

Sustainability Review 2013



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Forward-looking statements

It is possible that this document could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those

described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future. The Group undertakes no obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

From the Chairman and Group Chief Executive

Banks play an essential and immensely valuable role in society, fuelling economic activity and enabling people, businesses and communities to thrive. At Standard Chartered, we are very clear about our purpose. Our brand promise, Here for good, captures our commitment to be a force for good in the communities in which we live and work.

2013 was a challenging year in many respects. Volatile financial markets, persistently high levels of unemployment and growing inequality affected business confidence and social cohesion in numerous countries, both rich and poor. Many people in our footprint across Asia, Africa and the Middle East also faced political change or instability and, in some cases, tragic natural disasters.

Governments, regulators and communities are demanding that banks raise their standards and focus more on what they can contribute to the broader economy and society. Banks have rightly responded to these demands. Most banks are carrying far higher levels of capital and liquidity than before the crisis and have significantly reinforced their risk management and governance. Most banks are much more conscious of their obligations to the rest of society, and have changed their strategies and business models to reflect this shift.

Yet, we would be wrong to conclude that the job is done. In our view, we are only part of the way through a fundamental transformation of the way banks work; a transformation that will touch every aspect of our business and working practices. Reshaping the banking industry and rebuilding trust and credibility with the public will take years, but Standard Chartered is committed to doing the right thing for all our stakeholders across our footprint.

For us, running our business in a sustainable way means making sure that our banking services promote sustainable economic and social development in the communities in which we work. We seek to embed this mindset in every aspect of our business activity, from strategy to operational process, across all the different products and markets. In doing this, we focus on three key aspects of sustainability: contributing to sustainable economic growth, being a responsible company and investing in communities.

Contributing to sustainable economic growth is about using our core capabilities as a bank to support our clients and customers in generating economic activity and jobs across our markets. By facilitating investment, lending and trade, we help markets grow and clients and customers generate wealth; over the past five years we have increased lending to clients and customers by nearly 70 per cent to \$382 billion.

We are conscious that the way in which we work with our stakeholders and deploy our capital can have a far-reaching social and economic impact. Our sustainable finance framework includes 20 Position Statements, which describe our approach to more difficult or contentious sectors. We use these Position Statements, which we updated in 2013, as a practical tool to determine what lending or other services we should provide to certain clients and customers. Whilst our preference is to engage positively with our clients, using our involvement with them to promote best practices in environmental and social standards, we have and will continue to turn down transactions where we remain uncomfortable with the potential consequences or risks.

During the year we made several public commitments to support sustainable development through our financing. Under the Clinton Global Initiative (CGI), we pledged to provide at least \$30 billion of loans and advances to small and medium-sized enterprises (SMEs) by 2018, an increase of 45 per cent over 2013. In 2013 alone, we provided \$20.6 billion of lending to SME customers globally. We also pledged to finance more than \$2 billion in power projects as part of the Power Africa initiative, a five-year partnership between the US government, six African countries and the private sector.

To measure the role of Standard Chartered, and banking more broadly, in generating trade, growth and jobs, and to find out what we can do better, we commissioned an independent study of the impact of our activities in Africa. The results were remarkable. By measuring ripple effects through the economy, the study shows that our operations and financing support 1.9 million jobs, 1.2 per cent of GDP and some \$1.8 billion of tax payments in 13 of the 15 markets where we operate in Sub-Saharan Africa.



Sir John Peace
Chairman



Peter Sands
Group Chief Executive

Being a responsible company, our second sustainability priority, is about making sure we run our business in a way that delivers long-term value for our shareholders and society. Our culture and values emphasise responsibility and collaboration. For over ten years, the extent to which our employees demonstrate our values every day has been reflected in our performance evaluation and reward system; we assess our people against a consistent set of values across the Group, not by business unit, function or geography. In 2013, we refreshed our Group Code of Conduct ('the Code'), which sets out the standards we expect of all employees; and 98 per cent of staff completed training on the Code.

Investing in communities, our third sustainability priority, captures our commitment to work with local communities to promote sustainable development. Strong economic growth across our markets in Asia, Africa and the Middle East is creating unprecedented opportunities, but we need to play our role in ensuring these benefits are felt by everyone. We focus our community investment on education and health programmes that encourage economic inclusion.

2013 was a very successful year for our community investment programmes. Seeing is Believing – our programme dedicated to tackling avoidable blindness – celebrated its 10th anniversary and raised more than \$6 million during the year. Since the Group matches every donation, this means our total contribution was over \$12 million in 2013. Since 2003, we have raised over \$63 million for Seeing is Believing and we are well on track to meet our target of \$100 million by 2020.

Goal – our education programme combining sports with life skills, financial education and work force development to empower adolescent girls – reached nearly 40,000 girls in 2013. Since the programme's inception, we have reached over 86,000 girls. And we have pledged under the CGI a massive step up in this programme to reach an additional 500,000 girls globally by 2018.

External feedback helps us shape our sustainability agenda. We were delighted in 2013 to be included in the Dow Jones Sustainability Index (DJSI) for the fourth consecutive year. We continued to support the United Nations Global Compact and its ten principles on human rights, labour standards, the environment and anti-corruption. We were also pleased to be included in the FTSE350 Climate Disclosure Leadership Index for the second time.

In 2013, we made substantial progress on all of our three key sustainability priorities, but we cannot afford to be complacent, and must stretch ourselves further in 2014. This year is the 15th anniversary of our Living with HIV workplace education programme to raise HIV and AIDS awareness. We will continue to develop the skills and confidence of disadvantaged adolescent girls through Goal. We will also be delivering on our commitment in 2013 under the CGI to help owners of micro and small businesses to build up their capacity and potential, through an education programme led by Standard Chartered staff volunteers.

Our strategy is to bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. We are committed to supporting our clients and customers, creating value for our shareholders and making a broader social and economic contribution to the markets where we operate. We are committed to continuing to make changes to the way we run the Group, raising the bar on every aspect of what we do, to ensure we keep pace with society's changing expectations and the changing needs of our clients and customers. We are committed to being Here for good: committed for the long run, committed to helping the people in our markets achieve their aspirations and committed to playing our role in supporting sustainable and inclusive economic progress.

Sir John Peace
Chairman

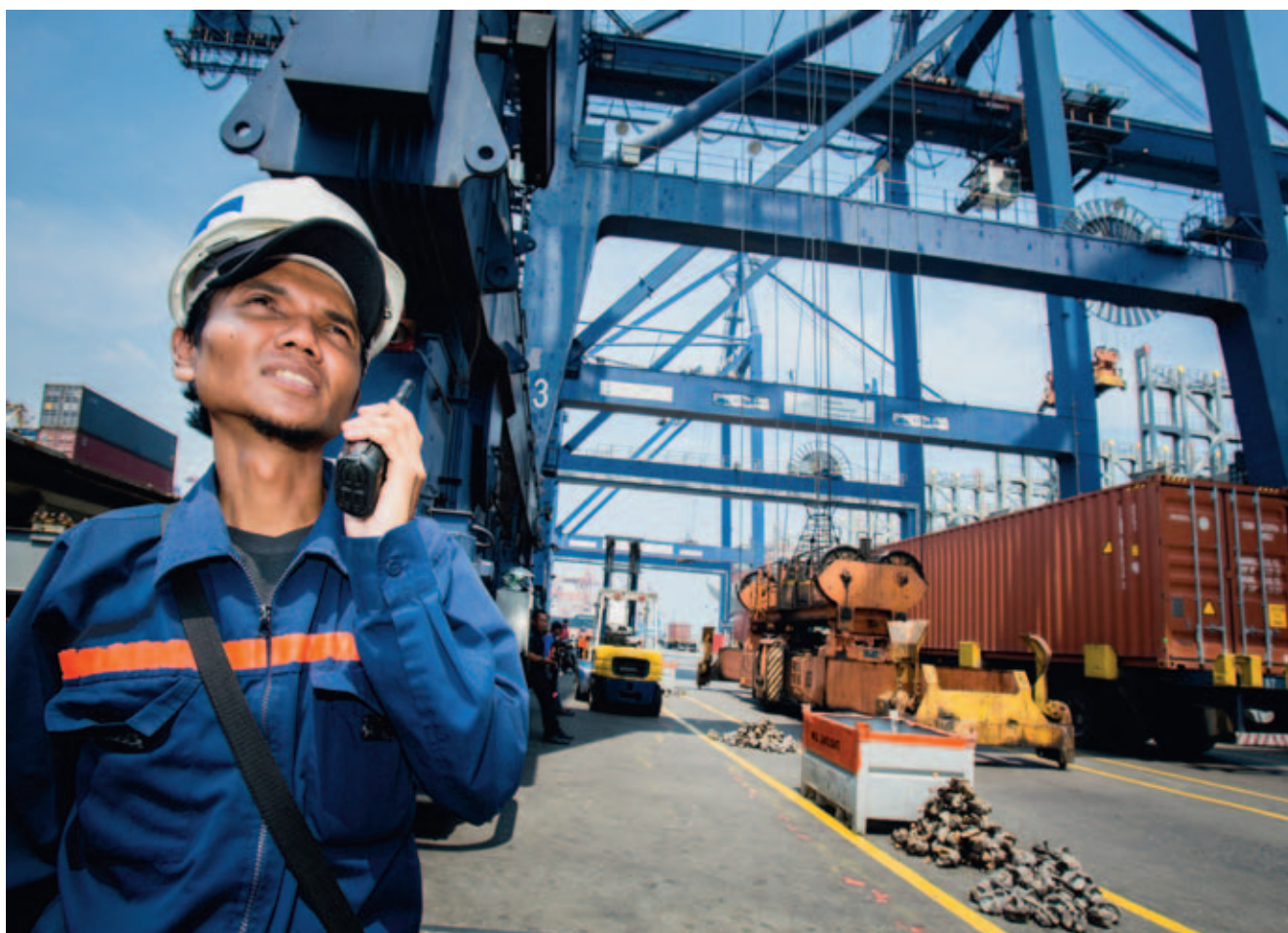
Peter Sands
Group Chief Executive

Sustainability and our business

Sustainability is integrated into how we do business. It guides everything we do, from the services we provide to our clients and customers, to the way we run our bank and support the local communities in which we live and work. Our approach to sustainability is captured in our brand promise, Here for good.

Our business strategy focuses on banking the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Our core markets are continuing to see strong economic growth, with rising incomes and increasing demand for financial services. This represents a massive opportunity for our business and, with it, the opportunity to promote sustainable, balanced and inclusive growth in our markets.

As a major international financial institution, our commitment to society goes beyond creating value for our shareholders. We seek to ensure that the financing we provide is sustainable and supports economic and social development for all of our stakeholders. Our approach focuses on three key priorities: contributing to sustainable economic growth, being a responsible company and investing in communities.



Contributing to sustainable economic growth

Through our business of banking, we fuel economic activity and job creation in our markets. Over the past five years, we have increased our lending to clients and customers by nearly 70 per cent to \$382 billion, making a substantial contribution to individual economies.

The credit and other financial services we provide help businesses to set up, trade and expand, and help people buy their own homes, save and protect their wealth for the future. We believe that by providing these services efficiently and responsibly, we can make a real impact on sustainable development in our markets, contributing to economic growth for the long term.

Access to financial services

Our financing helps households, businesses and economies to move forward. In 2013 alone, we provided \$109.2 billion in lending to individuals, of which \$69.8 billion was in mortgages, and a further \$20.6 billion in lending to SMEs. We provided \$166.9 billion in Wholesale Banking lending.

We provide financing to key sectors that enable trade, investment and job creation across our markets. These sectors form the foundation for a balanced economy that furthers inclusive and sustainable growth.

 [View our sector lending data on page 54](#)

Trade

Our capacity as a trade bank is a distinctive advantage. The depth of our network and our local capabilities help drive trade flows across our markets and fuel economic opportunity and job creation.



Top 2 trade bank

Our highlights in 2013

- Maintained our position as a top two trade bank as measured by data from the Society for Worldwide Interbank Financial Telecommunication (SWIFT):
- Supported significant trade growth in multiple key emerging market trade corridors. From 2012 to 2013, we increased our financing across the following corridors (SWIFT data):
 - 51 per cent increase in India-Africa flows
 - 26 per cent increase in China-Middle East flows
 - 17 per cent increase in India-ASEAN flows
 - 3 per cent increase in China-Africa flows
- Partnered with multilateral organisations to support trade growth in developing economies:
 - Increased the availability of trade finance in low-income countries in Africa and South Asia by partnering with CDC Group, the UK's development finance institution, in a \$100 million risk participation arrangement
 - Supported trade finance for corporate clients and financial institutions in Africa through a \$400 million risk participation agreement with the African Development Bank
- Rolled out technology solutions to further automate our trade processes. As the first bank to conduct a fully automated Bank Payment Obligation (BPO) in 2012, we remain at the forefront of innovation. Clients transacting under BPOs can reduce the delays associated with manual handling and improve their operational efficiency
- Enhanced our capability to reduce the risk of the abuse of trade products by money launderers

Our priorities in 2014

- Further encourage the processing of trade transactions through electronic channels such as BPO and electronic bills of lading
- Provide supply chain finance, which enables local businesses to grow and expand regionally
- Develop our partnerships with multilateral organisations to support trade growth in developing economies
- Continue to reduce the risk of trade product abuse by money launderers through employee training and ongoing operational process reviews

Contributing to sustainable economic growth continued

Infrastructure

Reliable infrastructure is a pre-requisite for economic growth. Transport and power, including clean technology, are the building blocks for promoting local production, trade and development. Our priority is to finance and advise on infrastructure and transportation projects that will support trade growth in a sustainable and responsible manner across our footprint.

 [View our project finance data on page 53](#)



\$945m

provided and supported to
renewable and clean tech sector

Our highlights in 2013

- Provided \$774 million of project financing to support the power sector across our markets:
 - Joined Power Africa, the US government-led initiative to promote access to electricity across Sub-Saharan Africa, and committed to provide financing of \$2 billion between 2013 and 2018. In 2013, we participated in the ongoing Azura independent power project in Nigeria, the first of its kind in 15 years. Phase 1 of the project will generate 450 MW of power
 - Arranged financing for two gas power plants in Arun and Bangkanai, Indonesia with a combined output of 339 MW. These plants will deliver a stable supply of electricity to more than 150,000 homes. The construction and operation of the plants is expected to generate more than 1,200 new jobs
 - Agreed a \$193 million long-term financing facility with the Ashuganj Power Station Company Ltd. for the construction of a 225 MW combined-cycle gas-fired power plant in Bangladesh. Ashuganj Power supplies 15 per cent of Bangladesh's electricity
- Continued to support the clean technology sector by mobilising financing of \$945 million in 2013. Since 2007, we have provided and supported more than \$10.4 billion
- Provided \$321 million of project financing to support the infrastructure sector across our markets:
 - Structured a risk management solution for the Eurasia Tunnel project finance transaction, a key infrastructure project in Turkey

Our priorities in 2014

- Provide financing to support the power sector in our markets with a focus on advancing our Power Africa commitment
- Provide financing to airline and shipping clients for fuel-efficient aircraft and ships
- Continue to arrange financing for wind and solar power projects and facilitate the build-out of water treatment facilities. Most activity will focus on China, India and Africa



Supporting Malaysia's solar industry

Approach

We provided financing of MYR163.4 million in 2013 for three solar projects in Malaysia as part of a joint venture with Sun Energy Ventures Sdn. Bhd. and SunEdison.

Outcome

The first project is the largest single solar power plant in Malaysia at 10 MW.

Pashupathy Gopalan, SunEdison's Managing Director for South Asia and Sub-Saharan Africa Operations, said: "Being able to collaborate with companies like Standard Chartered who share their knowledge of local regulations and financing structures enables us to achieve our goal."

Brad Sterley, our Global Head of Clean Energy Project and Export Finance, said: "The agreement reiterates our commitment to renewable energy projects and clean technologies and illustrates our expertise and intimate knowledge of our footprint markets of Asia, Africa and the Middle East."

What next?

The three projects are expected to generate more than 460 million kWh of energy over the next 20 years which is enough to power more than 7,500 homes in a cost-effective way. The projects will offset approximately 15 million kg of carbon dioxide emissions every year.

Boosting India's clean energy sector

Approach

In a new and innovative approach to financing wind projects, we were appointed Sole Account Bank for CLP Wind Farm Pvt Ltd in India in 2013. This is the first transaction of its kind in the renewable energy sector in India and will improve the efficiency and effectiveness of the financing process.

CLP Wind Farm power projects were previously funded by multiple lenders and each project had a different bank account. Under this arrangement, we will pool the cash flow of the projects to diversify the risk profile and offer a portfolio-based risk profile to lenders.

Outcome

Four projects already share cash flow in our pooling which totals more than 260 MW. Our solution standardises documentation across all projects and employs our online platform Straight2Bank. Straight2Bank will ensure seamless operations and real-time visibility of information for better reconciliation.

"We are committed to clean energy financing and have played a key role in financing over 500 MW of wind farms in India", said Ravi Suri, our Head of Project and Export Finance, India, Africa, MENA and Europe.

What next?

Additional wind projects from CLP Wind Farm will be added to the pool. This pooling structure can be used as a model in the clean energy sector globally.

Contributing to sustainable economic growth continued

Our social and economic impact in Africa



Having opened our first branch in Africa 150 years ago, we continue to invest for the long term, supporting the people and businesses driving trade, investment and the creation of wealth across the continent.

We believe that banks, working with governments, regulators and local communities, can and should help to drive real social and economic development in the markets where we work.

In 2013, we commissioned an independent study to measure the role of Standard Chartered, and banking more broadly, in generating trade, growth and jobs across Africa – one of the fastest-growing regions of the world – and to find out what we can do better.

By measuring ripple effects through the economy, the study shows that our operations and financing support 1.2 per cent of GDP and some 1.9 million jobs, or 0.6 per cent of the total workforce, in 13 of the 15 markets where we operate in Sub-Saharan Africa.

The study also highlights how we help to remove barriers to growth and job creation, by using our footprint as an international bank focused on Asia, Africa and the Middle East to mobilise offshore capital for crucial infrastructure investment, train local talent, introduce innovation and help to develop local financial markets.

The study confirms that small and medium-sized enterprises (SMEs) are powerful job creators. We will invest more time in looking at how we can work with our large corporate clients to support more African SMEs through the supply chain. We will also explore how we can help create greater inter-linkages between different economic sectors in Africa, from farming to manufacturing and distribution, in order to increase our impact on real development.

The study on Sub-Saharan Africa, led by Professor Ethan Kapstein, is our fourth and most comprehensive impact study to date, following country-specific reports on Ghana, Indonesia and Bangladesh in 2010 and 2012.

Read the full study on www.sc.com/ImpactAfrica



Watch our social and economic impact in Africa

Agribusiness

As the main employer in many of our markets, the agriculture sector underpins economic growth and plays an important role in poverty reduction. We recognise that there are potential environmental and social challenges associated with agriculture production. In 2013, we introduced an [agribusiness Position Statement](#) to guide our financing decisions. Our financing to the sector helps corporate clients as well as smaller farmers take advantage of local, regional and global opportunities.



11% growth of Commodity Traders and Agribusiness portfolio totalling
\$35.9bn

Our highlights in 2013

- Expanded our Commodity Traders and Agribusiness portfolio by 11 per cent to \$35.9 billion
- Offered solutions, expertise and services to support the soft commodity supply chain across our markets:
 - Provided financing structures for the warehousing of grains and fertilisers in Southern Africa, which directly supports off-take from farmers
 - Supported procurement and warehousing of export and staple food crops in West Africa
- Assisted clients in managing working capital more efficiently:
 - Provided a leading coffee processing and exporting company in Vietnam with a \$24 million supply facility that will allow the company to better manage its supply chain during peak production periods, and increase its overall export capacity

Our priorities in 2014

- Continue to develop innovative solutions that support the growth of agribusiness in our markets with an emphasis on risk-mitigated structures
- Explore additional opportunities to develop the food supply chain by providing financial support to clients to enhance capacity and improve efficiency



Contributing to sustainable economic growth continued

Governments

With a 150-year history in many of our markets, we have deep local knowledge and established relationships with governments to whom we act as a trusted adviser. We leverage our international network, financial capabilities and expertise to support countries in deepening their financial systems, accessing capital markets, managing their wealth and attracting investment.



30 workshops
to central banks and
ministries of finance

Our highlights in 2013

- Arranged financing for governments:
 - Led the largest sovereign Eurobond issuance out of Africa (excluding South Africa) for Gabon
 - Continued our participation in the Chinese Ministry of Finance's annual offshore CNH issuance programme for which we secured the majority of foreign central bank investment in 2013. We also pioneered the concept of a central bank tranche
 - Executed our seventh consecutive bond transaction for the Republic of Indonesia
 - Served as a leading primary dealer across our footprint which garnered us recognition as the top bank primary dealer in Korea
- Financed the construction of more than 2,000 classrooms in more than 700 locations under a Southeast Asian government's first-time Public Private Partnership for school infrastructure. This solution helps address the country's classroom backlog and future classroom requirements
- Continued our role as Sovereign Ratings Adviser to eight governments to support their economic development goals through enhanced credit positioning, investor relations and capital raising strategies. For example, we contributed to the Philippines achieving its inaugural investment grade rating
- Continued to provide capacity building to support government clients. We offered more than 30 workshops to central banks and ministries of finance across a wide range of issues:
 - Leveraging the internationalisation of the renminbi (RMB)
 - Exploring Islamic finance
 - Deepening local capital markets
 - Using derivatives to hedge financial risks
 - Enhancing national payment systems, notably mobile
 - Improving anti-money laundering (AML) standards
 - Supporting microfinance

Our priorities in 2014

- Commit even greater resources to partnering governments as they look to understand and leverage the continued internationalisation of the RMB
- Enhance our training and workshop platforms for sovereigns across a range of governance, transactional and broader financial deepening topics

We provide finance to individuals and businesses that are un-served, or under-served, by financial institutions. Unleashing the capacity of these segments can have a catalytic effect on the broader economy, supporting local livelihoods and job creation.

Small and medium-sized enterprises

Across many of our core markets, small and medium-sized enterprises (SMEs) are the backbone of the economy. We provide SMEs with the financing and training they need to grow. With this support, SMEs help countries build a strong base for job creation and economic development over the long term.



\$20.6bn

of financing provided to SMEs

Our highlights in 2013

- Provided \$20.6 billion in loans to SMEs across 32 markets
- Pledged to increase financing to SMEs by 45 per cent to \$30 billion between 2013 and 2018 as part of our CGI commitment
- Further embedded our environmental and social standards across all SME lending. More detail can be found in Sustainable finance on page 14
- Rolled out our enhanced SME Customer Value Proposition to five new markets taking the total to 19 markets
- Increased loan advances under government guarantee schemes in our markets to \$0.5 billion, a 32 per cent increase over 2012. Markets include: Korea, Malaysia, Singapore, Thailand, Taiwan and Hong Kong
- Committed to train 5,000 micro and small business owners between 2013 and 2018, with at least 20 per cent being women-owned businesses, as part of our CGI commitment. More detail can be found in Investing in communities on page 33

Our priorities in 2014

- Make progress on our CGI commitment to increase financing to SMEs by 45 per cent to \$30 billion between 2013 and 2018
- Roll out our enhanced Customer Value Proposition to a further five markets

 Watch how we are supporting SMEs in Indonesia



Contributing to sustainable economic growth continued

Microfinance

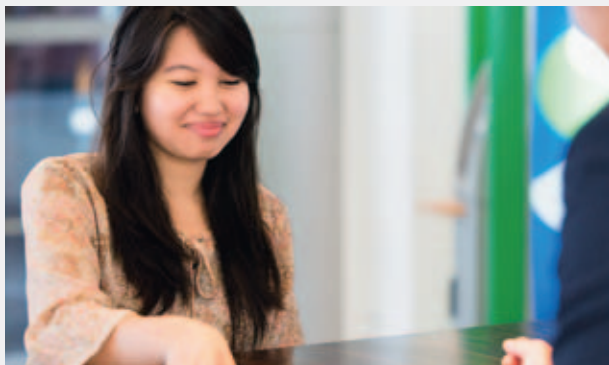
Microfinance plays an important role in lifting people out of poverty. With access to appropriate and fairly-priced financial services, people can grow their income, save and invest in health, housing and education for their families.

We continue to advance our microfinance business strategy as a means to promote financial inclusion. Since 2005, we have surpassed \$1.2 billion in lending to 79 microfinance institutions (MFIs) across 18 countries. Our financing has impacted an estimated 8.3 million people.



 [View our microfinance data on page 54](#)

Growing businesses in Indonesia



Approach

We are helping to improve the distribution of lending to microfinance institutions (MFIs) across Indonesia through our \$5.2 million credit financing deal with Bank Andara. The facility is expected to benefit more than 30,000 people who currently have limited access to financial services.

Outcome

Through this financing, Bank Andara will be able to provide local MFIs with access to capital, loans and services.

"Indonesia is one of our key markets, and its economic strength lies in its micro, small and medium enterprises," explains Tom Aaker, Chief Executive Officer, Indonesia. "This microfinance loan facility is a testament to our efforts in promoting the growth of small businesses in the country."

We have also supported MFIs in Indonesia by providing financial education to 400 female micro-entrepreneurs since 2011.

Our highlights in 2013

- Provided \$271 million to 25 partners, including six new partners in 2013
- Signed a five-year Asia-wide microfinance risk participation programme with the Asian Development Bank (ADB). The ADB will provide risk coverage of up to \$75 million. By providing \$150 million in loans to MFIs, the programme will benefit around 20 MFIs and more than one million people across Asian markets over the next five years. This partnership will unlock additional funding to microfinance institutions and extend support to the sector as it emerges from a difficult economic cycle
- Sponsored the Microfinance Social Performance Report in India for the third consecutive year. To analyse findings from the Report, we led a discussion panel at the Access Microfinance India Summit in 2013 and conducted two stakeholder workshops in India
- Rolled out our Microsave Risk Management training toolkit to MFIs in Nepal. More than 40 MFIs participated in the two-day workshop, as well as representatives from the Central Bank of Nepal and the Rural Microfinance Development Centre Ltd (RMDC)
- Launched client reporting on social performance through the specialised microfinance reporting platform on [Mix Market](#). The online platform will record basic social performance indicators for our microfinance partners. By joining a global platform, we help reduce duplication for our MFI clients on social performance management

Our priorities in 2014

- Roll out the Microsave Risk Management toolkit to two additional markets
- Review our Africa strategy to grow the microfinance business in key markets
- Increase utilisation of the ADB Risk Participation Programme to bring efficiency in origination and monitoring
- Increase client reporting on social performance on the Mix Market platform



Islamic finance

Under the Standard Chartered Saadiq brand, we continue to grow our Islamic banking operations to provide our clients and customers with products and services that are consistent with their religious beliefs.



\$20bn

Islamic finance arranged

Launching Standard Chartered Saadiq in Kenya

Approach

To support local demand for Shariah-compliant products in Africa, we extended our Islamic banking services and launched Standard Chartered Saadiq Kenya.

Outcome

Our Shariah-compliant Wholesale and Consumer Banking products range from corporate and consumer finance to trade finance and cash management. This is the most comprehensive Islamic product suite available in Kenya.

Expanding Standard Chartered Saadiq to Africa has opened up access to finance for many more customers and has paved the way for rolling out the Islamic product suite to other African markets.

The Islamic proposition brings value to the existing capability of our business in Kenya, and allows us to capture an untapped segment in the market.

What next?

We plan to build on our success and are looking to expand our Islamic banking suite in Kenya and in other markets in Africa.

Our highlights in 2013

- Arranged \$20 billion in Islamic financing, an increase of \$3 billion over 2012
- Expanded our Islamic products to better serve our clients and customers in Africa:
 - Launched a suite of Shariah-compliant Wholesale Banking products in Kenya in response to customer requirements
 - Introduced Islamic Consumer Banking products for SME and Retail customers in Kenya, with a focus on Nairobi and Mombasa
- Participated in working groups with regulatory bodies such as the Hong Kong Monetary Agency's task force for the development of sukuk regulations
- Won 33 industry awards including 'Best International Islamic Bank' and 'Best Structured Products House' at the Euromoney Awards 2013 and 'Best Islamic Investment Bank, Middle East' and 'Islamic Loan House of the Year' at The Asset Triple A Islamic Finance Awards
- Expanded our Islamic finance solutions to support SMEs in our markets:
 - Introduced the first Islamic Guaranteed Instalment Finance programme for the SME sector in Malaysia. The programme provides a guarantee for SME financing through a government-owned entity, Credit Guarantee Corporation Berhad
 - Introduced Islamic trade and working capital solutions for SMEs in Bangladesh, which completes the SME Islamic product suite in the market

Our priorities in 2014

- Expand the Standard Chartered Saadiq product suite in Kenya
- Improve the accessibility of our services for Commercial and Retail Banking customers:
 - Introduce additional Saadiq relationship managers and ensure that at least 25 per cent of our Islamic branches in Malaysia are focused on Commercial Banking customers
 - Increase the number of Islamic windows in branches by at least 50 per cent in Pakistan and Bangladesh to make Islamic banking more accessible



Watch how we are meeting the needs of our Muslim clients and customers

Contributing to sustainable economic growth continued

Sustainable finance

We recognise that managing and protecting limited natural resources is essential to maintaining economic growth over the long term. Upholding leading environment and social (E&S) standards through our financing is integral to our way of doing business. Our [Position Statements](#) set out the environmental and social standards that we expect of ourselves and encourage from our Wholesale Banking clients and SME customers.

In 2013, we completed a comprehensive review of our Position Statements. We updated our 14 existing Position Statements and introduced new sectors for a total of 20 Position Statements. The new statements cover agribusiness, chemicals and manufacturing, fisheries, infrastructure, renewable energy and an expanded statement on children's rights.

We conduct business in accordance with our sustainable finance framework, as outlined in our Position Statements. While our preference is to engage with clients and customers to meet our standards, we will turn down transactions where certain environmental and/or social risks and impacts cannot be successfully mitigated.

For example, this may include turning down transactions where clients and customers produce commodities with heightened potential for forced or child labour and who cannot demonstrate alignment with International Finance Corporation (IFC) standards or where clients or customers significantly impact on, or have operations located within, UNESCO World Heritage Sites and RAMSAR (Convention on Wetlands of International Importance) sites.

 [View our sustainable finance data on page 52](#)



Equator Principles

Our highlights in 2013

- Adopted Equator Principles III, which extends the application of the Equator Principles (EP) to new product classes, including corporate loans with a project component
- Contributed to the advancement of the EP application at industry level by participating in and supporting the work of EP Working Groups

Our priorities in 2014

- Deliver training to staff who are likely to encounter the Equator Principles for the first time as a result of EPIII, and help them work with clients in applying the Principles
- Work with our clients to provide guidance on the implementation of the new aspects of EPIII
- Continue to support EP Working Groups as a mechanism for sharing best practice among Equator Principles Financial Institutions (EPFIs) and ensure the consistent and effective application of the Principles in our markets



20 Position Statements
on environmental and social standards

Wholesale Banking

Our highlights in 2013

- Conducted detailed reviews of more than 170 client relationships and transactions with E&S considerations. As appropriate, developed time-bound solutions with clients to adopt international standards and align with industry best practice across key sectors including agriculture, hydropower and mining
- Undertook portfolio reviews of specific sectors to identify areas where our clients may need additional support in aligning their operations with international standards
- Updated our E&S risk framework to incorporate EP3, which came into effect in January 2014
- Continued our training programme, targeting credit, relationship management and product teams through face-to-face and online training
- Continued to build our E&S risk assessment expertise through strategic hires, which further develops our capacity to support clients
- Supported a number of financial institutions across our core markets as they develop their approaches to E&S risk management

SME Banking

Our highlights in 2013

- Conducted detailed reviews of 64 SME customer relationships and transactions with environmental and social considerations
- Trained 267 SME staff, including credit, relationship management, operational risk and product teams, through face-to-face and online training
- Streamlined SME E&S due diligence processes by integrating the SME E&S assessment into our electronic credit system, Creditmate. All SME Business Credit Applications must now include an E&S assessment
- Conducted internal audits to identify SME markets that require further E&S risk training
- Continued to focus on E&S assessments for agriculture SMEs:
 - Worked with SMEs in India to ensure that E&S risks are mitigated during post-harvest financing
- Collaborated with non-governmental organisations (NGOs) to support the SME sector:
 - Collaborated with the World Wildlife Fund (WWF) to provide water audits to SMEs in Pakistan

Our priorities in 2014

- Roll out an updated sustainable finance training programme to frontline staff, supported by an external partner, including online and classroom components
- Update our credit systems to reflect our revised E&S standards
- Formalise mechanisms to monitor quality of sustainable finance implementation in our business
- Continue portfolio reviews to identify sectors or markets where clients and customers may benefit from additional support
- Continue to identify opportunities to provide technical assistance to agriculture customers in India

Being a responsible company

Our commitment to sustainability is not only about the economic activity we finance, but also about how we run our business. Our focus is on effective corporate governance, underpinned by strong processes and the right values and culture.

By creating a great place to work for our people, selling our products and services responsibly, tackling financial crime and mitigating the environmental impact of our operations, we believe that we can make a greater positive contribution to the communities in which we operate.

Governance

Strong governance is the foundation for establishing trust and promoting engagement between a company and its stakeholders. The right culture, values and behaviour must be adopted by the Board and actively promoted by the Group Chief Executive and managers at all levels. The Brand and Values Committee of the Board continues to have oversight of sustainability, including environmental and social governance. More detail can be found in the governance section in the Annual Report 2013 on page 170.



People and values

We are focused on building a culture that is based on responsibility and accountability and aligned with our values. Our diverse and collaborative workforce and deep commitment to doing the right thing are what makes our culture stand out. Our brand promise, Here for good, helps our people to act with conviction, nurture relationships with our clients and customers and uphold the highest standards of conduct and integrity.

We aim for new employees to establish a connection with our culture and values from day one through our refreshed induction programme. Performance reviews have taken into account the extent to which employees demonstrate our values through their everyday actions for more than ten years. The introduction of an annual recommitment to our Group Code of Conduct ('the Code') is part of a systematic approach to reinforcing the importance of conduct within our culture.

 [View our people and values data on page 56](#)

Talent attraction

Our approach to recruitment is aligned to our business strategy and focuses on attracting top performers who share our vision and are aligned with our values. In 2013, we reduced our overall headcount by more than 2,000, reflecting the difficult global market conditions and a keen focus on maximising our internal talent.

With a workforce of more than 86,000, one of our best sources of talent continues to be our own employees. We take a long-term view on career development, providing opportunities to move internally and gain experience in different functions or geographies, or to develop a world-class specialism.



More than
86,000 staff globally

Our highlights in 2013

- Hired nearly 400 graduates into our two flagship programmes: the International Graduate Programme and Consumer Bank Fast Track Programme
- Completed a review of our global induction approach, helping new entrants to understand our culture and values, what it means to be an employee at Standard Chartered and how to be successful in their role
- Launched a programme to develop a more consistent and effective global approach to the way we manage our contingent workforce, defining a set of minimum standards for hiring approvals, reporting and mandatory training

Our priorities in 2014

- Strengthen our global internship programme and make it the main path to our full-time graduate programmes
- Continue to improve the new joiner experience, embedding the new online induction programme and increasing the number of dedicated points of contact for managers
- Further strengthen international mobility, refreshing our policies and reviewing a number of global processes to improve the end-to-end experience during international moves and permanent international transfers



Being a responsible company continued

Learning and development

Our commitment to professional development, including risk management, ensures our people are able to make informed decisions about what is best for our clients, customers and business. Our learning curriculum is aligned to the Code and the broader regulatory agenda, ensuring that the requirements are reinforced at every opportunity.

To support our employees in creating meaningful and engaging careers, we are evolving our approach to learning and talent development providing wider access to learning through multiple channels.



98% staff

completed training on
Group Code of Conduct



97%

staff receiving training



Our highlights in 2013

- Rolled out training on the Code. 98 per cent of staff completed mandatory training and 97 per cent of staff recommitted to the Code. The training reinforces our culture and values by providing further guidance on how to act responsibly and within authority, how to use good judgment and to speak up if they see anything that goes against our Group standards, local laws and regulations
- Continued the development of our leaders in China and Africa through the Emerging Leaders Programme, which aims to accelerate the development and readiness of leaders to assume senior management roles in these key growth markets
- Maintained our focus on building local talent through programmes such as our Future Leaders' Network in Ghana. This programme provides junior employees with a platform to build relationships and explore development opportunities
- Built a set of principles that guide the way we conduct our talent practices to ensure that we meet the aims of diversity, inclusion and Fair Accountability

Our priorities in 2014

- Strengthen the role that people managers play in preserving our culture through effective supervision, greater collaboration and effective values-led performance management
- Continue the development of our multi-channel, demand-led approach to learning aligned to the needs of the business alongside a multi-rater feedback approach for performance and development

Performance and reward

Our performance and reward policy supports our one-bank performance-oriented culture, ensuring that individual reward and incentives relate to our overall performance, the relevant business unit and individual employee performance.

The measurement of values, conduct and behaviour remains an integral component of our performance management assessment process through our distinctive five-point values rating scale, with reward decisions directly impacted by the level of adherence to our values.

We recognise the need to balance the requirements of operating a successful global bank and continuing to pay competitively. The new regulations under the European Union's Capital Requirements Directive IV (CRD IV) will have a significant impact on the structure of remuneration, and preparing for these changes has been a key focus in 2013. We will comply with the new rules and are supportive of the underlying sentiment behind them.

Our highlights in 2013

- Strengthened the risk adjustment process of compensation through a framework which assesses the supervision, responsibility and culpability of employees and the impact this has on pay
- Refreshed our principles and developed an enhanced governance framework in respect of our frontline sales incentives in Consumer Banking, ensuring compliance with emerging market practice and regulatory developments
- Extended our sabbatical offering to Nigeria, Sri Lanka and the UAE
- Further enhanced our employee well-being proposition by expanding the use of our Employee Assistance Programmes to Indonesia and Thailand

Our priorities in 2014

- Implement the new regulations under the European Union's CRD IV
- Continue to roll out our Employee Assistance Programme across key markets and further embed our global Wellness@Work campaign, which aims to support local initiatives in improving financial awareness as well as the physical and mental well-being of our employees

Employee relations

We continue to ensure that our employment policies meet the social, statutory and regulatory conditions and practices that exist across our markets. We recognise that things can go wrong and are committed to creating a fair, consistent and transparent approach to the way we act and make decisions. This commitment is incorporated in our guides on values and behaviours and is reflected in our refreshed disciplinary and grievance policies.

As set out in our [Human Rights statement](#), we respect human rights in our operations and adhere to relevant, international and local, legal obligations in the countries where we operate. Human rights are taken into account in our procurement decisions, as set out in our Supplier Charter. We also consider human rights in our financing decisions guided by our Position Statements, which address the rights of children, workers and communities in relation to specific industry-sector risks.

Our highlights in 2013

- Introduced our commitment to Fair Accountability to reduce the reliance on prescriptive rules and move towards a more judgment-based approach
- Refreshed the Group Benefits Policy, outlining for the first time the Group's core benefit offering to employees, creating a baseline for country teams to build on when developing country-specific benefits

Our priorities in 2014

- Further embed our commitment to Fair Accountability helping markets with local customs or significant cultural challenges to bring about the necessary change
- Continue to monitor and effectively implement new regulatory provisions globally, further strengthening partnership relations with trade unions at company and sector level
- Refresh our approach to employee engagement by building on the success of our Q12 engagement survey and implement a new employee survey that is more reflective of the different needs and drivers of our diverse, multi-generational workforce

Being a responsible company continued

Diversity and inclusion

We continue to create a workplace that endorses the rich diversity within the organisation and maximises the energy and innovation created by our growing multi-generational workforce. Our aim is to ensure that our employees are representative of the Group's markets and client profile.

With 132 nationalities across our global workforce, we strive to create an inclusive environment and improve work-life balance for our people, placing particular emphasis on inclusion, gender identity, sexual orientation, nationality and disability.

Our Group's Equal Opportunities Policy applies to our recruitment and employment terms, practices, procedures, processes and decisions. We appoint, train, develop, reward and promote employees and contingent workers on the basis of their merit and capability. This enables us to get the best out of the broadest spectrum of people in order to sustain strong business performance.



132 nationalities



47% female
employee representation



16%
female senior management

Our highlights in 2013

- Continued to promote inclusion across our footprint:
 - Launched new employee networks in six countries, covering the topics of women, parents and carers, lesbian, gay, bisexual and transgender (LGBT) and future leaders, taking the total to 30 networks across 17 countries
 - Developed products to address specific needs for our customers. In Thailand, we launched We+, a suite of products including mortgages and credit card services that cater to a wide cross-section of customers who are in committed relationships, regardless of their sexual orientation and gender identity
- Supported the hiring of people with disabilities. We signed the Business Taskforce for Accessible Technology Charter, demonstrating our commitment to continue to provide accessible technology for our employees and customers. We hosted disability listening groups in five countries and expanded our visually impaired telesales team to Kenya, bringing the total to 10 teams in nine markets
- Continued to promote and support diversity across our markets:
 - Moved forward in identifying and agreeing targets to increase our gender diversity at specific levels across the organisation, with detailed analysis completed in 15 key markets
- Continued to support women employees globally:
 - Delivered Women in Leadership and Women's Development programmes to 450 women across 15 markets
 - Implemented a mentoring programme in Hong Kong for female employees

Our priorities in 2014

- Further develop our employee networks, encouraging expansion to reach more of our staff
- Enhance and expand programmes and benefits designed to support greater inclusion of key demographic groups

Health, safety and security

We focus on providing a safe, secure and healthy working environment for our people, clients and customers. We maintain high standards that are aligned with international best practice and regularly review the health and safety performance of our properties.

Country Chief Executive Officers have primary responsibility for the implementation of our Group Health and Safety Policy at the country level. This includes developing and implementing annual health and safety action plans. These plans set out our risk mitigation actions, global health and safety standards, legal, compliance and communications risk assessments and other health and safety governance-related items.



Our highlights in 2013

- Reduced unpredicted health and safety risks by 47 per cent from 2012, through improved risk identification and management of corrective plans, with a focus on new properties. All risks are presented to the Group Corporate Real Estate Services (CRES) Risk Committee
- Strengthened the collection of workplace injury and ill-health data, allowing us to identify and take action on these cases
- Conducted internal health and safety audits in 93 per cent of our top 15 markets. The audit checklist can be completed on an iPhone app to streamline the process. All control reviews are tracked by our CRES Head of Operational Risk and presented in each Group CRES Risk Committee meeting
- Conducted a guarding deployment survey across our footprint, resulting in a review of our manned guarding resources to improve safety and security. We improved surveillance in vulnerable areas such as ATM lobbies in six countries including India, Pakistan and Malaysia through central monitoring services. This replaces static night guard posts with closed circuit television coverage and rapid incident response services

Our priorities in 2014

- Continue to reduce workplace injuries, in particular slips, trips and falls, which account for 30 per cent of workplace injuries
- Improve staff awareness on occupational health and safety by enhancing internal communications and refreshing our mandatory health and safety e-learning

Being a responsible company continued

Financial crime prevention

Financial crime impedes economic progress. We strive to limit the risk of financial crime within our business by having 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.

Building on our 2012 initiative to transform our financial crime risk organisation structure, we are further developing our governance and control framework to ensure we remain aligned with industry best practice.



[View our financial crime prevention data on page 56](#)

Our highlights in 2013

- Defined a new financial crime strategic objective: 'to prove that the Group is leading the way in combating financial crime, while providing quality service for our clients'
- Supported our strategic objective by launching our Financial Crime Risk Mitigation (FCRM) Programme to deliver more sustainable, industry leading, financial crime systems and controls across our business. We have made significant progress in building a strong financial crime control framework. The strategic objective and the FCRM Programme allow us to recognise the need to do more and the importance of continued focus and investment in this critical area
- Built capability, capacity and expertise in our financial crime compliance function by adding resources at a country level and by making a number of strategic hires in monitoring, training, sanctions compliance and customer due diligence
- Strengthened the committee that oversees the global management of financial crime risk, adding senior representatives from across the business

Our priorities in 2014

- Prepare a comprehensive plan to deliver on the Group's new financial crime strategic objective and make substantive progress across all aspects of the FCRM Programme
- The FCRM Programme will define our future target operating model for AML and sanctions compliance, and oversee the workstreams required to deliver the model. It will enable us to meet our aspirations in tackling financial crime and ensure that the changes are prioritised to meet current and future regulatory imperatives. The workstreams include: risk assessment and analytics, improved data management, customer due diligence and screening, trade finance AML, transaction surveillance and training
- Continue to increase resources across the financial crime compliance function
- Strengthen our risk based customer selection and due diligence processes, which are our first line of defence against all forms of financial crime

Tackling money laundering

We combat money laundering through robust customer due diligence and automated transaction surveillance.

Our highlights in 2013

- Extended our specialised AML transaction surveillance systems to three more countries. This provides automated surveillance to a total of 48 countries
- Delivered programmes to strengthen customer due diligence processes through automation, the application of consistent global standards and more extensive compliance monitoring
- Developed a more sophisticated methodology to assess money laundering risk across all areas of the Group
- Engaged independent consultants to assist us in benchmarking peer banks and monitoring changing regulatory expectations

Our priorities in 2014

- Upgrade our systems for automated transaction surveillance
- Use our new methodology for assessing money laundering risk to target resources, training and controls in the right areas
- Enhance our controls around trade finance related AML

Sanctions compliance

We manage international sanctions compliance requirements through clear business policies and by screening clients and transactions.

Our highlights in 2013

- Launched a project to enhance automated screening of transactions to identify sanctions related risks. It will replace the current systems used for screening of international payments with a single standard system
- Maintained an ongoing dialogue with sanctions authorities in relevant markets on the practical application of sanctions regulations

Our priorities in 2014

- Extend the coverage of our sanctions screening capabilities
- Provide greater capacity, increased resilience and more sophisticated filtering of payment messages
- Enhance our automated screening for sanctions-listed names



Being a responsible company continued

Combating bribery and corruption

Through our values, policies, training and controls, we are committed to combating bribery and corruption.

Our highlights in 2013

- Embedded our anti-bribery controls further to make the overall framework more robust at country level. Our global Anti-Bribery Policy and Procedures were renewed following guidance issued by the Financial Conduct Authority (FCA) and we rolled out a revised Sponsorship and Donations Policy
- Refreshed the Code with an accompanying training and communication campaign. The Code requires staff to 'reject bribery and corruption' and reaffirms our position that we will not disadvantage staff who refuse to commit bribery, even where this results in a loss of revenue or increased costs for the Group. The Code also incorporates requirements regarding gifts and entertainment
- Continued to raise employee awareness of our internal whistle-blowing programme, Speaking Up, and its role in helping to combat corruption and other forms of financial crime. We have extended access to the Speaking Up programme to our external suppliers in 33 countries
- Trained staff through the Group Anti-Bribery e-learning. More than 97 per cent of eligible staff had completed the training on joining the company

Our priorities in 2014

- Undertake a global anti-corruption benchmarking exercise to evaluate our alignment with industry best practices and to guide further enhancements

Reducing fraud

We continue to focus on the detection and prevention of fraud against the Group itself and against our customers.

Our highlights in 2013

- Began testing a new system to combat fraudulent applications. The system will help automate the application approval process while simultaneously strengthening our anti-fraud customer screening
- Implemented an automated monitoring solution in Hong Kong to improve the detection of potentially fraudulent online transactions and strengthen security for online and mobile banking

Our priorities in 2014

- Building on our experience of application fraud screening in Korea, we will launch a similar capability in India
- Expand the use of our internal fraud detection tool, 'Memento', to Singapore and Malaysia
- Complete the assessment of our online fraud detection system for use in other markets



98% staff

completed training on
Group Code of Conduct



88,763

Staff completed anti-bribery
and corruption e-learning



63%

increase in reporting through Speaking Up

Financial crime risk outreach initiatives

Through our outreach programme, we contribute to the development of international policy on financial crime and support initiatives designed to reduce financial crime in the communities where we operate.

Our highlights in 2013

- Partnered with the UK government in a joint task force to provide technical support for regulators and commercial banks in Myanmar. The focus was on ALM capabilities to assist in the country's further reintegration into the international financial community
- Participated in the 2013 G8 programme to provide technical AML support to regulators and central banks across Sub-Saharan Africa in collaboration with the UK and US Treasury departments
- Continued our work as active participants in the UN Global Compact on anti-corruption

Our priorities in 2014

- Extend our government and industry technical support initiatives to new centres of operation for the Group, such as Iraq and Angola
- Extend our participation in the development of international policy, regulation and industry standards on financial crime risk



Being a responsible company continued

Responsible selling and marketing

Delivering appropriate products and services to our clients and customers is fundamental to our business. In Wholesale Banking, we continue to focus on deepening client relationships while in Consumer Banking our Customer Charter outlines our commitment to treat customers fairly.



View our responsible selling and marketing data on page 55

Our highlights in 2013

Wholesale Banking

- Focused on deepening relationships with our clients and supporting them across multiple geographies with relevant products
- Strengthened product governance and controls to help improve the way we conduct business with our clients
- Continued to focus our employees on meeting the needs of our clients as a long-term trusted partner
- Conducted surveys to capture feedback from corporate clients on the services we provide. For example, we gathered feedback from more than 500 companies on their use of offshore RMB products to understand the benefits and challenges. We shared the findings with clients and counterparties across our network

Consumer Banking

- Reduced the number of complaints we received by 22 per cent over 2012 by analysing customer complaints to identify root causes and areas for improvement
- Transitioned our Net Promoter Score (NPS)¹ survey data collection in eight markets from a face-to-face survey to a centralised online or call centre-based survey. The benefits include an improved customer experience, larger sample size and greater NPS accuracy. In total, more than 35,000 customers across 25 markets took part in our NPS survey in 2013
- Conducted regular global and country Customer Experience Councils to identify areas to improve customer experience and outcomes. For example, we enhanced our independent sample customer call back process to ensure that customers fully understand key features and changes of products during the sales process
- Continued to conduct risk-based reviews across our footprint covering topics such as complaints handling, investment suitability and new product approvals to identify areas for ongoing improvements to our processes

Our priorities in 2014

- Work closely with our regulators to implement and embed new regulations and best practices into our business in line with our Here for good brand promise
- Continue to develop and implement our conduct agenda, which supports and encourages responsible selling and marketing and ensures we always consider the fundamental question of not just whether we can do this business or activity, but if we should
- Continue to simplify and standardise controls, procedures and processes, including streamlining the governance process of Retail Structured Products through refining the Distributor Transaction Approval Group (DTAG) Procedures and the Know-Your-Distributor (KYD) Procedures to deliver greater efficiency and improved client experience

Customer complaints per 1,000

0.53



2010

0.45



2011

0.41



2012

0.32



2013



¹ 'Net Promoter Score' and 'NPS' are trademarks of Satmetrix Systems Inc., Bain & Company and Fred Reichheld. Standard Chartered uses Bain methodology recalibrated for financial services to calculate NPS.

Paperless banking in the UAE



Approach

iTill is an in-branch facility offering banking services on an iPhone and iPad. The initiative reduces paper usage while improving customer experience. The service was piloted in our largest branch in the UAE and allows cash withdrawals, deposits and withdrawals by cheque via an iPhone or iPad.

Outcome

iTill has improved transaction turnaround times by 50 per cent with no need for debit cards and no limits on transactions.

iTill benefits our customers and frontline staff. Customers receive SMS acknowledgement of transactions and electronic receipts. The instant ID scanning and data auto-fill reduces in-branch processing times and improves accuracy.

iTill has received good customer feedback and has contributed to almost doubling the Net Promoter Score of the Dubai main branch.

What next?

In 2014, iTill will be rolled out to other branches in the UAE as well as to branches in Bahrain and Oman. We are the first in the region to offer this service and will continue to improve branch experience and efficiency through the technology.

Straight2Bank Kenya

Approach

Our partnership with Safaricom in Kenya enables individual customers to access cash services on our mobile banking platform by using the electronic mobile payment system M-PESA. The demand for mobile banking is evident in the growth of customer numbers and transactions, which has quadrupled in Kenya over the last two years.

In 2013, we extended the benefits of mobile banking to our corporate clients in Kenya. Our mobile offering is fully automated, which allows companies to make payments to any mobile phone in Kenya, from anywhere in the world, using our award-winning Straight2Bank online banking platform.

“Straight2Bank wallet will lower the risks and costs associated with handling cash while simplifying and accelerating basic payment processes for many companies,” explains Apurva Jain, our Regional Head of Transaction Banking, East Africa.

Outcome

Our partnership with Safaricom’s M-PESA in Kenya means that individual customers can make a deposit or withdrawal from any one of M-PESA’s 80,000 outlets across the country, which is in addition to Standard Chartered’s established branch and ATM network.

“The M-PESA partnership means our clients can access their bank accounts with ease and speed even in the most rural areas. Customers can send money almost instantaneously from their account to any mobile phone across the country or deposit and withdraw cash at any one of M-PESA’s conveniently located outlets. We’re making banking simple and easy,” added Eddie Ndichu, Regional Head of Digital Banking for East Africa.

What next?

Kariuki Ngari, our Regional Head of Retail Banking for Africa, said: “We believe mobile devices will become a primary tool for financial interaction and transaction in the coming years, and Standard Chartered remains committed to innovating our clients’ banking experiences through this integrated and cost-effective channel.”

Being a responsible company continued

Environment

We seek to minimise the environmental impact of our operations and have targets in place to reduce the rate of our energy, water and paper consumption.

Our environmental reporting covers all properties over 10,000 square feet in floor area, which represents 72 per cent of our total footprint. PricewaterhouseCoopers (PwC) provides third-party assurance of our Scope 1 and 2 Greenhouse Gas emissions to ensure the credibility of our data.

As of the end of 2013, 10 per cent of our property footprint was certified to Leadership in Energy and Environmental Design (LEED) rating or an equivalent green building rating scheme. In 2013, our office in Dubai achieved a Platinum LEED rating for efficient use of resources with levels of consumption almost 50 per cent lower than equivalent properties.



[View our environmental data on page 58](#)



Energy

Our highlights in 2013

- Reduced our energy consumption by 5 per cent. However, our energy use intensity increased slightly due to the increased frequency of power shortages across some of our markets, which led to greater use of back-up power generators. Our aim is to reduce our energy use intensity by 35 per cent in tropical locations and 20 per cent in temperate locations between 2008 and 2019
- Invested more than \$1 million in energy conservation measures such as LED lighting in our new Hong Kong office and inverter air conditioning systems in our branches in Malaysia. We continue to install solar power arrays. In 2013, we increased the installations across our footprint to a total of six properties
- Continued to focus on the efficiency of our data centres and have achieved energy savings equivalent to \$100,000 at our facilities in New York and Hong Kong through server virtualisation and optimisation measures. 20 per cent of our servers are virtualised as of the end of 2013
- Established a power purchase agreement to use biomass-generated electricity at SCOPE, our global shared service centre, in Chennai, India. This allowed us to reduce our dependency on diesel generators by 76 per cent and achieve an annual savings in diesel costs equivalent to \$384,000

Our priorities in 2014

- Continue to transition towards the use of LED lighting in our owned properties with a target of 5 per cent of all light fittings using LEDs by the end of 2014
- Optimise our data centres with a target to virtualise 40 per cent of our servers by the end of 2014
- Embed energy efficiency requirements in the contracts with our property service partners



Our annual energy usage saved from 2008 is enough to power

13,030 homes

Switching to biomass electricity in Chennai

Approach

We have shifted our reliance on diesel generators for power to biomass electricity at SCOPE, our global shared service centre, in India. In 2013, we signed a power purchase agreement with our local energy provider, Auro Mira Energy Company Ltd, which allows us to use biomass-generated electricity supplied via the local grid.

This agreement builds on our existing use of renewable sources and now 78 per cent of our annual energy demand at our SCOPE offices is met by wind, solar and biomass fuel sources.

Outcome

To date, this solution has reduced our consumption of diesel-generated energy by 3.6 GWh, a 76 per cent decrease from 2012, while also reducing the risk of system interruptions. The reduced use of diesel has contributed to cost savings of approximately \$384,000.

What is next?

We are exploring additional opportunities to leverage other sources of indirect renewable energy in India and across our global footprint

Being a responsible company continued

Paper

Our highlights in 2013

- Reduced paper use to 20.4 kg per full time employee (FTE), a 13 per cent decrease from 2012. This is 22 per cent of our target to reduce paper use by 10 kg per FTE between 2012 to 2020
- 54 per cent of our customers received electronic statements, a 20 per cent increase over 2012. This saves 153 million sheets of A4 paper and \$12 million in printing and postal services
- Launched an end-to-end paperless solution for savings and checking account opening processes in Singapore, providing both operational and environmental efficiencies

Our priorities in 2014

- Continue to install multi-function devices with efficient print settings with an aim of installing one device per 50 employees
- Continue to digitise processes in order to reduce paper use in our business operations
- Encourage an additional 5 per cent of customers to receive electronic statements



Our reduction in office paper usage from 2012 is equivalent to

8,320 trees



14,100

pieces of obsolete IT equipment recycled



Our annual water usage saved from 2008 can fill

218 Olympic-sized swimming pools

Recycling

Our highlights in 2013

- Recycled more than 14,100 pieces of obsolete IT waste with a total weight of 107,600 kg
- Donated nearly 500 laptops and computers to establish computer labs in schools and communities. For example, we helped build a computer lab in rural China to support digital education
- Distributed almost 150,000 kg of IT equipment through our asset disposal initiative where vendors purchase the units we recycle
- Raised \$160,000 for Seeig is Believing in China through the sale of refurbished iPhones

Our priorities in 2014

- Continue to extend the life of our IT equipment by reselling to staff and donating to local communities

Water

Our highlights in 2013

- Reduced our water use intensity by 20 per cent from 2008 to 2013. However, our water use intensity increased by 7 per cent in 2013 due to a rise in recorded consumption at our branches. We continue to install water meters across our footprint, particularly in Africa, to improve the accuracy of our consumption data
- Continued to reduce water demand across our portfolio through the installation of low-flow terminal fittings, greywater treatment systems and other water efficiency devices. For example, in Kenya, we introduced a greywater recycling system that allows us to save nearly 2 million litres of potable water every year

Our priorities in 2014

- Continue to improve the quality of our water consumption data by installing 100 additional water meters across our footprint, and through collaboration with suppliers to enhance the accuracy of our consumption data
- Advance our target to reduce water use intensity by 71 per cent of 2008 levels by 2019

Staff engagement

Our highlights in 2013

- Engaged staff on environmental volunteering through EcoNET, our environment co-ordinators network. More than 13,500 staff volunteered for environment related initiatives in 2013, which represents 20 per cent of employee volunteering days globally
- Launched a food-waste programme in Hong Kong where a total of 240 kg of food waste is composted into organic fertiliser each month for landscaping in our Kwun Tong office

Our priorities in 2014

- Leverage EcoNET to engage staff and reinforce our local environmental targets and priorities
- Support country offices to raise greater awareness on reducing food waste by launching local initiatives such as the 'Go for Green' composting project in Mauritius, which involves employee volunteers providing training on composting to local communities



Travel

As an international organisation working across 70 countries, travel is an important part of building relationships with our clients, customers, regulators and colleagues in order to deliver our business strategy. We have a robust travel policy to guide travel decisions and link travel to commercial activity.

Our highlights in 2013

- Managed our need to travel through implementation of a robust travel policy and optimising the use of video conferencing instead of travelling where possible
- Reduced business related air travel carbon emissions by 3 per cent to 0.63 tonnes per FTE compared with 2012 levels
- Expanded our video conferencing rooms to 196 rooms across 35 countries
- Continued to support the 'Green your flights' initiative by imposing a carbon fee per air travel ticket. With the proceeds from the fee, we planted more than 9,000 trees in 2013 across cities in China, India, Kenya, Malaysia and Vietnam. Since the programme's inception in 2009, we have offset more than 168,100 tonnes of carbon emissions and planted more than 211,000 trees across 17 countries through employee volunteering

Our priorities in 2014

- Continue to implement our travel policy and encourage the use of video conferencing
- Further support the 'Green your flights' initiative to offset some of our emissions



9,345 tonnes of CO₂ avoided from air travel equivalent to

12,296 four-hour roundtrip flights

Being a responsible company continued

Suppliers

We support businesses across our footprint through our network of more than 27,000 suppliers. In 2013, we invested over \$3 billion in products and services through CRES Technology and Corporate Services.



Supplier Charter embedded across

27,000 suppliers

Our highlights in 2013

- Strengthened risk awareness and transparency around our supplier spend globally through the refresh of our procurement management policies and processes
- Created a preferred supplier base across 33 markets, which allows us to drive sustainable standards, manage risk and leverage our supplier spend
- Recommitted to DHL's GOGREEN service for another three years to ensure that all of our essential international courier shipping is offset and carbon neutral
- Worked with the Singapore Government and IT companies to develop the 'Singapore Standard for ICT Equipment Recycling' as part of the Recycling Working Group of the Green IT Technical Committee. This ensures obsolete Information and Communications Technology (ICT) equipment waste is recycled correctly
- Conducted capacity building initiatives for our suppliers. For example, we held an energy conservation workshop with our suppliers in India to encourage resource efficiency and conservation
- Reinforced our position of banning shark fin from our corporate menus by requiring that our corporate caterers provide written confirmation of their compliance with our policy
- Supported the government of Korea's green procurement initiative through measures such as: ensuring that our corporate vehicles are environmentally friendly, providing green office supplies to our staff, utilising energy efficient LED lighting and supporting local waste recycling programmes

Our priorities in 2014

- Continue to build upon our [Supplier Charter](#) and advance a long-term approach to mitigating environmental and social risks across our preferred suppliers
- Continue to manage risks through robust supplier due diligence

Investing in communities

Promoting the social and economic well-being of communities is a critical component of our strategy to support sustainable development in our markets. Our community investment activities focus on health and education, with youth as a target demographic. In 2013, we invested \$54.1 million, or the equivalent of 0.79 per cent of our 2012 operating profit, in communities, including both direct investment and volunteering by our employees.



0.79%

PYOP invested in local communities



View our community programmes data
on page 63



Investing in communities continued

Community programmes

Health


The economic prosperity of a community is closely linked with the health of its population. Through our health programmes addressing avoidable blindness and HIV and AIDS, we seek to improve health outcomes and economic opportunities for individuals in our communities.

Seeing is Believing

In 2013, we marked the 10th anniversary of Seeing is Believing (SiB), our flagship community investment programme. Blindness can have a devastating economic impact on individuals, families and communities. SiB raises funds to eliminate avoidable blindness, resulting in increased opportunities for education and employment. Our aim is to raise \$100 million by 2020.

Working with more than ten community partners, we focus on the prevention and treatment of avoidable blindness and strive to embed long-term sustainability in each project. Through our employee, client and supplier networks, we promote awareness and employability of people who are visually impaired.

From 2003 to 2013, we raised more than \$63 million, reached more than 45 million people, funded 2.91 million cataract operations, trained more than 100,000 health workers and distributed 494,000 pairs of spectacles.

 Watch how we are giving access to eye-care in Bangladesh



Our highlights in 2013

- Raised more than \$6 million in 2013, totalling \$12.1 million with Group matching
- Completed comprehensive eye-care projects in seven countries which impacted the lives of more than 14 million people
- Launched an Innovation Fund to uncover and promote solutions to tackle avoidable blindness
- Partnered with the [Queen Elizabeth Diamond Jubilee Trust](#), committing \$20 million between 2013 and 2017 with a focus on the elimination of blinding trachoma in Africa, Retinopathy of Prematurity (ROP) in India as well as supporting technology, fellowships and research. The establishment of the Trust was announced in 2011 to mark and celebrate Her Majesty The Queen's 60-year contribution to the Commonwealth
- Continued to work closely with clients by raising funds and awareness to highlight the importance of eye-care

Our priorities in 2014

- Aspire to reach the \$70 million fundraising mark through collaboration with employees, clients and other stakeholders
- Support The Queen Elizabeth Diamond Jubilee Trust to implement ambitious trachoma programmes in Africa and ROP programmes in Asia
- Support successful Innovation Fund applicants through pilot and expansion phases

45m people
impacted and
\$63m
fundraised for

since 2003

Seeing is Believing in Indonesia

Approach

Seeing is Believing (SiB) partnered with Helen Keller International (HKI) to help improve child eye-health in East Java, Indonesia. The three-year project concluded at the end of 2013.

Key objectives included establishing a school and community screening programme, creating a referral system for children, improving human resource capacity to treat child eye-health by training teachers and community nurses, supporting a fellowship for a specialist paediatric eye-doctor and equipping a paediatric eye centre in East Java's capital, Surabaya.

Outcome

- Trained more than 1,200 teachers to conduct eye screening in schools
- Educated 132 nurses and midwives, including through community outreach training
- Screened more than 162,000 children in schools and community centres
- Dispersed more than 22,980 pairs of glasses
- Provided surgery to 74 children

The paediatric eye-doctor, Dr Niken Indah, oversees community outreach and ensures that referrals are brought directly to her attention. The community has benefited from having a paediatric specialist nearby as previously the clinic had no capacity to treat children. More than 2,100 children have been referred to the clinic.

What next?

The government has committed to continue the school-screening programme and introduce eye-health education into schools. SiB plans to expand its support for child eye-health in Indonesia with the development of a \$5 million programme.

Celebrating 10 years of Seeing is Believing



In 2003, we founded Seeing is Believing (SiB) with a simple mission: to help people see. 10 years later, we have reached more than 45 million people.

An estimated 39 million people across the world are blind, and a further 246 million people are visually impaired. SiB has helped tackle this issue by providing quality eye-care for people who have little or no access to health services.

Set up in response to a call from our employees to help local communities, SiB is a collaborative initiative between Standard Chartered, the International Agency for the Prevention of Blindness (IAPB) and leading eye-care organisations.

Making an impact

So far, we have raised more than \$63 million, with the Group matching all contributions dollar for dollar. Our employees contribute greatly to the programme by donating, fundraising and volunteering their time at local eye-care projects.


Through a total of 84 projects in 25 countries, SiB has helped fund more than 2.91 million cataract operations and surgical interventions, protected 3.9 million people from Vitamin A deficiency and river blindness, distributed 494,000 pairs of spectacles and trained more than 100,000 community health workers.

We are committed to raising \$100 million by 2020, through donations and matching by the Group. In 2013, we further extended our support for eye-health by pledging \$20 million to support the work of The Queen Elizabeth Diamond Jubilee Trust in helping to eliminate avoidable blindness.

Investing in communities continued

Living with HIV

HIV and AIDS remain a serious challenge in many of our markets. Living with HIV is our comprehensive internal programme to provide education about HIV and AIDS and to support employees who are HIV positive. We also work with external organisations to promote education and awareness in local communities.

 Watch how we are providing HIV and AIDS education in Tanzania

Our highlights in 2013

- Retrained more than 40 Living with HIV Champions and delivered 22 train-the-trainer sessions across 19 countries to support the redeployment of our internal training programme
- Raised awareness among more than 12,000 people in our communities through our You, Me and HIV eBooklet distributed on World AIDS Day
- Increased our Living with HIV employee volunteering days by 56 per cent over 2012
- Continued to leverage our expertise and educational materials through other private, public and non-profit partnerships across our footprint

Our priorities in 2014

- Mark our 15-year commitment to the prevention of HIV and AIDS with programmes across our markets
- Develop a three-year strategy to evolve our existing programme in line with global HIV and AIDS developments



12,000 people
have read You, Me & HIV eBook

HIV prevention training



Approach

To strengthen our programme and improve the HIV prevention education we deliver worldwide, we brought together 40 of our staff volunteer HIV Champions from 38 different markets to become Master Trainers at a Living with HIV Train the Facilitator session in 2013. The two-day session included training on group facilitation techniques and stakeholder management.

Outcome

The session launched our refreshed education materials and provided the opportunity for our Champions to share best practice from across our markets.

Subsequently, 40 country CEOs agreed strategies with each HIV Champion tailored to their markets. The Master Trainers went on to deliver an additional 22 train-the-trainer sessions across 19 countries.

Lyn Kok, our Thailand CEO said: "Sharing our HIV and AIDS education materials with our staff, their families and the people in the communities where we operate addresses the health impact, discrimination and stigma that exist and will ultimately have a positive effect on the productivity and economic strength of businesses and countries."

What next?


In 2014, we will continue to develop country-specific programmes that build on the Group's long-standing commitment to HIV.

Education

Education builds skilled and productive communities and improves livelihoods. Our education initiatives focus on building the financial capability of young people, with an emphasis on adolescent girls, and SMEs to help them make the most of the opportunities offered by economic growth.

Goal

Goal is our leading education programme that empowers and equips adolescent girls with the confidence, knowledge and skills they need to be integral economic leaders in their families, communities and societies. The Goal programme consists of four in-depth training modules that combine sports with life skills training. Goal is active in 18 countries.

 Watch how we are empowering youth through life skills and sports training

Our highlights in 2013

- Reached more than 39,000 girls in 2013, bringing the cumulative number of girls reached to more than 86,000 since 2006
- Announced a commitment at the CGI to expand the scale and impact of the programme. From 2013 to 2018, we will reach an additional 500,000 girls globally and help girls access economic opportunities
- Conducted monitoring and evaluation (M&E) to measure our impact globally using pre and post training surveys. The findings demonstrate the positive impact of the programme. For example, in Nigeria:
 - 51 per cent of girls had written or edited a budget after taking part in Goal compared with 22 per cent before the programme
 - Two in three girls held leadership positions in their schools, communities or sports programmes after participating in Goal. This is an increase from one in three girls before joining the programme
- Expanded the programme through local partners to two new countries: Bangladesh and Tanzania

Our priorities in 2014

- Add technology and digital education modules to the Goal curriculum
- Expand Goal to two new countries
- Integrate components of workforce development and entrepreneurship into the programme to better equip girls for employment

Goal empowering girls in Nigeria

Approach

Since 2009, we have partnered with the Youth Empowerment Foundation (YEF) in Nigeria to ensure adolescent girls are empowered to take ownership of their lives and have an impact on other young people around them. In Nigeria, Goal operates through 17 schools.

Outcome

18,902 girls benefited from the programme in 2013, either through an intense, direct nine-month curriculum or through the peer education model. Since the programme began, we have reached more than 44,000 girls.

The programme builds the confidence of girls and helps them develop the skills to cope with potential risk issues. By engaging with our employee volunteers, participating girls have the opportunity to share ideas and discuss career choices.

The support from government and community members is critical to Goal's sustainability and success, and more schools have requested to join the programme.

What next?

Through our partnership with YEF, we plan to expand the programme by encouraging Goal girls to take on leadership roles in their schools and communities. With an aim to help girls become more employable, we will introduce digital literacy into the curriculum from 2014.



86,000


girls empowered through Goal since 2006



Investing in communities continued

Financial education for small and medium-sized enterprises

SMEs are the backbone of economies and key drivers of innovation and job creation. Through training programmes to develop the capacity of the SME sector, we seek to help build a foundation for sustainable growth in our markets.

 Watch how we are training our SME clients in China with PwC

Our highlights in 2013

- Grew our partnership with PwC and trained more than 300 SME clients in Kenya, Ghana, Nigeria and China. We have trained more than 720 SME clients in six countries since 2009
- Developed an 'Education for Entrepreneurs' curriculum for our staff volunteers to train non-client micro and small enterprises in our communities
- Committed at the CGI to provide lending and advances of at least \$30 billion to SMEs and educate 5,000 micro and small enterprises between 2013 and 2018

Our priorities in 2014

- Expand the Education for Entrepreneurs programme to at least six countries
- Engage employees globally to volunteer as financial education trainers



Financial education for youth

The lack of appropriate financial education limits economic opportunities for young people across our markets. Without financial education, many youth are not prepared to take advantage of financial services that could help them save and plan for the future.

Our highlights in 2013

- Created a new global financial education curriculum geared to young people; that can be tailored to local markets
- Piloted the programme via employee volunteers in five markets including India, Nigeria, Singapore, the UAE and the UK, reaching 1,400 young people

Our priorities in 2014

- Expand the geographic reach of the programme to at least eight countries
- Introduce advanced modules for the 16 to 20 year-old demographic

300_{SMEs}

trained in 4 countries on financial education


1,400

youth trained in 5 countries on financial education

Employee volunteering

We support our local communities by volunteering our time and seek to maximise our impact by encouraging skills-based volunteering. All of our employees are entitled to take up to three days paid leave per year for volunteering.

Since 2011, we have conducted an annual survey through True Impact, an independent organisation, to measure staff engagement and business impact. In 2013, 96 per cent of the employees surveyed indicated that volunteering is a positive contributor to their job satisfaction.

 Watch how we are training youth on financial education

Our highlights in 2013

- Contributed more than 90,300 employee volunteering days, an increase of 5 per cent from 2012 and exceeding our target of 90,000 days. More than 62 per cent of staff participated in employee volunteering
- Increased skills-based volunteering related to education, including financial education, which accounts for 7 per cent of total volunteering days
- Launched an Innovation Fund to support countries in developing new approaches to skills-based volunteering. Eight projects across our network were selected from 60 applications received from 28 countries

Our priorities in 2014

- Continue to embed our global employee volunteering programme to contribute 90,000 days to our communities
- Promote skills-based volunteering by encouraging staff to volunteer as part of our financial education training programmes

Financial education for Emirati women

Approach

In the UAE, we partnered with the Khalifa Fund for Enterprise Development to offer financial education for female entrepreneurs.

We aim to help create a new generation of women-owned SMEs in the UAE and develop the financial management skills of women.

Our employee volunteers delivered sessions to local women-owned SMEs covering a range of topics under the financial management umbrella.

Outcome

More than 300 Emirati women were trained by 25 of our employee volunteers.

One of the women attending said: "The training was beneficial to us as it served as a great check on our spending habits. We should have more of these and invite more women as they would certainly benefit."

One of our staff volunteers added: "It was a great volunteering opportunity and rewarding to see our sessions adding value to the participants."

What next?

In 2014, we plan to provide additional training for women-owned SMEs to advance our small business training commitment under the Clinton Global Initiative.



90,300

employee volunteering days

Investing in communities continued

Emergency response

Unforeseen disasters can significantly affect the economic, social and physical health of individuals and communities. We support emergency relief and reconstruction efforts across our markets.

Our highlights in 2013

- Collaborated with the regional offices of the Red Cross and Habitat for Humanity to aid those affected by Typhoon Yolanda in the Philippines. Through Group and employee funds, we provided more than \$500,000 to support relief and reconstruction efforts. 22 per cent of employee volunteering days in the Philippines supported recovery efforts
- Worked with the China Social Entrepreneur Foundation to provide emergency relief packs to more than one thousand families and donated \$32,000 to help local victims of the Sichuan Earthquake in China
- Provided a donation of \$74,000 and partnered with the Association of Bankers Bangladesh (ABB) and the Prime Minister's Relief Fund to support the victims and affected families of the Rana Plaza building collapse in Dhaka, Bangladesh

Our priorities in 2014

- Refine our emergency response guidelines and introduce a grading system to inform our level of response across markets
- Provide additional training across our network to ensure institutional readiness to respond to disaster relief requests

Our engagement



Stakeholder engagement

Stakeholder engagement is an important part of how we develop our business strategy. Input from key stakeholders helps us identify new business opportunities, respond to changing trends and manage risks.

In 2013, we updated our strategic intent and more clearly set out our commitments to stakeholders.

- **Clients and customers:** building deep and long-term relationships
- **Colleagues:** a great place to work, enabling individuals to grow and teams to win
- **Society:** a force for good, promoting sustainable economic and social development
- **Investors:** a distinctive investment, delivering consistently superior performance via disciplined growth
- **Regulators:** a responsible partner with exemplary governance and ethics

Our dialogue with stakeholders is based upon the topics that are most material to our business. We track key issues on a Material Risk Matrix that assesses issues based upon materiality to our business and level of stakeholder concern. The Matrix is reviewed and discussed by our Corporate Affairs Reputational Risk and Responsibility Committee (CARRRC), the Group Risk Committee (GRC) and the Brand and Values Committee (BVC). More information on the governance of these committees can be found in the Annual Report 2013 on page 125.

We engage stakeholders through a number of methods including one-on-one meetings, roundtables, surveys and industry forums. The following tables summarise our engagement with key stakeholders in 2013.

Our engagement continued

Clients and customers

We engage with our clients and customers on a regular basis to ensure that our products and services are meeting their personal and business needs.

Method	Material Issues	Response
Customer compliant collection and analysis	→ Customer Experience Councils (CECs)	We continue to use our country and Group level CECs to track customer complaints and identify solutions. In 2013, we reduced the number of complaints we received by 22 per cent from 2012 by analysing customer complaints to identify root causes and areas for improvement.
Customer research	→ Customer satisfaction	We continue to conduct NPS surveys across our markets to measure customer satisfaction and understand customer needs. In 2013, we transitioned our NPS survey data collection in eight markets from a face-to-face survey to a centralised online or call centre based survey. The benefits include an improved customer experience, larger sample size and greater NPS accuracy. In total, more than 35,000 customers across 25 markets took part in our NPS survey in 2013.
	→ Offshore RMB financing	We developed a quarterly survey capturing feedback from corporate clients doing business with China to understand the benefits and challenges associated with offshore RMB products. We utilised the results to develop RMB-themed forums and events to help clients do business in China.
Focus groups	→ Social and economic impact	We hosted focus groups with clients to understand their perspective on our social and economic impact in Kenya and Nigeria. The feedback from stakeholders is summarised in our Africa social and economic impact study. We will use the insights from the report to inform our business and sustainability strategies.

Employees

We maintain ongoing dialogue with our employees to gather feedback on our role as an employer as well as our business strategy and sustainability priorities.

Method	Material Issues	Response
Town hall forums, global calls with senior management	→ Business strategy and sustainability strategy	<p>We hold regular town hall forums and calls led by senior management to seek employee input on our business strategy and engagement around our sustainability priorities.</p> <p>For example, we held a detailed working session on our sustainability strategy during our European Management Committee off-site in October 2013.</p>
Employee networks	→ Diversity and inclusion	<p>We maintain Diversity and Inclusion Councils across our markets to promote dialogue with staff on building and maintaining our commitment to diversity and inclusion. In 2013, we launched new employee networks across six countries covering the topics of women, parents and careers, lesbian, gay, bisexual and transgender (LGBT) and future leaders.</p>
	→ Environmental footprint	<p>We engage staff on meeting our environmental targets for water, paper and energy through EcoNET, our internal staff environment network.</p>
Employee volunteering (EV)	→ Employee contribution to our communities	<p>Staff members are provided three days paid leave per year to contribute to our communities. We gather input from staff on volunteering through our network of EV co-ordinators across our markets. More than 90,300 staff participated in EV in 2013.</p> <p>In 2013, we conducted a survey on EV engagement through an external partner, True Impact. Of the employees surveyed, 96 per cent indicated that volunteering was a positive contributor to their job satisfaction.</p>
Engagement surveys		<p>We are refreshing our approach to employee engagement by building on our Q12 engagement survey. We did not conduct a Q12 engagement survey in 2013. In 2014, we will implement a new employee survey that is more reflective of the different needs and drivers of our diverse multi-generational workforce.</p>

Our engagement continued




Investors and analysts

We engage with investors and analysts on our approach to integrating sustainability into our business to promote long-term shareholder value.

Method		Material Issues	Response
One-on-one meetings	→	Environmental and social risk management County governance and market entry process Approach to financial crime risk	Through one-on-one meetings, we respond to specific questions from investors related to our approach to sustainability. This feedback is shared with our business teams and contributes to the development of our sustainability strategy and external disclosure.
Roundtables	→	Environmental and social risk management	In 2013, we held roundtables with socially responsible investors (SRIs) to explain how we apply our Position Statements to our financing decisions. These roundtables were led by our Group Executive Director and CEO, Wholesale Banking, and our Group Head of Sustainability and Regions. We have incorporated feedback from investors in our updated Position Statements.
Investor surveys and indices	→	Sustainability strategy	We continue to be included in the leading sustainability indices: <ul style="list-style-type: none"> ■ Dow Jones Sustainability Index (DJSI) World Index and DJSI Europe Index ■ FTSE4Good ■ FTSE 350 Climate Disclosure Leadership Index, Carbon Disclosure Project (CDP), receiving a score in the top 10 per cent of FTSE 350 companies.

Regulators, governments and industry bodies

We participate in initiatives led by regulators, governments and industry bodies across our markets to address sustainability issues.

Method	Material Issues	Response
Workshops	 Financial sector deepening We continue to provide capacity building and training support to government clients.	<p>In 2013, we offered more than 30 workshops to central banks and ministries of finance across a wide range of issues:</p> <ul style="list-style-type: none"> ■ Leveraging the internationalisation of the RMB ■ Exploring Islamic finance ■ Deepening local capital markets ■ Using derivatives to hedge financial risks ■ Enhancing national payment systems, notably mobile ■ Improving AML standards ■ Supporting microfinance
Working groups	 Development impact bonds We hosted a working group led by the Center for Global Development and Social Finance to consider development impact bonds as a new mechanism to enable private investment in development outcomes.	<p>The working group considered key questions for advancing development impact bonds as a tool for international development, such as how to achieve social and financial returns that meet the needs of investors, donors and community beneficiaries.</p>
Business associations	 Trade facilitation We engage with business associations across our footprint that are focused on furthering international trade. These include organisations such as: UK-ASEAN (Association of Southeast Asian Nations) Business Council, UK-Myanmar Financial Services Taskforce, UK-India CEO Forum, Asia Securities Industry and Financial Markets Association and the Asia Pacific Financial Forum.	<p>We are members of trade associations to promote increased trade linkages across our markets and to share our experience with companies looking to expand to new markets.</p> <p>In 2013, we co-chaired the UK-Myanmar task force, which shared best practice with officials in Myanmar on topics such as creating an enabling regulatory environment, anti-money laundering, developing appropriate products and providing effective education and training.</p> <p>Through the Asia Securities Industry and Financial Markets Association, we collaborated with other industry players to develop recommendations for policymakers related to financial sector deepening as a means to support emerging social challenges such as ageing populations.</p>

Our engagement continued

Regulators, governments and industry bodies continued

Method		Material Issues	Response
International forums	→	World Economic Forum (WEF) We participate in a number of WEF working groups and steering committees on topics such as: infrastructure, investment, healthy living and agribusiness.	We participate in these forums to share the views from the financial services sector and to gather information to inform our business strategy.
	→	B20 The business conference sitting alongside the G20. 2013 was the fourth year in which we took part in the B20 meeting where CEOs of large companies set out their views on how to address some of the key issues facing the G20. We participated in the B20 as part of the Financial Services Group and considered issues relating to financial inclusion, global regulation, financial markets, infrastructure development and the impact of regulation on trade finance.	Our Group Executive Director and CEO Wholesale Banking is on the steering committee of the 'Green Growth Action Alliance' which brings together leading political and industry experts to promote green growth. Our Group Executive Director and CEO, Europe, Middle East, Africa and Americas is involved in the 'Role of Finance in Society' steering committee. The discussions from this committee align closely with our social and economic impact studies. The Financial Services Group presented its findings to the G20 leaders setting out key issues to address through the global regulatory reform agenda. The final report was published in September 2013.
	→	G8 We joined a G8 programme to provide training on anti-money laundering (AML).	In 2013, we joined a G8 programme to provide technical AML support to regulators and central banks across Sub-Saharan Africa in collaboration with the UK and US Treasury departments. Finance ministers from across Africa participated in the launch. In 2014, the next stage will involve specific AML training projects at the country level.

Non-governmental organisations

We seek input from international and local NGOs to identify business opportunities, understand local social and environment concerns and develop our social and environmental policies.

Method		Material Issues	Response
Individual meetings	→	We engage in one-on-one meetings with NGOs in the UK and across our markets to discuss opportunities and areas of potential risk or concern. Topics of discussion in 2013 included access to finance, impact measurement, tax transparency and financial crime prevention.	Feedback from NGO stakeholders is shared with business and functional teams to inform the development of our sustainability strategy and approach to external disclosure.
Roundtables	→	Position Statements We hosted a roundtable dialogue with representatives from NGOs to seek input on the proposed updates to our Position Statements.	We discussed the governance process around managing and embedding our sustainable finance policies in our lending decisions. The NGO participants provided feedback on our draft agriculture and fisheries Position Statements. The feedback from NGO stakeholders informed the final Position Statements, which were shared publicly in December 2013.
Working groups	→	Post 2015 development agenda We coordinated input from several banks to the United Nations (UN) led dialogue for the High Level Panel on the role of the financial services sector in the UN post 2015 development agenda.	The input focused on recommendations that governments should mandate public institutions to leverage private capital effectively from both domestic and international sources in order to support the post-2015 development agenda. It was suggested that governments could make 'success in leveraging private capital' one of the key performance indicators for the post-2015 development agenda. The feedback was shared during the Bali consultation in March 2013.
Forums	→	Impact measurement In collaboration with the Business Innovation Facility, Business Fights Poverty and the UN Business Call to Action, we hosted a forum to discuss the World Business Council on Sustainable Development's report on 'Measuring impact'.	More than 100 people from across government, private sector and civil society attended the meeting in London to consider next steps for impact measurement. The discussion focused on the need to turn insights from impact measurement into tangible action to promote social and economic benefits.

Our engagement continued

Communities

We collaborate with community partners to deliver our local community investment programmes.

Method	Material Issues	Response
Partnerships	→ Avoidable blindness	Partnered with 10 international NGOs and local NGOs across our markets to deliver SiB.
	→ Girls and youth empowerment	Collaborated with NGOs in nine countries as a funding partner to deliver Goal. Shared the Goal curriculum with NGOs in nine additional countries.
	→ HIV and AIDS education	Collaborated with an international NGO for the development and distribution of the You, Me and HIV eBooklet distributed on World AIDS Day. Shared our HIV and AIDS education materials with community organisations across our markets.

Our performance



Clinton Global Initiative – Commitment progress

1. A New Vision – Tackling Avoidable Blindness	
Committed	2011
To be met	2020
CGI Commitment	Standard Chartered commits to invest \$100 million in comprehensive and sustainable eye-care services by 2020 to help 50 million people see.
Progress	<p>SiB, our community programme to eliminate avoidable blindness, celebrated its 10th anniversary in 2013. We have raised \$63 million (more than halfway to our target), reached more than 45 million people, funded 2.91 million cataract operations, trained 100,000 health workers and distributed 494,000 pairs of spectacles. We have supported 84 projects (54 completed) across 25 countries over the 10 years.</p> <p>In 2013, we launched an Innovation Fund of \$3 million to uncover and promote solutions to tackle avoidable blindness. We also partnered with the Queen Elizabeth Diamond Jubilee Trust, committing \$20 million between 2013 and 2018 to tackle the issue in Africa and India.</p>
2. Goal – Empowering girls through sport and education	
Committed	2013
To be met	2018
CGI Commitment	Standard Chartered commits to empower a further 500,000 adolescent girls through Goal by the end of 2018.
Progress	<p>Launched in 2006, our sport-for-development programme Goal provides financial education and life skills training to adolescent girls. By the end of 2013, we had reached more than 86,000 girls in India, China, Indonesia, Bangladesh, Jordan, Lebanon, Zambia, Tanzania and Nigeria, and through partnerships with local and international NGOs in Bolivia, Colombia, Ethiopia, Kenya, Liberia, Nepal, Nicaragua, Sierra Leone and Uganda.</p>
3. Supporting the growth of SMEs	
Committed	2013
To be met	2018
CGI Commitment	Standard Chartered commits to increase SME lending and education across Asia, Africa and the Middle East.
Progress	<p>We pledged to increase our SME lending in Asia, Africa and the Middle East by 45 per cent over the next five years, reaching at least \$30 billion by 2018. In 2013, we provided \$20.6 billion to SMEs across 32 markets.</p> <p>As part of our commitment, we plan to expand our financial education programme to reach more than 5,000 micro and small businesses by 2018, with at least 20 per cent being owned by women. Since 2009, we have trained more than 720 SMEs in six countries, including more than 300 in 2013.</p>

Our performance continued

Millennium Development Goals – Our contribution

Goal 1		
Eradicate extreme poverty and hunger		
Target	Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day.	
Standard Chartered commitment and progress	Provide technical assistance for MFI clients in Asia and Africa to enhance the capacity to extended loans to more people in our markets.	Our microfinance business currently supports 79 partners across 18 countries. In 2013, we provided \$271 million of funding to 25 MFI partners. In 2013, we also rolled out our Microsave Risk Management training toolkit to MFIs in Nepal. Over 40 MFIs participated in the two-day workshop.
	2008 MDG Business Call to Action – provide financing and training to SMEs to promote local job growth in our markets.	In 2013, in partnership with PwC, we trained more than 300 SME clients in Kenya, Ghana, Nigeria and China. Since 2009, we have trained more than 720 SME clients in six countries. Through the CGI, we pledged to increase our SME lending by 45 per cent to \$30 billion between 2013 and 2018. In addition, we will provide training to 5,000 micro and small businesses, with at least 20 per cent being women-owned. This will help support job growth across our footprint.
Goal 3		
Promote gender equality and empower women		
Target	Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.	
Standard Chartered commitment and progress	Empower more adolescent girls from low-income communities in our markets through Goal.	We aim to reach an additional 500,000 girls between 2013 and 2018. Through partnerships with local and international NGOs, Goal has reached more than 86,000 girls from 2006 to 2013.
	Provide financial education training to women entrepreneurs in our markets.	We pledged to provide training to 5,000 micro and small businesses, with at least 20 per cent being women-owned, between 2013 and 2018.
	Continue to promote the Group's Diversity and Inclusion (D&I) agenda.	Strategies are in place to promote D&I across the Group, with a strong governance network providing oversight. Partnering with local disability NGOs, in India we recruited more than 100 employees with disabilities between 2012 and 2013.

Goal 6		Combat HIV and AIDS, malaria and other diseases	
Target	Have halted by 2015 and begun to reverse the spread of HIV and AIDS.		
Standard Chartered commitment and progress	Continue to educate our staff and external partners across our footprint through our Living with HIV programme.	In 2013, we retrained more than 40 Living with HIV Champions, delivered 22 train-the-trainer sessions across 19 countries and raised awareness among more than 12,000 people in our communities through our You, Me and HIV eBooklet, distributed on World AIDS Day.	
	Provide sustainable eye-care services to 50 million people by 2020 through SiB.	We have raised more than \$6 million in 2013, taking the total raised to more than \$63 million since 2003. In 2013, we completed eye-care projects in seven countries, impacting the lives of over 14 million people, launched an Innovation Fund of \$3 million to incubate new solutions to avoidable blindness, and partnered with the Queen Elizabeth Diamond Jubilee Trust committing \$20 million between 2013 and 2018 to tackle the issue in Africa and India.	
Goal 7		Ensure environmental sustainability	
Target	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.		
Standard Chartered commitment and progress	Environmental strategy in place which focuses on i) reducing our operational impacts and ii) mitigating environmental and social risks arising from client and customer activities in Wholesale Banking and SME lending.	More details can be found in Environment and Sustainable finance on pages 14 and 28.	
	Engaging internal and external stakeholders on reducing their impact on the environment.	Our environment employee engagement programme, EcoNET, promotes resource efficiency for our employees and our communities. Through our Supplier Charter, we encourage our suppliers to adopt leading environmental and social best practice.	

Our performance continued

Sustainable finance

Number of employees trained in sustainable finance by business role¹

	2012	2013
Total number of employees trained	5,074	4,845
Completion rate for Wholesale Banking relationship managers	82%	68%
Completion rate for SME relationship managers	70%	64%
Completion rate for Risk	44%	38%
Completion rate for Country Managers	44%	48%
Completion rate for Wholesale Banking Management Group	67%	67%

¹ Data in this table have been restated from 2012

Equator Principles lending and advisory mandates

Lending Mandates	2009	2010	2011	2012	2013
Cat A	3	12	5	3	9
	20%	46%	15%	15%	22%
Cat B	10	13	26	17	29
	67%	50%	79%	85%	71%
Cat C	2	1	2	0	3
	13%	4%	6%	0%	7%
Total	15	26	33	20	41
	100%	100%	100%	100%	100%

Advisory Mandates

Cat A	4	5	7	4	1
Cat B	0	2	5	3	3
Cat C	1	3	0	0	0
Total	5	10	12	7	4

2013 project finance lending and advisory mandates by region

	Asia	Africa	Middle East	Americas	Europe
Cat A	5	2	3	0	0
Cat B	14	6	8	3	1
Cat C	3	0	0	0	0
Total	22	8	11	3	1

2013 project finance lending mandates by industrial sectors

	Split between sectors	Bank share of project value \$ million	Total project value \$ million	Standard Chartered %
Oil & Gas	10	1,130	84,674	1%
Power	11	774	13,724	6%
Mining	2	66	387	17%
Infrastructure	6	321	2,238	14%
Renewables	4	144	574	25%
Telecom	1	90	368	24%
Other	7	638	29,134	2%

Clean technology investments 2007-2013

	Deal Value (\$million)
Financing/Lending	
Wind	2,944
Geothermal	1,286
Hydro	891
Solar Power	1,936
Water	1,099
Waste to Energy & Others	226
Principal Finance	
Wind	1,275
Geothermal	67
Hydro	305
Solar	68
Waste to Energy & Others	125
Water	142
Total	10,364
Total funds provided and supported	
2007	1,889
2008	4,234
2009	5,165
2010	6,356
2011	8,435 ¹
2012	9,419
2013	10,364

¹ The total of \$8.4 billion reflects a restatement of our transactions from October 2007 to the end of 2010 from \$4.98 billion to \$6.3 billion, following a review initiated in 2011. The restatement is largely due to the capture of additional deals not originally reported and a revised estimate of corporate lending transactions to reflect the actual credit limits provided to clients where previously only amounts outstanding at year end were captured

Our performance continued

Access to finance

Microfinance

	2009	2010	2011	2012	2013
Cumulative amount of loans extended since 2005 (\$million)	540	755 ¹	850	970	1,241
Average MFI funding (\$million)	8	11	11	13	16
Individuals impacted ²	3.6m	5m	5.6m	6.4m	8.3m
Number of MFIs ³	63	70	72	73	79

1 Updated 2010 cumulative lending figure

2 Based on an assumption of average loan size of \$150 in local currency

3 Cumulative data

Sector lending 2013

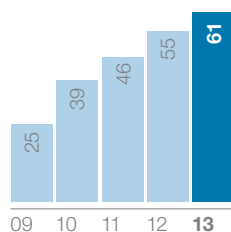
	2013								
	Asia Pacific				Middle East & Other S Asia		Africa	Americas UK & Europe	Total
	Hong Kong \$million	Singapore \$million	Korea \$million	Other Asia Pacific \$million	India \$million	\$million	\$million	\$million	\$million
Loans to individuals									
Mortgages	23,252	13,983	12,641	14,224	2,176	1,868	290	1,355	69,789
Other	7,468	11,471	5,633	5,590	854	3,397	1,367	3,559	39,369
Small and medium enterprises	3,385	3,308	4,874	5,335	2,055	1,191	426	70	20,644
Consumer Banking	34,105	28,762	23,178	25,149	5,085	6,456	2,083	4,984	129,802
Agriculture, forestry and fishing	23	755	–	362	31	221	559	783	2,734
Construction	271	171	408	403	627	1,520	133	434	3,967
Commerce	5,948	16,693	475	3,978	881	4,776	779	9,679	43,209
Electricity, gas and water	503	711	41	897	31	438	308	2,481	5,410
Financing, insurance and business services	3,778	854	567	4,355	392	1,744	331	9,918	21,939
Governments	–	339	–	776	22	313	–	249	1,699
Mining and quarrying	1,217	2,605	–	1,018	13	562	870	9,819	16,104
Manufacturing	6,891	4,136	3,700	9,399	2,939	2,604	2,086	10,311	42,066
Commercial real estate	4,023	2,959	1,181	1,813	1,311	1,006	10	1,327	13,630
Transport, storage and communication	2,312	3,260	230	1,181	502	995	721	4,952	14,153
Other	188	968	86	66	19	92	280	299	1,998
Wholesale Banking	25,154	33,451	6,688	24,248	6,768	14,271	6,077	50,252	166,909

Responsible selling and marketing

Consumer Banking complaint metrics

	2009	2010	2011	2012	2013	2013 vs 2012
Complaints per 1,000	0.83	0.53	0.45	0.41	0.32	Improved 22%
First time resolution	39%	51%	63%	72%	78%	Improved 8%
Overall satisfaction	63%	67%	66%	71%	77%	Improved 7%
Complaint resolution turnaround time < 2 days	59%	68%	76%	83%	86%	Improved 4%

Net Promoter Score (NPS)¹ Index



Aim

To increase customer satisfaction with our products and services and to become the bank that customers recommend.

Analysis

Our global NPS is up 6 points from 55 to 61 in 2013.

NPS gauges customer support for the Consumer Banking products and services we provide. We ask our customers “How likely are you to recommend Standard Chartered to a friend or colleague?” and apply a 10-point-scale where one is not likely at all and 10 is most likely. We then derive the NPS by subtracting the percentage of detractors (those who score one to five) from the percentage of promoters (those who score eight to 10). It operates on a scale from -100 (all detractors) to +100 (all promoters).

¹ 'Net Promoter Score' and 'NPS' are trademarks of Satmetrix Systems Inc., Bain & Company, and Fred Reichheld. Standard Chartered uses Bain methodology recalibrated for financial services to calculate NPS. NPS scores provided are for the fourth quarter. Previous reports are based on third-quarter data.

Source: Market Probe Customer Satisfaction Survey (20 markets on average each year). The survey uses interviews completed in the second half of 2013

Our performance continued

Financial crime prevention

	2009	2010	2011	2012	2013
Number of staff who have completed anti-money laundering and sanctions e-learning	42,242	65,698	83,250	81,686	87,097
Number of staff who have completed anti-bribery and corruption e-learning			74,895	84,548	88,763
Countries with specialised systems to monitor transactions for money laundering	19	19	22	39	48
Number of suspicious money laundering activity reports sent to the authorities	More than 10,000	More than 17,000	More than 17,000	More than 16,000	More than 16,000
Staff able to access online systems to check new customers against sanctioned lists	More than 16,000	19,672	19,233	18,065	27,222
Number of alerts reviewed as part of the sanctions list screening programme for payment messages	500,000 a month	494,430 a month	More than 600,000 a month	More than 700,000 a month	More than 800,000 a month

People and values

Number of countries	2011	2012	2013
Global	71	68	70
Number of nationalities	2011	2012	2013
Global	130	127	132
Senior management (Director, bands 1 to 2) ¹	25	28	27

Total headcount

	2011	2012	2013
Global total	86,865	89,058	86,640
Growth	1,634	2,193	(2,418)
Growth percentage	1.9%	2.5%	(2.7%)

Business function	2011	2012	2013
Consumer Banking population	63%	62%	59%
Wholesale Banking population	22%	22%	24%
Shared support	15%	16%	17%

Region	2011	2012	2013
Africa	8%	9%	9%
Americas	1%	1%	1%
Europe	3%	2%	3%
Middle East and Pakistan	10%	10%	9%
Northeast Asia	29%	29%	29%
South Asia	25%	24%	24%
Southeast Asia	25%	25%	25%

Age group	2011 ²	2012	2013
Age under 20	0%	0%	0%
Age 20 to 30	39%	37%	33%
Age 30 to 40	40%	41%	43%
Age 40 to 50	16%	17%	18%
Age over 50	4%	5%	6%

Employee attrition	2011	2012	2013
High potential ³	10.7%	6.8%	9.6%

Years of service	2011	2012	2013
0-5 years	67%	62%	58%
6-10 years	18%	22%	25%
>10 years	15%	16%	17%

Diversity and inclusion

Nationality	2011	2012	2013
Africa	9%	9%	9%
Europe	3%	4%	4%
Latin America & the Caribbean	0%	0%	0%
Middle East & Pakistan	7%	7%	6%
North America	1%	1%	1%
Northeast Asia	27%	28%	27%
Oceania	1%	1%	1%
Others (no information)	6%	3%	4%
South Asia	27%	27%	27%
Southeast Asia	19%	20%	20%

Gender	2011	2012	2013
Female representation globally	40,248	41,716	40,657
Percentage of female representation globally	46%	47%	47%
Male representation globally	46,617	47,342	45,983
Percentage of male representation globally	54%	53%	53%
Female senior management (Director, bands 1 to 2)	42	46	48
Percentage of female senior management (Director, bands 1 to 2)	15%	16%	16%
Male senior management (Director, bands 1 to 2)	235	246	255
Percentage of male senior management (Director, bands 1 to 2)	85%	84%	84%
Female Executive and Non-Executive Director including Chairman	2	3	3
Percentage of female Executive and Non-Executive Director including Chairman	13%	16%	14%
Male Executive and Non-Executive Director including Chairman	14	16	18
Percentage of male Executive and Non-Executive Director including Chairman	87%	84%	86%

Our performance continued

Learning and development

	2011	2012	2013
Percentage of employees receiving training	95%	92%	97%
Percentage of high potential employees receiving training	99%	96%	100%
Average training days per employee	3.7 days	3.3 days	3.4 days

Recruitment

	2011	2012	2013
Number of graduates	412	465	382

International mobility

	2011	2012	2013
Number of international moves	277	258	235
Number of employees on international assignment	693	599	470

Performance management

	2011	2012	2013
Percentage of employees appraised	99%	99%	99%
Percentage of employees reviewed against agreed objectives and values	98%	100%	99%

Shares

	2011	2012	2013
Performance management	2011	2012	2013
Number of employees receiving discretionary share awards	3,817	3,998	3,943
Percentage of participation in Sharesave scheme	31%	30%	31%

1 In 2013, we revised the definition of senior management to include Directors and bands 1 and 2

2 Figures are subject to rounding

3 In 2013, we restated employee attrition to include all employees who are high potential

Environment

	2011		2012		2013		
	Measured	Scaled-up	Measured	Scaled-up	Measured	Scaled-up	Units
Net internal area of occupied property	801,160	1,362,123	888,245	1,431,603	879,815	1,354,541	m ²
Percentage of occupied net internal area where data is collected	65		69		72		%
Full-time employees (FTEs)	68,161	86,865	72,942	89,058	73,851	86,640	FTE

Greenhouse gas emissions – Absolute

Scope 1 emissions (combustion of fuels)	8,399	21,632	14,620	25,557	13,687	23,878	tonnes CO ₂ eq/year
Scope 2 emissions (purchased electricity)	157,444	252,188	159,651	236,443	161,877	226,727	tonnes CO ₂ eq/year
Scope 1 & 2 emissions	165,843	273,820	174,271	262,000	175,564	250,605	tonnes CO ₂ eq/year
Scope 3 emissions (air travel)	50,956	56,537	51,812	64,472	50,220	55,127	tonnes CO ₂ eq/year
Total Scope 1, 2 & 3 emissions	216,799	330,357	226,083	326,472	225,784	305,732	tonnes CO ₂ eq/year

	2011		2012		2013		Units
	Measured	Scaled-up	Measured	Scaled-up	Measured	Scaled-up	
Greenhouse gas emissions – Intensity							
Scope 1 & 2 emissions/m²	404	386	376	348	384	352	kg CO₂eq/ m²/year
Scope 1 & 2 emissions/FTE	2.43	3.15	2.39	2.94	2.38	2.89	tonnes CO₂eq/ FTE/year
Scope 3 emissions/FTE	0.57	0.57	0.65	0.65	0.63	0.63	tonnes CO₂eq/ FTE/year
Total Scope 1, 2 & 3 emissions/m²	271	243	255	228	257	226	kg CO₂eq/ m²/year
Total Scope 1, 2 & 3 emissions/FTE	3.18	3.80	3.10	3.67	3.06	3.53	tonnes CO₂eq/ FTE/year

Environmental resource efficiency

Energy

Total indirect non-renewable energy consumption ¹	226	371	230	349	226	328	GWh/year
Total indirect renewable energy consumption ²	13	13	6	6	13	13	GWh/year
Total direct non-renewable energy consumption ³	33	84	57	98	51	90	GWh/year
Total direct renewable energy consumption ⁴	0	0	0	0	0	0	GWh/year
On-site renewable energy consumption ⁵	103	107	128	131	115	115	MWh/year
Total energy consumption	272	468	294	454	291	431	GWh/year
Total energy consumption/FTE	3,993	5,391	4,031	5,098	3,940	4,975	kWh/FTE/year
Total energy consumption/m ²	340	344	333	319	334	320	kWh/m ² /year

Water

Total water consumption	978	1,896	868	1,868	838	1,902	ML/year
Total water consumption/FTE	14	22	12	21	11	22	m ³ /FTE/year
Total water consumption/m ²	1.22	1.39	1.08	1.31	1.06	1.40	kL/m ² /year

Paper

Total print paper consumption	1.68	2.14	1.71	2.08	1.51	1.77	ktonnes/year
Total print paper consumption/FTE	24.67	24.67	23.39	23.39	20.43	20.43	kg/FTE/year

Waste

Total waste	5.5	8.2	5.4	9.3	5.5	8.1	ktonnes/year
Total waste/FTE	81	94	74	105	74	93	kg/FTE/year
Percentage waste reused or recycled	25	25	36	36	30	30	%

¹ Indirect non-renewable energy refers to purchased electricity from non-renewable sources

² Indirect renewable energy refers to purchased electricity from off-site renewable sources

³ Direct renewable energy refers to the gross calorific values of renewable fuels consumed on-site

⁴ Direct non-renewable energy refers to the gross calorific values of fuels consumed on-site

⁵ On-site renewable energy refers to renewable energy generated and consumed on-site

Our performance continued

Additional notes for environment data

- In accordance with new guidance issued by the UK Department for Environment, Food and Rural Affairs (DEFRA) in 2013, our 2013 and all reported previous year's data have been restated to use year-specific conversion factors, including Scope 3. Please see the [Group's Reporting Criteria](#) for a sample of the emission factors used.
- On-site renewable energy generation is not included in the energy intensity calculation. All other forms of renewable energy are included.
- Carbon abatement benefit from indirect renewable energy is not taken into account.
- Total energy use is normalised to reflect periods of vacancy in certain sites during the reporting period.
- Net internal areas used for water use intensity do not include sites that have reported zero water consumption in demised areas.
- Data cover an annual reporting period of October to September. This enables internal reporting and assurance to occur in time for external report publication.
- Total footprint includes Global Environment Management System (GEMS) properties, defined as all properties over 10,000 sq ft, and an extrapolation of a random sampling of a selection of branches smaller than 10,000 sq ft, producing figures for 100 per cent of our portfolio.
- Warehouses, empty land, car parks, unoccupied sites for business continuity purposes, residential properties, space occupied by automated teller machines, vaults and space sub-let to tenants are excluded from this extrapolation.
- Scope 3 emissions are drawn from reliable data collected from 29 countries, based on seating class and distance flown.
- As we operate largely outside of the UK, all flights domestic or international with flight distance < 463km, labelled by DEFRA as 'domestic flights', are classified as 'Short Haul'. All flights with distance flown ranging from 463-1,108km, labelled by DEFRA as 'Short Haul' are classified as 'Medium Haul'.



Independent Limited Assurance Report to the Directors of Standard Chartered Plc

The Directors of Standard Chartered Plc engaged us to provide limited assurance on the information described below and set out in Standard Chartered Plc's Sustainability Review 2013 for the year ended 30 September 2013.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 30 September 2013 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say below.

Selected Information

The scope of our work was limited to assurance over the information marked with the symbol **A** in Standard Chartered Plc's Sustainability Review 2013 (the "Selected Information").

The Selected Information and the Reporting Criteria against which it was assessed are summarised in the table below. Our assurance does not extend to the completeness of the properties reported, information in respect of earlier periods or to any other information included in Standard Chartered Plc's Sustainability Review 2013.

Selected Information	Reporting Criteria
Scope 1 'Measured' Greenhouse Gas emissions from the on-site combustion of fuel.	The Standard Chartered Carbon Emission Criteria 2013
Scope 2 'Measured' Greenhouse Gas emissions from energy generated off-site in the form of purchased electricity.	The Standard Chartered Carbon Emission Criteria 2013

The Standard Chartered Carbon Emission Criteria 2013 can be found at https://www.sc.com/en/resources/global-en/pdf/sustainability/Carbon_Emissions_Reporting_Criteria.pdfⁱ

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on

Assurance Engagements 3410 – 'Assurance engagements on greenhouse gas statements' (ISAE 3410), issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our independence and quality control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK&I) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques. The nature, methods and precision used to determine non-financial information can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are at 30 September 2013.

Our performance continued

Work done

Considering the risk of material misstatement of the Selected Information, we:

- made enquiries of Standard Chartered Plc's management, including the Corporate Responsibility (CR) team and those with responsibility for CR management and group CR reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included analysing 9 countries, selected on the basis of their inherent risk and materiality to the group, to understand the key processes for reporting site performance data to the group CR team;
- performed limited substantive testing on a selective basis of the Selected Information in relation to 16 out of 201 sites to check that data had been appropriately measured, recorded, collated and reported; and
- assessed the disclosure and presentation of the Selected Information.

Standard Chartered Plc's responsibilities

The Directors of Standard Chartered Plc are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Sustainability Review 2013.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Standard Chartered Plc.

This report, including our conclusions, has been prepared solely for the Directors of Standard Chartered Plc as a body in accordance with the

agreement between us, to assist the Directors in reporting Standard Chartered Plc's corporate responsibility performance and activities. We permit this report to be disclosed in Standard Chartered Plc's Sustainability Review 2013 for the year ended 30 September 2013, to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and Standard Chartered Plc for our work or this report except where terms are expressly agreed between us in writing.



PricewaterhouseCoopers LLP
Chartered Accountants
London
12 February 2014

The maintenance and integrity of Standard Chartered Plc's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on Standard Chartered Plc's website.

Community programmes

Total (\$million)	2009	2010	2011	2012	2013
Cash contributions	20.3	19.4	17.8	21.4	15.4
Employee time (non-cash item) ¹	8.5	14.3	20.0	25.0	24.2
Gifts In Kind (non-cash item) ²	0.3	2.1	1.2	0.1	0.2
Management costs	3.5	4.7	4.6	5.8	6.0
Total (direct investment by the Group)	32.6	40.4	43.6	52.3	45.7
Leverage ³	5.7	7.0	10.8	10.5	8.4
Total (incl. leverage)⁴	38.3	47.4	54.4	62.8	54.1
Percentage of prior year operating profit (PYOP)	0.84	0.92	0.89	0.91	0.79

1 A revision in methodology to calculate employee time has resulted in lower values in 2013

2 Gifts In Kind include all non-monetary donations

3 Leverage data relate to the proceeds from staff fundraising activity

4 Total figures subject to rounding

Our performance continued

Sustainability awards 2013

Global

The Asset Triple A Awards 2013

Islamic Loan House of the Year

Specialist Award for SMEs

Euromoney Islamic Finance Awards 2013

Best International Islamic Bank

Global Finance Awards 2013

Best Consumer Internet Bank

Best Information Security Initiatives

Country

AmCham Shanghai CSR Awards 2013

Innovation Award in China

The Asian Banker Excellence in Retail Financial Services Awards 2013

Best Internet Banking Initiative in Singapore

Asian Banking and Finance Wholesale Banking Awards 2013

Corporate Social Responsibility Programme of the Year in Thailand

Asian Photovoltaic Industry Association Awards 2013

Banking and Financing Initiative Award in India

The Asset Triple A Awards 2013

Best in Treasury and Working Capital for SMEs in Hong Kong

Best Islamic Investment Bank in the Middle East

Association of Tanzania Employers Employer of the Year Awards 2013

Equal Employment Opportunities and Diversity Award in Tanzania

The Banker Awards 2013

Islamic Bank of the Year in Pakistan

Blue Dart – Star New Global CSR Awards 2013

Best in Healthcare for Seeing is Believing in India

Capital Outstanding Enterprise Awards 2013

Outstanding SME Bank in Hong Kong

Charities Trust Awards 2013

Payroll Giving Platinum Quality Mark in the UK

Hong Kong Occupational Safety & Health Awards 2013

Safety Performance Award

Malaysia Greentech Awards 2013

Greentech Financial Institution Award for Green Capital Funding

Masala! Awards 2013

Best Charity Initiative (Corporate) for the Standard Chartered marathon/ Seeing is Believing in the UAE

National Centre for Promotion of Employment for Disabled People Shell Helen Keller Awards 2013

Role Model Company in India

National Council for Occupational Safety and Health Excellence Awards 2013

Financial Services, Insurance and Real Estate Award in Malaysia

New York City National Disability Employment Awareness Awards 2013

Exemplary Employer

President's Volunteerism & Philanthropy Awards 2013

President's Award for Volunteerism (Corporate) in Singapore

The Rotary Club of Shanghai Leadership Awards 2013

Corporate Social Responsibility in China

Tumaini Awards 2013

Corporate CSR Initiative for Seeing is Believing in Uganda

Sustainability indices

Carbon Disclosure Project

We were selected for the FTSE350 Climate Disclosure Leadership Index for the second time. The leadership index recognises our performance among the top 10 per cent of FTSE 300 companies.

Dow Jones Sustainability Index (Member 2013/14)

For the fourth consecutive year, we were included in the Dow Jones Sustainability Index (DJSI) World Index and Europe Index. We were noted for our strong performance in stakeholder engagement, brand management, customer relationship management, environmental risk management and financial inclusion.

FTSE4Good

We were listed in the FTSE4Good Index, designed to measure the performance of companies that meet globally recognised corporate responsibility standards.

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Standard Chartered PLC and centrally licensed to its
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