

SUSTAINABILITY SUMMARY 2016

Driving investment, trade and  
the creation of wealth across  
Asia, Africa and the Middle East



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# Sustainability is integrated into how we do business and focuses on three priorities:



“

We remain committed to working collaboratively to achieve sustainability goals, including through our participation in the UN Global Compact. Our Sustainability Aspirations allow us to track the positive impact of our business in a way that is aligned to our strategy and the UN Sustainable Development Goals.

Bill Winters  
Group Chief Executive

”

# Welcome



As a bank operating across 68 countries with a focus on Asia, Africa and the Middle East, we have long recognised the role we can play in promoting economic and social development in our markets.

We express this through our three sustainability priorities: contributing to sustainable economic growth, being a responsible company and investing in communities. These priorities inform how we work, and are the main structure of this report on our achievements in 2016. This summary complements the disclosures in our 2016 Annual Report and Accounts, where we continue to integrate our sustainability reporting.

We have made good progress during the year across each of the priorities. Some highlights for me include the continued engagement of our employees and partners in delivering impactful community programmes.

This year we surpassed \$92 million in fundraising for Seeing is Believing, celebrated our 10th anniversary of Goal and continued to see strong commitment from our staff to participate in employee volunteering with more than 67,000 days.

We maintained our focus on environmental and social risk management, reviewing over 300 clients and transactions and updating our Human Rights and Climate Change Position Statements to respond to changing external requirements and expectations.

During 2016, we developed our Sustainability Aspirations. These build on our three sustainability priorities with a set of actions and measurable targets which demonstrate how we are achieving sustainable outcomes across our business, and particularly through our core business of banking individuals and companies across our

markets. The Aspirations are included on page 16. They give us significant momentum into 2017, where we have much work to do in delivering the targets we have set ourselves. To support this, we are developing an impact report on our activities in Africa, which we will launch during 2017.

A handwritten signature in black ink, appearing to read "Vasuki Shastray".

**Vasuki Shastray**  
Global Head, Public Affairs  
and Sustainability  
February 2017

# Group at a glance

## Who we are and how we have performed in 2016

### OUR GROUP

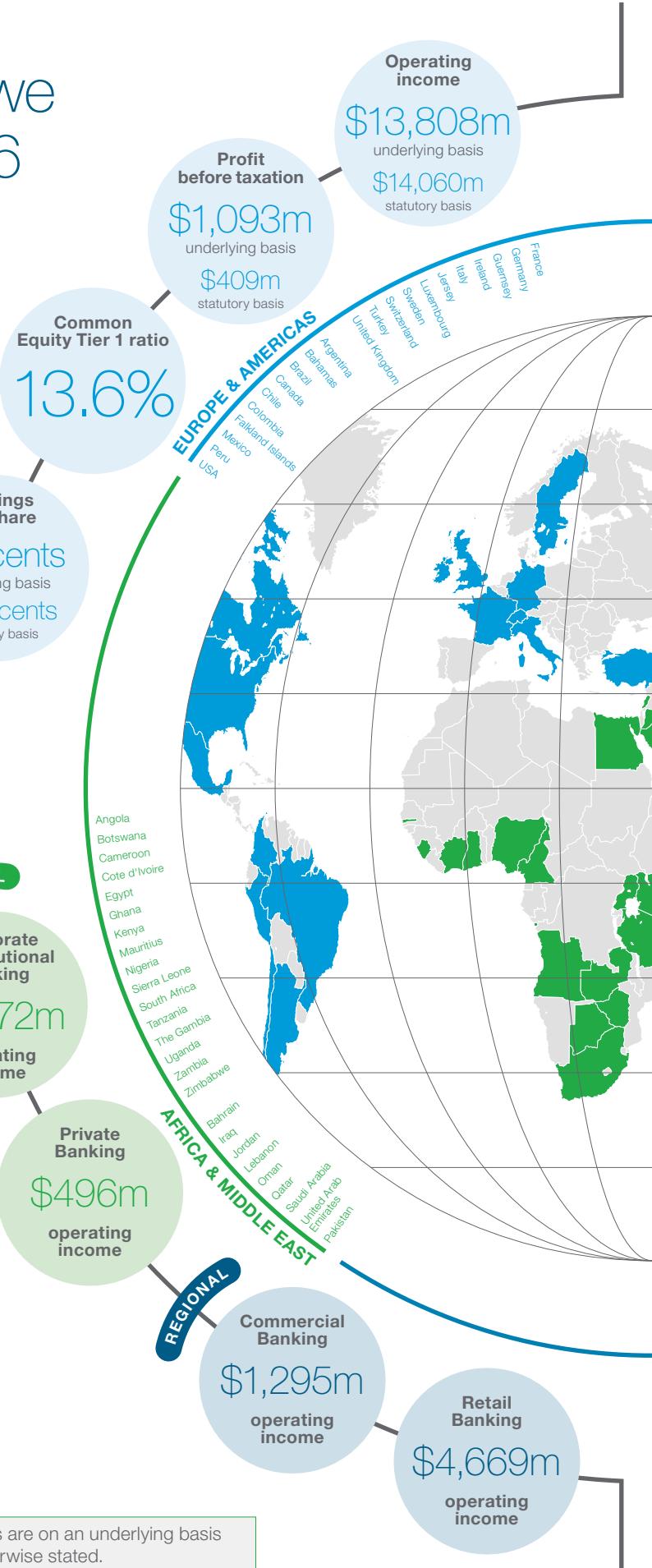
Standard Chartered PLC is made up of global and regional client segments, all supported by business functions. The Group's Board is headed by our Chairman, José Viñals. Its Management Team is led by Group Chief Executive, Bill Winters; supported by Group Chief Financial Officer, Andy Halford.



José Viñals

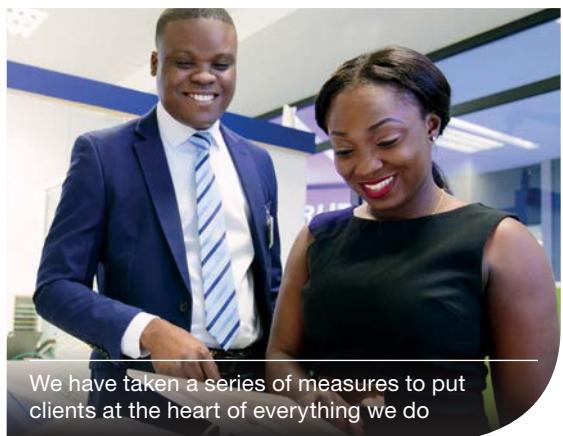
Bill Winters

Andy Halford

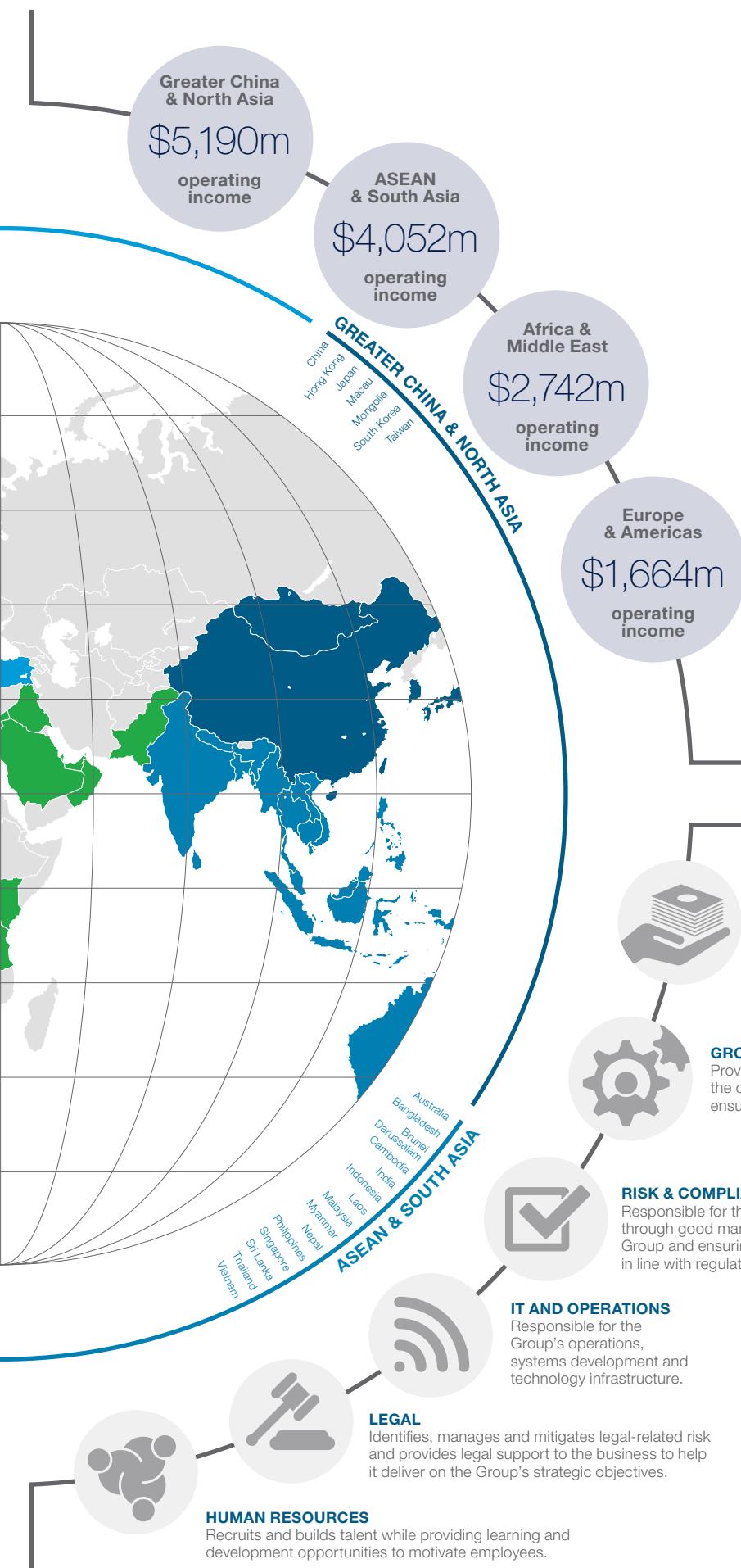


### OUR CLIENT SEGMENTS

We have four client segments: Corporate & Institutional Banking and Private Banking are run globally, with clients in those segments supported by relationship managers with global oversight; Commercial Banking and Retail Banking are run regionally with global oversight of segment strategy, systems and products. Clients are served by country-level relationship managers with specific knowledge of the local market.

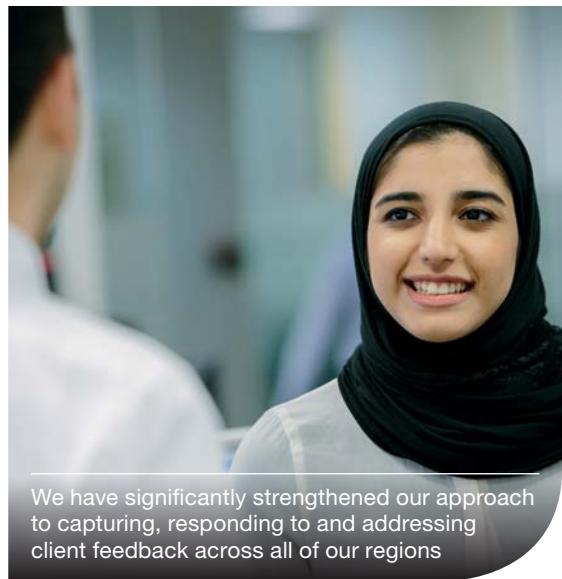


We have taken a series of measures to put clients at the heart of everything we do



## OUR REGIONS

We have a simplified organisational structure that ensures we support clients across our footprint. Our four regions – Greater China & North Asia, ASEAN & South Asia, Africa & Middle East and Europe & Americas – are managed by their own CEOs.



### GROUP CFO

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



### GROUP COO

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



### RISK & COMPLIANCE

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



### IT AND OPERATIONS

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



### LEGAL

Identifies, manages and mitigates legal-related risk and provides legal support to the business to help it deliver on the Group's strategic objectives.



### HUMAN RESOURCES

Recruits and builds talent while providing learning and development opportunities to motivate employees.



## GLOBAL FUNCTIONS

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

# We seek to ensure that our core business of banking supports sustainable growth in our markets

In 2016, we provided loans and advances of \$239,732 million to customers across Corporate & Institutional, Commercial and Retail Banking. The financing we provide supports key sectors of the economy that are driving sustainable growth from infrastructure financing to microfinance.

We funded and facilitated more than \$800 million to the clean technology sector in 2016. We continue to support infrastructure and power generation projects via our Power Africa commitment, taking our total to 3,893MW between 2013 and 2016.

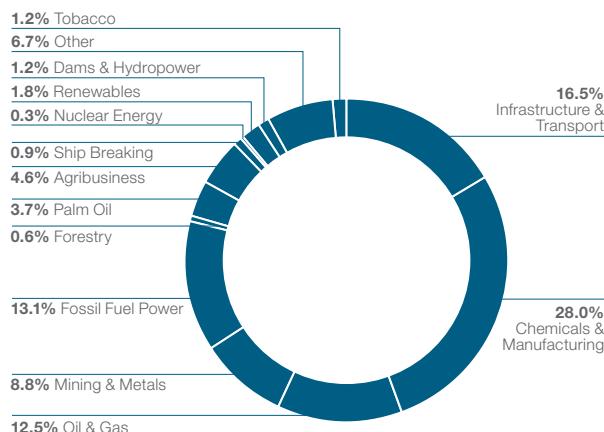
In addition, we provided loans of over \$400 million to microfinance institutions and expanded our mobile wallet capability to Uganda for a reach of 12 markets in total.

We work with our clients and employees to embed our approach to environmental and social risk management (ESRM). In 2016, our dedicated ESRM team reviewed more than 300 clients and transactions for alignment with our 20 Position Statements. We also updated our Climate Change and Human Rights Position Statements following consultations with internal and external stakeholders.

In 2017, we will advance the six business targets set out in our Sustainability Aspirations. These Aspirations will allow us to demonstrate how we are extending financial services to the individuals and companies that are contributing to positive and sustainable development in our markets.

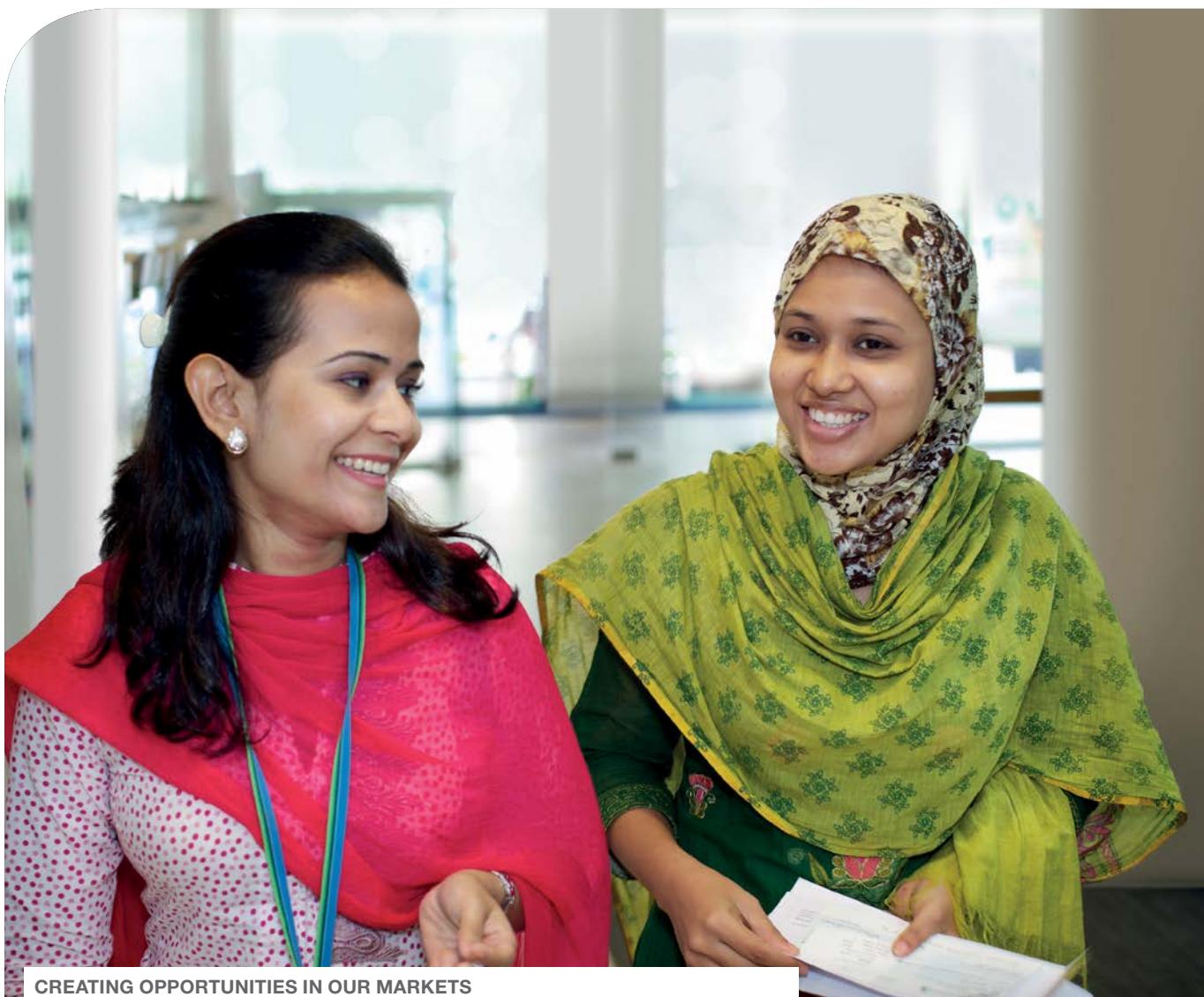


## ESRM clients and transactions reviewed by sector %



## Microfinance

Amount lent \$ million	Year
409.9	2016
271.6	2015
318.1	2014



#### CREATING OPPORTUNITIES IN OUR MARKETS

In 2016, Standard Chartered signed a risk-sharing agreement with the International Finance Corporation (IFC) in Bangladesh, the first and largest corporate risk participation programme to be launched in Bangladesh on a funded basis.

The agreement comes under the IFC's global Critical Commodities Finance Program (CCFP) and will allow us to originate trade finance transactions from Bangladesh. This could enable over \$1 billion in trade globally over a three-year period.

The IFC's CCFP shares risk with banks as they expand their emerging market commodities trade portfolios, and finances the export and import of commodities to the world's poorest economies.

Given that commodities are an essential part of the Bangladesh economy, the agreement with the IFC is aimed at providing sustainable economic growth in the region.

#### Value of funds provided and facilitated for clean technology \$million



328

ESRM clients and transactions reviewed

15

Equator Principles transactions closed

12

Sovereign ratings advisories

# We uphold a strong conduct framework and invest in our people to deliver fair outcomes for our stakeholders

Being a responsible company is about how we manage our business and promote the behaviours, values and principles that enable us to make the right decisions. We focus on preventing financial crime, investing in our people and minimising our environmental footprint.

We continue to strengthen our Financial Crime Compliance standards by enhancing our financial crime controls, training our staff and sharing best practice with clients and partners. In 2016, more than 97 per cent of staff completed training on financial crime.

We recognise that our diversity is a critical lever for delivering our business priorities

and we actively work to build an inclusive workplace. In 2016, we engaged staff through more than 40 country-based Employee Networks and three Global Networks (Women, Disability, LGBT and Allies).

Between 2008 and 2016, we reduced our energy consumption by 37 per cent, water consumption by 35 per cent and paper use by 71 per cent.

Our Sustainability Aspirations highlight our focus on embedding the highest standards of conduct across the organisation. In 2017, we will take forward our Aspirations on people, conduct, financial crime compliance and environment.

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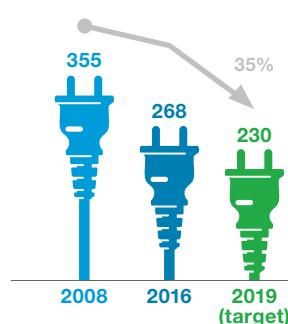
**25**  
Correspondent banking academies held

**97%**  
Of staff completed financial crime training

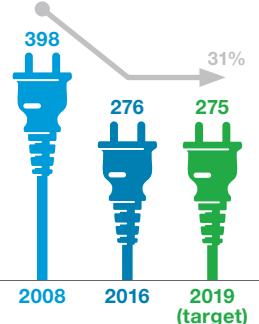


## Annual energy use of our property (kWh/m<sup>2</sup>/year)

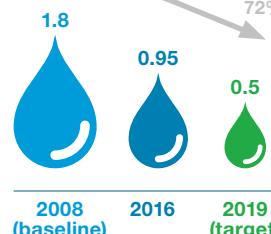
Tropical climate<sup>1</sup>



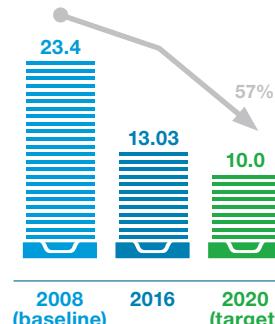
Temperate climate<sup>1</sup>



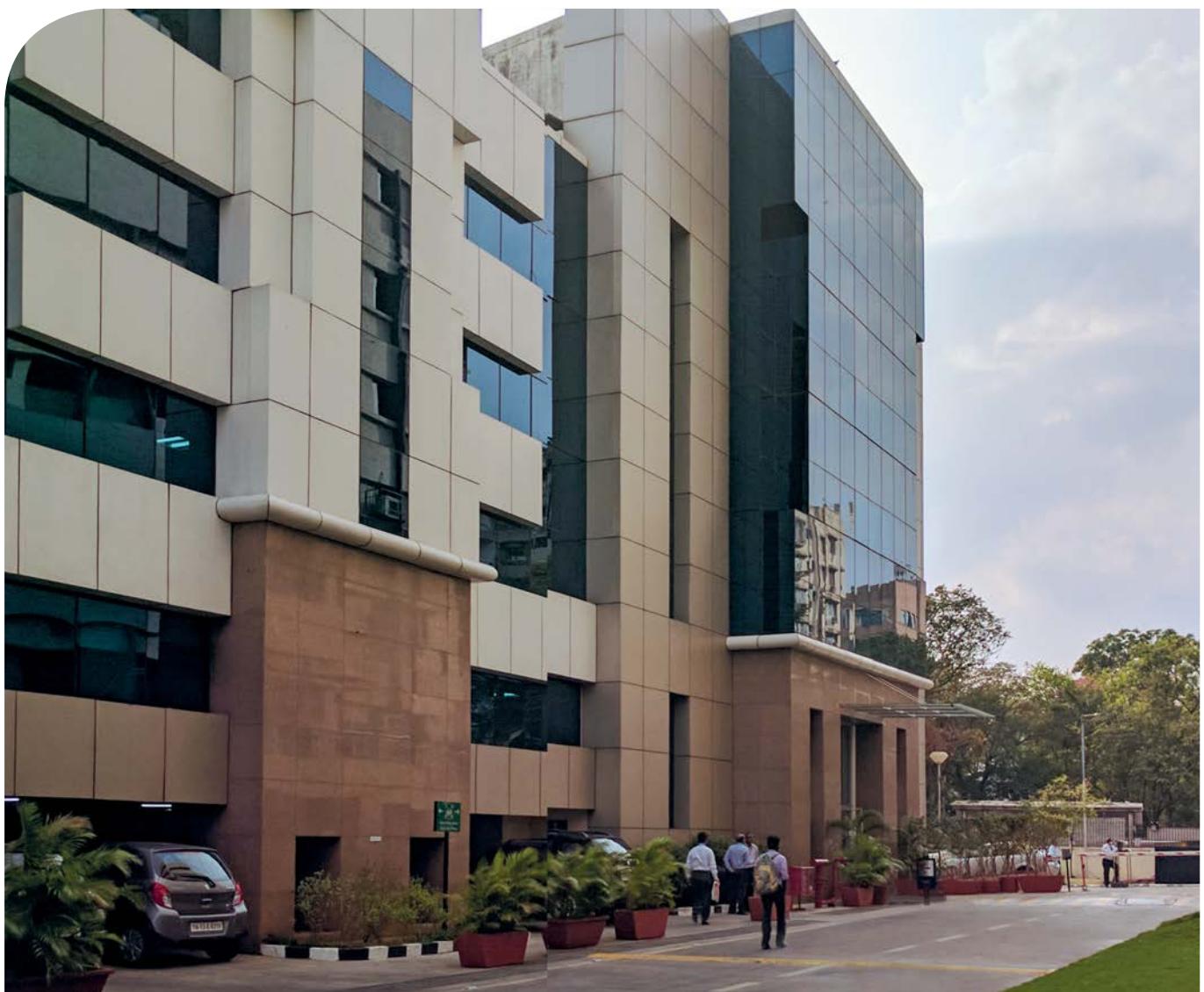
## Annual water use of our property kL/m<sup>2</sup>/year



## Annual office paper use kg/FTE/year



1. Tropical energy usage relates to cooling; temperate energy usage relates to both heating and cooling



#### **REDUCING OUR ENVIRONMENTAL IMPACT**

We have partnered with our facilities provider CBRE to identify ways to reduce resource use. At our Global Business Services facility in Chennai, India, this approach resulted in a significant upgrade to the air-conditioning system during 2016.

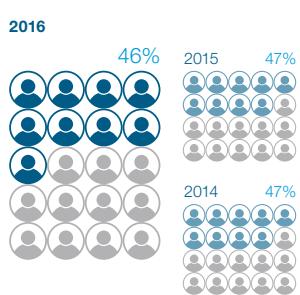
Over a two-day shutdown of the system, 19 pumps powering the system were consolidated down to three, alongside a new chilled water distribution system.

Together, these measures have already saved an estimated 4 million kWh of energy during 2016 while improving workplace comfort. We anticipate annual savings of \$350,000 in energy costs.

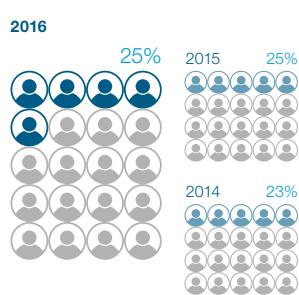
We are actively working with our other providers to deliver similar improvements across our portfolio.

#### **Female representation**

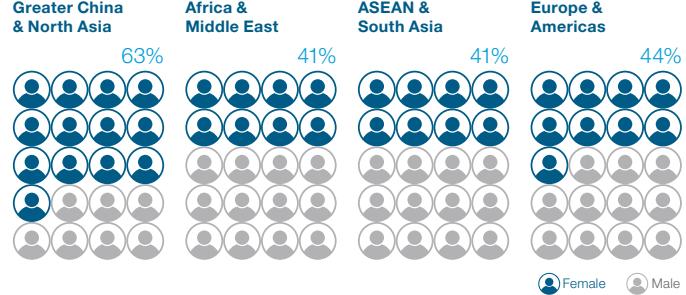
All employees



Management



By region



Includes Executive Director, Band 1 to 4

Female   Male

# We collaborate with local partners to support social and economic development in our communities

Across our markets we work with local communities to deliver programmes focused on health and education. In 2016, we invested \$52.3 million in our communities and our employees contributed to 67,611 volunteering days.

Our largest community programme Seeing is Believing (SiB) provides funding to tackle avoidable blindness. In 2016, through fundraising and Group matching, we raised \$6.5 million for SiB. Our cumulative fundraising from 2003 to 2016 is \$92.8 million and the total number of people impacted is 133.8 million. In 2017, SiB will focus on child eye health.



In 2016, we celebrated the 10th anniversary of Goal, our initiative to empower girls and young women through sports and life skills training. Goal reached nearly 69,000 girls in 2016 and more than 285,000 girls from 2006 to 2016. During 2017, we will develop an innovation fund for Goal alumni.

We are focused on building the financial capability of youth, and micro and small entrepreneurs in our markets. Through our Financial Education programmes, we trained more than 106,000 youth and 1,020 entrepreneurs, including 57 per cent women, in 2016. In 2017, we will explore how to digitise financial education to further the impact of our programmes.

Our community programmes are an important part of our Sustainability Aspirations. In 2017, we will continue to take forward our commitments to raise \$100 million for SiB by 2020, reach 600,000 girls through Goal and train 5,000 micro and small businesses by the end of 2018.

**1,900,000**

People engaged via Goal's #leadershipgoal social media campaign

**>106,000**

Young people trained via Financial Education for Youth

**>1,000**

Entrepreneurs trained via Education for Entrepreneurs

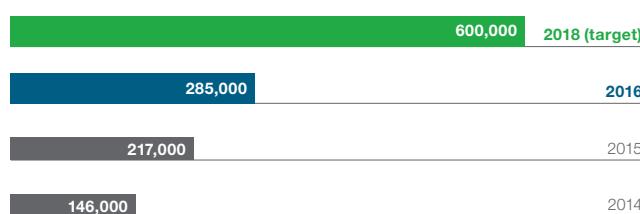
**67,611**

Employee Volunteering days

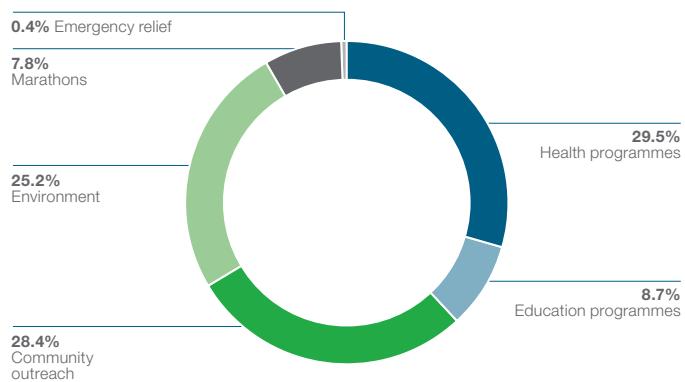
**\$52.3m**

Invested in our communities

Girls reached by Goal from 2006 to 2016



Employee volunteering by theme





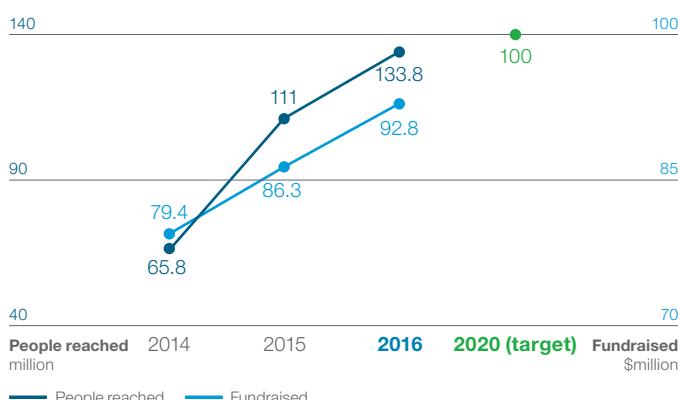
#### SEEING IS BELIEVING

Through the Seeing is Believing innovation fund, we are searching for the next revolution in eye health care. From 2013 to 2016, the Innovation Fund has provided grants of more than \$2.8 million to innovators who are working to eliminate preventable blindness.

Recipients include Peek, led by Dr Andrew Bastawrous, which developed a smart phone app that allows teachers to screen

children's vision in the classroom. During trials in Kenya in 2003 and 2015, 25 teachers screened almost 21,000 children. As a result of the screening, more than 900 children were referred for further testing and follow-up. The findings are being used to improve the Peek technology and to develop a programme to screen an additional 300,000 children from 2016 to 2018.

#### Seeing is Believing fundraising and people reached from 2003 to 2016



# Sustainability data

## Contributing to sustainable economic growth

### Microfinance

	2016	2015	2014
Loans extended (\$million)	409.9	271.6	318.1
Clean technology	2016	2015 <sup>1</sup>	2014
Value of funds provided and facilitated (\$million)	800.8	968.0	798.6

1. Data in this table has been restated from 2015

## Environmental and social risk management

### Employees trained in environmental and social risk management

	2016	2015	2014
Employees trained <sup>1</sup>	118	1,708	2,477

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

## Equator Principles

	Project finance mandates			Project-related corporate loans			Project advisory mandates
	Cat A <sup>1</sup>	Cat B <sup>2</sup>	Cat C <sup>3</sup>	Cat A	Cat B	Cat C	
Total 2013	9	29	3	–	–	–	4
Total 2014	3	11	–	1	4	–	5
Total 2015	4	9	–	–	1	–	0
<b>Total 2016</b>	<b>7</b>	<b>6</b>	–	–	–	–	<b>2</b>

## 2016

Sector	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152</th

## Being a responsible company

### People

#### Countries

	2016	2015	2014
Global	68	67	71

#### Workforce profile

##### Headcount

	2016	2015	2014
Global total	86,693	84,076	90,940
of which businesses	43,286	42,036	49,638
of which support services	43,407	42,040	41,302
(Decline)/growth	2,617	(6,864)	4,300
(Decline)/growth percentage	3%	(8%)	5%

##### Location of employees (by region)

	2016 %	2015 %	2014 %
Greater China & North Asia	24	26	27
ASEAN & South Asia	55	52	50
Africa & Middle East	17	18	19
Europe & Americas	4	4	4

##### Employee attrition

	2016 %	2015 %	2014 %
Employee turnover rate	19.0	21.7	18.5
Employee voluntary turnover rate	14.4	16.7	15.1

##### Years of service

	2016 %	2015 %	2014 %
0-5 years	60	59	61
5-10 years	21	23	22
> 10 years	19	18	17

##### Age of employees

	2016 %	2015 %	2014 %
< 30 years	29	29	32
30-50 years	65	65	62
> 50 years	6	6	6

##### Gender

	2016 %	2015 %	2014 %
Female representation global total	46	47	47
By region:			
Greater China & North Asia	63	63	60
ASEAN & South Asia	41	41	42
Africa & Middle East	41	41	41
Europe & Americas	44	44	44
Female management <sup>1</sup>	25	25	23
Female senior management <sup>2</sup>	14	12	15
Female Executive and Non-Executive Director	23	23	11

1. Includes Executive Director, Band 1 to 4

2. Includes Executive Director, Band 1 to 2

2016 data as of 31 December 2016

**Nationalities (aggregate number)**

	2016	2015	2014
Global	130	135	133
Senior management <sup>1</sup>	33	32	29

**Nationalities (percentage of total workforce)**

	2016 %	2015 %	2014 %
Greater China & North Asia	23	25	26
ASEAN & South Asia	54	52	49
Africa & Middle East	15	16	17
Europe & Americas	6	5	5
Others (includes markets with no operations)	2	2	3

**Learning**

	2016	2015	2014
Employees receiving training (%)	95	93	94
High potential employee receiving training (%)	98	91	97
Average number of training days per employee	3.5	3.3	3.2
Average spend on training per employee (\$)	677	781	764

**Performance and reward****Performance review**

	2016 %	2015 %	2014 %
Employees with completed objectives	99	99	100
Employees reviewed and appraised against performance objectives (achievement, values and behaviour)	99	99	98

**Staff cost**

	2016	2015	2014
Total staff costs (\$million)	6,303	7,119	6,788
Discretionary incentive pool (\$million)	1,039	993	1,098

**Absenteeism**

	2016 %	2015 %	2014 %
Sick leave absence/days lost	0.9	0.8	0.8
Employees who have taken sick leave	43.4	42.7	37.0

1. Includes Executive Director, Band 1 to 2

2016 data as of 31 December 2016

**Financial crime prevention**

	2016 %	2015 %
Staff completing anti-money laundering (AML) e-learning	97.7	92.5
Staff completing anti-bribery and corruption (ABC) e-learning	97.9	96.0
Staff completing sanctions e-learning <sup>1</sup>	97.9	—

1. A dedicated e-learning on sanctions was developed and launched during 2016, replacing the sanctions content previously integrated into the AML training

**Environment**

	2016		2015		2014	
	Measured	Scaled-up	Measured	Scaled-up	Measured	Scaled-up
Offices reporting	<b>189</b>		190	–	201	–
Net internal area of occupied property (m <sup>2</sup> )	<b>840,510</b>	<b>1,237,043</b>	846,480	1,261,320	891,338	1,308,959
Green lease clause inclusion <sup>1</sup> (%)	<b>71</b>	–	67	–	–	–
Occupied net internal area where data is collected (%)	<b>72</b>	–	73	–	75	–
Full-time employees (FTE)	<b>58,699</b>	<b>86,693</b>	58,528	84,076	78,216	90,940
Annual operating income from 1 October to 30 September (\$m)	–	<b>12,515</b>	–	17,566	–	18,105
<b>Greenhouse gas emissions – absolute (tonnes CO<sub>2</sub>eq/year)</b>						
Scope 1 emissions (combustion of fuels)	<b>6,312</b>	<b>13,562</b>	8,865	16,904	11,307	20,144
Scope 2 emissions (purchased electricity)	<b>136,570</b>	<b>186,553</b>	132,030	184,912	140,825	192,403
Scope 1 & 2 emissions	<b>142,882</b>	<b>200,115</b>	140,895	201,816	152,132	212,547
Scope 3 emissions without distance uplift (air travel)	<b>49,393</b>	<b>52,056</b>	54,519	54,519	54,216	55,296
Scope 3 emissions with distance uplift (air travel)	<b>53,839</b>	<b>56,741</b>	59,426	59,426	59,095	60,273
Scope 1, 2 & 3 emissions	<b>192,275</b>	<b>252,171</b>	195,414	256,335	206,348	267,843
Scope 3 emissions (Global Data Centre) <sup>2</sup>	–	<b>22,653</b>	–	19,339	–	–
<b>Greenhouse gas emissions – intensity</b>						
Scope 1 & 2 emissions/m <sup>2</sup> (kg CO <sub>2</sub> eq/m <sup>2</sup> /year)	<b>170</b>	<b>162</b>	166	160	171	162
Scope 1 & 2 emissions/FTE (tonnes CO <sub>2</sub> eq/FTE/year)	<b>2.43</b>	<b>2.31</b>	2.41	2.40	1.95	2.34
Scope 3 emissions/FTE without distance uplift (tonnes CO <sub>2</sub> eq/FTE/year)	<b>0.57</b>	<b>0.60</b>	0.64	0.65	0.54	0.54
Scope 3 emissions/FTE with distance uplift (tonnes CO <sub>2</sub> eq/FTE/year)	<b>0.62</b>	<b>0.65</b>	0.69	0.71	0.58	0.58
Scope 1, 2 & 3 emissions/m <sup>2</sup> (kg CO <sub>2</sub> eq/m <sup>2</sup> /year)	<b>229</b>	<b>204</b>	231	203	232	205
Scope 1, 2 & 3 emissions/FTE (tonnes CO <sub>2</sub> eq/FTE/year)	<b>3.28</b>	<b>2.91</b>	3.34	3.05	2.64	2.95
Scope 1 & 2 emissions/\$m operating income (tonnes CO <sub>2</sub> eq/\$m/year)	–	<b>15.99</b>	–	11.49	–	11.74
Scope 1, 2 & 3 emissions/\$m operating income (tonnes CO <sub>2</sub> eq/\$m/year)	–	<b>20.15</b>	–	14.59	–	14.79
<b>Environmental resource efficiency</b>						
Energy						
Indirect non-renewable energy consumption <sup>3</sup> (GWh/year)	<b>185</b>	<b>245</b>	201	284	215	298
Indirect renewable energy consumption <sup>4</sup> (GWh/year)	<b>23</b>	<b>20</b>	14	13	8	8
Direct non-renewable energy consumption <sup>5</sup> (GWh/year)	<b>26</b>	<b>47</b>	36	68	46	86
Direct renewable energy consumption <sup>6</sup> (GWh/year)	–	–	–	–	–	–
On-site renewable energy consumption <sup>7</sup> (MWh/year)	<b>247</b>	<b>247</b>	276	276	115	115
Energy consumption <sup>8</sup> (GWh/year)	<b>234</b>	<b>312</b>	252	365	287	405
Energy consumption/FTE (kWh/FTE/year)	<b>3,986</b>	<b>3,599</b>	4,306	4,341	3,669	4,453
Energy consumption/m <sup>2</sup> (kWh/m <sup>2</sup> /year)	<b>278</b>	<b>252</b>	298	289	322	309
Water						
Water consumption (ML/year)	<b>917</b>	<b>1,181</b>	793	1,037	814	1,191
Water consumption/FTE (m <sup>3</sup> /FTE/year)	<b>16</b>	<b>14</b>	14	12	10	13
Water consumption/m <sup>2</sup> (kL/m <sup>2</sup> /year)	<b>1.09</b>	<b>0.95</b>	0.94	0.82	1.03	0.91
Paper						
Print paper consumption (ktonnes/year)	<b>0.74</b>	<b>1.14</b>	1.04	1.50	1.51	1.75
Print paper consumption/FTE (kg/FTE/year)	<b>12.61</b>	<b>13.15</b>	17.70	17.70	19.25	19.25
Waste						
Waste (ktonnes/year)	<b>5</b>	<b>6.4</b>	5.2	6.6	5.9	7.2
Waste/FTE (kg/FTE/year)	<b>85</b>	<b>74</b>	89	79	75	79
Waste reused or recycled (%)	<b>38</b>	<b>38</b>	27	27	28	28
Retired IT equipment reused or recycled (ktonnes/year) <sup>9</sup>	<b>0.15</b>	<b>0.23</b>	0.19	0.29	0.16	0.28

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

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

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

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

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

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

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

8. The 2014 measured energy total of 287 GWh includes an estimated 18 GWh of energy for locations where invoices were not available at the reporting date

9. Data restated from 2015

**Additional notes on environment data**

The emissions within our inventory correspond to a reporting period of 1 October 2015 to 30 September 2016. This is to allow sufficient time for independent assurance to be gained prior to the publication of results. Accordingly, the operating income used in this inventory corresponds to the same period rather than the calendar year used in financial reporting. This is consistent with international carbon reporting practice.

'Measured' data is collected from Global Environment Management System (GEMS) properties, defined as all properties that are over 10,000 square feet for energy and water. For paper and business travel, it is defined per full-time employee.

'Scaled-up' data is an extrapolation made from measured data to account for 100 per cent of the Group's occupied property footprint for energy and water. For paper and business travel, it is defined per full-time employee (as at the end of the reporting period).

Carbon abatement benefit from indirect renewable energy is not taken into account.

Total energy use is normalised to reflect periods of vacancy in certain sites during the reporting period.

Net internal areas used for water use intensity do not include sites that have reported zero water consumption in demised areas.

Warehouses, empty land, car parks, unoccupied sites for business continuity purposes, residential properties, space occupied by automated teller machines, vaults and space sub-let to tenants are excluded from this extrapolation.

Scope 3 emissions are drawn from reliable data collected from 20 countries, based on seating class and distance flown.

As we operate largely outside of the UK, all flights domestic or international with flight distance of less than 463km, labelled by the Department for Business, Energy and Industrial Strategy (DBEIS) as 'domestic flights', have been classified as 'short haul'. All flights with distance flown ranging from 463 to 1,108km, labelled by DBEIS as 'short haul' have been classified as 'medium haul'.

The Carbon Trust is our independent third-party assurance provider for Greenhouse Gas (GHG) emissions. In 2016, our measured Scope 1 and Scope 2 emissions were assured by The Carbon Trust, ensuring the accuracy and credibility of our reporting. For additional information, review the Independent Assurance Report on [www.sc.com/EnvironmentalAssurance](http://www.sc.com/EnvironmentalAssurance).

**Investing in communities****Community expenditure**

	<b>2016 \$million</b>	<b>2015 \$million</b>	<b>2014 \$million</b>
Cash contributions	<b>20.8</b>	24.5	25.2
Employee time (non-cash item)	<b>17.3</b>	20.0	23.6
Gifts in Kind (non-cash item) <sup>1</sup>	—	0.1	0.1
Management costs	<b>4.7</b>	5.5	5.8
<b>Total (direct investment by the Group)</b>	<b>42.8</b>	50.1	54.7
Leverage <sup>2</sup>	<b>9.5</b>	10.2	9.5
<b>Total (incl. leverage)<sup>3</sup></b>	<b>52.3</b>	60.3	64.2
<b>Percentage of prior year operating profit (PYOP)</b>	—	1.42	1.06

1. Gifts in Kind comprises all non-monetary donations

2. Leverage data relates to the proceeds from staff and other fundraising activity

3. This metric is not meaningful based on 2015 operating profit



# Carbon Trust assurance statement

## **Carbon Trust Certification Ltd Assurance Statement Relating to Standard Chartered Plc's Greenhouse Gas Emissions Sources Claims 2016**

### **Terms of engagement**

Carbon Trust Certification Limited (CTC) was commissioned by Standard Chartered PLC to provide an independent, limited level of assurance on the following Selected Information:

- Scope 1 emissions (combustion of fuels); and
- Scope 2 emissions (purchased electricity, heat and cooling)

The Selected Information is presented within the Environment Table on Standard Chartered's Sustainability Summary 2016. We have not performed any work, and do not express any conclusion, over any other information that may be included in Standard Chartered's Sustainability Summary 2016 or on Standard Chartered's website for the current year or for the previous periods unless otherwise indicated.

### **Scope**

This engagement covers the verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary.

- Organisational boundary used: All Global Environmental Management System (GEMS) properties
- Control approach: Operational control
- Reporting period: 01 October 2015 – 30 September 2016
- Exclusions: Fugitive emissions

### **Our conclusion**

Based on the work we have undertaken and the evidence provided by Standard Chartered PLC, nothing has come to our attention that leads us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Scope 1 GHG emissions: 6,312 tCO<sub>2</sub>e

Scope 2 GHG emissions: 136,570 tCO<sub>2</sub>e

This conclusion shall be read in the context of the remainder of this Assurance Statement, in particular the inherent limitations explained below and this report's intended use.

### **Reporting criteria**

The Reporting Criteria used by the Standard Chartered PLC is the Eco Efficiency Reporting Criteria 2016. The Selected Information shall be read together with the Reporting Criteria.

### **Management Responsibility**

The management of Standard Chartered PLC is responsible for:

- Designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- Selecting and/or developing objective Reporting Criteria;
- Measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- The contents and statements contained within the Report and the Reporting Criteria.

### **Our responsibilities**

Our responsibility is to plan and perform our work to obtain and provide limited assurance on whether the Selected Information has been prepared in accordance with the reporting criteria and to report to Standard Chartered PLC in the form of an independent limited

assurance conclusion based on the work undertaken and the evidence obtained.

### **Assurance standards applied**

We performed our work in accordance with CTC's assurance methodology based on ISO 14064-3:2006.

### **Our assurance activities**

Our objective was to assess whether the Selected Information is reported in accordance with the principles of completeness, comparability and accuracy. We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- Assessing the appropriateness of the Reporting Criteria for the Selected Information;
- Conducting interviews with Standard Chartered PLC management to obtain an understanding of the key processes, systems, controls and related documentation in place over the preparation of the Selected Information;
- Carrying out site visit(s);
- Performing analytical reviews and detailed sampling of the Selected Information; and
- Reading the information that will be transposed into the Standard Chartered's Sustainability Summary 2016. The final version of this document and the narrative accompanying the Selected Information in the Sustainability Summary 2016 will be reviewed before publication with regard to the Reporting Criteria, and for consistency with our findings.

### **Inherent limitations**

The accuracy and completeness of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. As such, this Assurance Statement should be read in connection with Eco Efficiency Reporting Criteria 2016.

### **CTC's competence and independence**

CTC ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach is rigorous and transparent.

Morgan Jones, Associate Director – Certification



Carbon Trust Certification Ltd, London

Email: info@carbontrust.com

This assurance report is made solely to Standard Chartered PLC in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Standard Chartered PLC showing that it has obtained an independent assurance report in connection with the Selected Information. We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party other than Standard Chartered PLC for our work, for this assurance report or for the conclusions we have reached.

# Sustainability Aspirations

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

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

Aspiration	Target	Timeline
<b>Pillar 2: Being a responsible company</b>	<b>We will:</b>	
<b>People</b> – Our people are our greatest asset, and our diversity drives our business success  	Increase gender representation: 25% women at board level 30% women in senior roles (bands 1-4)  Flexible working: Apply flexible working policy globally  Parental leave: Increase the minimum paid parental leave across all of our markets to 20 weeks for the primary care giver and two weeks for the spouse or civil partner	Jan 2013 – Dec 2017  Sept 2016 – Dec 2020  Sept 2016 – Dec 2017
<b>Environment</b> – Reducing our own impact on the environment will protect our planet for the benefit of our communities  	Reduce annual energy use by 35% to 230 kWh/m <sup>2</sup> /year in our tropical climate locations (80% of portfolio)  Reduce annual energy use by 31% to 275 kWh/m <sup>2</sup> /year in our temperate climate locations (20% of portfolio)  Reduce our annual water use by 72% to 0.5 kL/m <sup>2</sup> /year  Reduce annual office paper use by 57% to 10 kg/FTE/year	Jan 2008 – Dec 2019  Jan 2008 – Dec 2019  Jan 2008 – Dec 2019  Jan 2012 – Dec 2020
<b>Conduct</b> – Good conduct and high ethical standards are essential in achieving fair outcomes for our clients  	Implement a conduct management framework that ensures all staff are able to identify, control and govern conduct related risk	Jan 2017 – Dec 2017
<b>Financial Crime Compliance</b> – Financial crime has serious social and economic consequences, harming individuals and communities  	All eligible Bank staff to complete relevant ABC, AML and sanctions training with less than 2% overdue  Deliver at least 10 correspondent banking academies in 2017	Ongoing  Jan 2017 – Dec 2017
<b>Pillar 3: Investing in communities</b>		
<b>Community Engagement</b> – Health and education are vital for thriving and prosperous communities  	Invest 0.75% of prior year operating profit in our communities  Raise \$100 million to tackle avoidable blindness  Empower 600,000 girls through education and sport  Educate 5,000 micro and small businesses, with 20% women-owned or led	Jan 2006 – Dec 2020  Jan 2003 – Dec 2020  Jan 2006 – Dec 2018  Jan 2013 – Dec 2018

## **Further information**

Our online resources provide further information to support this document.

### **Annual Report**

For a full review of our performance during 2016, visit  
[sc.com/annual-report/2016](http://sc.com/annual-report/2016)

### **Sustainability approach**

Our sustainability pages contain information on our approach and progress over time, visit  
[sc.com/en/sustainability](http://sc.com/en/sustainability)

### **Position Statements**

For details of our environmental and social standards and how we apply these in our work with clients, visit  
[sc.com/PositionStatements](http://sc.com/PositionStatements)

### **Conduct framework**

For further information on our conduct framework, including our Group-wide Code of Conduct, visit  
[sc.com/CodeofConduct](http://sc.com/CodeofConduct)

### **Tax reporting**

For complete country-by-country tax reporting, visit  
[sc.com/cbcr](http://sc.com/cbcr)

### **Included in**



### **Contact us**

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