

# Green and Sustainable Product Framework 2023

Version 5.0



standard  
chartered

# ▶ Introduction to Standard Chartered Bank's Green and Sustainable Product Framework (the Framework) ◀





We are here for good – as a leading international bank, we help people and businesses prosper across Asia, Africa and the Middle East.

Standard Chartered is a leading international banking group. Our heritage and values are expressed in our brand promise, Here for good. We have a presence in over 50 of the world's most dynamic markets and serve clients from across the globe. More than 85 per cent of our income and profits are derived from Asia, Africa and the Middle East. We are active in over 30 countries that receive official development assistance, including seven of the least developed countries. We are listed on the London and Hong Kong Stock Exchanges.

## 1.1 Our approach to sustainability

Our approach to sustainability is framed around a sustainability philosophy which sets out how we integrate sustainability into our organisational decision-making, a set of Position Statements which outline our environmental and social standards, and a list of Prohibited Activities that we will not finance.

Our markets represent unique challenges, with rapid urbanisation, vulnerability to climate change, and significant social and economic disruption brought by the COVID-19 pandemic. We believe finance plays a role in addressing these challenges. It also plays a role in taking advantage of the opportunities; to transition to low carbon technology and accelerate inclusion through digital solutions. It can also enable individuals to build a positive future for themselves and their families, businesses to thrive and grow, and governments to deliver economic prosperity for the wider community.

We build our knowledge and understanding of key issues and share best practice through our participation in a number of industry platforms and working groups. As at October 2023, we are members and Chair of the Net Zero Banking Alliance, and the Chair of the Steering Committee of the Equator Principles Association. We are also active participants of the Glasgow Financial Alliance for Net Zero (GFANZ) Principals Group and the Climate Bonds Initiative, as well as a signatory to the United Nations Principles for Responsible Banking.<sup>1</sup>

More than

85%

of our income and profits are derived from Asia, Africa and the Middle East

We are active in over

50

markets worldwide, including some of the world's most dynamic

<sup>1</sup> See <https://www.sc.com/en/sustainability/how-we-work/> for the full list of our memberships to industry and sector organisations.

## 1.2 Our approach to Sustainable Finance

The world is less than a decade away from 2030, the year set for delivering on the UN Sustainable Development Goals (SDGs). According to a UN report, just 60 per cent of the financing needed to achieve the SDGs in low and middle-income countries is being met.<sup>2</sup> In Africa, this is as low as 10 per cent. COVID-19 has further widened this financing gap with the OECD estimating that for low and middle-income countries the annual financing gap could increase by up to 70 per cent.<sup>3</sup>

We have the financial expertise, capabilities and geographical reach to help get capital to the markets where it matters the most.

Our dedicated Sustainable Finance team brings together our experience and expertise in managing environmental, social and governance risks alongside our dedicated Sustainable Finance bankers.

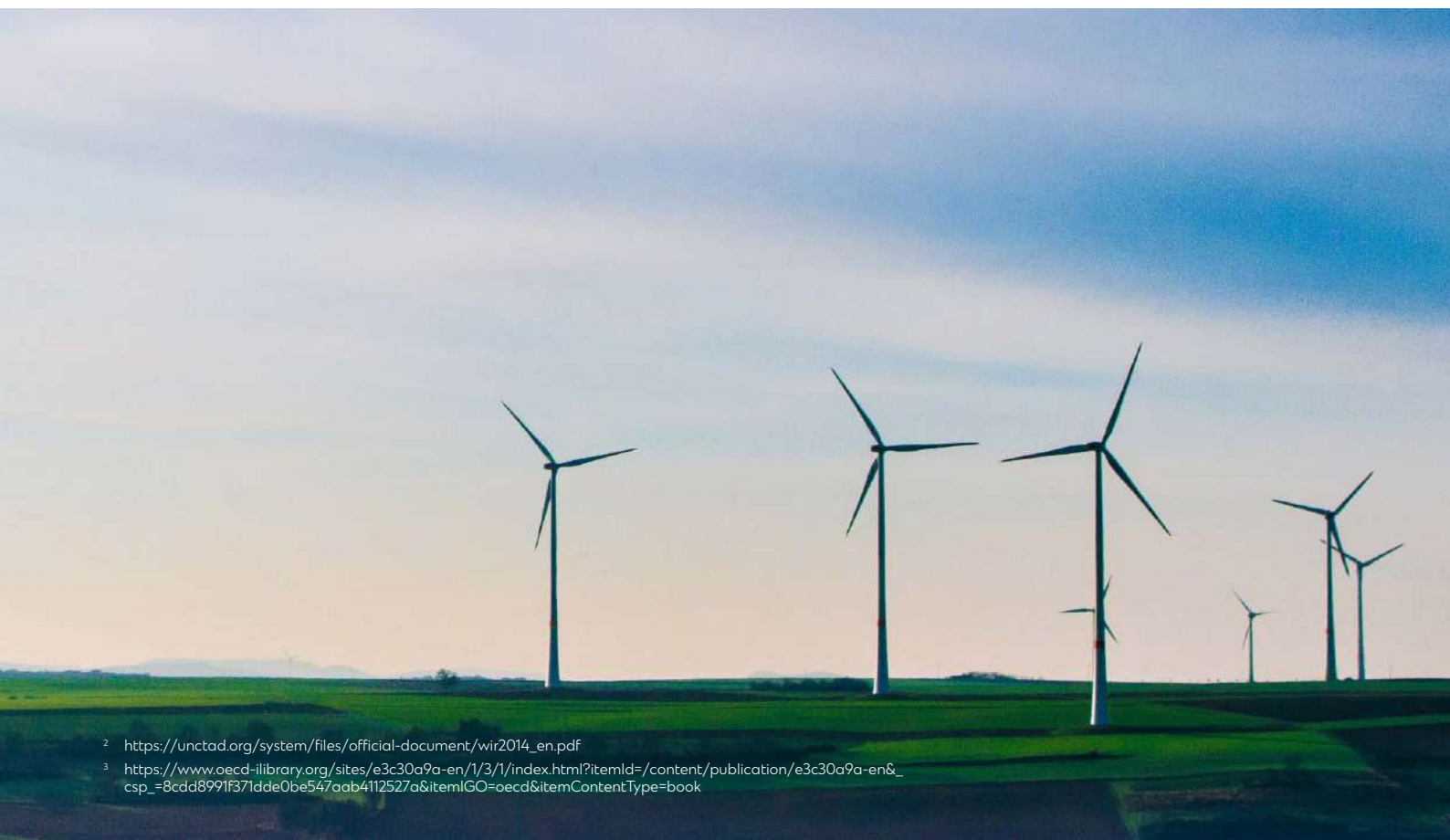
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<sup>2</sup> [https://unctad.org/system/files/official-document/wir2014\\_en.pdf](https://unctad.org/system/files/official-document/wir2014_en.pdf)

<sup>3</sup> [https://www.oecd-ilibrary.org/sites/e3c30a9a-en/1/3/1/index.html?itemId=/content/publication/e3c30a9a-en&csp\\_8cdd8991f371dde0be547aab4112527a&itemGO=oecd&itemContentType=book](https://www.oecd-ilibrary.org/sites/e3c30a9a-en/1/3/1/index.html?itemId=/content/publication/e3c30a9a-en&csp_8cdd8991f371dde0be547aab4112527a&itemGO=oecd&itemContentType=book)

## 1.2.1 Defining Sustainable Finance at Standard Chartered

At Standard Chartered, we have over 40 product variants within our Sustainable Finance product suite. These fall into one of the following three buckets: (i) 'Use of Proceeds'; (ii) 'Sustainability-Linked'; and, (iii) Sustainable Finance Liabilities Products.

Use of proceeds	Sustainability-Linked	Liabilities products
<ul style="list-style-type: none"> <li>Restricted use of the proceeds of the financing to pre-determined eligible services</li> <li>Written in to the transaction documentation</li> <li>Post-close monitoring required to report on use of proceeds until proceeds are fully allocated</li> <li>Examples: green loans, sustainability bonds</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability-Linked products are products which incentivise the client's achievements of pre-determined sustainability performance objectives</li> <li>The key performance indicators (KPIs) must be material to the client's key ESG-related issues and the associated Sustainability Performance Targets (SPTs) ambitions</li> <li>Third-party verified reporting on performance against the SPTs is required on at least an annual basis</li> <li>Examples: Sustainability-Linked derivatives</li> </ul>	<ul style="list-style-type: none"> <li>We raise sustainable liabilities which are referenced against our sustainable finance assets base</li> <li>Limits by product and by market are allocated by the Sustainable Finance Governance Committee</li> <li>Total Sustainable Finance liabilities are monitored against total Sustainable Finance assets on a daily basis</li> <li>We report on our assets base on an annual basis through our Sustainable Finance Impact Report</li> <li>Examples: SCB Group Sustainable Bond issuances, sustainable deposits</li> </ul>

<p>Industry guidance:</p> <p><b>Loan Market Association (LMA):</b> Green Loan Principles Social Loan Principles</p> <p><b>The International Capital Market Association (ICMA):</b> Green Bond Principles Social Bond Principles Sustainability Bond Guidelines</p>	<p>Industry guidance:</p> <p><b>LMA:</b> Sustainability-Linked Loan Principles</p> <p><b>ICMA:</b> Sustainability-Linked Bond Principles</p>
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## Our Sustainable Finance Product Suite

### Current SF products

CCIB				CPBB		Group Treasury
Lending	Financial Markets	(FM) Treasury Markets	Transaction Banking	Personal & Business Banking	Wealth Management	
Green and Social Loans Sustainability-linked Loans ESG Advisory	Green/Social/Sustainability Bonds Sustainability-Linked Bonds ESG Derivatives Carbon – Mandatory Markets Carbon Trading – Voluntary Markets Sustainability Incentive Repo ESG Repo (Use of Proceeds) KPI-Linked Repo ESG Structured Notes ESG Structured Investments – Deposits ESG Structured Investments – Loans Green FX Flow	Sustainable Deposits (Su-D) – for Corporates Sustainable Evergreen Deposits (SuE) – for Financial Institutions Sustainable Fiduciary Deposits	Sustainable Trade Finance: Letters of Credit (Import) Guarantees Receivables Payables Financing Supplier Financing Import Finance Working Capital Lending Letters of Credit (Export) Pre-shipment Finance FI Trade Loan  Sustainable CASA (Su-CASA) ESG-Linked CASA	Sustainable Time Deposits (Su-TD) Retail CASA (Su-CASA) Green Mortgages Green Retrofit Loans ESG Structured Notes	Sustainable Investments – ESG Mutual Funds and ETF Sustainable Investments – ESG Mutual Funds and ETF – ESG Select Sustainable Investments – Equities Sustainable Investments – Bonds Sustainable Investments – Structured Products	SCB Sustainability Bonds

All of our Sustainable Finance products are approved at our Sustainable Finance Governance Committee (SFGC). Use of Proceeds and Sustainability-Linked transactions are then assessed on a transaction-by-transaction basis.

Where Use of Proceeds products sit as assets on our balance sheet (e.g. loans) and there is alignment with the eligible activities detailed within this Framework, these assets are included in our Sustainable Finance asset base.

## 1.2.2 Our approach to mitigating greenwashing risk

### Transparency

- Public **Green and Sustainable Product Framework** – We published our first iteration of this Framework (our definition of what we count as green or sustainable assets) in 2019. This Framework is publicly available and externally verified by Morningstar Sustainalytics.
- Public Environmental and Social Risk Management Framework – Predates our Green and Sustainable Product Framework <https://www.sc.com/en/sustainability/position-statements/our-framework/>. We apply this framework to all our Corporate, Commercial & Institutional Banking and Business Banking clients, and embed our framework directly into our client review and credit approval process.

### Expertise

- **Transaction by transaction approval** – On a transaction basis, our approach requires that each Sustainable Finance transaction we engage in (across all products including bonds, loans, trade, derivatives etc.) is linked to a Sustainable Finance product that has been approved by the SFGC. The Sustainable Finance transaction then has to be assessed and approved by a Sustainable Finance Empowered Approver.
- **Sustainable Finance training available to all staff** – We regularly train our business and product teams on Sustainable Finance products and their controls. Since launching our foundation curriculum in 2022, we have developed and launched a second tier curriculum, “Practitioner Level”, for select frontline staff this year. Looking ahead, we aim to continually expand the curriculum to cater to the rest of frontline staff and enabling functions across the bank.

### Governance

- Several committees within the Group support the Board and Management Team on the oversight of climate-related risks and opportunities. Details of these are all set out in detail in our Annual Report. These include the Group Responsibility, Reputational & Risk Committee, the Sustainability Forum, the Climate Risk Management Committee, and the SFGC.
- We have Product Programme Guidance documents which underpin each Sustainable Finance product that we offer, signed off by a delegate member of the SFGC following approval of the product construct by the SFGC.

### Challenge and review

- The SFGC is our forum for reviewing Sustainable Finance products and derives its authority from the Group Reputational and Responsibility Risk Committee. It is a majority second line committee with membership drawn from Sustainable Finance, Environmental and Social Risk Management, audit, compliance, legal, reputational and sustainability risk, finance and regulatory affairs. It is our foremost committee on greenwashing risk in product design and labelling.

### Verification

- **External verification** – We seek external review on our Framework and external assurance of our Sustainable Finance assets. Our Green and Sustainable Product Framework is co-authored with a third party verification firm (Morningstar Sustainalytics). This review ensures we are aligned with market practice in terms of the eligible activities in our Framework. We also ensure that on an annual basis, a third party audits our asset base, giving assurance that our Sustainable Finance assets exist and align to our Framework.

## 1.2.3 Sustainable Finance categorisation

At Standard Chartered, we have three main Sustainable Finance related data points which we externally report on a regular basis:

- Sustainable Finance revenue
- Progress against USD300bn green and transition finance mobilisation target
- Sustainable Finance asset base

Our Sustainable Finance labels are categorised as follows for reporting purposes:

	Sustainable Finance revenue	USD300bn mobilisation target		Sustainable Finance assets	
	\$	Lending	Debt capital market	Lending	Debt capital market
Green pure play clients	✓	✓	✓	✓	✗
Social pure play clients	✓	✓	✓	✓	✗
Sustainable pure play clients	✓	✓	✓	✓	✗
Green transactions	✓	✓	✓	✓	✗
Social transactions	✓	✓	✓	✓	✗
Sustainable transactions	✓	✓	✓	✓	✗
Sustainability-Linked products	✓	✓	✓	✗	✗
Transactions / clients that align to the Transition Framework	✓	✓	✓	✗	✗
Impact transactions	✓	✓	✗	✗	✗
Carbon transactions	✓	✗	✗	✗	✗
Sustainable liabilities products	✓	✗	✗	✗	✗
(CPBB) Green mortgages	✗	✓	N/A	✓	N/A
(CPBB) Social lending	✗	✓	N/A	✓	N/A
(CPBB) Sustainable liabilities products	✗	✗	✗	✗	✗

This Framework covers the eligible activities we consider when approving transactions which fall into the following categories:

- Green pure play clients
- Social pure play clients
- Sustainable pure play clients
- Green
- Social
- Sustainable
- Green mortgages
- Social lending



## 1.3 Environmental and social risk management

We set, and regularly review, environmental & social (E&S) standards for clients via a series of public Position Statements. These can be accessed [here](#). We use the Position Statements to assess whether to provide financial services to clients operating in sensitive business sectors:

- Extractive industries (Oil & Gas, Mining & Metals);
- Power generation (Fossil Fuel Power, Nuclear Power, Renewable Energy – including Hydropower);
- Agro-industries (Agribusiness, Fisheries, Tobacco, Forestry, Palm Oil);
- Infrastructure & transport; and
- Chemicals & manufacturing.

In addition, we have two cross-cutting Position Statements covering Climate Change and Human Rights and a further document which captures Prohibited Activities.

The Environmental & Social Risk Management team, part of the wider Sustainable Finance team, is comprised of industry specialists and bankers who work with Relationship Managers and clients to manage E&S risk which arise in relation to our clients and transactions. We will and have declined transactions or exited relationships where clients show insufficient intent or progress to meet the standards set out in our Position Statements.

## 1.4 Our approach to impact

Our Sustainable Finance Impact Report captures the impact of our entire portfolio of Sustainable Finance assets which align to our Sustainability Bond Framework, and are captured by this Framework. It is produced on an annual basis to reflect the latest changes in our Sustainable Finance asset base. Some highlights this year:

- **1.87 million tonnes of CO<sub>2</sub>** saved in the last year from our operational assets and also from those in construction
- **Over 662,000** microfinance loans enabled
- **Nearly 20,000** SME loans disbursed
- **Over 12.8 million cubic metres of water** supplied over the past year

Through our COVID-19 USD1 billion facility (the Facility) we also supported the acceleration of the testing vaccination programmes in the Philippines, Indonesia, Malaysia, Singapore, Hong Kong, Australia and China. The Facility was set up to provide financing in the form of loans and trade finance facilities to support clients acquiring equipment, support with liquidity, and help existing manufacturers get their products to market.

We released a detailed [Impact Report focused on the Facility](#) earlier this year. Key highlights include supporting the distribution of 500 million pieces of PPE and the delivery of over 50 million vaccines, predominantly in emerging markets.



## 1.5 Purpose and application

The purpose of this Framework is to outline the eligible themes and activities we consider as 'Green' and 'Social', enabling the development of Sustainable Finance products and identification of eligible transactions. We have mapped the eligible themes and activities against the relevant SDGs.

We use the Framework to guide the development of Green and Sustainable products that reference a specific Green or Sustainable use of proceeds. Specific Sustainable Finance product propositions that are intended to have a Green or Sustainable use of proceeds feature must then reference this Framework. Products provided under our COVID-19 USD1 billion facility are considered eligible under this Framework if originated before July 2022.

Additional information on use of proceeds, selection and verification processes, assurance and reporting will be dependent on the product type and category.

As mentioned above, we have developed this Framework with the support of Morningstar Sustainalytics. It has been informed by the following principles and standards, among others:

- Green Bond Principles (2021, with June 2022 appendix I), administered by the International Capital Markets Association (ICMA)
- Social Bond Principles (2023), administered by ICMA
- Sustainability Bond Guidelines (2021), administered by ICMA
- Guidance on Blue-Themed Bonds (2023), administered by ICMA
- Green Loan Principles (2023), administered by the Loan Market Association (LMA)
- Social Loan Principles (2023), administered by LMA
- EU Taxonomy for sustainable activities, including the Technical Expert Group final report on the EU Taxonomy
- Climate Bonds Standard administered by the Climate Bonds Initiative (CBI)

## 1.6 External review process

We developed this Framework with support from Morningstar Sustainalytics. Morningstar Sustainalytics is a leading ESG data, research, and ratings firm that supports investors around the world with the development and implementation of responsible investment strategies.

For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Morningstar Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider material sustainability factors in policies, practices, and capital projects.

Our Sustainable Finance team has primary responsibility for developing and maintaining the Framework and will periodically report publicly on lending and finance activities conducted under this Framework.

As information and understanding on environmental and social matters continues to evolve, we will review this Framework on an annual basis to evaluate if any changes need to be made to any qualifying activities.


# ► Qualifying green and social themes and activities ◀

# 2

## Qualifying green and social themes and activities

Standard Chartered Bank teams will use this Green and Sustainable Product Framework for the following purposes:

- Financing of eligible projects and activities which qualify as green and/or sustainable activities based on the Framework below;
- General purpose loans to corporations where at least 90 per cent of the company's revenues are derived from the activities in the Framework below.

Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
<b>Renewable energy</b>	Generation of energy from renewable sources	<p>The generation of electricity from:</p> <ul style="list-style-type: none"> <li>• Wind (onshore and offshore)</li> <li>• Wave, tidal and ocean thermal energy conversion</li> <li>• Solar photovoltaic systems (including floating)</li> <li>• Concentrated solar heat and power generation, where large majority of electricity (more than 85 per cent) generated from the facility is derived from solar energy sources</li> <li>• Hydropower<sup>4</sup>: (i) For new facilities: Lifecycle carbon intensity below 50 gCO<sub>2</sub>/kWh or Run-of-river without artificial reservoir or low storage capacity or Power density is greater than 10 W/m<sup>2</sup> (ii) For facilities that became operational before 2022: Lifecycle carbon intensity below 100 gCO<sub>2</sub>/kWh or Run-of-river without artificial reservoir or low storage capacity or Power density is greater than 5 W/m<sup>2</sup></li> <li>• Waste to energy from: (i) municipal solid waste where majority of recyclables are segregated before incineration, (ii) anaerobic digestion of sewage sludge, or (iii) bioenergy limited to facilities with life-cycle emissions intensity below 100 gCO<sub>2</sub>/kWh. This also includes the production of biofuel with a greenhouse gas savings threshold of 65 per cent relative to the fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001</li> <li>• Geothermal (direct emissions intensity threshold below 100 gCO<sub>2</sub>/kWh)</li> <li>• Green hydrogen projects<sup>5</sup></li> <li>• Retrofit of renewable energy power plants</li> </ul> <p>The production of biofuels from:</p> <ul style="list-style-type: none"> <li>• Waste sources (forestry and agriculture residues, palm kernels shells only where these are Roundtable on Sustainable Palm Oil certified)</li> <li>• Non-waste sources,<sup>6</sup> where the biofuel production (including sustainable aviation fuels) fulfils the following criteria: (i) achieves substantial life-cycle emissions reduction least 65 per cent<sup>7</sup> lower than fossil-fuel baseline<sup>8</sup>; and (ii) feedstocks are certified sustainable by a credible source<sup>9</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Application of technology in the fossil fuel industry and traditional carbon-intensive processes within heavy industries, such as steel, aluminium and cement<sup>10</sup></li> <li>• Offshore wind projects supported by fossil fuel-based auxiliary power</li> <li>• Ocean thermal energy conversion projects where fossil fuel back up is not limited to power monitoring, operating and maintenance equipment, as well as resilience or protection measures/restart capabilities</li> <li>• Waste to energy where removal of all recyclables and hazardous materials prior to incineration cannot be ensured</li> <li>• Plastics, rubber, tire-derived fuels (TDF) for energy or fuel conversion</li> </ul>	

<sup>4</sup> For all new hydropower an environmental and social impact assessment by a credible body (third-party/external audit) is required per project. There should be no significant risk or expected negative impact identified.

<sup>5</sup> Production by electrolysis powered by renewable energy where renewable energy is as defined by this Framework.

<sup>6</sup> That achieves each of the following: (i) is not grown on HCV-HCS land or recently deforested land; (ii) does not directly compete with food sources; (iii) is not in areas of high-water stress, in line with Standard Chartered Bank's Position Statement on agro-industries, at: <https://www.sc.com/en/sustainability/position-statements/agro-industries>





<sup>7</sup> Pre-2021 installations: 60 per cent reduction below baseline and pre-2015 installations: 50 reduction below baseline.

<sup>8</sup> Fossil fuel baselines for biofuel production facilities: (1) Biofuels (for transportation) - 94 gCO<sub>2</sub>e/MJ; (2) Bioliqids (production of electricity) - 183 CO<sub>2</sub>e/MJ; and (3) Bioliqids (production of heat) - 80 CO<sub>2</sub>e/MJ as per EU RED II. For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 gCO<sub>2</sub>e/MJ.

<sup>9</sup> Known credible certification schemes for crops to be used for biofuel production include the Roundtable on Sustainable Biomaterials (RSB), ISCC Plus, Bonsucro (for sugarcane) and RTRS (for soy). The Sustainable Finance Governance Committee may consider additional certification schemes so long as such schemes are evaluated to be equivalent, internationally-recognised certification schemes.

<sup>10</sup> Exclusionary criteria does not apply to secondary aluminium production facilities.



Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
	Manufacture of components for renewable energy technology	Development and/or manufacture of renewable energy technologies and associated assets wholly dedicated and used for purpose of supporting renewable energy generation facilities, including equipment for renewable energy generation and energy storage systems. Examples could include wind turbines <sup>11</sup> ; solar panels; battery storage connected to renewables; energy storage systems connected to an eligible transmission and distribution system as defined by this Framework; and the development, manufacturing or purchase of vessels (boats, barges, ships) fully dedicated to the construction or other services of marine renewables <sup>12</sup>	<ul style="list-style-type: none"> <li>Vessels used for transportation of fossil fuels</li> </ul>	
	Construction/maintenance/expansion of associated distribution networks	<p>For transmission and distribution systems, the following applies:</p> <ul style="list-style-type: none"> <li>If the system carries more than 90 per cent electricity from renewable sources, the full financing or project is considered eligible</li> <li>If the system carries less than 90 per cent renewable energy, but is on a decarbonisation trajectory in line with the EU Taxonomy,<sup>13</sup> then the full financing is considered eligible; and</li> <li>If the system carries less than 90 per cent renewables, but the percentage of renewables is expected to increase, a pro-rata approach will be adopted for allocation</li> </ul>	<ul style="list-style-type: none"> <li>New transmission and distribution infrastructure dedicated to connecting new fossil power plants or new nuclear power plants</li> </ul>	
<b>Green buildings</b>	Commercial, public and residential buildings (existing and new construction)	<ul style="list-style-type: none"> <li>Buildings meeting any of the following conditions: <ul style="list-style-type: none"> <li>Buildings that are (i) certified or (ii) pre-certified including confirmation of application for certification to be obtained within 12 months of project completion to an acceptable level under an internationally recognised green building certification scheme (see below); or</li> <li>Building renovation that achieve a minimum 30 per cent improvement in energy use and/or carbon emissions compared to a mandated local or regional baseline or code<sup>14 15</sup></li> <li>Pure play green building companies or developers where more than 90 per cent of the gross floor area is certified to an acceptable level under an internationally recognised green building certification scheme (see below)</li> <li>Replacement of existing heating/cooling systems in buildings with more efficient, non-fossil fuel powered systems</li> <li>Installation of new cogeneration/tri-generation/combined heat and power plants that generate electricity in addition to providing heating/cooling<sup>16</sup></li> <li>Waste heat recovery improvements</li> <li>Green data centres with a PUE of under 1.5</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Improvement activities that result in the lock-in of fossil fuel technologies</li> <li>Activities related to buildings directly involved in the exploration, extraction, refining and distribution of fossil fuels</li> <li>Cogeneration/CHP plants powered by coal, oil or natural gas</li> <li>Projects using waste heat from fossil fuel production/operation</li> </ul>	 

<sup>11</sup> Wind turbine manufacturing involving the use of balsa wood will be limited to companies with a sustainable sourcing policy in place and/or use balsa wood certified by recognized international standards such as FSC and PEFC, in line with Standard Chartered Bank's Position Statement on agro-industries, at: <https://www.sc.com/en/sustainability/position-statements/agro-industries/>

<sup>12</sup> Sustainability notes that such vessels are powered by conventional fuels or low-carbon fuels (electric, biofuel or hydrogen-powered), and are fully dedicated to the construction or other services of marine renewables, such as wind turbine installation.

<sup>13</sup> Please refer to the technical screening criteria (b) and (c) under activity "4.9. Transmission and distribution of electricity" of the EU Taxonomy Delegated Act 2021: [https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)

<sup>14</sup> For building projects in developing but not high-income countries as per the UN WESP report, Standard Chartered may require a 20 per cent improvement in energy use and/or carbon emissions. While noting that renovations that result in performance improvements of 20 per cent will result in some environmental benefit, Sustainability considers market practice to ensure that renovations will achieve emissions or energy performance improvements of at least 30 per cent.

<sup>15</sup> For building renovation, financing will be limited to the cost of renovation only and not the entire building construction.

<sup>16</sup> Cogeneration plants are limited to those powered by CSP/solar thermal or biomass waste, OR geothermal energy/bioenergy with emissions below 100 gCO<sub>2</sub>/kWh.


**Eligible green building certifications:**

- EDGE (Certified or higher)
- BREEAM (Excellent or higher)
- LEED (Gold or higher)
- Green Star (5 stars or higher)
- China 'Three Star System' (2 stars or higher)
- BEAM Plus (Gold or higher)
- G-SEED (Level 2 or higher)
- IGBC New Buildings or Existing Buildings (Gold or above)
- IGBC Green Home (Platinum)
- EEWH (Gold or higher)
- Estidama (4 Pearl rating or above OR 3 Pearl plus a 20-30 per cent improvement over ASHRAE 90.1 2013)
- BEAM Plus Selective (Very Good or above with Energy Use (EU) category included under the assessment OR all levels, subject to the building achieving at least 20 per cent energy efficiency improvement over ASHRAE 90.1 2013 or local baseline that is comparable with ASHRAE 90.1 2013)
- HQM (4 stars or above)
- EPC B or above for buildings in the UK
- Buildings that comply with a CBI-approved proxy i.e. city-specific, countrywide or international proxy
- NABERS Energy (5 stars or higher)
- Vietnam GBC Lotus Certification (Platinum)

- GRIHA (4 stars or higher)
- Green Buildings Index (Gold or higher)
- GreenRE (Gold or higher)
- Al Sa'fat certification (Platinum)
- BCA Green Mark (Gold or above)
- DGNB (Gold or above)
- Minergie (P and A)
- PassivHaus
- BER -B2 level for buildings in Ireland (B and above)
- Higg FEM (for textile sector buildings with 75 points and above)
- BEAM Plus Neighbourhood (Gold and above)
- SS 564 for data centres with PUE below 1.5
- SS 564 for data centres in Singapore<sup>17</sup>
- Earth Check (Gold or above)



All certifications and levels that can ensure building energy efficiency gains of 20 per cent over and above ASHRAE 90.1 (2013 and above) or local equivalent building code as baseline are eligible.

For building projects in developing but not high-income countries as per the UN WESP report, Standard Chartered may allow one level below the levels specified above (e.g. LEED Silver). The SFGC may consider additional certification schemes so long as such schemes are evaluated to be equivalent, internationally-recognised certification schemes.<sup>18</sup>

Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
<b>Energy efficiency</b>	Commercial, public and residential buildings (existing and new construction)	<ul style="list-style-type: none"> <li>• Development, manufacture and installation of energy-efficient lighting or equipment to increase the operational energy efficiency of utilities and/ or other public services (excluding improvements in buildings)</li> <li>• Improvement of heat efficiency of non-fossil-fuel powered-utilities, power plants, and other public services. Example projects could include rehabilitation of electric-powered district heating systems, electric-powered district cooling systems heat-loss reduction, and/or increased recovery of wasted heat</li> <li>• Mobile network upgrades to 5G technology and 4GLTE migration from 3G or lower</li> <li>• Internet of Things (IoT) and Artificial Intelligence of Things (AIoT) development and operation of networks, services and products that are specific to energy efficiency improvements</li> <li>• Telecom towers upgrades, including cooling systems, insulation and reflective paints that enhance energy efficiency</li> <li>• Modernisation of broadband network from copper to fibre optic</li> </ul>	<ul style="list-style-type: none"> <li>• Energy-efficient technologies designed or intended for processes that are inherently carbon intensive, primarily driven or powered by fossil fuels</li> <li>• Energy efficiency improvements to transmissions lines connected or dedicated to fossil fuel power</li> </ul>	

<sup>17</sup> Standard Chartered confirms that all new data centres in Singapore, built from July 2022 onwards, are required to have a PUE of under 1.3.





<sup>18</sup> Sustainability considers the certification levels listed above to be credible for the financing of green buildings and notes that Standard Chartered's eligibility criteria target levels that are lower for developing but not high-income countries as per the UN WESP report.

Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
	Industrial processes and supply chains	<ul style="list-style-type: none"> <li>Upgrades, improvement and installation of technologies and equipment to industrial and manufacturing processes to increase energy efficiency</li> <li>Development, manufacture and distribution of equipment and software that are specifically designed to increase the energy efficiency of industrial and manufacturing processes such as demand management technologies</li> <li>Financing steel manufacturing that uses (i) direct reduced iron (DRI) in an electric arc furnace (EAF), (ii) green hydrogen as a fuel and (iii) electricity for the facilities is sourced from renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>Energy-efficient technologies designed or intended for processes that are inherently carbon intensive, primarily driven or powered by fossil fuels, such as: Oil or gas-fired boilers, cogeneration and CHP unit</li> <li>Traditional carbon intensive production processes in heavy industries, such as steel, cement, aluminium,<sup>19</sup></li> </ul>	
		<ul style="list-style-type: none"> <li>Industrial/utility energy-efficiency improvements which result in reduction of heat losses and/or increased waste heat recovery. This includes installation of renewable-powered cogeneration plants<sup>20</sup></li> </ul>	<ul style="list-style-type: none"> <li>Applied to production processes that rely on fossil fuel</li> <li>Application in traditional carbon intensive production processes within heavy industries, such as steel, cement and aluminium<sup>21</sup></li> </ul>	
	Transmission and distribution systems	<ul style="list-style-type: none"> <li>Retrofit of distribution systems, transmission lines or substations to reduce energy use and/or technical losses (except for capacity expansion). Distributed assets, such as hybrid solar invertors, that will be limited to those where the intent is to reduce the curtailment of renewable energy into the grid. Electrical grid development and maintenance projects will be limited to those systems dedicated to connecting renewables to the power grid or supporting at least 90 per cent renewable electricity</li> <li>The development, manufacture, installation of technologies/components for efficient transmission and distribution. Examples could include smart grid technologies such as advanced/smart meters, monitoring and control automation devices, computing platforms, distributed generation, peak demand management, smart energy algorithms, green computing systems designed for energy efficient use, etc</li> <li>Distribution networks for districting heating/cooling where these are primarily (more than 50 per cent) powered by renewables, waste heat or both</li> <li>Subsea cables for renewable energy transmission, where more than 90 per cent of energy transmitted through the cables is renewable</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency improvement to transmissions lines directly connected or dedicated to fossil fuel power</li> </ul>	

<sup>19</sup> Exclusionary criteria does not apply to secondary aluminium production facilities.

<sup>20</sup> Cogeneration plants are limited to those powered by CSP/solar thermal or biomass waste, OR geothermal energy/bioenergy with emissions below 100 gCO<sub>2</sub>/kWh.



<sup>21</sup> Exclusionary criteria does not apply to secondary aluminium production facilities.

Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
Sustainable management of living and natural resources	Agricultural processes, Aquaculture processes	<ul style="list-style-type: none"> <li>Improving the energy efficiency of irrigation</li> <li>Investment in integrated cropland-livestock-forestry systems and agroforestry systems targeted at smallholder farmers with sustainable forestry management plan in place</li> <li>Investments in improved farming techniques and equipment which improves yields and reduces inputs such as water, pesticides, and fertilisers. Examples include promotion or implementation of sustainable agricultural techniques and practices including no-till farming systems, soil recovery and restoration of degraded pasture, agricultural practices that use no synthetic fertilizers and pesticides, crop rotation for carbon sequestration and nitrogen accumulation purpose</li> <li>Investments in vertical farming projects powered by renewable energy sources or power source with carbon intensity threshold of 100 CO<sub>2</sub>e/kWh or below</li> </ul> <p>Financing of products and associated activities with any of the following certifications applicable to natural materials:</p> <ul style="list-style-type: none"> <li>US Soy Sustainability Assurance Protocol for agricultural purposes</li> <li>RSPO (waste to energy from palm oil operations)</li> <li>Cotton compliant with the CmiA Standard or Better Cotton Standard</li> <li>2BSvs (soy)</li> <li>Rainforest Alliance</li> <li>Certified forests (FSC, PEFC, China Forest Certification Scheme)</li> <li>Certified organic agriculture, including USDA Organic<sup>22</sup></li> <li>Aquaculture Stewardship Council (ASC)</li> <li>Best Aquaculture Practices (BAP) with two stars or higher</li> <li>Marine Stewardship Council (MSC)</li> <li>Best Seafood Practices (BSP)</li> <li>International Sustainability and Carbon Certification (ISCC)</li> <li>Sustainable Rice Platform (SRP) with a score of 95 or above</li> <li>Round Table on Responsible Soy (RTRS) Standard for Responsible Soy Production</li> <li>Global Organic Textile Standard (GOTS)<sup>23</sup></li> </ul>	<ul style="list-style-type: none"> <li>Livestock management projects for industrial-scale meat processors or producers</li> <li>Manufacture, purchase or distribution of inorganic, synthetic fertilizers, pesticides or herbicides</li> <li>Equipment that run directly on fossil fuel such as those powered by diesel</li> <li>Genetically modified crops</li> <li>Techniques and technologies implemented on industrial scale livestock production units</li> </ul>	   

<sup>22</sup> Any certification listed in the IFOAM directory is considered eligible in relation to certification of organic cropping agriculture (see [https://directory.ifoam.bio/certification\\_bodies](https://directory.ifoam.bio/certification_bodies)).

<sup>23</sup> GOTS has a controversy regarding organic cotton sourced from India. GOTS's own investigation on the issue has detected 20,000 metric tons fake material and as a result GOTS has issued a certification ban on 11 companies was imposed and the contract with one approved certification bodies was terminated. Please find more information here: <https://global-standard.org/news/gots-press-release-gots-detects-evidence-of-organic-cotton-fraud-in-india#:~:text=GOTS%2C%20through%20own%20investigation%2C%20has,system%20of%20organic%20cotton%20production>





Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
		<p>Investment in management and maintenance of protected areas (national and regional natural parks and other protected areas, including coastal and marine ecosystems)<sup>24</sup></p> <p>Investment in alternative proteins:</p> <ul style="list-style-type: none"> <li>• R&amp;D towards cultured meat</li> <li>• R&amp;D and production of fermented meat with significantly lower GHG emissions compared to plant and animal production counterpart</li> <li>• R&amp;D and production of plant-based protein with (i) evidence of life-cycle GHG emissions being significantly lower than meat counterparts and (ii) production that procures raw materials from certified sustainable sources listed above</li> </ul>		
<b>Pollution prevention and control</b>		<p>Activities with capital expenditures which achieve the following:</p> <ul style="list-style-type: none"> <li>• reduce air emissions</li> <li>• mitigate greenhouse gas emissions</li> <li>• soil remediation</li> <li>• waste prevention, reduction, recycling and sorting projects</li> </ul> <p>Investment in the following infrastructure facilities and activities that contribute to the objectives outlined above:</p> <ul style="list-style-type: none"> <li>• Development of waste collection facilities and the provision of waste collection services which supports source segregation of waste<sup>25</sup></li> <li>• Development of recycling facilities that process (i) recyclable waste into secondary raw material, (ii) mixed residual waste to produce feedstock for waste to energy plants, (iii) food and/ or green/ garden/ yard waste to produce compost</li> <li>• Process upgrades, sensors to monitor/test emission control or compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Any expenditures related to fossil fuels</li> <li>• Application in traditional carbon-intensive production processes in heavy industries, such as steel, cement, and aluminium<sup>26</sup></li> <li>• R&amp;D and commercial-scale carbon capture, utilisation and/or storage (CCU/CCS) applied to 'hard-to-abate' industrial activities that are inherently carbon-intensive</li> <li>• CCU where captured carbon is intended for enhanced oil recovery</li> <li>• Soil remediation associated with the contamination of negative environmental externality from the borrowers' own activities</li> <li>• Chemical recycling of plastic</li> <li>• Recycling of electronic waste without robust waste management processes to mitigate associated risks</li> </ul>	 


<sup>24</sup> For afforestation and reforestation projects, native species must be given preference and certified sustainable management plan (e.g., FSC or PEFC) must be in place.

<sup>25</sup> Waste collection vehicles that are zero emission, or hybrid vehicles at or below the threshold of 75 gCO<sub>2</sub>/km based on lab tests WLTP or NEDC procedure.

<sup>26</sup> Exclusionary criteria does not apply to secondary aluminium production facilities.

Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
<b>Sustainable water and wastewater management</b>	Sustainable water and wastewater management	<p>Activities that improve water quality:</p> <ul style="list-style-type: none"> <li>Water and wastewater treatment facilities</li> <li>Upgrades to wastewater treatment plants to remove nutrients</li> <li>Wastewater discharge infrastructure</li> <li>Desalination plants powered by electricity with an average carbon intensity at or below 100 gCO<sub>2</sub>e/kWh over the residual asset life or desalination plants primarily powered by low-carbon sources, such as renewables</li> </ul> <p>Activities that increase water-use efficiency</p> <ul style="list-style-type: none"> <li>Water recycling and reuse</li> <li>Water saving systems, technologies and water metering</li> </ul>	<ul style="list-style-type: none"> <li>Treatment of wastewater from fossil fuel operations</li> </ul>	
<b>Clean transportation</b>	Sustainable infrastructure and transportation	<p>Investments and expenditure in low energy consuming or low emission transportation, including:</p> <ul style="list-style-type: none"> <li>Electric vehicles including passenger cars (under 50 gCO<sub>2</sub>/km up to 2025, and zero tailpipe emissions thereafter) and electric scooters, motorbikes, and light commercial vehicles including electric shuttles</li> <li>Electric planes for freight transportation, with share of fossil fuel freight transported limited to 25 per cent in mass</li> <li>Public transportation (under 50 gCO<sub>2</sub>/p-km up to 2025, and zero tailpipe emissions thereafter) including electric trams and trains</li> <li>Other zero direct emissions vehicles not intended for road including cranes and forklifts</li> <li>Freight rail transportation (under average portfolio emissions of 25 gCO<sub>2</sub>/t-km up till 2030, 21 gCO<sub>2</sub>/t-km from 2030 up to 2050)</li> <li>Active mobility including bicycles, and other forms of self-propelled types of transportation</li> <li>Infrastructure for active mobility including walking/cycling lanes</li> <li>Low-carbon transport infrastructure including electric charging stations, low-carbon fuelling stations, such as for green hydrogen or biofuels, battery exchange and swapping stations and railway tracks</li> <li>Investments and expenditure into development and production of electric vehicles (EVs), including construction of new dedicated manufacturing facilities and upgrading and retrofitting of existing facilities for the purpose of expanding production, as well as the manufacture of EV batteries and development of its specialised parts, such as cathode/anode material, ternary precursor and nickel matte<sup>27</sup></li> </ul>	<ul style="list-style-type: none"> <li>Efficiency improvements involving conventional fossil-fuel combustion engines (hybrid engines and technologies are eligible)</li> <li>Systems and infrastructure dedicated to the transportation of fossil fuels</li> <li>Fossil fuel-based transportation, supporting infrastructure and transportation dedicated to fossil fuel transport</li> <li>Hydrogen production processes that would entail a fossil fuel lock-in</li> <li>Construction of parking facilities and roads</li> </ul>	

<sup>27</sup> Sustainalytics notes that the mining of nickel is associated with several environmental and social risks including water and air pollution, soil contamination, conflicts with indigenous and local communities and poor working conditions. The Bank has communicated to Sustainalytics that such financing will be limited to projects and companies with a responsible sourcing policy in place, and/or adherence to internationally recognized guidelines such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Additionally, Sustainalytics considers the conventional smelting and refining of nickel to be highly energy- and carbon-intensive processes that may involve negative environmental and social impacts, but acknowledges that the mining, refining and smelting of certain critical minerals are crucial for low-carbon technologies. Given this context, Sustainalytics is of the opinion that such projects must adhere to robust and credible sustainability standards.

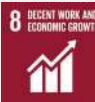


Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
<b>Climate Change Adaptation</b>		<ul style="list-style-type: none"> <li>Data driven climate monitoring solutions, such as early warning systems, climate observation, systems for monitoring GHG emissions</li> <li>Development and/or use of information and communications technology (ICT) solutions for the exclusive purpose of collecting, transmitting, storing and using data to facilitate GHG emission reductions</li> <li>Expenditures related to the design, construction, refurbishment of existing infrastructure and maintenance of eligible infrastructure that features intentional integration of climate resilient construction (design, materials) and/or soft infrastructure improvement (asset-focused resilience). Examples include: <ul style="list-style-type: none"> <li>Heavy rain drainage systems, flood prevention, flood defence systems, sluice gates, drainage systems, tunnels and channels reinforcement of existing infrastructure</li> <li>Use of climate resilient crops (e.g. drought resistant seeds) and drip irrigation for agricultural production systems, stormwater storage, grain storage, soil rehabilitation, climate resilient livestock infrastructure (e.g. cooling sheds, emergency shelters)</li> <li>Wildfire safety infrastructure and equipment such as hd-cameras, weather stations, fire resilient utility lines</li> <li>Construction of sea walls</li> <li>Climate change adaptation insurance in line with the EU Taxonomy<sup>28</sup></li> </ul> </li> <li>Infrastructure that fulfils the asset-focused resilience criteria above and also adds climate resilience benefit to the broader local system against negative physical climate impacts (systems-focused resilience). Examples include: <ul style="list-style-type: none"> <li>Coastal pumping stations in areas of water stress, water reclamation plants in areas of water stress, wetland protection, stormwater management, flood defences</li> <li>Green roofs and walls, water retention gardens, porous pavements</li> <li>Wild brush clearing, species diversification, transmigration of species more capable of survival, nature-based solutions such as afforestation and reforestation,<sup>29</sup> mangrove conservation and replanting, restoration of salt marshes, peatland restoration</li> <li>Grid resilience, back-up generation and storage<sup>30</sup> designed for climate-related disruption</li> <li>For monitoring the human health risk due to climate change the implementation of air quality forecasting system, monitoring of fire propagation and smoke transport systems</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Given the potentially significant impact of infrastructure on the environment, the development of Climate Change Adaptation Infrastructure should be supported by vulnerability assessment and adaptation plan<sup>31</sup></li> <li>Livestock management projects for industrial-scale meat processors or producers</li> <li>Genetically modified organisms and crops</li> <li>Transmission and distribution grid dedicated to fossil fuel power</li> </ul>	

<sup>28</sup> Climate change adaptation insurance in line with the technical screening criteria 1.1 a-c under activity 10.1 "Non-life insurance noting insurance against climate-related hazards" of the EU Taxonomy Delegated Act 2021: 1.1 The insurance activity uses state-of-the-art modelling techniques that a. properly reflect climate change risks, b. do not only rely on historical trend and c. integrate forward-looking scenarios [https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC\\_3&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC_3&format=PDF). Moreover, Sustainability notes that such climate adaptation investments only relate to ex-post transfer of climate risks and do not necessarily involve in the proactive reduction of climate risks upfront.

<sup>29</sup> Afforestation and reforestation activities to use tree species well adapted to site conditions and have a sustainable management plan in place (e.g. certified to FSC or PEFC).

<sup>30</sup> Where back-up generation and storage are connected to renewables.

<sup>31</sup> Standard Chartered applies the Equator Principles (EP) Climate Change Risk Assessment (CCRA) for the financing of applicable projects. CCRA requires projects to disclose relevant climate-related physical risks as defined by the Task Force on Climate-Related Financial Disclosures (TCFD). Additionally, the CCRA requires projects to disclose the plans, processes and systems in place to manage and mitigate the identified risks. Where projects are not captured by the EP requirements, Standard Chartered will adopt the template CCRA approach for the purposes of a vulnerability and adaptation plan for projects under this criteria.







Category as per GBP	Sub themes	Eligible activities	Exclusions	SDG goal
Eco-efficient and/or circular economy adapted products, production technologies and processes		<ul style="list-style-type: none"> <li>Research and development of products designed for circularity and/or adaptive re-use. Eligible products go beyond an eco-label and demonstrate significant waste diversion and/or use of waste products<sup>32</sup></li> <li>Equipment / technology / IT systems which help in reducing the resource intensity of economic activities</li> <li>R&amp;D (incl. pilot project) of products, processes and technologies using bio-based materials (such as biopolymers/bioplastics)</li> <li>Procurement and sale of recycled or waste materials as an input<sup>33</sup></li> <li>Production of resource-efficient or low-carbon products that are RSB-certified (in case of bio-based materials)</li> <li>Manufacturing of plastic products with: (i) at least 90 per cent waste, recycled, renewable or bio-based input, (ii) recycling activities are limited to mechanical recycling, (iii) at least 90 per cent of the plastic products are not intended for single use customer products, and (iv) all products are recyclable. Biogenic inputs are sourced sustainably<sup>34</sup></li> <li>Repair, refurbishment and reuse activities/products including materials that are aimed at increasing the lifespan of existing products and put them back to its original use with very minimal processing or without any further pre-processing required</li> </ul>	<ul style="list-style-type: none"> <li>Equipment and technologies designed or intended for processes that are inherently carbon intensive, primarily driven or powered by fossil fuels</li> <li>Projects involving products that are made entirely from virgin petroleum-based plastic and for products which are not recyclable</li> <li>Repair, refurbishment and reuse of products that are fossil fuel powered or used for extraction of fossil fuel</li> <li>Chemical recycling of plastic</li> </ul>	  
	Green financing instruments	<ul style="list-style-type: none"> <li>Projects involved in various international, regional or national carbon markets and trading systems, such as the CDM, EU ETS, JI, AAUs, as well as well established, credible voluntary carbon standards like the VCS or the Gold Standard. For certainty, such projects must otherwise be eligible under this Framework</li> </ul>		

<sup>32</sup> For clarity, products with a credible and recognised eco-label may be eligible but products will be assessed for reduction of raw resource inputs and outputs.

<sup>33</sup> Sustainalytics notes that in case of procurement of recycled plastics, this should not include procurement of inputs for single use plastic products.

<sup>34</sup> Sustainably sourced inputs will be certified with Bonsucro Production Standard or ISCC certification scheme.



Category as per SBP	Sub themes	Eligible activities	Exclusions	SDG goal
<b>Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance</b>	Access to affordable and responsible financial products and services to the poor and vulnerable populations	<ul style="list-style-type: none"> <li>Financing microfinance institutions via intermediaries (MFIs), and financing of smaller businesses in developing but not high-income countries as per the UN World Economic Situation and Prospects report in which Standard Chartered operates</li> <li>To be eligible for the use of proceeds, one or more of the following populations should be specifically targeted: <ol style="list-style-type: none"> <li>Females<sup>35</sup></li> <li>Rural populations focusing on agricultural production and agricultural value chains</li> <li>Economically excluded individuals</li> <li>Populations in developing but not high-income countries as per the UN WESP report</li> </ol> </li> </ul> <p>To be identified as a small-medium sized enterprise (SME), as defined by the International Finance Corporation (IFC), the end-client should meet two of three criteria to qualify</p> <ol style="list-style-type: none"> <li>Number of employees &lt; 300</li> <li>Turnover between USD100,000 up to USD15 million</li> <li>Total assets between USD100,000 up to USD15 million</li> </ol> <p>If data mentioned above is not available, then the SME average loan size should be between USD10,000 and USD1,000,000 (10,000 &lt; USD &lt; 1,000,000)</p> <ul style="list-style-type: none"> <li>Projects are classified as microfinance if they meet the following criteria. End-client should meet two of the three criteria to qualify <ol style="list-style-type: none"> <li>the number of employees &lt; 10</li> <li>turnover under USD100,000</li> <li>total assets &lt; USD100,000</li> </ol> </li> </ul> <p>If data mentioned above is not available, the end-client average loan size should be less than USD10,000</p>	<ul style="list-style-type: none"> <li>Payday loans</li> <li>Loans to businesses involved in: <ul style="list-style-type: none"> <li>Adult Entertainment</li> <li>Manufacture and production of finished alcoholic beverages</li> </ul> </li> <li>Fossil fuel exploration and distribution</li> <li>Lethal defence goods including small arms</li> <li>Gambling</li> <li>Military contracting</li> <li>Nuclear power generation</li> <li>Non-RSPO-certified palm oil</li> <li>Predatory lending<sup>36</sup></li> <li>Manufacture and production of finished tobacco products</li> <li>Conflict minerals<sup>37</sup></li> <li>Child labour</li> <li>Forced labour</li> </ul>	   
	Healthcare infrastructure	<p>Financing to construct, equip, operate:</p> <ul style="list-style-type: none"> <li>hospitals, clinics and health care centres for the provision of public/free/subsidized<sup>38</sup> health services</li> </ul>		
<b>Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services)</b>	Emergency services	<ul style="list-style-type: none"> <li>Infrastructure for the provision of emergency services, such as related to fire, rescue, medical response, and disease control services. Such services are free and accessible to all<sup>39</sup></li> </ul>		


<sup>35</sup> Where at least one of the following applies: (a) at least 51 per cent owned by woman or women; OR (b) (i) at least 20 per cent owned by woman or by women; (ii) with a woman as CEO, COO, President or Vice President; and (iii) has a board of directors at least 30 per cent comprised of women, where a board exists.

<sup>36</sup> Imposing unfair or abusive loan terms on a borrower. Any practice that convinces a borrower to accept unfair terms through deceptive, coercive, exploitative or unscrupulous actions for a loan that a borrower doesn't need, doesn't want or can't afford. Involvement in predatory lending is defined as, either the company is involved predatory lending activities, or the company owns 10-50 per cent of another company with involvement predatory lending activities.

<sup>37</sup> Minerals (specifically tantalum, tin, tungsten and gold, often referred to as "3TG") extracted from areas of armed conflict in the Democratic Republic of Congo (DRC).

<sup>38</sup> Where this includes private healthcare facilities, financing will be limited to private hospitals, clinics and health centres where more than 90 per cent of the public in developing but not high-income countries as per the UN WESP report are able to afford the healthcare services.

<sup>39</sup> Sustainability acknowledges that the financing of emergency services is socially impactful and considers it good practice, to direct financing of emergency services related to fire and rescue in areas where these services are severely limited or lacking.

Category as per SBP	Sub themes	Eligible activities	Exclusions	SDG goal
	Providers of supporting health-care related products and services	<ul style="list-style-type: none"> <li>R&amp;D, logistics and distribution of medical products and supplies (including medicines) essential to medical response, disease control services and vaccinations in developing but not high-income countries as per the UN WESP report<sup>40</sup></li> <li>Provision/distribution of healthcare equipment and public services<sup>41</sup></li> <li>Provision of free/subsidised/affordable training for healthcare professionals in public healthcare services</li> </ul>		
	Primary, secondary, adult and vocational education	<ul style="list-style-type: none"> <li>Construction of public/free/subsidised schools<sup>42</sup></li> <li>Construction of campuses for public schools and universities</li> <li>Affordable schools<sup>43</sup> and education providers in developing but not high-income countries as per the UN WESP report</li> <li>Construction of student housing for public universities provided the rent is capped below the local or regional average to ensure affordability to all students</li> <li>Free or subsidised training for educational professionals</li> <li>Education loans for low-income or marginalised students,<sup>44</sup> where some kind of financial advantages are in place, such as:               <ol style="list-style-type: none"> <li>providing loans below the market rate as per the local context applicable</li> <li>providing collateral free loans</li> <li>merit-based loan sanctioning</li> <li>loan extensions</li> </ol> </li> </ul>		
	Access to services for people with disabilities	<ul style="list-style-type: none"> <li>Projects involving purchase of new equipment including wheelchairs, and other mobility devices affordable to the target population</li> <li>Projects including retrofits of spaces and infrastructure such as installation of handrails and ramps</li> <li>Expenditures related to consultancy services including services for pre-employment support, and training programs for job assistance</li> </ul>		
<b>Affordable Housing</b>	Affordable/Social Housing	Access to adequate, safe and affordable housing for low-income or marginalised communities as per local government definitions <sup>45</sup>		

<sup>40</sup> Financing will be limited to medicinal products and supplies where more than 90 per cent of the public are able to afford these.






<sup>41</sup> Where this includes the provision and distribution of healthcare equipment and services to private hospitals, financing will be limited to private hospitals where more than 90 per cent of the public are able to afford the healthcare equipment and services.

<sup>42</sup> Where this includes private education facilities, financing may include enterprises that improve/ increase access to education for vulnerable populations (i.e. providing an alternative that is not available in the local context, including by public/free education providers), which may include those that charge a nominal fee that is affordable in the local context in developing but not high-income countries as per the UN WESP report.

<sup>43</sup> Schools are considered affordable when 90 per cent of population are able to afford the fees charged.

<sup>44</sup> Sustainalytics notes that the definition of low-income and marginalised individuals should be based on the local government definitions.

<sup>45</sup> Sustainalytics notes that the role of Standard Chartered in affordable housing projects is limited to the provision of financing and does not have control on deciding the detailed criteria on low-income groups and affordability mechanisms. Sustainalytics notes that Standard Chartered, where feasible, will provide further disclosure on the affordable housing programs relevant beneficiaries defined by regional governments, included within its social portfolio when reporting on impact metrics.

Category as per SBP	Sub themes	Eligible activities	Exclusions	SDG goal
<b>Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy)</b>	Establishing or improving connectivity in low-income countries	<ul style="list-style-type: none"> <li>Development of roads (including road infrastructure such as bridges and tunnels) in developing but not high-income countries as per the UN WESP report, with a goal to improve rural/remote connectivity and to improve passenger and commercial transport in areas where road infrastructure is clearly inadequate and hinders a community's development</li> <li>Public transportation in developing but not high-income countries as per the UN WESP report with substantial lack of access to public transportation designed to improve connectivity and meet the CO2 emissions standards within the local jurisdiction where applicable</li> <li>Telecoms/internet connectivity in developing but not high-income countries as per the UN WESP report, targeted at underserved communities or regions that currently lack access to such infrastructure or it is clearly inadequate</li> <li>Development of transmission and distribution infrastructure aimed at improving access to electricity in developing but not high-income countries as per the UN WESP report, targeted at underserved communities</li> </ul>	<ul style="list-style-type: none"> <li>Development of highways in urban areas</li> <li>Upgrade of highways and major roads, including in rural areas</li> <li>Privatisation of highways</li> <li>Construction of toll booths</li> <li>Transmission grid connected to a dedicated fossil fuel power plant (coal/oil/ natural gas)</li> <li>Fossil fuel power generation</li> </ul>	 
	Activities that expand public access to safe and affordable drinking water and adequate sanitation facilities	<ul style="list-style-type: none"> <li>Construction, maintenance and equipment for water supply infrastructure i.e. pipework</li> <li>Activities that improve access to clean water, including desalination projects<sup>46</sup></li> <li>Activities that provide access to adequate sanitation facilities</li> </ul>	<ul style="list-style-type: none"> <li>Desalination projects without appropriate waste management plan for brine disposal</li> <li>Desalination plants with dedicated on-site fossil fuel power</li> </ul>	
	Recreational centres, cultural and other community infrastructure	<ul style="list-style-type: none"> <li>Development, refurbishment and maintenance of recreational facilities such as parks, sport facilities and cultural centres with free or discounted access to all</li> </ul>		
<b>Food security and sustainable food systems</b>	Activities which enhance food security	<ul style="list-style-type: none"> <li>Investment in the manufacture,<sup>47</sup> logistics, provision and distribution of food and nutritional supplements in developing but not high-income countries as per the UN WESP report, where there is an explicit need to tackle food security or food loss that will be affordable to all regardless of ability to pay</li> <li>Investment in infrastructure such as warehouses aimed at providing adequate storage, improved food conservation or connectivity in the food chain for reducing food loss</li> <li>Goods which are Fairtrade certified<sup>48</sup></li> <li>Support to smallholder farmers,<sup>49</sup> including equipment and facilities that help to prevent food loss and waste, improve productivity and increase market access to smallholder producers</li> </ul>		

<sup>46</sup> Sustainability notes that the guide may include financing of desalination facilities that may rely on grid electricity that is derived from fossil fuels. While recognising that such facilities will help to improve access to water, Sustainability also notes that desalination plants are highly energy-intensive and encourages Standard Chartered Bank to consider the carbon intensity of power sources when selecting borrowers.

<sup>47</sup> Standard Chartered communicated to Sustainability that the manufacture of food and nutritional supplements refers to the financing of companies that provide food to aid agencies in the targeted countries.

<sup>48</sup> Fairtrade primarily speaks to social impacts within the context of agricultural and forestry activities and as such, it is considered eligible in the context of social financing.

<sup>49</sup> Smallholders as defined by the Food and Agriculture Organization as those farming on less than 10 hectares of land on average, at: <https://www.fao.org/family-farming/detail/en/c/273864/>

Category as per SBP	Sub themes	Eligible activities	Exclusions	SDG goal
<b>Charities<sup>50</sup></b>		<ul style="list-style-type: none"> <li>Financial support for the activities of registered charities or non-profit organisations with the specific purpose of supporting programs aimed at benefitting vulnerable target populations; and/or advance social causes; and/or support activities in line with the green and social activities identified in the Framework</li> </ul>	<ul style="list-style-type: none"> <li>Programs that promote religious or political activities</li> </ul>	
<b>COVID-19 Healthcare<sup>51</sup></b>	Healthcare services	<ul style="list-style-type: none"> <li>Financing to equip, operate and add capacity and efficiency to essential healthcare facilities such as hospitals, clinics, healthcare centres, acute care, emergency care, diagnostics, laboratory facilities, nursing home and rehabilitation facilities</li> <li>Manufacturing, logistics and distribution of medical products and supplies essential to medical response, disease control services and vaccinations</li> <li>Financing to equip, operate and add capacity to facilities for healthcare training</li> <li>Financing to equip, operate and add capacity to facilities that house healthcare professionals</li> <li>Hiring and training of medical personnel to assist in the prevention and/or treatment of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Banking that directly finances: <ul style="list-style-type: none"> <li>Cosmetic facilities</li> <li>Aesthetic medical facilities</li> <li>Chiropractic facilities</li> <li>Acupuncture facilities</li> <li>Hospital greenfield construction</li> </ul> </li> </ul>	
	Healthcare supplies and equipment	<ul style="list-style-type: none"> <li>The conversion of facilities or equipment to produce supplies or equipment needed for the prevention or treatment of COVID-19</li> </ul>		
	Pharmaceuticals	<ul style="list-style-type: none"> <li>Financing the subsidisation of provision of pharmaceuticals needed in the treatment of COVID-19</li> <li>Financing the production and distribution of pharmaceuticals needed in the treatment of COVID-19</li> </ul>		
<b>COVID-19 sanitation</b>	Sanitation	<ul style="list-style-type: none"> <li>Manufacturing, logistics and distribution of products and services for safely managed water, sanitation, and hygiene (WASH)<sup>52</sup></li> </ul>		
<b>COVID-19 food security</b>	Food security	<ul style="list-style-type: none"> <li>In markets impacted by COVID-19 or in the recovery from COVID-19 - financing provided to facilitate the increase in capacity and efficiency in food systems and supporting the provisioning, production, logistics and distribution by companies of food and nutritional supplements</li> </ul>		
<b>COVID-19 socio-economic impact mitigation</b>	Impacts on SMEs and employment	<ul style="list-style-type: none"> <li>Loans or other financial services to support SMEs who have been assessed by the Sustainable Finance Working Group as facing financial stress as a result of COVID-19</li> <li>Loans or other financial services to support initiatives designed to prevent or alleviate unemployment</li> </ul>		
	Other impacts	<ul style="list-style-type: none"> <li>Financial support for the activities of charities, non-profit, non-governmental and other social service organisations who support populations directly affected by COVID-19</li> <li>Financial support related to medical nutrition in treatment of COVID-19 or ensuring a secure food supply during phases of restricted contact</li> </ul>		

<sup>50</sup> Charities are considered to be pure plays if more than 90 per cent of their activities aligns with the criteria outlined in the framework and also meets the exclusion criteria. Charities pureplays are considered to be Sustainable pureplays.

<sup>51</sup> All COVID-19 transactions in the healthcare, sanitation, food security and socio-economic impact mitigation category originated before 30th June 2022, therefore, Sustainalytics has not reviewed this category as part of the annual update in 2022.

<sup>52</sup> <https://www.worldbank.org/en/topic/water/brief/wash-water-sanitation-hygiene-and-covid-19>



Businesses and projects that are involved in the following operations will not be eligible for financing under this Impact Framework:

- Payday loans
- Adult entertainment
- Manufacture and production of finished alcoholic beverages
- Fossil fuel exploration and distribution
- Lethal defence goods including small arms
- Gambling
- Military contracting
- Nuclear power generation
- Non-RSPO-certified palm oil
- Predatory lending
- Manufacture and production of finished tobacco products
- Conflict minerals
- Child labour
- Forced labour

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