Who else attended Committee meetings in 2023?

The Group Chairman; Group Chief Executive; Group Chief Financial Officer; Group Chief Risk Officer; Group Head, HR; Global Head, Performance, Reward and Benefits; Group Head, Conduct, Financial Crime and Compliance; Group Company Secretary; Chair of the Audit Committee; Group Head, Internal Audit.

See **pages 137 to 141** for biographical details of the Committee members

1 Jasmine stepped down from the Committee on 3 May 2023
2 Linda joined the Committee on 1 January 2023

What are the main responsibilities of the Committee?

The Committee is responsible for setting the principles, parameters and governance framework for the Group's remuneration policy and overseeing its implementation. This includes:

- Determining the framework and policies for the remuneration of the Group Chairman, the executive directors and other senior management considering our Fair Pay Charter, wider workforce remuneration and alignment with culture and conduct.
- Overseeing the alignment of reward, culture, the strategic priorities and our Stands.
- Approving Group discretionary remuneration, including adjustment for risk, control and conduct for current and future risks.
- Overseeing the Fair Pay Charter.

The Committee has written terms of reference that can be viewed at **sc.com/termsofreference**

How did the Committee spend their time during their 2023 meetings?

Share	Area
25%	Executive remuneration and policy
10%	Senior management remuneration
25%	Group-wide reward, the Fair Pay Charter and pay diversity
20%	Business performance and risk assessment review
15%	Shareholder engagement, regulatory and governance
5%	Other, inc. Group Share Plans

Committee focus for 2023

During the year, the Committee determined the retirement arrangements and remuneration arrangements for the outgoing and incoming GCFO respectively, working to ensure appropriate arrangements were put in place to facilitate a smooth and effective transition to the new GCFO.

Read more on **page 184**