

Standard Chartered Bank Ghana Ltd.

COMMUNICATION ON PROGRESS – 2014

STATEMENT BY CEO

At Standard Chartered, as we undertake activities that enhance our business performance now and for the long-term, we also look for ways to ensure the economic development of the countries in which we operate, how to have a positive impact on the environment and society, as well as contributing to good governance.

We therefore remain committed and will continue to support the Global Compact. Standard Chartered maintains an integrated view of how we will do business – that takes into account economic factors, the environment, community and good governance.

We believe banks have an essential role in a prosperous and healthy society. We believe that by running our operations well, standing by our clients and customers and investing in the communities where we operate, we can be a powerful force for good. We have three key priorities: contributing to sustainable economic growth, being a responsible company and investing in communities.

We will deliver on this agenda by using the core skills and talents of our employees; providing quality financial services; and leveraging our geographical footprint and international status to be a 'force for good.'

Standard Chartered is a great place to work and we have enhanced our labour and employment practices through our collective bargaining agreements with the Local Union and focused interaction with all labour regulatory authorities and agencies, thus, demonstrating the promotion of the principles of human and labour rights. The Bank also has a Diversity & Inclusion (D&I) Council which drives the Bank's D&I policy, ensuring the migration of international best practice policies into the Ghanaian market.

We operate in a rapidly changing world with multiple stakeholders and global challenges, such as climate change and poverty. Building a sustainable business is our response to these issues – ensuring we have a positive long-term impact on the world and to continue to be high performing.

- **J. Kweku Bedu – Addo**, Chief Executive, Ghana

Contact: **Ebenezer Amankwah**

Manager, Corporate Affairs

Email: ebenezer.amankwah@sc.com Phone: +233 202 220 111 Fax: +233 – 302 - 661676

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Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
1. Businesses should support and respect the protection of internationally proclaimed human rights;	<ul style="list-style-type: none">▪ At Standard Chartered, we believe that the biggest contribution we can make to the communities we work in; is through operating a commercially successful, sustainable collaboration with others in addressing ethical issues of importance, such as climate change and human rights▪ We have a workplace policy that ensures fair and equal treatment, diversity & inclusion and provision of opportunities for employees to fulfill their potential within an appropriate and fair working environment. This supports the Bank's commitment to providing a professional working environment in which all individuals are treated with dignity and respect, free from harassment, bullying and discrimination. This encourages good and productive working operations, decreased staff attrition, high morale and engagement. This policy applies throughout Standard Chartered Plc.▪ The key principles of the policy are recognition of HIV/AIDS as a workplace and business issue, non discrimination and stigmatization, gender equality, promoting social dialogue, prevention of screening for the purpose of exclusion, confidentiality, and continuation of employment, prevention of new infections, providing care and support, and community outreach.
	<ul style="list-style-type: none">▪ In Standard Chartered, we do not tolerate human rights abuses in our

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<p>2. and make sure that they are not complicit in human rights abuses.</p>	<p>operations and we extend the same conditions to our third party service providers. Our third party service providers' contracts specify the conditions of service for their employees (outsourced) to ensure there are no abusive conditions of service. As of April 2013, we had no cases or incidents of Human Rights abuses.</p> <ul style="list-style-type: none">▪ Protection of the human rights and dignity of HIV infected persons, including people with AIDS, is essential to the prevention and control of HIV/AIDS. Employees with HIV infection need to be treated in the same way as other staff and subject to their health, may want to continue working for as long as possible.
<p>3. Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining</p>	<ul style="list-style-type: none">▪ Standard Chartered respects the rights of employees to associate. To this effect there are currently (2) employee associations/unions operating in the company:<ul style="list-style-type: none">○ The Local Union of the Union of Industry and Finance Workers of Ghana (UNICOF) – membership subscribed by all junior staff○ The Professional and Managerial Staff Union (PMSU) of Union of Industry, Commerce and Finance Workers (UNICOF) - for some supervisors and middle management staff.▪ Collective Bargaining Agreement (CBA) is negotiated every two years and a wage opener every year.▪ The executives of the Local Union and UNICOF collaborate with Top

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	<p>Management (Executive Committee - ExCo) in the formulation and review of terms of conditions of service.</p> <ul style="list-style-type: none">▪ The company holds at least two staff Townhall meetings in a year (a general meeting of all staff with the Executive Committee members (ExCo). These meetings are sometimes segregated depending on the nature/specificity of the key messages to be delivered. The meeting is chaired by the Chief Executive Officer (CEO). It is an open forum in which the discussions centre on the general “Health and welfare” of the Company.▪ There is a strict adherence to schedules for Negotiations and wage openers timed such that implementation of agreements is effected January 1, each year for the Local Union and April 1 for the PMSU.▪ The Bank seeks to foster a collaborative style of management with its employees. The Bank promotes and maintains a healthy relationship with the union and staff representatives towards a peaceful industrial atmosphere.
<p>4. the elimination of all forms of forced and compulsory labour;</p>	<ul style="list-style-type: none">▪ Standard Chartered is committed to ensuring that, as a world class organisation, we operate with high standards of social, ethical and environmental considerations in every aspect of our business.▪ Social & Human Rights - All suppliers operate their business without violating any human rights policies, for example discrimination, workplace safety, forced labour, etc

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<p>5. the effective abolition of child labour</p>	<ul style="list-style-type: none">▪ Standard Chartered does not encourage child labour. Every recruitment package includes the collection of a birth certificate which helps the bank to check age before employment.▪ The Bank is in strict compliance with the National Labour law, and does not employ minors or persons less than 18 years.▪ Through an effective background checking process, the Bank also ensures its Suppliers and Agencies do not engage in Child Labour.
<p>6. and the elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none">▪ Our distinctive culture and values guide the way we do business, allowing us to deliver on our Here for good brand promise. We encourage a collaborative leadership culture that values diversity and promotes inclusion.▪ Standard Chartered permits the employment of qualified relatives or friends as long as such employment does not create actual or perceived conflict of interest.▪ The bank is committed to providing equal opportunities in employment and aims to ensure that it will not discriminate without lawful justification in its recruitment and employment policies, terms, procedures, processes and decisions on the grounds of race, colour, nationality, national or ethnic origins, gender, marital status, sexual orientation, part-time or fixed-term status, disability, age, religion or belief.▪ The Bank is an equal opportunity employer and will not use HIV testing

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	<p>when recruiting job candidates. The Bank will ensure that job candidates who are known to have HIV/AIDS are treated no differently from those who have any other life-threatening and non- contagious disease.</p>
<p>7. Businesses should support a precautionary approach to environmental challenges;</p>	<ul style="list-style-type: none">▪ Standard Chartered as much as possible, conducts business with individuals & organizations that are environmentally friendly. Our Global Sourcing Unit champions this cause.▪ The Bank’s Environment Champions have built and continue to drive environmental awareness amongst staff, to widen and deepen the desired impact on our society.
<p>8. undertake initiatives to promote greater environmental responsibility</p>	<ul style="list-style-type: none">▪ We consider the environment challenges across the communities where we operate and proactively manage the direct impact of our operations. In 2013, 200 active suppliers were provided with guidelines on our environmental and social standards through our Supplier Charter. We also exceeded the Bank’s Employee Volunteering annual country target by 153%.▪ In partnership with the Ministry of Environment, we helped plant 22,000 indigenous trees in strategic locations across the country with a commitment to increasing the number in subsequent years.▪ Since 2007, we have celebrated World Environment Day and continue to support the Ministry of Environment, Science and Technology’s efforts aimed at promoting greater environmental responsibility. In partnership with the Ministry of Environment last year, we joined the country in celebrating the World Environment Day across the country under the theme: <i>“Think, Eat and Save the Environment”</i>. We lowered our water

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	<p>intensity by 20 per cent between 2008 and 2013. We have also reduced our office paper use per full-time employee (FTE) from 50kg per FTE in 2008 to 20.4kg in 2013.</p> <ul style="list-style-type: none">▪ We have presented Position Statements to the Ministry of Environment, Science and Technology, challenging businesses to adopt environmentally-friendly policies and undertaken cleanup activities in our communities as part of employee volunteering actions.▪ Standard Chartered continues to roll out initiatives across our markets to reduce waste by running a paperless campaign, thereby encouraging staff to reduce demand for paper to help protect the environment. Managing and reducing our own direct operational impact.<ul style="list-style-type: none">– Engaging employees, customers and suppliers to reduce waste– Initiating paperless meetings– Making lending decisions that help protect the environment- Introduction of e-statements for customers– Developing products and services that promote the reduction of carbon emissions
<p>9. and encourage the development and diffusion of environmentally friendly technologies</p>	<ul style="list-style-type: none">▪ Standard Chartered encourages the use of shared printers to avoid paper waste.▪ The Bank has introduced iBanking and eStatements to cut down on paper consumption.

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10. Businesses should work against all forms of corruption, including extortion and bribery.

- In Standard Chartered, our Group Code of Conduct is one example of our absolute commitment to our values (Courageous, Responsive, International, Creative and Trustworthy) and the highest standard of ethical behaviour. In 2013, we shared a refreshed Group Code of Conduct (the code) which led to a 100 per cent completion rate amongst staff of the mandatory e-learning course. Most of them also participated in team training sessions related to the Code.
- In 2013, we continued to assess our Wholesale Banking (WB) policies and procedures against the impact of regulatory changes to ensure that we meet our clients' needs and adhere to regulatory guidelines. In Consumer Banking (CB), our Customer Charter outlines our commitment to treat customers fairly, and on a regular basis, we convene Customer Experience Councils to identify areas in which we can improve. We increased our Net Promoter Score from 37 in 2012 to 60 in 2013, a strong indication that our customers were generally satisfied with our services.
- Planned systems audits are conducted on regular schedules by our Country Operational Risk team, regulators and external auditors. Fidelity of personnel in very sensitive positions of our operations is guaranteed before employment.
- Audit findings have prompted systems improvements to close and eliminate gaps that could lead to fraud in our operations.
- The introduction of Anti-Money Laundering (AML), Know Your Customer (KYC) and Speaking-Up Policies has vastly improved our capacity to deter, frustrate and tackle financial crime.
- We strive to limit the risk of financial crime within our business by having

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strong policies and procedures. These are underpinned by important programmes to continually enhance our systems and controls and to raise awareness of the critical role of employees in combating financial crime.

- Last year, we stepped up the organisation of Compliance Clinics across our offices and branch network to create awareness of the regulatory environment and ensure adherence to the policies and rules pertaining to Banking and the related governance issues and expectations.