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Sustainalytics Second Party Opinion

Standard Chartered Group Sustainability Bond Framework

9 December 2025

Framework owner and location:
Standard Chartered Group
London, United Kingdom

Sector:
Banks

Overall Assessment

Sustainability Contribution

Principles Alignment

Aligned

Green Bond Principles 2025
Social Bond Principles 2025
Sustainability Bond Guidelines 2021

Contribution to SDGs

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Assessment Summary

Standard Chartered Group has developed the Group Sustainability Bond Framework dated October 2025, under which it intends to finance or refinance projects globally in 15 environmental, social and cross-cutting categories.

We have assessed the overall Sustainability Contribution of the Framework as **Significant** based on the average Sustainability Contribution of the Framework's 15 use of proceeds categories. As per our methodology, we have applied equal weighting across categories.

Investments in Clean Transportation and Eco-efficient and/or circular economy adapted products will strongly contribute to a low-carbon and circular economy. Renewable Energy generation projects, including waste-to-energy facilities, and bioenergy or biofuel production from animal manure, though viewed as interim solutions, are still expected to significantly advance low-carbon energy systems. Although Energy Efficiency investments in green hydrogen–based steel manufacturing will decarbonize the carbon-intensive steel sector, other sectors like household appliances and telecom networks where energy efficiency is not the primary objective can still yield significant energy savings. Sustainable Management of Living and Natural Resources expenditures will support sustainable agricultural practices; though livestock farming may still have some environmental impact. Pollution Prevention investments, including recycling single-use plastics – seen as a temporary solution until such materials are phased out – will markedly improve waste management systems. Finally, Sustainable Water and Climate Adaption investments such as, desalination, wastewater treatment, infrastructure resilience, climate monitoring solutions and climate adaptation insurance, will notably contribute to building sustainable water systems and enhancing resilience to climate impacts across sectors.

Expenditures under Access to Essential Services, Affordable Housing, Affordable Basic Infrastructure and Food Security may not always specifically target vulnerable groups or guarantee affordability but are expected to notably improve overall access to essential services and infrastructure. Support for Charities and SMEs is expected to modestly enhance financial access for such entities. We have assessed the Framework as **Aligned** with the Green Bond Principles 2025, Social Bond Principles 2025 and Sustainability Bond Guidelines 2021.

Breakdown per Use of Proceeds Category

We have assessed the overall Sustainability Contribution of the Framework as **Significant**, based on the average Sustainability Contribution of the Framework's categories. As per our methodology, we have distributed weight equally across categories, as shown below.

Category	Sustainability Contribution Level	Weight
Renewable Energy	Neutral · Moderate · **Significant** · Strong	6.7%
Green Buildings	Neutral · Moderate · **Significant** · Strong	6.7%
Energy Efficiency	Neutral · Moderate · **Significant** · Strong	6.7%
Sustainable Management of Living and Natural Resources	Neutral · Moderate · **Significant** · Strong	6.7%
Pollution Prevention and Control	Neutral · Moderate · **Significant** · Strong	6.7%
Sustainable Water and Wastewater Management	Neutral · Moderate · **Significant** · Strong	6.7%
Clean Transportation	Neutral · Moderate · Significant · **Strong**	6.7%
Climate Change Adaptation	Neutral · Moderate · **Significant** · Strong	6.7%
Eco-efficient and/or circular economy adapted products, production technologies and processes	Neutral · Moderate · Significant · **Strong**	6.7%
Employment Generation, and programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance	Neutral · **Moderate** · Significant · Strong	6.7%

Access to Essential Services (e.g. health, education and vocational training, healthcare, financing and financial services)		6.7%
Affordable Housing		6.7%
Affordable Basic Infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy)		6.7%
Food Security and Sustainable Food Systems		6.7%
Charities		6.7%

Issuer Overview and Sustainability Strategy

Standard Chartered Group is an international cross-border banking group headquartered in London, England. The Group operates two primary business segments: corporate and investment banking, and wealth and retail banking. Through its subsidiaries and affiliates, it maintains a presence across Asia, Africa, the Middle East, Europe and the Americas. Established in 1853, Standard Chartered employed 81,145 people and operated in 53 countries as of December 2024.[1]

The Group integrates environmental and social factors into its sustainability strategy, which is built on four pillars: i) scaling sustainable finance income; ii) embedding sustainability across the organization; iii) delivering on annual net-zero roadmap milestones; and iv) leveraging innovation hubs.[2]

Under its sustainable finance pillar, Standard Chartered has set a target to mobilize USD 300 billion by 2030 to support both environmental and social initiatives. These activities include preserving biodiversity and nature, reducing GHG emissions, aligning client operations with a 1.5°C pathway, financing women-owned businesses, expanding microlending, and supporting youth employment.[3,4] The Group has also established five innovation hubs focused on adaptation finance, blended finance, carbon markets, nature finance and circular economy, to identify potential investment opportunities in these areas. Through the second pillar, the Group fosters collaboration across its global operations by embedding sustainability into training programmes, covering topics such as sectoral net-zero targets and sustainable finance solutions.[5] Under the third pillar, Standard Chartered has committed to achieving net-zero financed emissions by 2050, with interim 2030 sectoral targets for 12 carbon-intensive sectors, such as power, steel, oil and gas, coal mining, shipping and aviation.[6] To support this goal, the Group engages with its highest-emitting clients to assess their transition plans.[7]

At the governance level, the Board holds ultimate responsibility for the Group's sustainability strategy, supported by the Group Management Team (GMT), which includes the Group Risk Committee, Group Responsibility and Reputational Risk Committee and the Sustainability Executive Committee, and other committees that oversee regional, business and functional implementation of sustainability initiatives in alignment with net-zero goals.[8] Climate risks oversight rests with the Group Risk Officer, who is supported by the Global Head and Enterprise Risk Management.

Standard Chartered publishes sustainability reports as part of an integrated reporting, including information on its sustainability strategy, climate and social initiatives, approach to environmental and social risk management, and sustainability governance structure.

[1] Standard Chartered, "Annual Report 2024 - Connecting the world's most dynamic markets", (2024), at: https://av.sc.com/corp-en/nr/content/docs/standard-chartered-plc-full-year-2024-report.pdf.
[2] Ibid.
[3] Standard Chartered, "Standard Chartered Transition Plan 2024", (2024), at: https://av.sc.com/corp-en/nr/content/docs/Transition-plan.pdf.
[4] Standard Chartered, "Annual Report 2024 - Connecting the world's most dynamic markets", (2024), at: https://av.sc.com/corp-en/nr/content/docs/standard-chartered-plc-full-year-2024-report.pdf.
[5] Ibid.
[6] Standard Chartered, "Standard Chartered Transition Plan 2024", (2024), at: https://av.sc.com/corp-en/nr/content/docs/Transition-plan.pdf.
[7] Ibid.
[8] Standard Chartered, "Annual Report 2024 - Connecting the world's most dynamic markets", (2024), at: https://av.sc.com/corp-en/nr/content/docs/standard-chartered-plc-full-year-2024-report.pdf.

Principles Alignment

We have assessed the Standard Chartered Group Sustainability Bond Framework as follows:

Green Bond Principles 2025 - **Aligned**

Social Bond Principles 2025 - **Aligned**

Sustainability Bond Guidelines 2021 - **Aligned**

The Group intends to issue green, social and sustainability bonds and notes under the Framework.

The Framework will be used by the Group or any of its designated entities.[9] The Groups will ensure alignment of each issuance with the four core components of the Principles, as defined in the Framework.

Principles Alignment Detailed Evaluation

Use of Proceeds — **Aligned**

Alignment with core requirements

- The Framework describes eligibility criteria appropriately.
- The Framework identifies relevant target populations for social projects.
- All expenditures are expected to provide clear environmental or social benefits.

Additional considerations

- The Group will limit refinancing to capital expenditures.

Project Evaluation and Selection — **Aligned**

Alignment with core requirements

- The Framework describes a governance process for the evaluation and selection of eligible projects.
- The Framework communicates the environmental or social sustainability objectives of eligible projects.
- The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.

Additional considerations

Standard Chartered has committed to the following practices, which go beyond the core requirements:

- The Group describes how eligible projects support its overarching sustainability objectives.
- The Group indicates the SDGs to which it expects to contribute through eligible projects.
- The Framework excludes investments related to activities associated with payday loans, adult entertainment, alcoholic beverages and tobacco products manufacture and production, fossil fuel exploration and distribution, defence goods, including small arms,

[9] The Standard Chartered Group comprises Standard Chartered Bank, and each of its holding companies, subsidiaries, related corporations, affiliates, representative and branch offices in any jurisdiction, and their respective directors, officers and employees and/or any persons connected with them.

gambling, military contracting, nuclear power generation, palm oil not certified by the Roundtable on Sustainable Palm Oil (RSPO),[10] predatory lending, conflict minerals, child and forced labour, forced labour and industrial scale livestock production.

Management of Proceeds	**Aligned**

Alignment with core requirements

- The Framework describes a governance structure for the management of proceeds.
- The Framework describes the processes and systems that will be used to track the proceeds.
- The Framework describes the intended temporary placement for the balance of unallocated proceeds.

Additional considerations

- Standard Chartered will manage the proceeds from the financing using a portfolio approach.
- Standard Chartered has committed to the following practices, which go beyond the core requirements:
  - The Group intends to allocate all proceeds to eligible projects within 24 months of each issuance.
  - Pending full allocation, temporary proceeds will be held in cash or cash equivalents or invested in short term marketable instruments, in line with the Group's liquidity investment guidelines.
  - The Group will obtain a limited assurance from an independent third-party for its allocation of proceeds annually until maturity.

Reporting	**Aligned**

Alignment with core requirements

- Standard Chartered will provide an annual allocation report until full allocation of proceeds and renew it in case of material changes until maturity.

Additional considerations

- Standard Chartered has committed to the following practices, which go beyond the core requirements:
  - The Group will publish an allocation report containing category-level as well as project-level allocation on its website. The Group also intends to prepare an impact report, which will also be available online.
  - The Group will report on the qualitative and quantitative impacts of projects using relevant metrics, where feasible.

[10] RSPO, "Who we are - Driving change with sustainable palm oil", at: https://rspo.org/who-we-are/.

- The Group intends to align its impact reporting with the standards set out in the ICMA Harmonized Framework for Impact Reporting for Green Bonds (June 2024)[11] and the ICMA Harmonized Framework for Impact Reporting for Social Bonds (June 2025).[12]
- The Group will obtain an independent third-party review for the impact report to opine on the alignment of financed projects to this Framework .

[11] ICMA, "Harmonised Framework for Impact Reporting", (2024), at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf.
[12] ICMA, "Harmonised Framework for Impact Reporting for Social Bonds", (2025), at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-for-Social-Bonds-June-2025.pdf.

Sustainability Contribution

Standard Chartered Group intends to use the proceeds from instruments issued under the Framework to finance and refinance projects, programmes and activities expected to lead to positive environmental and social impact globally.

We have assessed the overall Sustainability Contribution of the Framework as **Significant**, based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories.

Sustainability Contribution

Sustainability Contribution per Use of Proceeds Category

Renewable Energy

We have assessed the Sustainability Contribution of the Renewable Energy category as **Significant**.

The Group may finance or refinance renewable energy generation and transmission—including wind, solar, ocean, geothermal, and hydropower—as well as production of green hydrogen and green ammonia. Expenditures in waste-to-energy (WtE) facilities can help manage residual waste in regions with limited waste management infrastructure but are associated with high greenhouse gas emissions and are viewed as an interim solution. Similarly, bioenergy and biofuel production using animal manure is considered an interim solution with short-term benefits. Additionally, the manufacture of marine vessels dedicated to the construction of marine renewables supports the development of renewable energy infrastructure. However, such vessels may run on conventional fossil fuels, and pose a risk of carbon lock-in. Overall, expenditures under this category are expected to make a significant contribution to reducing energy-related GHG emissions.

Category Expenditures

Expenditure	Description
Electricity generation from wind power	► Electricity generation from onshore and offshore wind energy, where offshore projects supported by fossil fuel-based auxiliary power will be excluded.
Electricity generation from ocean energy	► Electricity generation from wave, tidal and ocean thermal energy conversion, where fossil fuel back-up is limited to power monitoring, operating, maintenance and equipment for resilience and protection.

Electricity generation from solar power	► Electricity generation from onshore and offshore solar photovoltaic systems and concentrated solar power facilities where more than 85% of electricity generated from the facility is derived from solar energy.
Electricity generation from hydropower	► Hydropower plants that meet the following criteria: i) run-of-river without an artificial reservoir; ii) life cycle emissions intensity below 50 gCO_2/kWh or power density greater than 10W/m^2 if the plant became operational after 2022; and iii) life cycle emissions intensity below 100 gCO_2/kWh or power density greater than 5W/m^2 if the plant became operational before 2022. ► All facilities that become operational after 2022 are subject to due diligence for environmental and social impacts to exclude projects with significant or major risks or impacts, in line with the Group's Environmental and Social Risk Framework.
Electricity generation from geothermal energy	► Geothermal energy with a direct emissions intensity threshold below 100 gCO_2/kWh.
Production of green hydrogen and green ammonia	► Production of green hydrogen and green ammonia through electrolysis powdered by renewable energy sources that meet the eligibility criteria under the Framework.
Retrofit of renewable energy plants	► Retrofit of renewable energy power plants or facilities that meet the eligibility criteria under the Framework.
WtE facilities for municipal solid waste	► WtE facilities that use the following feedstock: ► Municipal solid waste (MSW) where most recyclables and hazardous materials are segregated before incineration. Plastics, rubber, tired-derived fuels for fuel or energy conversion will be excluded.
WtE facilities for anaerobic digestion	► Anaerobic digestion of sewage sludge, excluding sewage sludge from fossil fuel operations.
WtE – bioenergy generation	► Non-waste biomass facilities with life-cycle emissions intensity below 100 gCO_2e/kWh. ► Wood pellets must meet the sustainable biomass or forestry certifications listed under the Sustainable Management of Living and Natural Resources category. ► Waste biomass facilities that use feedstock from sources defined under the Framework.
Production of biofuels	► Production of biofuels, including sustainable aviation fuels, from waste and non-waste biomass that complies with the following criteria: ► Waste biomass: i) forestry and agriculture residues; ii) fish residues from certified aquaculture, fishing and processing of fish; iii) palm kernels shells and palm oil mill effluent (POME) from Roundtable on Sustainable Palm oil (RSPO) or Roundtable on Sustainable Biomaterials (RSB) certified operations; and iv) used cooking oil

	(UCO) with ISCC Plus certification or an equivalent sustainability certification ensuring that UCO does not compete with food needs and that the source of oil is tracked in a credible manner. The following waste biomass sources will be excluded: i) animal fat and tallow; ii) animal processing by-products; iii) animal manure from industrial-scale livestock operations; and iv) peat. ▸ Non-waste biomass: sourced from sustainably certified operations as per the certifications listed under the Sustainable Management of Living and Natural Resources category and equivalent, internationally recognized certification schemes; and that complies with the following: i) production of feedstock does not take place on land with high-conservation value or high-carbon stock or recently deforested land; ii) feedstock does not compete with food sources; and iii) production of feedstock does not take place in areas of high-water stress ▸ Production facilities must achieve the following minimum percentage reduction in lifecycle emissions as compared to the fossil fuel baseline: i) 50% for facilities commissioned before 2015; ii) 60% for facilities commissioned before 2021; and iii) 70% for facilities commissioned after January 2026. ▸ Production facilities must comply with the following fossil fuel baselines: i) biofuels for transportation, 94 gCO_2e/MJ; ii) bioliquids for production of electricity, 183 CO_2e/MJ; iii) bioliquids for production of heat, 80 CO_2e/MJ; and iv) facilities located in the outermost regions and non-EU countries must meet the baseline for electricity generation of 212 g CO_2eq/MJ.
Professional services for renewable energy projects	▸ Professional services linked to renewable energy projects including technical audits, consultations and feasibility studies.
Manufacture and development of renewable energy technology components	▸ Development and manufacture of renewable energy technologies and associated assets dedicated to or supporting renewable energy generation facilities including equipment for energy generation, energy storage systems. ▸ Examples include wind turbines, solar panels, battery storage connected to renewables and energy storage systems connected to transmission and distribution systems that meet the eligibility criteria under the Framework. ▸ Wind turbine manufacturing from balsa wood will be limited to companies with a sustainable sourcing policy in place or where balsa wood is procured from sources that are certified by recognized international standards such as the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC).

	► Power-to-gas projects where CO_2 is sourced from fossil fuel operations will be excluded.
Development of marine vessels	► Development, manufacturing, purchase or operation of vessels such as boats, barges and ships dedicated to construction or other services of marine renewables such as wind turbine installation. ► Vessels will be powered by conventional or low carbon fuels (electric, biofuel or hydrogen-powered).
Construction, maintenance and expansion of transmission and distribution networks	► Transmission and distribution systems that meet the following criteria: ► Systems carrying more than 90% renewable energy. ► Systems carrying less than 90% renewable energy that are on a decarbonization trajectory in line with the criteria of the EU Taxonomy Delegated Act. ► For systems carrying less than 90% renewables, where the percentage of renewables is expected to increase; a pro-rata approach will be adopted.
Additional details	
► Excludes technologies in the fossil fuel industry and traditional carbon-intensive processes within heavy industries, such as steel, aluminium (except for secondary aluminium production), and cement.	

Analytical Commentary

Investments in low carbon energy are critical for the global energy transition, as electricity and heat generation contribute heavily to CO_2 emissions—in 2022 they were responsible for approximately 44% of global CO_2 emissions from fuel combustion.[13] Unabated fossil fuels continue to account for more than 60% of global electricity generation. To limit global temperature rise to 1.5°C, the share of renewable energy must increase to 90% by 2050, while the share of unabated fossil fuels needs to decrease to below 30% by 2030.[14,15]

Expenditures in renewable energy generation and manufacturing contribute substantially to the goal of zero emissions energy systems, as these technologies have life cycle GHG emissions intensities below the technology-agnostic threshold of 100 gCO_2e/kWh, which is consistent with limiting the global temperature rise to 2°C. The Framework limits the production of hydrogen and ammonia to water electrolysis powered by renewable energy. Green hydrogen can play a major role in decarbonizing hard-to-abate sectors, such as heavy industry, transport and power, by offering a clean energy carrier where other renewable alternatives may be unfeasible.

WtE facilities that meet the eligibility criteria can help reduce landfill volumes and methane emissions. However, incineration of residual waste still produces substantial GHG emissions, and the power generated is relatively carbon intensive since residual waste typically contains a high proportion of fossil-based materials. While WtE can serve as a short-term solution in regions that lack adequate recycling infrastructure, they are expected to have limited impact in regions with effective waste management infrastructure.

Although financed bioenergy generation facilities are expected to contribute to the energy

[13] IEA, "Greenhouse Gas Emissions from Energy Data Explorer", (2024), at: https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer.
[14] IEA, "Electricity – Tracking", (2023), at: https://www.iea.org/energy-system/electricity.
[15] IEA, "Net Zero by 2050", (2021), at: https://www.iea.org/reports/net-zero-by-2050.

transition, expenditures may include facilities that do not meet the life cycle GHG emissions intensity technology-agnostic threshold of 100 gCO_2e/kWh. Additionally, eligible biofuel facilities commissioned after January 2026 will achieve a 70% reduction in GHG emissions compared with fossil fuel baselines, which is slightly below the generally accepted threshold of 80%. The eligible feedstock for bioenergy and biofuel will also include animal manure from non-industrial-scale livestock farms. While animal manure as feedstock may mitigate methane emissions from manure in the short term, it may indirectly sustain demand for livestock farming, which results in some environmental impacts including high lifecycle emissions and water use.[16,17]

The Group also intends to finance professional services linked to renewable energy projects including technical audits, consultations and feasibility studies. While these services may support the early-stage processes, the uncertainty around the eventual development of renewable energy projects limits the potential environmental impact of these expenditures. Expenditures related to vessels designed and dedicated to the construction and servicing of marine renewables will support the development of marine renewables. However, vessels that run on conventional fuels pose a risk of fossil fuel lock-in.

Expenditures in transmission and distribution infrastructure that integrate or are expected to integrate a high proportion of renewables will facilitate their integration into the grid. However, expenditures in grids that are on a decarbonization pathway but remain heavily dependent on fossil fuels may offer limited decarbonization potential.

Overall, expenditures under this category are expected to make a significant contribution to decarbonizing the energy sector.

Green Buildings

We have assessed the Sustainability Contribution of the Green Buildings category as **Significant**.

Standard Chartered intends to finance or refinance commercial, public and residential green buildings, most of which will meet strong energy performance standards or have globally recognized certifications. Although under the Framework, eligible certifications levels do not require new buildings to be fossil fuel-free in their energy use, posing a risk of fossil fuel lock-in, the minimum levels of recognized green building certifications specified under the Framework incorporate considerations around electrification and reductions in on-site fossil fuel use. In conjunction with renovations, the installation of energy efficiency equipment and renewable energy technologies, these expenditures are expected to significantly contribute to the decarbonization of the buildings sector.

Category Expenditures

Expenditure	Description
Acquisition of commercial, public	▸ Acquisition of buildings that are certified; or pre-certified including confirmation of application for certification to be obtained within 12

[16] European Biogas Association, "Beyond energy – monetising biomethane's whole-system benefits", (2023), at: https://www.europeanbiogas.eu/wp-content/uploads/2023/02/20230213_Guidehouse_EBA_Report.pdf.
[17] Magnolo, F., et al., "Biomethane from manure in the RePowerEU: A critical perspective on the scale-up of renewable energy production from the livestock sector", Energy Research & Social Science, (2024), at: https://edepot.wur.nl/676991.

and residential buildings (existing and new construction)	months of project completion, to an acceptable level under an internationally recognized green building certification scheme.
Construction and development of commercial, public and residential buildings (existing and new construction)	▸ Construction and development of buildings that are: i) certified or pre-certified including confirmation of application for certification to be obtained within 12 months of project completion to an acceptable level under an internationally recognized green building certification scheme; or ii) achieve at least a 20% reduction in embodied carbon emissions compared to a reference building during the construction phase and additionally certified to certifications listed in the Framework for the operational phase. ▸ For reduction in embodied carbon emissions: i) the baseline assessment would be done by a credible third-party verifier; and ii) the reduction would be measured against a locally relevant reference building, or where available, the most recent applicable building code or industry baseline.
Retrofit, renovation or refurbishment of commercial, public and residential buildings (existing construction)	▸ Retrofit, renovation or refurbishment of buildings that are certified or 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. ▸ Renovations that result in a minimum of 30% improvement in energy use and/or carbon emissions compared to a mandated local or regional baseline or code, within three years. ▸ For renovations, financing will be limited to the cost of renovation. ▸ Building renovations that have achieved or will achieve green building certifications with corresponding levels that ensure a building energy efficiency gains of at least 30 per cent over the ASHRAE 90.1 or local building codes. ▸ For building renovations in developing but not high-income markets per the United Nations World Economic Situation and Prospects (UN WESP) report, building efficiency gains of 20% may be acceptable.
Commercial, public and residential buildings (existing and new construction) – pure plays	▸ Pure play green building companies or developers where more than 90% of the gross floor area is certified to a minimum level of the internationally recognized green building certification schemes listed under the Framework. ▸ For pureplay sustainable building companies, the gross floor areas of buildings that align with the eligibility criteria under the Affordable Housing or Green Buildings categories will be considered for the 90% threshold. The Group will ensure no double counting of allocation and impact by attributing accordingly to the proportion of green and social gross floor area.
Installation, maintenance and repair of energy	▸ Replacement of existing heating or cooling systems in buildings with more efficient, non-fossil fuel powered systems.

efficient technologies	
Installation of new cogeneration or tri-generation or combined heat and power (CHP) plants that generate electricity	► Installation of new cogeneration or tri-generation or CHP plants that generate electricity in addition to providing heating or cooling. ► Cogeneration plants will be limited to those powered by CSP, solar thermal, biomass waste, geothermal energy or bioenergy with emissions below 100 gCO_2e/kWh in accordance with the criteria in the Renewable Energy category.
Waste heat recovery	► Waste heat recovery improvements.
Design, construction and operation of data centres	► Design, construction and operation of green data centres with a Power Usage Effectiveness (PUE) of 1.5 or below.
Additional details	

► Green building certifications include: i) Al Sa'fat (Platinum);[18] ii) BCA Green Mark Gold for existing buildings in-operation;[19] iii) BCA Green Mark (Gold Plus or above) for new construction after 2021;[20] iv) BEAM Plus (Gold or higher);[21] v) BEAM Plus Neighbourhood (Gold and above);[22] vi) BEAM Plus Selective (Very Good or higher), with the Energy Use (EU) category included in the assessment or all levels, subject to the building achieving at least a 20% energy efficiency improvements over ASHRAE 90.1-2013 or a comparable local baseline;[23] vii) BER -B2 level for buildings in Ireland (B and above);[24] viii) BREEAM (Very Good) with an energy category score above 70;[25] ix) BREEAM (Excellent or higher);[26] x) buildings that comply with a CBI-approved proxy i.e. city-specific, countrywide or international proxy;[27] xi) CASBEE – A (Very Good) or S (Excellent);[28] xii) China 'Three Star System' (2 stars or higher);[29] xiii) DBJ Green Building Certification (4 Stars or above);[30] xiv) DGNB (Gold or above);[31] xv) Earth Check (Gold or above);[32] xvi) EDGE (Certified or higher);[33] xvii) EEWH (Gold or higher);[34] xviii) EPC A for buildings in the Netherlands, Belgium and Poland;[35] xix) EPC B or above for buildings in the UK, Germany, Norway, Sweden, Finland and

[18] Al Sa'fat certification (Platinum): https://www.dm.gov.ae/municipality-business/al-safat-dubai-green-building-system.
[19] BCA Green Mark Gold for existing buildings in-operation: https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme/green-mark-2021.
[20] BCA Green Mark (Gold Plus or above) for new construction after 2021: https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme/green-mark-2021.
[21] BEAM Plus (Gold or higher): https://www.hkgbc.org.hk/eng/beam-plus/introduction.
[22] BEAM Plus Neighbourhood (Gold and above): https://www.hkgbc.org.hk/eng/beam-plus/beam-plus-neighbourhood/index.jsp.
[23] BEAM Plus Selective (Very Good or above), with Energy Use (EU) category and 20% improvement over ASHRAE 90.1-2013: https://www.beamsociety.org.hk/files/download/BEAM%20Plus%20Existing%20Buildings%20v2_0_Selective%20Scheme.pdf.
[24] BER - B2 level for buildings in Ireland (B and above): https://www.seai.ie/ber.
[25] BREEAM 'Very Good' rating with energy category score above 70: https://breeam.com/about/how-breeam-works.
[26] BREEAM (Excellent or higher): https://breeam.com/about/how-breeam-works.
[27] Buildings that comply with a CBI-approved proxy: https://www.climatebonds.net/our-expertise/climate-bonds-standard-and-certification-scheme/sector-criteria/buildings.
[28] CASBEE – A (Very Good) or S (Excellent): https://www.ibecs.or.jp/CASBEE/english/index.htmI.
[29] China 'Three Star System' (2 stars or higher): https://www.telemaxeem.com/service/5.
[30] DBJ Green Building Certification (4 Stars or above): https://www.dbj.jp/en/service/program/g_building/.
[31] DGNB (Gold or above): https://www.dgnb.de/en/certification/important-facts-about-dgnb-certification/assessment-and-award.
[32] Earth Check (Gold or above): https://earthcheck.org/what-we-do/certification/earthcheck-certified/.
[33] EDGE (Certified or higher): https://edge.gbci.org/.
[34] EEWH (Gold or higher): https://www.greenjump.com.tw/en/service/eewh-service.
[35] EPC A for buildings in the Netherlands, Belgium and Poland: https://www.government.nl/topics/energy-performance-certificates-for-homes-and-buildings/mandatory-epcs-for-buildings.

Austria;[36] xx) Estidama (4 Pearl rating or higher or 3 Pearl plus a 20% improvement over ASHRAE 90.1 2013);[37] xxi) Global Sustainability Assessment System (GSAS) Design, Build, Operation, Maintenance (4 stars or above);[38] xxii) Green Buildings Index (Gold or higher);[39] xxiii) Green Globes (3 or 4 Globes);[40] xxiv) Green Star Australia (5 stars or higher);[41] xxv) Green Star New Zealand Design & As Built (5 stars or higher);[42] xxvi) GreenRE (Gold or higher);[43] xxvii) GREENSHIP (New and Existing Buildings) scheme by Green Building Council Indonesia (GBCI) (Gold or above);[44] xxviii) GRIHA (4 stars or higher);[45] xxix) G-SEED (Level 2 or higher);[46] xxx) Higg FEM for textile sector buildings(75 points and above);[47] xxxi) HQE (Excellent or above);[48] xxxii) Home Quality Mark (HQM) (4 stars or higher);[49] xxxiii) Indian Green Building Council (IGBC) Green Home (Platinum);[50] xxxiv) IGBC New Buildings or Existing Buildings (Gold or above);[51] xxxv) IGBC Affordable Housing (Gold or above);[52] xxxvi) IGBC Green Residential Societies (Gold or above);[53] xxxvii) IGBC Green Interiors (Gold or above);[54] xxxvii) IGBC Green Healthcare Facilities (Gold or above);[55] xix) IGBC Green Service Buildings (Gold or above);[56] xl) IGBC Green Resorts (Gold or above);[57] xli) IGBC Green Factory Buildings (Gold or above);[58] xlii) IGBC Green Logistics Parks and Warehouses (Gold or above);[59] xliii) LEED (Gold or higher);[60] xliv) Living Building Challenge;[61] xlv) Minergie (P and A);[62] xlvi) Mostadam (Gold and Diamond);[63] xlvii) MyCREST (Malaysian Carbon Reduction and Environmental Sustainability Tool) (4 stars or above);[64] xlviii) NABERS Energy (5 stars or higher);[65] xlix) ÖGNI (Platinum or Gold);[66] l) PassivHaus;[67] li) SS 564 for data centres with PUE below 1.5;[68] lii) SS 564 for data centres in Singapore;[69] and liii) Vietnam GBC Lotus Certification (Platinum).[70] Additionally, alternative certifications and levels that can ensure

[36] EPC B or above for buildings in the UK, Germany, Norway, Sweden, Finland and Austria: https://eurodw.eu/revisiting-the-babel-tower-of-epc-ratings-updated-thresholds-across-europe/.
[37] Estidama (4 Pearl rating or above OR 3 Pearl plus 20 improvement over ASHRAE 90.1 2013): https://www.dmt.gov.ae/-/media/Project/DMT/DMT/E-Library/0001-Manuals/PRRS/PRRS-Version-10.pdf.
[38] Global Sustainability Assessment System Design, Build, Operation and Maintenance (4 stars or above): https://gsas.gord.qa/
[39] Green Buildings Index (Gold or higher): https://www.greenbuildingindex.org/
[40] Green Globes (3 or 4 Globes): https://thegbi.org/assessment-certification/green-globes-certification/
[41] Green Star Australia (5 stars or higher): https://new.gbca.org.au/green-star/rating-system/
[42] Green Star New Zealand Design & As Built (5 stars or higher): https://nzgbc.org.nz/green-star-design-and-as-built
[43] GreenRE (Gold or higher): https://greenre.org
[44] GREENSHIP (New and Existing Buildings) – Green Building Council Indonesia (Gold or above): https://gbcindonesia.org/greenship
[45] GRIHA (4 stars or higher): https://www.grihaindia.org
[46] G-SEED (Level 2 or higher): https://www.gbc.re.kr/eng/
[47] Higg FEM (75 points and above): https://app.higg.com
[48] HQE (Excellent or above): https://www.behqe.com
[49] Home Quality Mark (HQM) (4 stars or above): https://www.homequalitymark.com
[50] IGBC Green Home (Platinum): https://www.igbc.in/igbcgreenhomes
[51] IGBC New Buildings or Existing Buildings (Gold or above): https://www.igbc.in/igbcnewbuildings
[52] IGBC Affordable Housing: https://www.igbc.in/igbcgreenaffordablehousing
[53] IGBC Green Residential Societies: https://www.igbc.in/igbcgreenresidentialsocieties
[54] IGBC Green Interiors: https://www.igbc.in/igbcgreeninteriors
[55] IGBC Green Healthcare Facilities: https://www.igbc.in/igbcgreenhealthcarefacilities
[56] IGBC Green Service Buildings: https://www.igbc.in/igbcgreenservicebuildings
[57] IGBC Green Resorts: https://www.igbc.in/igbcgreenresorts
[58] IGBC Green Factory Buildings: https://www.igbc.in/igbcgreenfactorybuildings
[59] IGBC Green Logistics Parks and Warehouses: https://www.igbc.in/igbcgreenlogisticsparksandwarehousesratingsystem
[60] LEED (Gold or higher): https://www.usgbc.org/leed
[61] Living Building Challenge: https://living-future.org/lbc
[62] Minergie (P and A): https://www.minergie.com
[63] Mostadam (Gold and Diamond):
[64] MyCREST (4 stars or above): https://www.cidb.gov.my/eng/mycrest
[65] NABERS Energy (5 stars or higher): https://www.nabers.gov.au
[66] ÖGNI (Platinum or Gold): https://www.ogni.at
[67] PassivHaus: https://passivehouse.com
[68] SS 564 for data centres with PUE below 1.5: https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/20241008_gmdc2024_ver1.pdf
[69] SS 564 for data centres in Singapore: https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/20241008_gmdc2024_ver1.pdf
[70] Vietnam GBC Lotus Certification (Platinum): https://www.vgbc.vn/en/rating-systems

building energy efficiency gains of at least 20% over and above ASHRAE 90.1 (2013 and above) or local equivalent building code as baseline are eligible.

- Excludes: i) development or acquisition of industrial facilities designed or intended for controversial activities having harmful social or environmental impact, which includes tobacco, weapons, gambling; ii) improvement activities that result in the lock-in of fossil fuel technologies; iii) activities related to buildings directly involved in the exploration, extraction, refining and distribution of fossil fuels; iii) cogeneration or CHP plants powered by coal, oil or natural gas; and iv) projects using waste heat from fossil fuel production or operation.

Analytical Commentary

In 2022, building operations accounted for 30% of global final energy consumption and 26% of energy-related GHG emissions.[71] Many countries are strengthening building energy codes and performance standards and accelerating the adoption of energy-efficient systems and renewable energy technologies to reduce emissions and improve sustainability in the construction sector. However, the buildings sector will need to further accelerate its decarbonization progress to achieve net zero emissions by 2050. As of 2020, only 5% of new buildings were zero carbon-ready, while the goal is to reach 100% by 2030 to keep on track with the internationally agreed-upon climate goals.[72] Buildings that are highly energy efficient and that do not rely on on-site fossil fuel energy generation play a vital role in bridging this gap and are critical to decarbonizing the global buildings sector.

Expenditures in new and existing buildings are expected to place the buildings among the best performing in the respective geographies. However, some certifications—such as China 'Three Star System' (2 stars or higher), Higg FEM for textile sector buildings with (75 points and above); and IGBC certifications (Gold and above), namely Green Affordable Housing, Green Residential Societies, Green Interiors, Green Service Buildings, and Green Resorts—do not require a minimum level of energy efficiency, and can be achieved by scoring in other areas, even if energy use and carbon emissions are not significantly reduced. While some eligible certification levels do not require new buildings to be fossil fuel-free in their energy use, posing a risk of fossil fuel lock-in, the minimum levels of recognized green building certifications specified under the Framework incorporate considerations around electrification and reductions in on-site fossil fuel use.

A 20% reduction in embodied carbon emissions by 2030, applicable to the construction phase for new buildings, and additionally certified by those standards cited in the Framework for the operational phase, is expected to contribute meaningful environmental benefits.

The Group also intends to finance building renovations that result in a 20% improvement in energy use and/or carbon emissions in countries that are developing but not high-income as per the UN WESP report. While these expenditures will result in some environmental benefit, renovations that achieve emissions or energy performance improvements of at least 30% are considered best practice.

The installation of new cogeneration or tri-generation or CHP plants in accordance with the criteria under Renewable Energy category, and waste heat recovery improvements without centralized production of heat or cool using waste heat, will help improve the overall energy efficiency of buildings. In addition, replacing conventional heating and cooling systems with more

[71] IEA, "Tracking Buildings", (2023), at: https://www.iea.org/energy-system/buildings.
[72] Ibid.

efficient non-fossil fuel powered systems will contribute to reducing operational emissions.

Lastly, the eligibility criteria of PUE of 1.5 or below for data centres places such facilities among highly performing data centres globally. These expenditures will contribute to reducing GHG emissions from energy consumption by data centres.[73] Overall, expenditures under the category are expected to significantly support the decarbonization of the building sector, thereby supporting the broader transition to a low carbon-built environment.

Energy Efficiency

We have assessed the Sustainability Contribution of the Energy Efficiency category as **Significant**.

The Group will finance activities such as energy and heat efficiency improvements, and transmission and distribution networks, that strongly contribute to the low carbon transition. Investments in steel manufacturing using green hydrogen and facilities powered through renewables will strongly support the decarbonization of traditionally carbon-intensive steel-making processes. The Framework also includes manufacturing of household appliances and upgrades of telecommunication networks. While energy efficiency is not the primary objective of these activities, they are expected to deliver significant energy efficiency gains. Altogether, these investments are expected to significantly contribute to advancing energy efficiency and accelerating the transition to a low carbon economy.

Category Expenditures

Expenditure	Description
Improvements in utilities and other public services	► Development, manufacture and installation of energy efficient lighting or equipment to increase the operational energy efficiency of utilities and public services, excluding improvements in buildings. ► Excludes technologies designed or intended for processes that are inherently carbon intensive operations, primarily driven or powered by fossil fuels, such as oil or gas-fired boilers. Cogeneration and CHP units are excluded. ► Excludes the application of technologies in traditional carbon- intensive production processes in heavy industries, such as steel, aluminium (except for secondary aluminium production) and cement.
Heat efficiency improvements in power plants and other public utilities	► Improvement of heat efficiency of non-fossil-fuel powered utilities, power plants, and other public services. Examples include: i) rehabilitation of district heating and cooling systems powered by electricity to reduce heat losses; and ii) improvements to increase the recovery of wasted heat.
Modernization and upgrades to telecom and	► Upgrades to mobile network to 5G technology and 4GLTE migration from 3G or lower with network load optimization measures in place to improve energy efficiency.

[73] Uptime Institute, 'Uptime Research Institute Survey', at: https://uptimeinstitute.com/uptime_assets/7425ec68d479c5d78a743df94a79b114ed9f9c73f13b6460949d2b8e73373209-GA-2024-07-uptime-institute-global-data-center-survey-results-2024.pdf.

broadband networks	► 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. ► Upgrades to telecom towers to enhance energy efficiency. Examples include cooling systems, insulation and reflective paints. ► Modernization of broadband network from copper to fibre optic. ► Modernization, replacement and upgrades of existing subsea telecommunications cables from copper to fibre optic.
Manufacture of household appliances	► Manufacture of household appliances that comply with the applicable Substantial Contribution and Do No Significant Harm criteria under Manufacturing of energy efficiency equipment for buildings under the EU Taxonomy. Examples include washing machines and refrigerators.
Development, manufacture and improvements of energy efficiency in industrial processes and supply chain	► Upgrades, improvement and installation of technologies and equipment to industrial and manufacturing processes to increase energy efficiency. ► 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. ► Eligible activities must achieve at least a 20% reduction in energy consumption relative to initial consumption. ► Excludes technologies designed or intended for processes that are inherently carbon intensive operations, primarily driven or powered by fossil fuels, such as oil or gas-fired boilers. Cogeneration and CHP units are excluded. ► Excludes traditional carbon intensive production processes in heavy industries, such as steel, aluminium (except for secondary aluminium production) and cement.
Manufacturing of steel	► Financing steel manufacturing that uses: i) direct reduced iron (DRI) or scrap steel in an electric arc furnace (EAF); ii) green hydrogen as a fuel; and iii) electricity for the facility that is sourced from renewable sources.
Heat efficiency improvements in industrial processes and supply chain	► Improvements in a utility's industrial processes to reduce heat losses or increase waste heat recovery. Examples include the installation of renewable-powered cogenerations plants, which are limited to those powered by CSP, solar thermal, biomass waste, geothermal or bioenergy with emissions below 100 gCO_2e/kWh. ► Excludes the following: i) production processes that rely on fossil fuel; and ii) applications in traditional carbon-intensive production processes in heavy industries, such as steel, aluminium (except for secondary aluminium production) and cement.
Investments in transmission and distribution network systems	► 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, will be limited to those intended to reduce the curtailment of renewable energy into the grid. ► Electrical grid development and maintenance projects will be limited to systems dedicated to connecting renewables to the power grid or supporting at least 90% renewable electricity. ► Development, manufacture, installation of technologies or components for efficient transmission and distribution. Examples could include smart grid technologies such as advanced or smart meters, monitoring and control automation devices, computing platforms, distributed generation, peak demand management, smart energy algorithms and green computing systems designed for energy efficient use. ► Subsea cables for renewable energy transmission, that transmit more than 90% of renewable energy. ► Excludes improvements to transmission networks connected or dedicated to fossil fuel power.
District heating and cool distribution network	► District heating/cooling distribution where the network distributes heat or cooling powered more than 50% by renewables, waste heat or a combination of both. ► Excludes waste heat from fossil fuel production and operations.

Analytical Commentary

According to the International Energy Agency (IEA), improving energy efficiency is critical to limiting energy demand and emissions through 2030 and supporting the goal of net zero emissions by 2050.[74] However, global energy efficiency improved only 1% between 2023 and 2024. Accelerating energy efficiency improvements can reduce CO_2 emissions by more than one-third by 2030 compared with 2024 and help reach net zero emissions (NZE) by 2050.[75] The NZE scenario requires an average annual improvement of 4% in global energy intensity until 2030, which could result in avoiding 10 gigatonnes of CO_2 emissions each year.[76] Electrification facilitates the decarbonization of processes previously reliant on fossil fuels and enables the use of renewable energy in such processes. In addition, approximately 80 million kilometres of grid will need to be installed or refurbished by 2040 to facilitate electrification globally.[77] Meanwhile, the iron and steel sector was responsible for 8% of global energy-related emissions in 2022.[78] To achieve an NZE scenario by 2050, the sector needs to rapidly substitute coal with low carbon electrification.[79]

The Group intends to finance improvements in utilities and other public service facilities aimed at heat and energy efficiency, such as energy-efficient lighting, which will contribute strongly to reducing GHG emissions. Similarly, expenditures related to the retrofitting of transmission and distribution systems, including subsea cables, dedicated to renewable energy and the development of associated components, will facilitate the integration of renewables into electricity grids. Investments in district heating and cooling distribution networks where more than 50% of

[74] IEA, "Net Zero by 2050", (2021), at: https://www.iea.org/reports/net-zero-by-2050.
[75] IEA, "Energy Efficiency", (2024), at: https://iea.blob.core.windows.net/assets/f304f2ba-e9a2-4e6d-b529-fb67cd13f646/EnergyEfficiency2024.pdf.
[76] Ibid.
[77] IEA, "Electricity Grids and Secure Energy Transitions", (2023), at: https://iea.blob.core.windows.net/assets/ea2ff609-8180-4312-8de9-494bcf21696d/ElectricityGridsandSecureEnergyTransitions.pdf.
[78] World Economic Forum, "Steel industry net-zero tracker", (2023), at: https://www3.weforum.org/docs/WEF_Net_Zero_Tracker_2023_STEEL.pdf
[79] IEA, "Steel", (2023), at: https://www.iea.org/energy-system/industry/steel#tracking.

heat distributed is from renewable sources or waste heat support the low carbon objectives.[80] Overall, these investments strongly contribute towards energy efficiency objectives.

The Group's Framework also covers installation of the latest telecom and broadband technologies along with existing subsea telecommunications networks. While site infrastructure modernization is primarily designed for telecommunication functions, it is still expected to significantly contribute to reducing energy consumption and thereby decreasing GHG emissions in these networks. Additionally, the Framework also includes the development and operation of data-driven solutions using IoT and Artificial Intelligence that are dedicated to reducing GHG emissions. These will enable energy efficiency improvements across sectors.

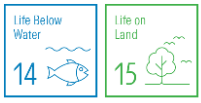
The Group may finance steel manufacturing facilities that process direct-reduced iron or scrap steel using green hydrogen as a substitute for coal in the direct reduction stage. Additionally, electric arc furnaces within these facilities will operate on low emission electricity during the energy-intensive melting stage. Given the use of renewable energy sources, the facilities are expected to strongly contribute to the decarbonization of steel production and carry a minimal fossil fuel lock-in risk.

Also, the Group intends to finance upgrades, improvements and the development of equipment and technologies in industrial processes that can reduce energy consumption by a minimum of 20% over initial consumption. Given the broad range of equipment types and industrial processes to be financed, as well as the lack of reference to external standards or benchmarks, this requirement reflects varying degrees of ambition and contribution to improvements in energy efficiency. While some projects may result in substantial energy savings, expenditures may also offer modest energy efficiency gains, depending on initial performance. The financing of equipment for heat efficiency improvements such as co-generation plants that meet the life cycle GHG emissions intensity technology-agnostic threshold of 100 gCO_2e/kWh, is expected to meaningfully contribute to the energy transition.

Overall, investments under this category are expected to make a significant contribution to improving energy efficiency and accelerating the transition towards a low carbon economy.

Sustainable Management of Living and Natural Resources

We have assessed the Sustainability Contribution of the Sustainable Management of Living and Natural Resources category as **Significant**.



The Group intends to finance expenditures of practices, such as crop rotation and precision agriculture, that improve the sustainability of crop and non-industrial scale livestock farms. While such investments are expected to improve the sustainability of such farms, involvement in livestock farming, may still result in some environmental impact. Research and development in areas like cultured meat and plant-based protein may contribute to the development of solutions that may reduce greenhouse gas emissions, land use and water use. However, the outcomes of such R&D efforts remain uncertain as these technologies are still in the early stages of

[80] European Commission, "District heating/cooling distribution", at: https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/301/view.

development. Together with expenditures in conservation and restoration, these expenditures are expected to significantly support global biodiversity conservation.

Category Expenditures	
Expenditure	Description
Implementation of sustainable farming techniques and processes	► Energy and water efficiency improvements to irrigation systems. Examples include: i) solar irrigation pumps; ii) combined irrigation and climate control systems that enable more precise irrigation control; iii) high-efficiency drip irrigation systems; and iv) dynamic irrigation and pivot irrigation systems. ► Sustainable farming techniques and equipment to improve yields, enhance biodiversity and reduce inputs, such as water, pesticides and fertilisers. Examples include: i) no-till farming systems; ii) soil recovery; iii) restoration of degraded pasture; iv) agricultural practices that use no synthetic fertilizers and pesticides; and v) crop rotation for carbon sequestration and nitrogen accumulation.
Integrated cropland-livestock-forestry systems and agroforestry systems	► Integrated cropland-livestock-forestry systems (ICLFS) and agroforestry systems targeted at smallholder farmers, with a sustainable forest management plan in place.
Vertical farming including hydroponics and aeroponics projects	► Vertical farming including hydroponics and aeroponics projects powered by renewable energy sources or a power source with carbon intensity threshold of 100 gCO_2e/kWh or below, accompanied by energy efficiency measures.
Financing of certified products and associated activities related to agriculture, aquaculture, and forestry	► Financing of certified products and associated activities as per the following certification schemes: i) Aquaculture Stewardship Council (ASC); [81] ii) Audubon G.U.L.F RFM;[82]iii) Best Aquaculture Practices (BAP)[83](two stars or above); iv) Bonsucro;[84] v) Bord Iascaigh Mhara (BIM) Certified Quality Aquaculture Programme (CQA) Farm Standard;[85] vi) Certified forests including FSC;[86] vii) PEFC;[87] viii) China Forest Certification Scheme;[88]ix) Certified organic agriculture, including USDA Organic;[89] x) Certified Seafood Collaborative's Responsible Fisheries Management (CFC RFM);[90] xi) Cotton made in Africa (CmiA) or Better Cotton Standard;[91] xii) Global G.A.P for

[81] ASC: https://asc-aqua.org/business/chain-of-custody-standard/.
[82] Audubon GULF RFM has been phased out in 2023 and transitioned to the Certified Seafood Collaborative (CSC) RFM Certification programme. Audubon G.U.L.F RFM: https://audubonnatureinstitute.org/gulf-certification.
[83] Best Aquacultural Practices: https://www.bapcertification.org/.
[84] Bonsucro: https://bonsucro.com/.
[85] BIM and BIM CQA: https://bim.ie/aquaculture/sustainability-and-certification/certified-quality-aquaculture-cqa-programme/.
[86] Forrest Stewardship Council: https://fsc.org/en.
[87] PEFC: https://www.pefc.org/.
[88] China Forest Certification Council: https://www.pefc.org/discover-pefc/our-pefc-members/national-members/china-forest-certification-council-cfcc.
[89] USDA Organic: https://www.usda.gov/topics/organic.
[90] CFC RFM: https://rfmcertification.org/.
[91] Cotton made in Africa: https://cottonmadeinafrica.org/en/standards-system/.

	Aquaculture;[92] xiii) Global Organic Textile Standard (GOTS);[93] xiv) Global Recycled Standard (GRS);[94] xv) Recycled Content Standard (RCS),[95] and xvi) Organic Content Standard (OCS)[96] where the combined or standalone percentage results in least 90% organic or recycled content; xvii) Green Gold Label;[97] xviii) Iceland Responsible Fisheries Management (IRFM);[98] xix) International Sustainability and Carbon Certification (ISCC);[99] xx) Marine Eco Label (MEL) Japan Aquaculture Management Standard;[100] xxi) Marine Stewardship Council (MSC);[101] xii) Rainforest Alliance;[102] xxiii) Regenagri;[103] xxvi) Round Table on Responsible Soy (RTRS) Standard for Responsible Soy Production; [104] xxiv) RSPO (waste to energy from palm oil operations);[105,106] xxv) Sustainable Rice Platform (SRP) (minimum score of 95 or above); [107] xxvi) US Soy Sustainability Assurance Protocol;[108] xxvii) Responsible Environment Enhanced Livelihoods (REEL) Regenerative Cotton.[109]
Ecosystem and biodiversity conservation	► Restoration, conservation, management and maintenance of degraded terrestrial, inland water, coastal and marine ecosystems, protected areas including national and regional natural parks. ► Expenditure will include financing the implementation of control measures and monitoring equipment such as marine research vessels, retrofitted with marine observation equipment. ► Activities that eliminate, minimize, reduce or mitigate the impacts of invasive alien species on biodiversity and ecosystem services. ► For afforestation and reforestation projects, native species will be given preference and an FSC or PEFC-certified sustainable management plan will be in place.

[92] Global G.A.P. for Aquaculture: https://www.globalgap.org/what-we-offer/solutions/ifa-aquaculture/.
[93] It is noted that GOTS has recently faced 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 has issued a certification ban on 11 companies was imposed and the contract with one approved certification bodies was terminated. GOTS, "GOTS detects evidence of Organic Cotton Fraud in India", (2020), at: 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.
[94] GRS: https://www.scsglobalservices.com/services/global-recycled-standard.
[95] RCS: https://www.scsstandards.org/standards/recycled-content-standard.
[96] OCS: https://textileexchange.org/organic-content-standard/.
[97] Green Gold Label: https://greengoldlabel.com/.
[98] IRFM: https://www.responsiblefisheries.is/.
[99] ISCC: https://www.iscc-system.org/.
[100] MEL: https://melj.jp/eng/ .
[101] MSC: https://www.msc.org/standards-and-certification/developing-our-standards.
[102] Rainforest Alliance: https://www.rainforest-alliance.org/.
[103] Regenagri: https://www.controlunion.com/certification-program/regenagri/
[104] RTRS Standard for Responsible Soy Production: https://responsiblesoy.org/?lang=en.
[105] RSPO: https://rspo.org/certification.
[106] The palm oil industry is associated with a wide range of environmental and social challenges including deforestation, biodiversity loss, land and water pollution and labour rights. Although Sustainable Palm Oil (RSPO) is recognized as a credible international standard that addresses key environmental and social issues associated with the industry, there has been criticism surrounding the audits and grievances procedure of RSPO.
RSPO, "RSPO's Response to the Political Agreement on the Deforestation Regulation", at: https://rspo.org/press-release-rspos-response-to-the-political-agreement-on-the-deforestation-regulation/.
RSPO, "RSPO response to Member allegations in Guatemala and Honduras", at" https://rspo.org/rspo-response-to-member-allegations-in-guatemala-and-honduras/.
[107] The Group has excluded use of inorganic fertilizers under the Framework.
Sustainable Rice Platform: https://www.sustainablerice.org/.
[108] US Soy Sustainability Assurance Protocol: https://ussec.org/resources/ssap-2021/.
[109] Responsible Environment Enhanced Livelihoods (REEL) Standard: https://www.cottonconnect.org/reel-standards.

	Projects related to the conservation of wetlands will be accompanied by a credible management plan, in line with international best practices, to ensure the effectiveness of restoration and conservation activities.
Conservation in the vicinity of sustainable tourism areas	► In-situ marine, aquatic and terrestrial conservation activities in the vicinity of certified sustainable tourism areas, as per the Global Sustainable Tourism Council[110] accredited certification bodies, including: ► Development, operation and maintenance of conservation areas. ► Development and construction of eco-tourism hotels and resorts that align with the eligibility criteria under the Green Buildings category. ► The tourism sites are required to implement: i) a clear set of activities to avoid direct negative impacts on biodiversity, including an analysis of the carrying capacity of the area; ii) partnership agreements with conservation management entities, local non-governmental organizations or communities to contribute to the conservation; iii) a biodiversity information and awareness plan linked to specific impacts arising from tourism activities; and iv) a clear framework for the continuous monitoring and measuring of the effectiveness of the conservation.
Research and development of cultured meat	► Research and development of cultured meat.
Research and development, and production of plant-based protein and fermented meat	► Research and development, and production of plant-based protein and fermented meat: i) with evidence of life cycle GHG emissions being significantly lower than meat counterparts; and ii) using raw materials procured from certified sustainable sources listed above.
Additional details	
Expenditures under this category exclude: ► Livestock management projects for industrial-scale meat processors or producers and technologies implemented on industrial scale livestock production units. ► Manufacture, purchase or distribution of inorganic, synthetic fertilizers, pesticides or herbicides. ► Equipment that runs directly on fossil fuel such as those powered by diesel. ► Genetically modified crops. ► Use of agrochemicals (herbicides or insecticides) to control and/or eradicate invasive plants or insects. ► Hunting, trapping, poisoning and culling of vertebrate animals considered as pests. ► Commercial forests without certifications (excluding smallholder farms). ► Boat operators, sailing schools and diving centres. ► Financial services to clients who convert or degrade high conservation value areas, including forests or high carbon stock forests, peatlands, key biodiversity areas or International Union for Conservation of Nature (IUCN) Protected Area categories I-III for	

[110] Global Sustainable Tourism Council, "GSTC-Accredited Certification Bodies", at: https://www.gstc.org/accreditation/gstc-accredited-certification-bodies/.

	new plantations or farmland, in line with the Group's Environmental and Social Risk Framework.

Analytical Commentary

Global biodiversity is rapidly declining due to land-use change, pollution, overexploitation of natural resources, invasive species and climate change. Wildlife populations decreased by 69% between 1970 and 2018, and approximately one million species are threatened with extinction.[111,112] Deforestation persists at a rate of 10 million hectares annually, largely due to the conversion of forests for agricultural land and unsustainable logging.[113] The loss of nature poses growing financial risks, as more than half of global GDP is reliant on ecosystem services.[114] With food production projected to increase by over 50% by 2050 compared to 2010, pressure on land, resources and ecosystems is expected to further intensify.[115] Achieving the 2030 targets to protect 30% of land and sea, and restore 30% of degraded ecosystems, while meeting the demands of a growing global population, will require increased investments in nature protection, sustainable forestry and conservation agriculture.[116,117]

The Framework allows financing of sustainable farming techniques that may be implemented on farms that do not have environmental management systems in place. Additionally, ICLFS and agroforestry systems may involve livestock farming, which can carry environmental risks such as methane emissions, land degradation and biodiversity loss, along with intensive resource demands for water, land and feed. Nonetheless, these expenditures meaningfully contribute to food systems transformation. Expenditures related to aquaculture, agriculture and forestry will be subject to third-party certifications, which typically address soil health, minimize chemical inputs, efficient resource use and emissions intensity. These sustainability credentials encompass requirements to meaningfully minimize environmental impacts by promoting sustainable practices in supply chain and thereby ensuring responsible production.

Standard Chartered may also finance conservation and restoration projects in degraded terrestrial, inland water, coastal and marine ecosystems, as well as aquatic and terrestrial conservation in the vicinity of certified sustainable tourism areas. Afforestation and reforestation projects will be accompanied by sustainable management plans to ensure that forest areas are managed responsibly to maintain biodiversity, productivity and regeneration capacity. The use of tree species that are well adapted to local conditions will improve the stability and resilience of forest ecosystems. These expenditures are expected to substantially support the development of resilient forestry systems.

Expenditures related to the R&D of cultured meat, plant-based protein and fermented meat have the potential to support the transition from traditional livestock farming, which is associated with substantial negative impacts including high GHG emissions and animal welfare concerns.

[111] 8 IPBES, "2019 Global Assessment Report on Biodiversity and Ecosystem Services", (2019) at: https://files.ipbes.net/ipbes-web-prod-publicfiles/inline/files/ipbes_global_assessment_report_summary_for_policymakers.pdf.
[112] WWF, "WWF's Living Planet Report: Devastating 69% drop in wildlife populations since 1970", (2022), at: https://www.wwf.eu/?7780966/WWF-Living-Planet-ReportDevastating-69-drop-in-wildlife-populations-since-1970.
[113] FAO, "The state of the World's Forest", (2020), at: https://www.fao.org/state-of-forests/en.
[114] World Economic Forum, "Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy", (2020), at: https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf.
[115] World Resources Institute, "Executive Summary (Synthesis)", at: https://research.wri.org/wrr-food/executive-summary-synthesis.
[116] Convention on Biological Diversity, "Kunming-Montreal Global Biodiversity Framework: 2030 Targets (with Guidance Notes), at: https://www.cbd.int/gbf/targets.
[117] FAO, "Conservation Agriculture", at: http://www.fao.org/conservation-agriculture/en/.

However, the potential outcomes and impacts of such expenditures remain uncertain, particularly for early-stage R&D. Similarly, in the absence of a specific threshold for "significant savings in lifecycle GHG emissions" for the production of plant-based protein and fermented meat, there is uncertainty on the potential impact of such expenditures.

Collectively, expenditures under this category are expected to make a significant contribution in enhancing ecosystem resilience, supporting global biodiversity conservation and advancing sustainable agricultural practices.

Pollution Prevention and Control

We have assessed the Sustainability Contribution of the Pollution Prevention and Control category as **Significant**.

Financing of waste collection and recycling facilities for various waste types, supported by zero-emission or hybrid vehicles and safe hazardous waste management, offers substantial environmental benefits by reducing landfill disposal and conserving raw materials. The recycling of single-use plastics is considered an interim solution as such materials need to be phased out. Nonetheless, recycling plastics still markedly reduces the negative impacts of plastic waste. Although nature-based pollution control solutions are not certified under sustainable forestry standards, they are guided by sustainable management plans and internal safeguards and are expected to deliver notable biodiversity and ecosystem benefits. Commercial-scale deployment of Bioenergy with Carbon Capture and Storage (BECCS) is expected to significantly reduce net GHG emissions, whereas related R&D in technologies such as enhanced weathering, ocean fertilization, and Direct Air Capture (DAC) are expected to contribute only modestly to emissions reductions due to the uncertainty regarding their outcomes. Some activities, such as hazardous waste processing, are strictly regulated, but the Group's financing will go beyond baseline requirements mandated by law and aims to provide additional benefits by also prioritizing the recycling and recovery of hazardous waste over disposal. Also, the synthesis of feedstock for WtE facilities offers modest environmental benefits. However, expenditures under this category are collectively expected to significantly support the transition to a circular economy, mitigate GHG emissions, improve waste management practices and support biodiversity conservation.

Category Expenditures

Expenditure	Description
Reduction of air emissions and GHG emissions	► Adoption of technologies that achieve emission intensity reductions that exceed legal thresholds required for regulatory compliance. These include the installation of advanced control systems to manage emissions in industrial processes like flue gas or selective catalytic reduction. ► Process upgrades, installation of sensors to monitor or test emission control or compliance. ► Commercial-scale application of BECCS that is in line with the bioenergy criteria for power generation outlined in this Framework.

R&D expenditures to mitigate GHG emissions	▸ R&D expenditures for BECCS, enhanced weathering, ocean fertilization, and DAC.
Soil remediation	▸ Activities include addition of biochar to soils. ▸ The Group will exclude financing that supports the remediation of pollution or contamination resulting from a borrowers' own activities.
Waste prevention, reduction, sorting, and recycling	▸ Development of waste collection facilities and the provision of waste collection services for hazardous and non-hazardous waste. Such facilities and services will support source segregation and with collection vehicles that are zero-emission or hybrids with emissions at or below 75 gCO_2/km based on lab tests WLTP. ▸ Processing and treatment of hazardous waste. ▸ Development of recycling facilities that process recyclable plastic waste into secondary raw material. This excludes chemical recycling and includes mechanical recycling of plastics, including single use plastics. ▸ Development of recycling facilities that process recyclable metal waste into secondary raw material. The waste received by the facility is segregated and recyclable. ▸ Development of recycling facilities that process mixed residual waste (MRW) to produce feedstock for WtE plants, that align with the criteria in the Renewable Energy category. ▸ Development of recycling facilities that process food, green, garden or yard waste to produce compost. ▸ Development of recycling facilities that process inorganic sludge, electronic waste, industrial, hazardous and medical waste. ▸ Recycling e-waste is accompanied by a robust waste management system. ▸ Hazardous waste recycling projects will exceed business as usual practices or compliance requirements. ▸ Nature-based solutions and technologies that prevent or reduce water, land and air pollution to levels that are not harmful to biodiversity and ecosystem functions and services. ▸ Projects will leverage the Biodiversity Risk Filter[118] and Water Risk Filter[119] by WWF, SBTN and ENCORE database platforms to determine levels that are not harmful to biodiversity and ecosystem. ▸ Afforestation and reforestation projects: i) use only trees and plant species that are well-adapted to site conditions; ii) have a sustainable management plan in place; and iii) projects with ongoing monitoring and verification may be used to generate carbon credits. Additionally, the Bank ensures that financed

[118] WWF, "Biodiversity Risk Filter", at: https://riskfilter.org/biodiversity/home.
[119] WWF, "Water Risk Filter": https://riskfilter.org/water/home.

	projects will not take place on areas designated as high conservation value areas or areas set aside for restoration in accordance with national law as per the Bank's Nature Position Statement.[120] Where a sustainable management plan identifies potential risks of conversion of habitats that are identified as particularly vulnerable to biodiversity loss, any identified risks will be mitigated and managed accordingly.

Additional details

- Excludes: i) expenditures related to fossil fuels, ii) application in traditional carbon-intensive production processes in heavy industries, such as steel, cement, aluminium (except secondary aluminium facilities), iii) carbon capture utilisation (CCU) where captured carbon is intended for enhanced oil recovery, iv) chemical recycling of plastic, v) recycling of electronic waste, industrial, hazardous and medical waste without robust waste management processes to mitigate associated risks, and vi) treatment of waste from fossil fuel operations.
- The Group will ensure that all financed projects do not cause any negative environmental or health impacts, and that benefits exceed business as usual practices.

Analytical Commentary

Investments in waste management systems and recycling facilities are critical in curbing GHG emissions and transitioning to a circular economy. In 2020, approximately 2.1 billion tonnes of municipal solid waste was generated globally, with the amount projected to rise by 56%, reaching 3.8 billion tonnes by 2050, driven by population and economic growth. Of the total waste generated, 19% was directed to recycling centres, 30% was sent to landfills and 13% was processed in waste-to-energy facilities, while the remaining portion was either dumped or openly burned. Improving waste management practices has the potential to reduce global GHG emissions by 15-25%, highlighting the importance of recycling measures.[121] In addition, approximately 300 million to 500 million tonnes of hazardous waste is produced annually worldwide,[122] posing serious risks to both human health and the environment.[123]

In this context, financing waste collection facilities for non-hazardous waste and recycling facilities for metals, industrial, electronic, medical and hazardous wastes as well as inorganic sludge and composting, provides strong environmental benefits by reducing landfill disposal, improving waste management practices and lowering dependence on virgin raw materials. Additionally, the use of zero-emission or hybrid collection vehicles, along with the safe management of electronic and hazardous waste without adverse environmental or health impacts further enhances these benefits. Although mechanical recycling of plastics provides substantial benefits, recycling single-use plastics is considered an interim solution as these materials need to be phased-out in favour of sustainable alternatives that can be reused or recycled without quality loss. Nevertheless, plastic recycling still significantly reduces the environmental impact of plastic waste.

[120] Standard Chartered, "Nature Position Statement", (2024), at: https://www.sc.com/en/uploads/sites/66/content/docs/nature-position-statement.pdf.
[121] United Nations Environment Programme, "Global Waste Management Outlook 2024", (2024), at: https://wedocs.unep.org/handle/20.500.11822/44939.
[122] Martínez, HJ et al., (2022), "The world-wide waste web", Nature Communications, at: https://pmc.ncbi.nlm.nih.gov/articles/PMC8964736/.
[123] Environmental Protection Agency, "Health and Ecological Hazards Caused by Hazardous Substances", (2024), at: https://www.epa.gov/emergency-response/health-andecological-hazards-caused-hazardous-substances.

Complementing these efforts, Standard Chartered may also finance soil remediation, specifically through the addition of biochar to soils, which is expected to significantly support the restoration of degraded ecosystems.

Although financed nature-based pollution prevention and control solutions are not certified by recognized sustainable forestry standards, they are supported by sustainable management plans and internal safeguards to avoid projects that convert areas of high biodiversity value. These solutions are expected to notably support biodiversity and ecosystem functions and services, while also reducing pollution levels. The commercial-scale application of BECCS, in line with the bioenergy criteria for power generation outlined in this Framework is also expected to significantly contribute to the decarbonization of industrial processes. However, due to uncertainties over R&D outcomes, related expenditures in BECCS, enhanced weathering, ocean fertilization, and DAC are expected to offer some emissions reductions once commercialized.

Hazardous waste disposal may also be financed and is generally subject to strict legislation in most jurisdictions. In line with the waste hierarchy, the reduction, recycling and recovery of hazardous waste should be prioritized over disposal to reduce raw material consumption. Also, the synthesis of feedstock (processed MRW) for WtE facilities offers modest environmental benefits, as it typically involves converting non-recyclable waste into feedstock for incineration, which represents the final step in the waste hierarchy.

Overall, expenditures under this category are expected to significantly support the transition to a circular economy, mitigate GHG emissions, improve waste management practices and support biodiversity conservation.

Sustainable Water and Wastewater Management

We have assessed the Sustainability Contribution of the Sustainable Water and Wastewater Management category as **Significant**.

Expenditures under the category include water treatment facilities, desalination plants powered by low-carbon energy, water recycling and efficiency measures, and storage infrastructure. Water leakage assessments are not mandated for all projects; however, the Group considers water leakage reduction as an operational efficiency issue that would be addressed as part of the design, assessment, or overall project viability and each project will undergo environmental and social due diligence, complying with relevant pollution control regulations, with appropriate brine management measures expected for desalination facilities. Desalination plants powered by low-carbon electricity or renewables coupled with an energy consumption threshold are expected to offer a substantial environmental benefit. Collectively, these investments are expected to significantly enhance water and wastewater management in the financed regions.

Category Expenditures

Expenditure	Description
Water quality improvements	► Water treatment facilities. ► Wastewater treatment facilities, including upgrades to wastewater treatment plants to remove nutrients and wastewater discharge infrastructure. Sewage sludge or other by-products from wastewater

	treatment may also undergo further treatment in line with criteria under Renewable Energy category, and all projects will undergo environmental and social due diligence, complying with relevant local or national pollution control regulations. ► Desalination plants powered by: i) electricity with an average carbon intensity at or below 100 gCO_2e/kWh over the residual asset life and with energy consumption threshold below 4 kWh/m^3; or ii) low-carbon sources, such as renewables. ► Standard Chartered will only finance desalination projects with appropriate waste management plan in place for brine disposal.
Water-use efficiency improvements	► Water recycling and reuse ► Water saving systems, technologies and water metering.
Water storage infrastructure	► Aquifer storage, rainwater harvesting systems and groundwater recharge systems.
Additional details	
► Excludes the following: i) treatment of wastewater from fossil fuel operations, ii) equipment and methods dependent on dedicated on-site fossil fuel power, and iii) systems and measures to provide water for fossil fuel operations, fracking, and mining.	

Analytical Commentary

Approximately 26% of the global population lack access to safe drinking water, and around one-quarter experience extremely high levels of water stress, consuming more than 80% of the annual renewable freshwater supply in their region.[124] Additionally, approximately 20% to 50% of distributed water is lost due to leakages and ageing infrastructure.[125] In 2022, an estimated 268 billion m^3 of household wastewater was generated globally, of which only 58% was safely collected, treated and discharged. The remaining wastewater was released untreated, contaminating water bodies and endangering human health, highlighting the importance of investing in efficient and sustainable water and wastewater management systems, and infrastructure.[126,127]

Standard Chartered may finance projects aimed at improving water quality, including water and wastewater treatment facilities, desalination plants powered by low-carbon electricity or renewables as well as water recycling, reuse, and efficiency improvement projects. Storage infrastructures such as aquifers, rainwater harvesting and groundwater recharging systems may also be financed. For desalination projects, appropriate brine management measures are expected to be implemented, based on environmental risk assessments, to mitigate any identified risks. Additionally, although the Framework does not explicitly require leakage assessments for eligible treatment and storage facilities, the Group considers water leakage reduction as an operational efficiency issue that would typically be addressed as part of the design, assessment, or overall project viability to ensure optimal outcomes and efficiency.

[124] UNESCO, "Imminent risk of a global water crisis, warns the UN World Water Development Report 2023", at: https://www.unesco.org/en/articles/imminent-risk-globalwater-crisis-warns-un-world-water-development-report-2023.
[125] AbuEltayef H. et al., "Addressing non-revenue water as a global problem and its interlinkages with sustainable development goals", The International Water Association, 2024, at: https://iwaponline.com/wpt/article/18/12/3175/98008/Addressing-non-revenue-water-as-a-global-problem.
[126] UN Water, "Progress on the proportion of domestic and industrial wastewater flows safely treated", (2024), at: https://www.unwater.org/sites/default/files/2024-08/SDG6_Indicator_Report_631_Progress-on-Wastewater-Treatment_2024_EN_0.pdf.
[127] UNESCO, "The United Nations World Water Development Report 2024: water for prosperity and peace", (2024), at: https://www.unesco.org/reports/wwdr/en/2024/s.

Given the energy-intensive nature of desalination, plants powered by low carbon electricity (as defined in the table above) or renewables, and operating within the defined energy consumption thresholds, are expected to substantially improve access to clean water access through low-carbon processes. These benefits are further supported by the appropriate brine management to mitigate potential harm to the marine ecosystem during discharge.

Overall, the investments under the category are expected to significantly improve water and wastewater management in the financed regions.

Clean Transportation

We have assessed the Sustainability Contribution of the Clean Transportation category as **Strong.**

Expenditures under this category include private and public zero-emission and low carbon vehicles across road, rail, air and water transport, as well as zero-emission cranes and forklifts, and associated low carbon and active mobility infrastructure. Expenditures may also include the development of electric vehicle (EV) manufacturing facilities, the manufacturing of zero-emission vehicles and components, intermodal transport systems enabling a shift to lower-carbon freight, and Information and Communications Technology (ICT) solutions that enhance transport efficiency and modal shift. Overall, expenditures under this category are expected to make a strong contribution to the transition toward zero-emission transport systems.

Category Expenditures

Expenditure	Description
Purchase, operation, maintenance, manufacture, repair, upgrades and leasing of public and private zero emission and low carbon transport	▸ Low carbon and zero direct emission passenger road transport with emissions intensity at or below 50 gCO_2/p-km until December 2025 and 0 gCO_2/p-km from January 2026 onwards. Examples include electric scooters, motorbikes, shuttle buses and vans. ▸ Freight aircraft with zero emissions and fossil fuel freight capped at 25% by mass. ▸ Passenger rail transport, such as electric trams and trains, with emissions intensity at or below 50 gCO_2/p-km until December 2025 and 0 gCO_2/p-km from January 2026 onwards. ▸ Cranes and forklifts with zero direct emissions. ▸ Freight rail and road transportation including light or heavy-duty vehicles with emissions intensity at or below 25 gCO_2/t-km and fossil fuel freight capped at 25% by mass. ▸ Passenger and freight inland water vessels with zero direct emissions, such as solar, electric, or hydrogen powered boats, and motorless sailboats with fossil fuel freight capped at 25% by mass. ▸ Active mobility devices such as bicycles and other self-propelled forms of transportation. ▸ Excludes the following: a) fossil fuel-based transportation, supporting infrastructure and transportation dedicated to fossil fuel transport; b) hydrogen production processes that lock in continued fossil fuel use; c)

	self-propelled modes of transportation intended solely for leisure such as sailing, skateboards, kayaks and canoes; d) efficiency improvements for conventional fossil-fuel combustion engines; and e) tank containers that transport fossil fuels or fossil fuels blended with alternative fuels.
Development of infrastructure supporting low carbon transportation and personal mobility	► Low-carbon transport infrastructure such as electric charging stations, low-carbon fuelling stations for green hydrogen or biofuels, battery exchange and swapping stations ► Active mobility infrastructure such as walking and cycling lanes. ► Excludes the construction of parking facilities and roads including parking for private vehicles at railway stations.
Development, of zero-emission vehicles and associated parts	► Construction, upgrade and retrofit of facilities for EV production. ► EVs, batteries and specialized components such as cathode or anode material and ternary precursor
Construction and operation of transport systems and digital solutions	► Intermodal transport systems dedicated to transhipping freight between different modes that support a shift to lower-carbon modes, such as replacing long-haul trucking with shipping. ► ICT that enhances asset utilization, flow, and modal shift across all transport modes such as public transport information, car-sharing schemes, smart cards, smart road charging or pricing systems, telematics and battery health diagnostic systems. ► Excludes development of systems and infrastructure dedicated to the transportation of fossil fuels.

Analytical Commentary

The transport sector accounted for 37% of CO_2 emissions from end-use sectors in 2022 and relied on oil products for nearly 91% of its final energy use.[128,129] Road transport was the largest contributor, generating 73% of global transport emissions in 2022, followed by aviation, shipping and rail. To achieve climate neutrality by 2050, emissions from transport must decline by 25% by 2030, which will require scaling up the electrification of vehicles and the use of low emission fuels. With global transportation volumes projected to double by 2050 from the 2015 baseline, investments in zero emission vehicles and related infrastructure are critical to decarbonizing the transport sector.[130]

Eligible expenditures include passenger and freight zero-emission transport across road, rail, air and water, including electric cars, scooters, buses and trams, trains, boats, trucks, cranes and forklifts, and personal mobility devices. These expenditures are critical to achieving low-carbon transportation. The Group may also finance hybrid and other low-carbon vehicles in line with the eligibility criteria. However, as these vehicles continue to rely partly on fossil fuels, zero-emission alternatives remain a more effective solution for reducing transportation-related emissions.

Expenditures will also be directed to infrastructure for zero-emission and low-carbon transportation across road, rail, air and water, as well as personal mobility. This includes projects such as electric charging stations, low-carbon fuelling stations for green hydrogen or biofuels,

[128] UN Environment Programme Finance Initiative, "Climate Risks in the Transportation Sector", (2024), at: https://www.unepfi.org/wordpress/wp-content/uploads/2024/05/Climate-Risks-in-the-Transportation-Sector-1.pdf
[129] IEA, "Transport", (2023), at: https://www.iea.org/energy-system/transport
[130] World Economic Forum, "7 Reasons Why Global Transport is so Hard to Decarbonize", 2021, at: https://www.weforum.org/agenda/2021/11/global-transport-carbon-emissions-decarbonise/

battery exchange and swapping stations. In addition, supporting infrastructure, such as facilities for transhipping freight between different modes, plays a critical role in enabling modal shift and advancing lower emission logistics. Lastly, deploying ICT across all vehicle types is also expected to improve operational efficiency and facilitate the transition to low-carbon mobility.

Collectively, expenditures in this category are expected to accelerate the adoption of zero emissions transport and make strong contributions to the decarbonization of the transport sector.

Climate Change Adaptation

We have assessed the Sustainability Contribution of the Climate Change Adaptation category as **Significant.**

Expenditures under this category include the financing of climate change adaptation projects, primarily those related to climate monitoring, water management and infrastructure, as well as agriculture and land management. Standard Chartered may also finance data-driven solutions for GHG and non-GHG pollutants, and climate change adaptation insurance, aligned with the EU Taxonomy, will support services and climate-related payouts that enhance resilience and support recovery in affected communities. All infrastructure projects will be supported by vulnerability assessments, adaptation plans and the Equator Principles' Climate Change Risk Assessment to identify potential hazards and guide strategic responses. Collectively, these expenditures are expected to significantly strengthen resilience to physical climate impacts in various sectors.

Category Expenditures

Expenditure	Description
Development and implementation of climate and health risk monitoring systems	▸ Data-driven climate monitoring solutions such as early warning systems, GHG emissions monitoring systems and climate observation systems. ▸ Implementation of an air-quality forecasting system, monitoring of fire propagation and smoke transport systems for monitoring human health risk.
Development and use of ICT solutions for data-driven GHG emission reductions	▸ Development and use of ICT solutions for collecting, transmitting, storing and using data to support GHG emission reductions.
Design, development, construction, refurbishment and maintenance of infrastructure for climate adaptation projects	▸ Flood management systems and coastal resilience infrastructure to improve irrigation, drainage and storage systems to manage flood risks. Examples include sluice gates, sea walls, reinforcement of existing channels and infrastructure, coastal pumping stations, water reclamation plants, wetland protection, stormwater management and flood defences in water stress areas. ▸ Climate-resilient agriculture and livestock infrastructure including the use of climate-resilient crops such as drought-resistant seeds. These activities exclude the use of agrochemicals. Expenditures may also

include grain storage, drip irrigation for agricultural production systems, soil rehabilitation and climate-resilient livestock facilities such as cooling sheds and emergency shelters.
    - For soil rehabilitation, the Group will exclude financing that supports the remediation of pollution or contamination resulting from a borrowers' own activities.
- Wildfire safety infrastructure and equipment including high-definition cameras, weather stations and fire-resilient utility lines.
- Climate change adaptation insurance in line with the EU Taxonomy.
- Sustainable land use and ecological management projects such as afforestation and reforestation, mangrove conservation and replanting, restoration of salt marshes, peatland restoration, wild bush clearing, species diversification and relocation of species better adapted for survival. The tree species used will be well adapted to site conditions and have a sustainable management plan in place such as certified by FSC[131] or PEFC.[132]
- Grid resilience, back-up generation and storage designed for climate-related disruption.
- Projects will not obstruct other environmental objectives, such as decarbonization.
- Excludes the following: a) business-as-usual renovations and retrofits such as routine maintenance and minor upgrades that do not significantly enhance the environmental performance or resilience of such infrastructure or assets; b) livestock management projects for industrial-scale meat processors or producers; c) genetically modified organisms and crops; and d) a transmission and distribution grid dedicated to fossil fuel power.

Additional details

- All expenditures related to infrastructure projects will be supported by vulnerability assessments and adaptation plans as well as by an Equator Principles' Climate Change Risk Assessment.

Analytical Commentary

Between the 1970s and 2010s, the annual economic losses from climate-related extreme events increased from USD 198 billion to USD 1.6 trillion globally.[133] These extreme events, including flooding, droughts and heatwaves, are expected to become more frequent, intense and longer, threatening energy and food security, ecosystems, infrastructure, water resources, financial stability and human health.[134] Climate resilient infrastructure plays a key role in supporting communities and businesses to continue functioning and better mitigate climate-related risks to their assets.[135] Similarly, climate resilient agricultural practices are vital to meeting the projected 50-60% surge in global food demand between 2019 and 2050 amid the increasing risks to

[131] FSC: https://fsc.org/en/fsc-standards.
[132] PEFC: https://pefc.org/standards-implementation/standards-and-guides.
[133] OECD, "Infrastructure for a Climate-Resilient Future", (2024), at: https://www.oecd.org/en/publications/infrastructure-for-a-climate-resilient-future_a74a45b0-en.html.
[134] European Environment Agency, "Climate change impacts, risks and adaptation", (2025), at: https://www.eea.europa.eu/en/topics/in-depth/climate-change-impacts-risks-and-adaptation.
[135] OECD, "Infrastructure for a Climate-Resilient Future", (2024), at: https://www.oecd.org/en/publications/infrastructure-for-a-climate-resilient-future_a74a45b0-en.html.

agricultural systems posed by climate change.[136] In addition, data-driven and digital technologies, including earth observation tools and Internet of Things, provide data and tools for long-term physical climate risk management.[137] Approximately USD 387 billion in annual investment is needed to implement domestic adaptation priorities globally.[138]

Expenditures in climate change adaptation projects are supported by relevant assessments to ensure they effectively address applicable climate risks. ICT solutions for collecting, transmitting, storing and using data are crucial for accurately monitoring emissions, informing mitigation strategies, ensuring regulatory compliance, and enhancing operational efficiency.

Climate change adaptation insurance, aligned with the EU Taxonomy, will be allocated towards the provision of insurance services and climate-related payouts, which have meaningful potential impact by enhancing resilience and supporting recovery in affected communities.

Climate change adaptation solutions, such as climate-resilient infrastructure including reinforced building structures and stormwater drainage systems, are expected to support targeted adaptation efforts across sectors. Additionally, expenditures in climate-resilient agriculture and livestock infrastructure, such as drought resistant seeds, grain storage and emergency shelters for livestock, support the preservation of ecosystems and limit vulnerability to extreme climate risks.

Overall, the expenditures in this category are expected to significantly contribute to climate change adaptation efforts in various sectors.

Eco-efficient or circular economy adapted products, production technologies and processes

We have assessed the Sustainability Contribution of the Eco-efficient and/or circular economy adapted products, production technologies and processes category as **Strong.**

Eligible expenditures include products with certified, recycled or biogenic inputs that help reduce resource consumption and mitigate GHG emissions; technologies, equipment and IT systems that reduce resource intensity subject to minimum safeguards; and procurement of recycled materials. The expenditures also include reuse, repair, refurbishment and the use of recycled inputs that contribute to a circular economy by lowering waste and environmental impacts. In addition, the expenditures include modular design, pay-per-use models, and sharing platforms that extend product life and reduce the need for new production, while take-back schemes and reverse logistics support proper end-of-use collection. While R&D for circularity, adaptive reuse and bio-based materials contain some uncertainty in the outcomes due to the early stages of R&D, such investments are expected to contribute modestly to circular economy goals. Overall, these expenditures are expected to substantially contribute to reducing resource consumption and mitigating GHG emissions.

[136] Falcon, W. et al., "Rethinking Global Food Demand for 2050", Population and Development Review, (2022), at: https://www.researchgate.net/publication/362572729_Rethinking_Global_Food_Demand_for_2050.
[137] World Economic Forum, "Innovation and Adaptation in the Climate Crisis: Technology for the New Normal", (2024), at: https://www3.weforum.org/docs/WEF_Innovation_and_Adaptation_in_the_Climate_Crisis_2024.pdf.
[138] UNEP, "Adaptation Gap Report 2023", (2023), at: https://www.unep.org/resources/adaptation-gap-report-2023.

Category Expenditures	
Expenditure	Description
R&D of products designed for circular economy	► R&D of products designed for circularity and adaptive re-use, going beyond eco-labels to demonstrate significant waste diversion or use of waste materials. Examples include concrete from recycled aggregates, bricks and tiles from fly ash or industrial by-products, insulation from textile waste or recycled plastics, and fabrics made from recycled plastics. ► R&D of products, processes and technologies using bio-based materials such as biopolymers, bioplastics.
Resource-intensity reduction technologies	► Equipment, technology and IT systems that reduce the resource intensity of economic activities. ► Standard Chartered assesses the materiality of such activities through either of the following: i) measurable reductions compared to conventional practices; ii) assessment of reductions against sector-specific benchmarks; iii) delivery of net positive impact across the lifecycle; and iv) ex-ante assessments to ensure that resource reduction is the core feature of the technology.
Trade finance for recycled or waste materials	► Procurement of recycled or waste materials as an input, imports and exports using trade finance instruments.
Production and manufacturing of resource-efficient or low-carbon products	► Resource-efficient or low carbon products that have all inputs certified to Roundtable on Sustainable Biomaterials (RSB).[139] ► Resource-efficient products using at least 90% waste, recycled, renewable, or bio-based inputs. Recycling will be limited to mechanical processes, all end products will be fully recyclable, and at least 90% of products are not intended for single use. In addition, biogenic inputs will be certified under the Bonsucro Production Standard (BPS) and the International Sustainability and Carbon Certification (ISCC) scheme.[140,141]
Product reuse, repair and refurbishment	► Repair, refurbishment and reuse of products and materials to extend their lifespan and restore them to original use with minimal or no additional processing. ► The Group's governance process will ensure that such activities align with circular economy objectives and applicable regulations. ► Excludes repair, refurbishment and reuse of products that are fossil fuel powered or used for the extraction of fossil fuel.
Deployment of solutions that extend the product life cycle	► Solutions that extend the product life cycle such as modular or disassembly design, take-back schemes, reverse logistics, and pay-per-use and sharing economy models.
Additional details	

[139] Roundtable on Sustainable Biomaterials, "About the RSB", at: https://rsb.org/about/.
[140] Bonsucro Production Standard, "What is the Bonsucro Production Standard", at: https://bonsucro.com/production-standard/.
[141] International Sustainability and Carbon Certification, "Overview of the ISCC Certification Schemes", at: https://www.iscc-system.org/certification/iscc-certification-schemes/.

Expenditures under this category exclude:

- For e-waste, the activity will be supported by robust waste management systems.
- Equipment and technologies designed or intended for processes that are inherently carbon intensive, primarily driven or powered by fossil fuels.
- Products that are made entirely from virgin petroleum-based plastics.
- Procurement of recycled or waste inputs intended for plastic packaging for single-use consumer products (non-medical).

Analytical Commentary

Most materials that enter the economy are sourced from virgin inputs, with secondary inputs (recycled, recovered or reused) representing 7.2% in 2023.[142] This leads to significant emissions, as the extraction and processing of virgin raw materials account for about 55% of global GHG emissions and more than 90% of total biodiversity loss and water stress. As urbanization and industrialization accelerate, resource use is expected to increase by 60% from 2020 levels by 2060, which would result in a corresponding increase in environmental impact.[143]

In this context, products made with certified sustainable materials such as those certified to RSB, BPS and ISCC as well as products containing a high proportion of recycled or biogenic primary materials substantially reduce resource consumption and help mitigate GHG emissions. Similarly, expenditures that enable the reuse, repair, refurbishment and the use of recycled or sustainable materials as inputs will reduce waste and conserve natural resources. The Group may also finance equipment, technology and IT systems that reduce the resource intensity of economic activities. Modular design facilitates disassembly, repair and upgrades, extending product lifespans and improving end-of-life management. Pay-per-use and sharing economy models increase product utilization, reducing demand for new production and conserving raw materials. Additionally, solutions like take-back schemes and reverse logistics ensure proper collection of products and materials at the end of their initial use. Collectively, these expenditures will strongly contribute to a circular economy, thereby reducing emissions and other environmental impacts.

While there is some uncertainty regarding the outcomes and effective implementation of R&D expenditures focused on circularity, adaptive reuse, and bio-based materials, such investments are nonetheless expected to contribute modestly to the achievement of circular economy objectives.

Despite of uncertainty around the type of products, the procurement of recycled or waste materials through trade finance instruments, will notably contribute to resource efficiency and emissions reductions.

Overall, however, investments under this category are collectively expected to make a strong contribution to the transition toward a circular economy.

Employment Generation, and programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the

[142] Circle Economy Foundation, "The Circularity Gap Report 2024", (2024), at: https://admin.circl.nl/wp-content/uploads/2024/02/CGR-Global-2024-Report.pdf.
[143] UNEP, "Global Resources Outlook 2024", (2024), at: https://www.unep.org/resources/Global-Resource-Outlook-2024.

potential effect of SME financing

We have assessed the Sustainability Contribution of the Employment Generation category as **Moderate**.

The Group intends to provide loans to micro, small and medium enterprises (MSMEs) directly and microfinance lending via microfinance institutions (MFIs) to at least one of the following target populations: women-led or-owned businesses, economically excluded individuals (impacted by natural or man-made disasters), populations in developing economies, rural populations including smallholder farmers, and community development financial institutions (CDFIs). Although financing is mostly targeted at populations with limited access to formal financial services, some of the criteria used to identify target populations remain broad. Additionally, MSME and microfinance lending provisions do not include affordability measures. For loans provided to low-income or marginalized individuals, the Group will offer financial advantages, although the degree of affordability remains unclear. Furthermore, expenditures related to the provision of digital financial services do not exclusively target populations with inadequate access. Taken together, financing under this category is expected to make a moderate contribution to increasing financial access, including through digital inclusion for the target populations.

Category Expenditures

Expenditure	Description
Provision of finance to MSMEs and microfinance lending including women-led or -owned businesses, MSMEs, smallholders, CDFIs	▸ Lending to MSMEs and microfinance lending via MFIs that meet the following criteria: ▸ Small- and medium-sized enterprises (SMEs), as defined by the International Finance Corporation (IFC) that meet at least two of the following criteria: i) Number of employees less than 300; ii) Turnover between USD 100,000 and USD 15 million; and iii) Total assets between USD 100,000 and USD 15 million. Alternatively, if the loan falls within the relevant MSME loan size proxy, then the average loan size should be between USD 10,000 and USD 1,000,000. ▸ Micro enterprises, as defined by the IFC, that meet at least two of the following criteria: i) Number of employees less than 10; ii) Turnover under USD 100,000; and iii) Total assets under USD 100,000. Alternatively, if the loan falls within the relevant MSME loan size proxy , then the average loan size should be less than USD 10,000. ▸ Target populations for MSME and microfinance lending will meet at least one of the following criteria: ▸ Women-led or -owned businesses defined as follows: ▪ For women-owned business: (i) at least 51% owned by a woman or women; or (ii) the business is founded by a woman (with a 50% shareholding); or ▪ For women-led business: (i) at least 20% owned by a woman or by women; and (ii) with a woman as CEO, COO, President or Vice President or where a woman

	is a signatory of the business's legal documents and financial accounts;[144] and (iii) where it exists, has a board that is comprised of at least 30% women directors. ► Economically excluded individuals, including those impacted by natural or man-made disasters, based on the local government definition. ► Populations in developing but not high-income countries as per the UN WESP report. ► Rural populations focusing on agricultural production and agricultural value chains such as smallholder farmers, defined as small-scale farmers, pastoralists, forest keepers and fishers who manage areas varying from less than one hectare to 10 hectares, in line with the Food and Agriculture Organization's (FAO) definition. ► CDFIs with at least 60% of their financing to low-income populations or underserved communities. Excludes CDFIs whose primary objective is to support religious or political causes.
Provision of finance to individuals	► Provision of credit or personal lending to low-income individuals or marginalized populations as defined by local governments. ► The financial advantages offered include loans below the market rate as per the local context applicable, collateral free loans, merit-based loan sanctioning, loan extensions.
Provision of digital services	► Development and provision of digital financial services aimed at improving digital inclusion for eligible target populations as defined above, such as mobile money services and remittances.
Additional details	
► The Group will provide financing to MSMEs and microfinance lending via MFIs including the above target population, on commercial lending terms. ► The Group has a responsible lending practice in place to avoid the risk of predatory lending. ► Exclusions under this category are i) payday loans; and ii) loans to businesses involved in any of the following activities: adult entertainment, the 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, the manufacture and production of finished tobacco products, conflict minerals (such as tantalum, tin, tungsten and gold, often referred to as "3TG", extracted from areas of armed conflict in the Democratic Republic of Congo), child labour and forced labour.	

Analytical Commentary

Microenterprises and SMEs are the main drivers of employment generation and a significant contributor to economic development in emerging economies. SMEs represent approximately 90% of businesses and more than 50% of global employment, contributing up to 40% of GDP in

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emerging economies.[145] However, access to finance remains a key constraint in the growth of microenterprises and SMEs due to their lack of collateral or insufficient credit history. Addressing these financial barriers can allow SMEs to contribute more robustly to economic development and job creation in developing economies.[146] Similarly, smallholder farmers, who own over 80% of the world's farms and produce about one-third of the world's food,[147] often face significant challenges in accessing financial services. These challenges stem from relatively higher transaction costs, irregular cash flows and systemic risks such as droughts and floods.[148] Regarding the provision of digital services, an estimated 5.5 million people globally have access to the internet;, however, this access is unevenly distributed with nearly 93% of the population in high-income countries having internet access in contrast to only 27% in low-income countries.[149] The provision of digital services remains inadequate in least developed countries where 15% of the rural population lives in areas without network coverage and 10% has access only to 2G services, highlighting the need to expand digital connectivity for people in rural and remote areas.[150]

The Group intends to provide loans directly to MSMEs and microfinance lending via MFIs to several target populations, including rural populations, economically excluded individuals, individuals in developing economies, smallholder farmers, CDFIs or women-led or -owned businesses. While most target populations are well-defined and typically face challenges in accessing finance, some definitions such as for economically excluded individuals and rural populations remain broad, creating uncertainty as to whether financing will be directed exclusively to those with unmet needs. In addition, loan provisions do not include affordability measures that would meaningfully reduce financial barriers and improve access to finance for the target population. Therefore, these expenditures are expected to make a modest contribution to improving access to formal finance for the target population.

The Group may also provide direct financing to individuals, including low-income and marginalized populations as defined by local governments, which may vary across regions or countries. These loans will be accompanied by affordability mechanisms, such as below market interest rates, collateral-free loans, merit-based loan approvals, or loan extensions. Although the degree of affordability provided by these measures remains unclear, such loans are expected to notably improve access to finance for the target population.

The provision of digital financial services extends to the target populations listed under the category and is not limited to those with inadequate access. Nonetheless, as these services will be available to all regardless of ability to pay, the expenditures are expected to significantly improve access to digital services for the target population.

Overall, expenditures under this category are expected to moderately enhance access to financing for MSMEs and low-income populations, thereby supporting socio-economic development.

[145] World Bank, "Small and Medium Enterprises (SMEs) Finance", at: https://www.worldbank.org/en/topic/smefinance.
[146] IMF, "Financing Barriers and Performance of Micro, Small, and Medium Enterprises (MSMES)", (2024), at: https://www.elibrary.imf.org/view/journals/002/2024/271/article-A002-en.xml.
[147] FAO, "Small family farmers produce a third of the world's food", at: https://www.fao.org/newsroom/detail/Small-family-farmers-produce-a-third-of-the-world-s-food/en.
[148] IFC, "Access to Finance for Smallholder Farmers", at: https://documents1.worldbank.org/curated/en/965771468272366367/pdf/949050WP0Box3800English0Publication.pdf.
[149] ITU, "Global Internet use continues to rise but disparities remain, especially in low-income regions", at: https://www.itu.int/en/mediacentre/Pages/PR-2024-11-27-facts-and-figures.aspx#:~:text=Facts%20and%20Figures%202024%20shows,makes%20life%20even%20more%20challenging.
[150] ITU, "Digital Inclusion for All", at: https://www.itu.int/en/mediacentre/backgrounders/Pages/digital-inclusion-of-all.aspx.

Access to Essential Services

We have assessed the Sustainability Contribution of the Access to Essential Services category as **Significant**.

Expenditures under this category include healthcare infrastructure, services, medical products, education, emergency response, and services for people with disabilities predominantly across Asia, Africa, and the Middle East. Expenditures related to emergency services in developing economies, although not focused on regions with limited access, will be free and accessible to all. Similarly, the eligibility criteria for certain expenditures related to healthcare and education infrastructure and services are credible but defined either more broadly in scope or with less specificity. Nonetheless, financing will be prioritised in regions or groups with a recognized unmet need or developing countries where gaps continue to persist. In addition, while some expenditures will be affordable to 90% of the general population or will be accompanied by measures to enhance accessibility, affordability is not guaranteed for the target population. Overall, expenditures in this category are collectively expected to enhance access to essential services for those with a high unmet need.

Category Expenditures

Expenditure	Description
Healthcare infrastructure and services	▸ Financing to construct, equip, or operate hospitals, clinics and health care centres (including mental health, elderly care and community-based healthcare facilities) for the provision of public, free or subsidized healthcare or social services. ▸ Financing for private facilities will be limited to those that improve access to essential healthcare for vulnerable populations, including being affordable to more than 90% of the general population in developing but not high-income countries as per the UN WESP report. ▸ Free or subsidized eldercare facilities are provided based on age or need, in line with local or government definitions.
R&D of medical products and supplies	▸ R&D of medical products and supplies (including medicines) that are essential to medical response, disease control services and vaccinations in developing but not high-income countries as per the UN WESP report. ▸ Financing will be limited to products and supplies that are affordable to more than 90% of the general population.
Manufacturing, logistics and distribution	▸ Manufacturing, logistics and distribution of medical products and supplies (including medicines) that are essential to medical response, disease control services and vaccinations in developing but not high-income countries as per the UN WESP report. ▸ Financing will be limited to products and supplies that are affordable to more than 90% of the general population.
Distribution of equipment,	▸ Provision or distribution of healthcare equipment and public services.

solutions and services	► Financing for private hospitals will be limited to those where the healthcare equipment and services is affordable to more than 90% of the general population in developing countries.
Affordable health insurance solutions	► Affordable health insurance solutions in countries with low to medium healthcare coverage, defined as those that score below 60 on the WHO's Universal Health Coverage Service Coverage Index (UHC SCI).
Emergency infrastructure and services	► Infrastructure for the provision of emergency services, such as those related to fire, rescue, medical response, and disease control, free and accessible to all in developing economies as per the UN WESP report. ► Projects that support non-climate induced disaster or hazard preparedness, such as disaster-resilient buildings to earthquakes, prediction and warning systems. ► Non-climate induced disasters refer to geological or geophysical disasters or hazards defined in the Group's Guide for Adaptation and Resilience Finance.[151] Additionally, Standard Chartered will rely on credible data or sources to assess the exposure to non-climate induced disasters to determine the need for infrastructure or services in specific regions. ► Projects that support non-climate induced disaster or hazard response and recovery, such as drones to support recovery, evacuation shelters, supplies of essential goods (e.g. food, water, medicines, mental health counselling, employment assistance). ► Non-climate induced disaster or hazard non-life insurance where insurance products are targeted towards populations in markets recognised as medium to very high per the World Risk Index and where preferential financial terms are offered. ► Excludes services that contribute to enhanced policing, incarceration and surveillance.
Education infrastructure and services – Public and Private	► Construction of public schools, universities and education institutions, including campuses that are accessible to all regardless of ability to pay. ► Construction of private education facilities including those that improve access for vulnerable populations where an alternative is not available in the local context. Expenditures include free education providers or those that charge a nominal fee and are affordable to more than 90% of the general population in the local context in developing but not high-income countries, as per the UN WESP report. ► Low-cost private or government-aided schools that are affordable to more than 90% of the general population with regards to the fees charged, and education providers in developing but not high-income countries, as per the UN WESP report.
Education infrastructure and services – Digital	► Development and distribution of free or subsidized or affordable personalized digital tools or systems to students from low-income or marginalised communities, as defined by the local governments.

[151] Standard Chartered, "Guide for Adaptation and Resilience Finance", at: https://av.sc.com/corp-en/nr/content/docs/Standard-Chartered-Bank-Guide-For-Adaptation-And-Resilience-Finance-FINAL.pdf.

services	
Education infrastructure and services – Student housing	▸ Construction of student housing where the rent is capped at below the local or regional average to ensure affordability to all students.
Education infrastructure and services - Education Loans	▸ Education loans for low-income or marginalised students, with financial advantages, such as the following: i) loans at below market interest rates as per the applicable local context; ii) collateral free loans; iii) merit-based loan approval; and iv) loan extensions. ▸ Responsible lending practices are in place to assess a potential borrower's financial situation, help them understand the terms of loans and mitigate the risk of predatory lending.
Access to services for people with disabilities	▸ Purchase of new equipment including wheelchairs, and other mobility devices. ▸ Retrofit of spaces and infrastructure, such as the installation of handrails and ramps. ▸ Consultancy services including services for pre-employment support, and training programs for job assistance. ▸ Services will be made affordable to the target population.

Analytical Commentary

Access to healthcare in Asia, Africa, and the Middle East is improving but there are still persistent challenges. In Asia-Pacific, coverage of essential health services varies widely, with many countries scoring below 50 out of 100 on the UHC index, indicating large gaps in access and financial protection.[152] The Middle East and North Africa have significantly expanded access to healthcare and reduced child mortality, but many facilities remain non-functional, especially in regions of conflict.[153] Elderly care is also a growing concern in these regions as the aging population grows rapidly. In Asia, the elderly population is projected to double from 649 million in 2022 to 1.3 billion by 2050.[154,155] In the Middle East and North Africa, the proportion of people aged 65 and above is expected to triple by 2050.[156] Similarly, although access to education has improved in these regions, there are persistent disparities in access, quality, and equity. In South Asia, school enrolment has expanded, but short school days in countries such as India (where the school day typically lasts for only three hours compared to six to eight hours per day on average in OECD countries) can limit learning outcomes.[157] Africa, where 30 million children remain unschooled amid rapid population growth, also has the highest illiteracy rate in the world at 41%.[158] Emergency infrastructure and services in Asia, Africa, and the Middle East show pronounced gaps, with significant investments required for resilience and coverage. Asia needs

[152] UN, "Asia-Pacific Population and Development Report 2023", at: https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/undesa_pd_2024_escap-report-population-development-17.pdf.
[153] National Library of Medicine, "Healthcare system development in the Middle East and North Africa region: Challenges, endeavours and prospective opportunities", at: https://pmc.ncbi.nlm.nih.gov/articles/PMC9815436/.
[154] UNDESA, "Population Aging and Living Arrangements in Asia: Facts, Observations, and Responses", at: https://social.desa.un.org/sites/default/files/inline-files/Session%204_Shuzhuo%20Li.pdf.
[155] WEF, "Is Asia-Pacific ready to age gracefully?", at: https://www.weforum.org/stories/2021/10/is-asia-pacific-ready-to-be-the-world-s-most-rapidly-ageing-region/.
[156] International Journal on Ageing in Developing Countries, "Ageing in the Middle East and North Africa: Demographic and health trends", at: https://inia.org.mt/wp-content/uploads/2022/02/Ageing-in-the-Middle-East-and-North-Africa-Demographic-and-Health-Trends-pg-112-118-1.pdf.
[157] World Bank, "The Impact of School Infrastructure on Learning", at: https://documents1.worldbank.org/curated/en/853821543501252792/pdf/132579-PUB-Impact-of-School.pdf.
[158] ECOSOC, "Continental Education Strategy For Africa (2016-2025)", at: https://ecosocc.au.int/sites/default/files/files/2021-09/continental-strategy-education-africa-english.pdf.

USD 1.7 trillion annually until 2030, yet most nations underinvest, resulting in slow emergency response and coverage disparities.[159] Africa faces the largest infrastructure challenge, with nearly half of the population lacking access to essential emergency and healthcare services.[160] Services for people with disabilities in Asia, Africa, and the Middle East also face significant gaps in accessibility, quality, and coverage. In Africa, only 26% to 55% receive adequate medical rehabilitation, with limited access to education and employment.[161] In Asia, systemic challenges persist due to insufficient resources and fragmentation of services, although digital tools are improving accessibility gradually.[162] Expanding inclusive services is crucial to empower such individuals and uphold their rights in these regions.

Standard Chartered intends to invest in healthcare infrastructure, services, equipment, technology solutions and the delivery of public healthcare services primarily in Asia, Africa and the Middle East. While the Framework does not limit financing to specific target countries, access to healthcare in large parts of these regions where financing is concentrated is considered inadequate. The facilities or services are either available to all or to a target population at subsidized rates and are expected to create meaningful impact for those with unmet needs. Financing of R&D, manufacturing, logistics and distribution of medical products and supplies is targeted toward developing countries, demonstrating a commitment to improve access in high-need markets. However, the scope of potential products and supplies remains broad and does not guarantee that expenditures will address the highest unmet needs. As financing is limited to medical products and supplies that are affordable to more than 90% of the public, these expenditures are expected to meaningfully improve access to treatment in the target regions. Expenditures also include affordable insurance solutions in countries with low- to medium healthcare coverage, based on the UHC SCI index. While the Group does not have control in deciding the detailed criteria on low-income groups and affordability mechanisms, it will ensure that such services are affordable through its internal assessment of the local context, e.g. lower premiums compared to market rate or flexible payment terms, when providing loans to insurance providers. Therefore, these expenditures are expected to significantly contribute to improving access to affordable health insurance.

Expenditures related to infrastructure for the provision of emergency services in developing economies will be limited to those that are free and accessible to all. While these countries generally require significant investments to improve emergency response, focusing on regions with limited access would further ensure that financing is effectively directed towards areas with the highest unmet need. Nevertheless, these expenditures are expected to generate meaningful social benefit. The role of Standard Chartered in non-climate induced disaster or hazard non-life insurance solutions is limited to the provision of financing and has limited control on deciding the detailed criteria on preferential financial terms. Nonetheless, the Group will ensure such services provide preferential financial terms through its internal assessment on what is considered in the local context, e.g. lower premiums, lenient financing terms or alternative affordability mechanisms, when providing loans to insurance providers.

Public education infrastructure and services will primarily be financed in Asia, Africa and the Middle East, while private and affordable schools are limited to developing but not high-income countries. Although targeting remains relatively broad, expenditures will be limited to public

[159] ADB, "Meeting Asia's Infrastructure Needs", at: https://www.adb.org/sites/default/files/publication/227496/special-report-infrastructure.pdf.
[160] UN, "Africa's Infrastructure - A Time for Transformation", at: https://www.un.org/ohrlls/sites/www.un.org.ohrlls/files/lldcs_publications/africas-infrastructure-a-time-for-transformation.pdf.
[161] WHO, "Disabilities", at: https://www.afro.who.int/health-topics/disabilities.
[162] Global Disability Summit, "Global Disability Inclusion Report", at: https://www.globaldisabilitysummit.org/wp-content/uploads/2025/03/GIP03351-UNICEF-GDIR-Full-report_Proof-4.pdf.

facilities and services or those that are affordable to at least 90% of the population and are therefore expected to deliver meaningful social benefit. Digital tools and education loans will be provided for free or at a subsidized rate to students from vulnerable backgrounds as defined in the local context. Although education loans will include some financial advantages, the degree of affordability remains unclear. Additionally, expenditures related to the construction of student housing for public universities will focus on low-income or marginalized students. While the specific target population has not been defined, rents will be capped at below local or regional averages. Overall, the expenditure is expected to deliver significant social benefits by making higher education more accessible to underserved groups.

Expenditures for services supporting people with disabilities cover equipment purchases, retrofitting spaces and infrastructure for better accessibility, and consultancy services to help individuals find employment. Although, the Group will include affordability mechanisms, there is no guarantee of affordability for the target population. Nonetheless, these services are expected to meaningfully promote inclusiveness for people with disabilities.

Collectively, investments under this category are expected to significantly support and enable the access to essential services in the targeted regions.

Affordable Housing

We have assessed the Sustainability Contribution of the Affordable Housing category as **Significant**.

Standard Chartered intends to finance the development of affordable or social housing for low-income or marginalised communities as per local government definitions. Expenditures will also go towards government-led or supported projects, as well as loans to housing associations and individuals for home ownership, improvement or retrofit of housing units in poor condition or lacking basic infrastructure. Although the target population is well defined for expenditures aimed at low-income or marginalised communities, the scope of the other expenditures, while in line with government-defined criteria, may extend beyond low-income populations, which continues to face the greatest barriers to accessing housing under current market conditions. Affordability measures across all expenditures provide reasonable assurance of accessibility for the target population. Overall, financing under this category is expected to significantly enhance access to affordable and social housing for those whose needs remain unmet by the existing market.

Category Expenditures

Expenditure	Description
Loans for affordable or social housing for low-income or marginalized communities	► Development of affordable or social housing for low-income or marginalised communities as defined by local governments. ► Affordability measures include below-market interest rates, extended repayment terms, down payment support, and deferral options.
Loans for government led or supported affordable or	► Development of government-led or supported affordable housing projects.

social housing projects	► The target population will be selected based on criteria defined by the local governments, including income-based thresholds and housing needs. Affordability measures include below-market interest rates, discounted rental or sale price, subsidized financing and other measures based on the local context.
Loans to individuals and housing associations for affordable or social housing	► Provisions of loans for the following: i) home ownership, ii) improvement or retrofit for housing units in poor conditions or lacking basic infrastructure; and iii) to housing associations. ► The target population will be selected based on criteria defined by the local governments, including income-based thresholds and housing needs. ► The provision of loans to individuals will be on preferential financial terms. ► The provision of loans for home improvement and retrofit will be accompanied by reasonable assurance that the housing will remain affordable after the retrofit. ► The Group implements responsible lending practices to mitigate the risk of predatory lending. These loans will also include affordability measures, such as lower premiums, lenient financing terms or alternative affordability mechanisms.

Analytical Commentary

Affordable housing remains a serious challenge across Asia, Africa, and the Middle East, driven by rapid urbanization, population growth, and inadequate formal housing supply. In urban Africa, approximately 62% of dwellings are informal, while nearly 60% of the world's slum residents live in Asia.[163,164,165] Over 1.12 billion people in these regions live in slums or informal settlements, and more than 300 million are homeless.[166,167] The World Economic Forum reports that families commonly spend more than 50% of their monthly income on rent, well above the affordability benchmark of 30%.[168,169] Regulatory and financing hurdles such as high property registration costs (8.3% of property value per transaction in Africa) further limit access to formal housing.[170] The World Bank and Asian Development Bank highlight that access to affordable housing promotes economic mobility, but that limited access to basic shelter and infrastructure constrains spending on education, health, and sustainable development.[171,172,173] These trends underscore the urgent need for affordable, adequate, and dignified housing options across these regions.

[163] UN News, "UN searches for solutions to global housing crisis", at: https://news.un.org/en/story/2025/05/1163851.
[164] ADB, "Adequate and Affordable Housing: Enhancing ADB's Support to Developing Member Countries", at: https://www.adb.org/sites/default/files/publication/822346/sdwp-082-adequate-affordable-housing-adb-support.pdf.
[165] Lincoln Institute, "Housing Affordability in a Global Perspective Working Paper WP18AK1", at: https://www.lincolninst.edu/app/uploads/legacy-files/pubfiles/kallergis_wp18ak1.pdf.
[166] UN News, "UN searches for solutions to global housing crisis", at: https://news.un.org/en/story/2025/05/1163851.
[167] UN News, "Home is where the heart is – and where development begins", at: https://news.un.org/en/story/2025/07/1165476.
[168] WEF, "Making Affordable Housing a Reality in Cities", at: https://www3.weforum.org/docs/WEF_Making_Affordable_Housing_A_Reality_In_Cities_report.pdf.
[169]WGBC, "Sustainable and Affordable Housing", at: https://worldgbc.org/wp-content/uploads/2023/05/WGBC_SAffordable-Housing-Report_FINAL.pdf.
[170] World Bank, "Stocktaking of the Housing Sector in Sub-Saharan Africa - Summary Report", at: https://www.worldbank.org/content/dam/Worldbank/document/Africa/Report/stocktaking-of-the-housing-sector-in-sub-saharan-africa-summary-report.pdf.
[171] ADB, "Adequate and Affordable Housing: Enhancing ADB's Support to Developing Member Countries", at: https://www.adb.org/sites/default/files/publication/822346/sdwp-082-adequate-affordable-housing-adb-support.pdf.
[172] World Bank, "Publication: Housing Demand and Affordability in India: Implications for Housing Policy", at: https://openknowledge.worldbank.org/entities/publication/c8f1e9fd-8512-5cb2-adf1-28c9b78caf22.
[173] UNDESA, "A New Policy Consensus to Accelerate Social Progress", at: https://desapublications.un.org/sites/default/files/publications/2025-04/250422%20BLS25022%20UDS%20UN%20World%20Social%20Report%20WEB.pdf.

Some of the loans provided for the development of affordable and social housing are targeted at the vulnerable population with the highest unmet needs, such as the low-income population and marginalized communities as defined by local governments. While the target population for loans to government-led or government-supported housing projects, or loans to housing associations and individuals will be identified based on government-defined criteria, including income-based thresholds and housing needs, the most vulnerable low-income population may not always be prioritized. Nonetheless, these expenditures target those whose housing needs are unmet in the current market, including in some cost-burdened markets where even middle-income households experience significant challenges due to high rent or mortgage burdens, limited supply, or inadequate housing quality. Where feasible, Standard Chartered will report on the beneficiaries of affordable housing programs as part of its annual reporting commitments.

Regarding affordability, all loans will include affordability measures, such as below-market interest rates, extended repayment terms, down payment support, or deferral options. Loans to individuals will be offered on preferential terms, including lower premiums, lenient repayment terms or other alternative affordability mechanisms, and extended in line with responsible lending practices to avoid risks of over-indebtedness and predatory lending. Retrofit loans will be offered with reasonable assurance that housing remains affordable after the retrofit. Where relevant, loans may include other affordability measures as regulated by the local context.

Overall, expenditures under this category are expected to significantly enhance access affordable and social housing for those whose housing needs remain unmet in the existing market.

Affordable basic infrastructure

We have assessed the Sustainability Contribution of the Affordable Basic Infrastructure category as **Significant.**

Eligible expenditures include road infrastructure and public transportation networks, telecommunications and electricity infrastructure and services, sustainable water management, clean cooking solutions, and sports, cultural and community infrastructure. Financing will be limited to regions with inadequate or no access in developing but not high-income countries. Although the lack of specific thresholds for "inadequate access" for most expenditures creates uncertainty, the Group aims to address unmet needs through its financing, often prioritizing countries with below-average access levels. Public transport, cultural services and clean cooking solutions will be provided for free or at a discount, including flexible payment models for access to electricity. However, affordability is not guaranteed for all services. Collectively, these expenditures are expected to significantly improve access to basic infrastructure in targeted regions.

Category Expenditures

Expenditure	Description
Development of road infrastructure and transportation	▸ Development of road infrastructure such as bridges and tunnels, and public transportation, in regions with inadequate access in developing but not high-income countries as per the UN WESP report, to improve access and remote connectivity for passenger and commercial transport.

	► Transport vehicles will adhere to local applicable CO_2 emissions standards. ► Transportation services will be provided free of charge or at affordable rates, supported by subsidies, fare regulation, or targeted concessions. ► Excludes: a) development of highways in urban areas; ii) privatization of highways; and iii) construction of toll booths.
Access to telecommunication	► Development of infrastructure and provision of services related to telecommunications and internet connectivity in underserved communities and regions with limited access in developing countries but not high-income countries as per the UN WESP report. ► Standard Chartered will identify regions lacking access based on the World Bank's indicator of secure internet servers[174] ► The Group does not have influence over the affordability of services.
Access to electricity	► Development of infrastructure and provision of services to improve access to electricity, including transmission, distribution and energy management solutions in underserved communities and regions with limited access in developing countries but not high-income countries as per the UN WESP report. ► Services to end-users will be provided through financial support for entities that provide energy as a service. ► Affordability will be ensured through flexible payment models, such as pay-as-you-go options. ► Excludes transmission grids connected to dedicated fossil fuel power plants and power generation plants.
Construction, maintenance and equipment for infrastructure related to sustainable water management projects	► Drinking water supply infrastructure (such as pipework) and sanitation facilities predominantly in regions with no or inadequate access. ► Activities that improve access to clean water, including desalination projects that will be supported by an appropriate waste management plan for brine disposal. ► Excludes desalination plants with dedicated on-site fossil fuel power and independent water and power producers with dedicated on-site fossil fuel power.
Provision of clean cooking	► Distribution of clean cookstoves[175] to replace open-air cooking to individuals in regions lacking access to alternative cooking solutions, based on the World Bank's indicator of access to clean fuels and technologies for cooking, benchmarked against regional and global averages.[176] ► Cookstoves will align with the WHO's definition of clean fuel and technologies. ► Cookstoves will be free or at discounted rates to ensure affordability.
Development, refurbishment and	► Recreational facilities such as parks, sport facilities and cultural centres. ► Access will be provided for free or at a discount to the general population.

[174] World Bank, "Secure Internet servers (per 1 million people)", at: https://data.worldbank.org/indicator/IT.NET.SECR.P6.
[175] As defined by the WHO's definition of clean fuels and technologies, at: https://www.who.int/tools/clean-household-energy-solutions-toolkit/module-7-defining clean#:~:text=Clean%20fuels%20and%20technologies%20are%20those%20that%20attain,in%20the%20WHO%20global%20air%20quality%20guidelines%20%282021%29.
[176] World Bank, "Access to clean fuels and technologies for cooking (% of population)", at: https://data.worldbank.org/indicator/EG.CFT.ACCS.ZS.

maintenance of sports, cultural and community infrastructure

Analytical Commentary

Access to services such as transportation, telecommunications, electricity, water and cultural facilities remain highly unequal worldwide, with rural and least developed regions facing the greatest challenges. In least developed countries, only 40% of people have convenient access to public transportation, with rural areas facing the greatest challenges from poor road quality and limited service.[177] Similarly, 93% of people in high-income countries are connected to the internet relative to 27% in low-income countries,[178] and 15% of rural populations in the least developed countries reside in no-network zones.[179] As of 2024, nearly 700 million people still lack access to electricity, 80% in rural areas,[180] while over 1 billion have access to unreliable service.[181] Similarly, 27% of the global population lacks access to safe drinking water, 43% lacks proper sanitation,[182] and approximately 82% of the population in remote areas lives without safely managed drinking water.[183] As of 2023, over 2 billion people lacked access to clean cooking facilities. Household air pollution, mostly from cooking smoke, is linked to around 3.7 million premature deaths annually.[184] Finally, cultural heritage sites and sports facilities remain concentrated in urban areas, leaving rural and remote communities with limited access. [185,186]

The Group will finance road, public transportation, telecommunications and energy infrastructure projects in regions with inadequate or no access in developing but not high-income countries as per the UN WESP report. Although Standard Chartered has not identified clear thresholds to define "inadequate access" for some expenditures, financing provided in the context of developing countries is nonetheless expected to address unmet needs. The Group does not have control over the affordability of telecommunication services; however, public transport services will be offered free or at affordable rates and access to electricity is provided through flexible payment models such as pay as you go. Given the context of developing countries and the presence of some affordability mechanisms, these expenditures are expected to notably improve access to basic infrastructure in targeted regions.

Although the Framework does not solely restrict financing for the construction, maintenance and equipment of clean water and sanitation infrastructure to areas with inadequate or no access, the Group has historically focused its financing on such regions. These expenditures are nonetheless

[177] United Nations, "The Sustainable Development Goals Report 2024", (2024), at: https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf.
[178] ITU, "Global Internet use continues to rise but disparities remain, especially in low-income regions", at: https://www.itu.int/en/mediacentre/Pages/PR-2024-11-27-facts-and-figures.aspx#:~:text=Facts%20and%20Figures%202024%20shows,makes%20life%20even%20more%20challenging.
[179] ITU, "Digital Inclusion for All", at: https://www.itu.int/en/mediacentre/backgrounders/Pages/digital-inclusion-of-all.aspx.
[180] IEA, "World Energy Outlook 2024", (2024), at: https://iea.blob.core.windows.net/assets/140a0470-5b90-4922-a0e9-838b3ac6918c/WorldEnergyOutlook2024.pdf.
[181] UNDP, "Beyond access: 1.18 billion in energy poverty despite rising electricity access", (2024), at: https://data.undp.org/blog/1-18-billion-around-the-world-in-energy-poverty.
[182] WHO UNICEF, "Progress on household drinking water, sanitation and hygiene 2000-2022: special focus on gender",(2023), at: https://washdata.org/reports/jmp-2023-wash-households.
[183] WHO, "Water Sanitation and Health", at: https://www.who.int/teams/environment-climate-change-and-health/water-sanitation-and-health/monitoring-and-evidence/wash-monitoring#:~:text=The%202023%20update%20estimated%20that%20in%202022%2C%2027%25,to%20a%20handwashing%20facility%20with%20soap%20and%20water.
[184] IEA, "Access to clean cooking", at: https://www.iea.org/reports/sdg7-data-and-projections/access-to-clean-cooking.
[185] UNESCO State of Conservation Information System, "Statistical Analysis 1979-2013", at: https://whc.unesco.org/document/134872.
[186] UNESCO, "FIT FOR LIFE - Sport powering inclusive, peaceful, and resilient societies", (2022), at: https://unesco.org.uk/site/assets/files/3073/fit_for_life_-_sport_powering_inclusive_peaceful_and_resilient_societies.pdf#:~:text=Sport%20powering%20inclusive%2C%20peaceful%2C%20and%20resilient%20societies%20Fit,physical%20inactivity%2C%20mental%20health%20issues%20and%20social%20inequalities.

expected to improve access in regions where unsafe water and sanitation remain widespread challenges. Standard Chartered will also finance clean cooking solutions for households with no or limited access to clean fuels, prioritizing countries with access levels below global and regional averages. Distribution of cookstoves in regions that are reported as having access to clean fuels will be targeted at underserved households. Affordability will be ensured through the provision of cookstoves for free or at discounted rates, thereby enhancing access to clean cooking for the target population.

Lastly, financed sports, cultural and community infrastructure and services will be available to the general population for free or at subsidized rates, thereby contributing to community well-being and fostering cultural awareness. Collectively, expenditures in this category are expected to make a significant contribution to increasing access to affordable basic infrastructure in underserved regions.

Food security and sustainable food systems

We have assessed the Sustainability Contribution of the Food Security category as **Significant.**

Expenditures include the provision of food and nutritional supplements in developing but not high-income countries, as per the UN WESP report. It also includes the development of food security infrastructure. Although the targeting remains somewhat broad and is not limited to the most food-insecure nations, these investments are nonetheless expected to address unmet needs. The Group may also provide credit facilities to smallholder targets in food insecure nations, which strongly contributes to strengthening food security. However, while affordability mechanisms will be available to ensure accessibility for smallholder farmers, the extent of cost reduction is unclear. For the procurement of Fairtrade-certified goods, while we consider them to provide assurance of social contribution, the scope of the expenditure, including the variety of producers that might be given a fairtrade label remains broad, creating some uncertainty in terms of the final beneficiaries. Overall, these expenditures are expected to make a significant contribution to improving food security for target populations in developing economies.

Category Expenditures

Expenditure	Description
Manufacture, logistics, provision and distribution of food and nutritional supplements	► Food and nutritional supplements in regions with unmet needs to address food security or reduce food loss in developing but not high-income countries as per the UN WESP report. ► Products and services will be accessible to all regardless of ability to pay. ► Excludes vehicles used for logistics that do not meet regional emissions standards.
Development of infrastructure	► Infrastructure such as warehouses aimed at providing adequate storage, improved food conservation or connectivity in the food chain for reducing food loss.
Procurement of Fairtrade certified goods	► Procurement of Fairtrade certified goods. ► Fairtrade certification ensures minimum pay, collective bargaining rights, and improved livelihoods for producers.

Provision of credit, training, capacity building and facilities for smallholder farmers	► Technical capacity building and training to improve product nutrition and support the adoption of productivity-enhancing technologies, accompanied by the procurement of contracts, equipment and facilities. ► Equipment and facilities such as cold storage, on-farm storage sheds, improved granaries, dryers and rainwater harvesting tanks. ► Financing is targeted at individual smallholder farmers and cooperatives primarily composed of smallholder farmers, in line with the FAO's definition[187] that are located in food-insecure nations. ► Financing will be provided in nations scoring 50 or above under the World Bank Indicator of Prevalence of moderate or severe food insecurity in the population[188] or, when data is not available, 50 or below on the Global Food Security Index.[189] ► The financing will be provided for free or at affordable rates such as concessional loans.

Analytical Commentary

The World Food Programme estimates that over 300 million people are experiencing acute food insecurity, nearly double the number since 2020.[190] Smallholder farmers are particularly vulnerable due to limited access to resources, unfair wages, climate shocks and market fluctuations, all of which undermine the stability of their livelihoods.[191] In fragile and low-income countries, these farmers also face significant barriers to accessing finance.[192]

The Group will finance food and nutritional supplements in developing but not high-income countries as per the UN WESP report, focusing on regions facing clear food security challenges. Standard Chartered will also finance infrastructure projects aimed at improving food chain connectivity and reducing food loss. Although some aspects of the targeting remain broad in scope and are not exclusively directed at food insecure nations, these expenditures are still expected to address issues related to food security and sustainable food systems. The Group may also provide credit facilities to smallholder targets in food insecure nations, which strongly contributes to strengthening food security. Regarding financing for smallholder farmers, while the Group intends to offer affordability mechanisms, the degree of reduction in overall costs remains unclear.

Regarding the procurement of fairtrade goods, we note that the fairtrade certification provides credible assurances of minimum pay, collective bargaining rights and improved livelihoods for certified producers and traders and that purchasing these goods is an effective way to support agriculture that is meeting these high social standards. At the same time, the Fairtrade certification is open to all producers and traders, meaning that such investments may not always go towards those farmers who are most vulnerable in terms of labour rights, fair pay, or quality of

[187] FAO, "Smallholders and Family Farmers", at: http://www.fao.org/family-farming/detail/en/c/273864/
[188] World Bank, "Prevalence of moderate or severe food insecurity in the population", at: https://data.worldbank.org/indicator/SN.ITK.MSFI.ZS.
[189] Economist Impact, "Global Food Security Index", (2022), at: https://impact.economist.com/sustainability/project/food-security-index/.
[190] World Food Programme, "A global food crisis", at: http://www.fao.org/family-farming/detail/en/c/273864/.
[191] World Economic Forum, "Industry government collaboration on agritech can empower global agriculture", (2024) at: https://www.weforum.org/stories/2024/04/heres-how-we-protect-smallholder-farmers-and-food-security/#:~:text=Smallholder%20farmers%20produce%20one-third%20of%20the%20world%E2%80%99s%20food,and%20agricultural%20resources%2C%20unfair%20wages%20and%20market%20access.
[192] Global Agriculture and Food Security Program, "Transforming Food Systems with Innovative Financing Solutions 2024 Annual Report", (2024), at: https://www.gafspfund.org/sites/default/files/2025-09/GAFSP_2024_annual%20report_11SEPT.pdf.

life. Nevertheless, we consider the procurement of Fairtrade certified goods likely to provide some social contribution by supporting the establishment of higher social standards for agricultural producers and traders globally.

Overall, expenditures in this category are expected to make a significant contribution to strengthening food security in developing countries.

Charities

We have assessed the Sustainability Contribution of the Charities category as **Moderate**.

Standard Chartered intends to provide financial services to registered charities and non-profit organizations that support programmes benefitting vulnerable populations, that advance social causes or finance activities aligned with the eligibility criteria under the Framework. However, owing to the diversity of contexts which may be applicable, the Framework does not clearly define the vulnerable populations that will be targeted. In addition, there is no clear intention to provide affordability as part of proposed financial services.

Overall, expenditures under this category are expected to make a modest contribution to advancing positive environmental and social outcomes.

Category Expenditures

Expenditure	Description
Financial support to charities and non-profit organizations	► Provision of financial services to registered charities and non-profit organizations to: i) support programmes aimed at benefitting vulnerable populations; ii) advance social causes; and/or iii) support activities that meet the eligibility criteria in the Framework. ► General purpose financing to charities that allocate 90% of their budget in alignment with the criteria outlined in the framework, including the exclusionary criteria. ► Excludes organizations that promote religious or political activities.

Analytical Commentary

Charities and non-profit organizations globally play a pivotal role in addressing the needs of vulnerable populations, particularly across Asia, Africa and the Middle East. In Asia, over one million registered non-profits contribute an estimated USD 19 billion annually to social programmes reaching more than 250 million people, with a focus on healthcare, education and disaster response. In Africa, where the continent hosts one-third of the world's refugees, organizations allocate over 90% of income to programmes benefiting displaced persons, women, children and impoverished communities, thereby strengthening resilience and advancing sustainable development goals. In the Middle East, non-profits support populations impacted by conflict and displacement, providing essential services such as education, healthcare and livelihood training, with some programmes delivering over 100,000 medical treatments or safe water access to tens of thousands of children. Across all regions, partnerships with governments, international agencies and the private sector enhance the reach and effectiveness of these initiatives, underscoring the essential role of non-profits in advancing social protection and inclusion for vulnerable groups.

Standard Chartered intends to provide financial services to registered charities and non-profit organizations to support activities aimed at vulnerable populations, advance social causes, or finance activities in alignment with the eligibility criteria under the Framework. However, owing to the diversity of contexts applicable, the Framework does not clearly define vulnerable target populations. Additionally, there is no clear intention to offer affordability as part of proposed financial services. Overall, expenditures under this category are expected to make a modest contribution to delivering positive environmental and social outcomes.

Environmental and Social Risk Management

We have identified the following areas of environmental and social risk associated with the expenditures eligible under the Framework: land use and biodiversity issues; emissions and effluents and waste generated in construction; occupational health and safety; community relations; human rights; business ethics; and predatory lending. The Group has the following policies and processes in place to identify and mitigate such risks.

E&S risk identified	Applicable policies, procedures and measures
Due diligence and risk management measures	► Standard Chartered integrates sustainability risk analysis into its credit approval process for all transactions, through its Environmental and Social Risk Management Framework,[193] which guides the identification, assessment, and management of environmental and social risks in client relationships.[194] This Framework is supported by position statements that set minimum standards on human rights, climate change and nature, as well as sector-specific policies, against which transactions are assessed to minimize risks.[195] ► Standard Chartered is a signatory to the Equator Principles,[196] a recognized risk management framework for financial institutions to identify and manage environmental and social risks in large-scale projects, emphasising environment protection, communities safeguards and stakeholder engagement.[197] The Group has also adopted the UN Principles for Responsible Banking,[198] committing to impact analysis and risk management relating to people and the environment across its activities, products and services.[199]
Land use and biodiversity issues	► To mitigate risks associated with biodiversity and land use, Standard Chartered requires clients to comply with the International Finance Corporation's (IFC) Performance Standards,[200] which provides guidelines on conserving biodiversity, protecting ecosystem services and managing living natural resources sustainably.[201] ► The Group has committed to not providing financial services to clients or projects involved in: i) trading or processing of species listed on the Convention of International Trade in Endangered Species of Wild Fauna and Flora;[202] ii) converting or degrading high conservation value, high carbon stock forests or peatlands; iii) operations that harm UNESCO World Heritage sites;[203] and iv) operations that have other adverse impacts.[204]
Emissions, effluents, and waste generated in construction	► Standard Chartered expects its clients to follow the World Bank Group Environmental, Health and Safety (EHS) Guidelines,[205] which establish performance levels to meet international good

[193] Standard Chartered, "Environmental and Social Risk Management Framework", at: https://av.sc.com/corp-en/nr/content/docs/esrm-framework.pdf.
[194] Standard Chartered, "Annual Report 2024 - Connecting the world's most dynamic markets", (2024), at: https://av.sc.com/corp-en/nr/content/docs/standard-chartered-plc-full-year-2024-report.pdf.
[195] Standard Chartered, "Sustainability Library – Position Statements", at: https://www.sc.com/en/about/sustainability/sustainability-library/.
[196] Equator Principles, "About the Equator Principles", at: https://equator-principles.com/about-the-equator-principles/.
[197] Standard Chartered, "Equator Principles Reporting 2024", (2024), at: https://www.sc.com/en/about/sustainability/position-statements/our-framework/equator-principles-reporting/.
[198] UN Environment Programme, "Principles for Responsible Banking", at: https://www.unepfi.org/banking/bankingprinciples/.
[199] UNEP Finance Initiative, "Our members", at: https://www.unepfi.org/members/.
[200] IFC, "IFC's Performance Standards on Environmental and Social Sustainability", at: https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards.
[201] Standard Chartered, "Environmental and Social Risk Management Framework", at: https://av.sc.com/corp-en/nr/content/docs/esrm-framework.pdf.
[202] United Nations, "Convention on International Trade in Endangered Species of Wild Fauna and Flora", 2019 at: https://cites.org/sites/default/files/I/Brochure_UNEP_CITES_eng.pdf.
[203] UNESCO, "Convention on Wetlands of International Importance especially as Waterfowl Habitat", 1994, at: https://www.ramsar.org/sites/default/files/documents/library/scan_certified_e.pdf.
[204] Standard Chartered, "Nature Position Statement", (2024), at: https://av.sc.com/corp-en/nr/content/docs/nature-position-statement.pdf.
[205] International Finance Corporation, "Environmental, Health, and Safety Guidelines", at: https://www.ifc.org/en/insights-reports/general-environmental-health-and-safety-guidelines.

	practices on air emissions and ambient air quality, wastewater and ambient water quality, waste management, as well as hazardous materials management and contaminated land.[206]
Community relations	► To mitigate or manage risks associated with stakeholder participation, Standard Chartered engages with stakeholders, including local communities impacted by the projects financed, through panel discussions, events and surveys to understand their interests, which are then communicated to governing committees, such as the Board's Culture and Sustainability Committee and the Sustainability Forum to ensure that concerns are addressed in developing strategies and operations. Additionally, the Environmental and Social Risk Management Framework includes grievance mechanisms to monitor stakeholders' complaints.[207]
Human rights	► To uphold human rights, Standard Chartered mandates its clients to comply with the following international standards, including the International Bill of Human Rights,[208] the International Labour Organization Declaration on Fundamental Principles and Rights at Work,[209] the UN's Guiding Principles on Business and Human Rights,[210] and the OECD Due Diligence Guidelines for Responsible Corporate Lending and Securities Underwriting.[211,212] ► The Group also require its clients to provide evidence of additional adequate policies and processes in place to manage risks in their operations and supply chain aligned with the above standards.[213]
Occupational health and safety	► By expecting its clients to comply with the IFC Performance Standards[214] and the World Bank Group ESH Guidelines,[215] Standard Chartered addresses worker health and safety risks. These standards set expectations for managing exposure to chemical and physical hazards, implementing measures to prevent occupational risks, promoting safe and healthy working conditions, and prohibiting child or forced labour, supported by ongoing monitoring.
Business ethics and predatory lending	► Standard Chartered has developed a Code of Conduct at the group level, which applies to all transactions, covering business ethics, compliance with laws and regulations, bribery and corruption and overall corporate responsibility.[216] Additionally, the Group's Anti-Money Laundering Policy governs the prevention and reporting of money laundering, and mandates that procedures and controls be in place to comply with local laws.[217] ► To reinforce its commitment to ethical behaviour, the Group has established a Speaking Up programme, enabling employees to confidentially report any violations of the Code of Conduct or other policies.[218]

[206] Standard Chartered, "Environmental and Social Risk Management Framework", at: https://av.sc.com/corp-en/nr/content/docs/esrm-framework.pdf.
[207] Standard Chartered, "Environmental and Social Risk Management Framework", at: https://av.sc.com/corp-en/nr/content/docs/esrm-framework.pdf.
[208] United Nations Human Rights Office of the High Commissioner, "International Bill of Human Rights", at: https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights.
[209] International Labour Organization, "ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up", at: https://www.ilo.org/sites/default/files/2024-04/ILO_1998_Declaration_EN.pdf.
[210] United Nations Human Rights Office of the High Commissioner, "Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework", at: https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights.
[211] OECD, "Due Diligence for Responsible Corporate Lending and Securities Underwriting", at: https://www.oecd.org/en/publications/due-diligence-for-responsible-corporate-lending-and-securities-underwriting_71fd2895-en.html.
[212] Standard Chartered, "Human Rights Position Statement", at: https://av.sc.com/corp-en/content/docs/human-rights-position-statement-sustainability-standard-chartered.pdf.
[213] Ibid.
[214] https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-2-en.pdf.
[215] International Finance Corporation, "Environmental, Health, and Safety Guidelines", at: https://www.ifc.org/en/insights-reports/general-environmental-health-and-safety-guidelines.
[216] Standard Chartered, "Standard Chartered Code of Conduct and Ethics", (2023), at: https://www.sc.com/global/av/ke-code-of-conduct.pdf.
[217] Standard Chartered, "Anti-Money Laundering Policy: Summary of Policy", at: https://av.sc.com/corp-en/nr/content/docs/anti-money-laundering.pdf.
[218] https://av.sc.com/corp-en/content/docs/speaking-up-policy.pdf.

- Standard Chartered has adopted a Client Rights Policy, which embeds principles of fair treatment into its lending process to avoid discriminatory practices. The policy requires the Group to provide customers with clear, relevant and timely information on costs and risks so they can make informed decisions before, during and after a transaction.[219]

[219] Standard Chartered, "Client Rights Policy", at: https://www.sc.com/global/av/customer-rights-policy.pdf.

Annex 1: Assessment Framework Overview

The following is a brief overview of the Assessment Framework that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.

Principles Alignment indicates a framework's alignment with the requirements of applicable sustainable debt market Principles.[220] This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed at one of following levels:

Aligned: Meets all requirements across the four components.

Partially Aligned: Meets requirements on two or three of the four components.

Not Aligned: Does not meet requirements on most or all of the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

Sustainability Contribution provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure's contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant

220 These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

	risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledge that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second Party Opinion.

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.