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# Nature Report 2025

Progress against the recommendations of the  
Taskforce on Nature-related Financial Disclosures

# Nature Report 2025

## Contents

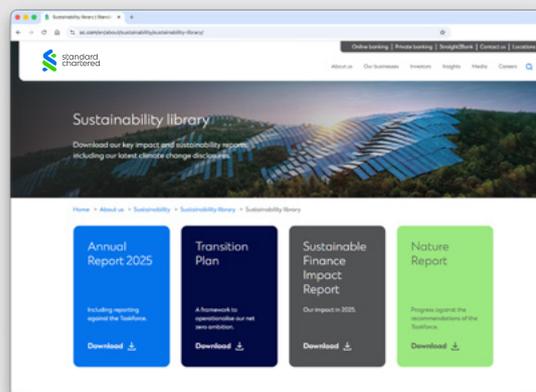
1.	Executive summary	3
2.	A word from our Chief Sustainability Officer	4
3.	Our nature journey	6
4.	TNFD summary and alignment	7
5.	Governance	9
6.	Our strategic approach to nature	12
7.	Risk and impact management	16
7.1	Nature risk at Standard Chartered	16
7.2	Our Enterprise Risk Management Framework	17
7.3	CIB portfolio exposure analysis	19
7.4	Risk and impact assessment of our direct operations	25
8.	Metrics and targets	31
8.1	Financial portfolios	32
8.2	Direct operations	34
9.	Assumptions	36
10.	Looking ahead	37
	Appendix 1: Glossary	38
	Appendix 2: Consolidated nature-related restrictions and criteria across our cross-sector Nature Position Statement and sector-specific Position Statements	40
	Appendix 3: Geospatial analysis	44
	Important notices	46

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We're a global bank connecting clients to our unique network, offering growth opportunities in the world's most dynamic markets. Our strategy, which combines cross-border capabilities and wealth management expertise, helps us deliver our purpose – to drive commerce and prosperity through our unique diversity.

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### 2025 Financial Reporting



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# 1. Executive summary

This report has been drafted on the basis of recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). It details Standard Chartered's (the "Group") approach to assessing, evaluating, understanding and managing nature-related impacts, dependencies, risks and opportunities across our Corporate and Investment Banking (CIB) financing activities and the Group's direct operations. It is worth noting that the nature arena is an evolving space that is early in its journey with respect to such aspects as data availability, quality, and sectoral coalescence around evaluation, monitoring and disclosure standards. We are keen to play a role in helping to advance industry best practice and are pleased to share our progress through this report which launches our TNFD disclosure journey.

The report summarises our nature-related policies and procedures, such as our Environmental and Social Risk Management (ESRM) Framework and Position Statements, our Sustainable Finance frameworks, and the progress of our Nature Finance Innovation Hub's work. It also outlines the actions we're taking to further embed nature considerations into our governance, strategy, and risk and impact management processes. It also discloses our initial nature-related metrics.

## Impact and dependency assessments – key results:

- CIB:** We conducted an analysis of our CIB portfolio<sup>1</sup> and identified sectors with the highest potential nature-sensitive activities based on nature-related impacts and dependencies. Our analysis identified agriculture producers, building products, construction and engineering, metals and mining, oil and gas, other materials, commodity traders, pharmaceuticals, biotechnology and life sciences, consumer services, and food, beverage and tobacco as the sectors with the highest potential sensitivities to nature-related impacts and dependencies for in-scope portfolio exposure. This accounts for **8 per cent of CIB's 2025 total portfolio exposure**. The insights gained from this analysis will be used to prioritise these sectors for further in-depth assessments and client engagement, enhancing our understanding of the potential nature-related risks involved and enabling identification of potential opportunities. Based on the data we currently have access to, any attempt to quantify the materiality of the impacts, dependencies, risks or opportunities identified at this stage would involve an over-reliance on estimates and proxies, and we are therefore working to improve on our nature-related data availability for the purposes of future reporting.
- Direct operations<sup>2</sup>:** We assessed our direct operations' proximity to sensitive locations based on our Nature and Agribusiness Position Statement criteria and examined their nature-related impacts and dependencies. The results reflected that our **direct operations' local impacts and dependencies on nature are limited**.

Regular nature-related disclosures will be provided in subsequent nature reports, tracking the Group's progress against the TNFD's recommendations.

## Highlights of Standard Chartered's nature activity and third-party recognition

Closed the Group's first debt conversion for nature project with The Government of The Bahamas in 2024, unlocking \$124 million in savings for marine conservation

Supported a project financing facility for Chestnut Carbon in 2025, advancing US afforestation in the voluntary carbon market

Completed a €433 million sustainability-linked loan for The Republic of Côte d'Ivoire in 2025, focused on deforestation prevention, reforestation and renewable energy

Ranked 5<sup>th</sup> out of 150 financial institutions in Forest500 2024 assessment<sup>3</sup> based on policies addressing deforestation risks linked to financing companies in forest-risk commodity supply chains

Joint #1 in the World Wildlife Fund (WWF)'s 2024 Banking Seafood Sector Policy Analysis<sup>4</sup>

Early adopter of the Taskforce on Nature-related Financial Disclosures

Identified exposures of sectors with potential nature-related impacts and dependencies within CIB segment. Assessed our direct operations' nature-related impacts and dependencies

Green and Sustainable Product Framework (GSPF) includes nature-related activities informed by the Global Biodiversity Framework (GBF) that contribute to ecosystem and biodiversity conservation and restoration

1 See page 20 for the full scope of products included in our portfolio analysis.  
2 Our direct operations exclude our upstream and downstream value chain. Refer to page 25 for a breakdown of assets included in the analysis.  
3 Forest500 Assessment, Global Canopy, 2024  
4 Above Board: 2024 Assessment of Banks' Seafood Sector Policies, WWF, June 2025.

## 2. A word from our Chief Sustainability Officer



Marisa Drew  
Chief Sustainability Officer

**Nature is one of our greatest assets. It is essential to limiting further global warming and mitigating the effects of climate change, whilst ensuring that the planet can sustain livelihoods and support inclusive sustainable economic development. Aside from its intrinsic value, nature is also a critical contributor to the global economy, as over 50 per cent of global GDP is moderately or highly dependent on nature.<sup>1</sup>**

Despite its importance, nature is facing a severe decline globally with natural capital losses growing at an unprecedented rate. According to the Stockholm Resilience Centre, we have already breached seven of the nine 'planetary boundaries' that are responsible for the stability and resilience of Earth systems and demarcate the safe operating space for humanity.<sup>2</sup> With respect to biodiversity, a catastrophic 73 per cent decline in wildlife populations has been observed from 1970 to 2020.<sup>3</sup>

This decline poses a significant threat to the global economy. The World Bank estimates \$2.7 trillion in economic losses annually by 2030 if the key ecosystem services which currently underpin global commerce – such as wild pollination, provision of food from marine fisheries and timber from native forests – collapse.<sup>4</sup> Despite these sobering facts, the conservation and restoration of nature remains dramatically under-addressed at a policy level and underfunded at an operational level.

At Standard Chartered, we recognise that it is necessary to arrest and reverse the decline of natural capital, in order to mitigate these destabilising risks to the global economy.

As the world begins to appreciate just how critical nature is to a healthy functioning planet, we believe that we, as a financial institution, have a role in supporting our clients and markets in the transition of economic activity towards nature-positive outcomes. Furthermore, our sustainability strategy, which includes a focus on deploying innovative financing to support capital mobilisation towards nature conservation and restoration – coupled with our presence in markets with some of the richest biodiversity in the world – means we are strategically positioned to help channel capital at scale towards nature.

The adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) has set the direction for collective global action, and we are committed to continuing to evolve our approach to nature, including biodiversity, in support of its goals and targets. Most specifically, in alignment with the GBF's 2030 mission to halt and reverse nature loss, we are particularly focused on contributing to Targets 14, 15 and 19 of the GBF.

## Target 14

Continuing to integrate biodiversity in decision-making within our business

## Target 15

Publishing nature-related disclosures based on the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations from 2026 onwards

## Target 19

Shifting financial flows toward nature positive outcomes and contributing to mobilising funding for nature and delivery of the GBF

This report marks an important milestone in our journey as an early adopter of the TNFD disclosure framework. Though we are not yet in a position to quantify materiality, it reflects the initial phase of our approach to understand and manage nature-related impacts and dependencies across our business in alignment with Target 15 of the GBF. It encapsulates our latest efforts to assess our exposure to nature-related risks and to identify priority areas for further analysis and action.

This report also details the progress we have made in embedding nature across the organisation in line with Target 14 since the establishment of our Nature Finance Innovation Hub in 2023. It unpacks how we are integrating nature into our Environmental and Social Risk Assessments and Position Statements. It sets out our approach to actively identifying, and monitoring potentially sensitive topics. The report also highlights the innovative financing mechanisms we are leveraging to redirect capital flows towards nature-positive outcomes, in line with our commercial ambition. These efforts are setting the foundation for deeper integration of nature-related risks and opportunities into our governance, strategy and operations.

As we identify further thematic nature opportunities in alignment with Target 19, we recognise our work on nature as a direct extension of our broader Sustainability and Climate strategy, which is detailed in our latest Annual Report. We consider climate change and nature loss as interconnected challenges that necessitate an integrated approach.

## Target 19: Spotlight on the Ocean

To help bring Target 19 of the GBF to life, particularly with 2025 being the “super year” for ocean policy and sustainability, we are very pleased to be signatories of **#BackBlue**. The initiative is an Ocean Finance Commitment which aims to ensure that a regenerative sustainable ocean has a seat at the table in finance and insurance decisions. So much of the economic and social wellbeing in our markets is intertwined or dependent on our ocean. 90 per cent of the markets in which we operate are coastal,<sup>5</sup> 80 per cent of global trade is carried across the ocean and more than 3 billion people globally rely on the ocean for their livelihoods.<sup>6</sup> As we highlight in our Blue Economy Sustainability Insights report, the global community is increasingly more aligned on the need to protect and restore our ocean, however investment into a sustainable blue economy remains a ripple, when what we need is a wave. Standard Chartered aims to play a demonstrable part in addressing the cumulative ocean finance gap and supporting the transition of the blue economy to sustainable practices. Our involvement in **#BackBlue** solidifies that ambition. In this report we highlight examples of how we are thematically delivering on Target 19 of the GBF, turning this ambition into action ranging from underwriting sovereign debt conversions for marine conservation, to our pilot project exploring blue carbon credits for mangrove restoration, to our global 1<sup>st</sup> place ranking on sustainable seafood policies, to our industry leading thought leadership, covering subjects such as the potential of the blue economy for Africa, the market opportunity in seaweed and the economic case for Marine Protected Areas.<sup>7</sup>

By committing to our net zero roadmap – achieving net zero carbon emissions in our direct operations in 2025 and in our financed emissions by 2050 – we recognise the need for a holistic approach that includes biodiversity, land use, water and ecosystem resilience. We aim to continue to develop our understanding of this interconnection in our reporting.

As we look ahead to 2026, we remain steadfast in our determination to contribute meaningfully to a nature-positive financial system, and we will continue to provide transparent updates in future reports as we refine our approach and move to align with the maturing TNFD disclosure framework.



**Marisa Drew**  
Chief Sustainability Officer

- 1 PWC (2023) Managing nature risks: From understanding to action.
- 2 Stockholm Resilience Centre (2023) Planetary Boundaries.
- 3 World Wildlife Fund's (WWF): Living Planet Report 2024.
- 4 World Bank: Protecting nature could avert global economic losses of \$2.7 trillion per year.
- 5 Report available at [sc.com/en/campaigns/blue-economy/](https://sc.com/en/campaigns/blue-economy/).
- 6 Source: [unstats.un.org/sdgs/report/2021/goal-14/](https://unstats.un.org/sdgs/report/2021/goal-14/).
- 7 Read more at [sc.com/en/campaigns/ocean/](https://sc.com/en/campaigns/ocean/).

# 3. Our nature journey



# 4. TNFD summary and alignment

The following TNFD reporting index sets out TNFD’s recommended disclosures and signposts where relevant information can be found. It encapsulates our latest efforts against the recommended disclosures and will reflect progression over subsequent reports. We have considered the September 2023 TNFD Recommendations and the June 2024 Sector guidance – Additional guidance for financial institutions (version 2.0).

This is the Group’s inaugural year of reporting. As such, our nature disclosures will evolve as our efforts mature.

There are some areas that the Group is not yet in a position to disclose against. However, the activities described in this report will help to facilitate more in-depth analysis of nature-sensitive sectors and assess our financed assets’ exposure to nature impacts and dependencies. This will continue to inform how we integrate nature into our existing frameworks and governance, and guide client nature-positive transition opportunities, supporting our ambition to expand reporting over time as our nature-related capabilities mature.

Pillar	Guidance	TNFD recommended disclosure	Section of the report containing relevant information	Page
<b>Governance</b>	All sector guidance	A Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities	5. Governance	9-11
	All sector guidance	B Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities	5. Governance	9-11
	All sector guidance Guidance for financial institutions	C Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to indigenous peoples, local communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	Information not yet disclosed within this report	
<b>Strategy</b>	All sector guidance	A Describe nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long-term	7.1 Nature risk at Standard Chartered	16
			7.3 CIB portfolio exposure analysis	19-24
			7.4 Risk and impact assessment of our direct operations	25-30
	All sector guidance Guidance for financial institutions	B Describe the effect nature-related dependencies, impacts, risks and opportunities have on the organisation’s business model, value chain, strategy, and financial planning, as well as any transition plans or analysis in place	Information not yet disclosed within this report	
All sector guidance Guidance for financial institutions	C Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Information not yet disclosed within this report		
All sector guidance Guidance for financial institutions	D Disclose the locations of assets and/or activities in the organisation’s direct operations, and where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	7.4 Risk and impact assessment of our direct operations	25-30	

## TNFD summary and alignment

Pillar	Guidance	TNFD recommended disclosure	Section of the report containing relevant information	Page
<b>Risk and impact management</b>	All sector guidance	A (i) Describe the organisation's process for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations	7.3 CIB portfolio exposure analysis 7.4 Risk and impact assessment of our direct operations	19-24 25-30
	All sector guidance	A (ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream & downstream value chain(s)	Information not yet disclosed within this report	
	All sector guidance	B Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities	7.2 Our Enterprise Risk Management Framework	17-19
	All sector guidance	C Describe how processes for identifying assessing and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes	7.2 Our Enterprise Risk Management Framework 7.3 CIB portfolio exposure analysis 7.4 Risk and impact assessment of our direct operations	17-19 19-24 25-30
	Guidance for financial institutions			
<b>Metrics and target</b>	All sector guidance Guidance for financial institutions	A Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risks management process	8. Metrics and targets	31-35
	All sector guidance Guidance for financial institutions	B Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature	8. Metrics and targets	31-35
	All sector guidance	C Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	Information not yet disclosed within this report	

# 5. Governance

## Nature has long been considered at Standard Chartered, viewed through the lens of environmental stewardship.

Our commitment to environmental stewardship is evidenced in our proactive management of nature-related impacts through our Environmental and Social Risk Framework and detailed transaction and client-level assessments. However, oversight of nature-related dependencies and associated nature-related financial risks are still nascent. As the market evolves, we intend to ensure that our approach to managing nature-related impacts remains effective.

The Group's Board, Management Team, and supporting committees oversee these nature-related impacts through a combination of impact and risk mitigation policies, prohibitions, and standards. Additional details are available in the risk and impact management section on page 16.



### 5.1 Board oversight

The Board is responsible for the long-term success of the Group and its strategy. Embedding sustainability across our business is a key strategic priority for the Group, and ultimate responsibility for this sits with the Board. Oversight is exercised through the appointment of supporting committees which consider sustainability- and climate-related risks and opportunities when reviewing and guiding strategic decisions. Through these committees the Board has oversight of the progress against the Group's external commitments, Sustainability Aspirations, and delivery against key sustainability priorities including sustainable finance, human rights, community engagement and Position Statements – including changes made to the Position Statements that set out the nature-related restrictions and prohibitions on the financial services that we provide.

### 5.2 Management-level governance

Supporting the Board in its strategic decisions is the Group Management Team (GMT) and its supporting committees. Each member of the GMT is responsible for strategically driving sustainability considerations within their market(s), client segment or function. The Management committees hold the ultimate decision-making authority over all material sustainability initiatives and can direct actions as necessary for areas of improvement to ensure their effective implementation.

The Group's approach to managing environmental and social risk is informed by international conventions, national laws and regulations, and industry standards and best practices. These requirements are translated into cross sector and sector specific criteria, which we articulate in our Position Statements. New Environmental and Social Risk Position Statements or changes to existing Position Statements and the ESRM Framework must be endorsed by the Global Head of ESRM in the first line of defence and the Global Head of Environmental, Social & Governance, and Reputation (ESGR) Risk in the second line of defence before submission to the Group Responsibility and Reputational Risk Committee (GRRRC), which has the final authority to approve or reject them.<sup>1</sup> The GRRRC oversees ESGR Risk management and derives its authority from the Group Risk Committee (GRC). Following the GRRRC's approval, updates are endorsed by the Board Culture and Sustainability Committee (CSC).

The GRRRC is also the ultimate approval body for all of our sustainable finance frameworks, including the Green and Sustainable Product Framework, the Sustainability Bond Framework and the Transition Finance Framework. The Group has Product Programme Guidance documents in place, which underpin each sustainable finance product that we offer, signed off by a delegate of the Sustainable Finance Governance Committee (SFGC) following approval of the product construct by the SFGC. The SFGC is our forum for reviewing sustainable finance products and frameworks and derives its authority from the GRRRC.

The Sustainability Executive Committee (Sustainability ExCo) directs actions as necessary for areas of improvement to ensure the effective implementation of sustainability initiatives.



### 5.3 Executive governance

The oversight and management of nature-related risks and opportunities are integrated into our business management, involving our Nature Risk Working Group (NRWG) and the ESRM function. In 2023, the NRWG was established with the main objective of advancing our capabilities and understanding of nature-related impacts, dependencies and risks. By leveraging our asset location data used in climate risk assessments, the NRWG aims to support more in-depth analysis of potentially nature-sensitive sectors and assesses our financed assets' exposure to nature impacts and dependencies. This informs how we further integrate nature into our existing risk policies, procedures, and frameworks, and guide client nature-positive transition opportunities. Ultimately, the outcomes achieved through the working group are intended to enable us to make further disclosures against TNFD recommendations. The NRWG comprises cross functional teams that include representatives from our first line of defence (i.e. Nature Finance Innovation Hub, ESRM, Frontline Enablement, etc.) and our second line of defence (i.e. ESGR Risk, etc.). This is critical to ensuring robust and integrated risk management. Furthermore, this collaborative structure promotes early alignment on risk identification, mitigation and strategic decision-making with an opportunity lens, which ultimately helps to embed a commercially driven, yet strong, risk culture throughout the organisation.

The ESRM team, part of the Chief Sustainability Officer (CSO) organisation, is crucial for managing environmental risks, including risks to nature. The team is accountable for developing and updating Environmental and Social Risk Position Statements to address environmental and social risks, leveraging industry best practice and ensuring they are in line with the Group's evolving Risk Appetite associated with environmental and social risks. They review and oversee transaction and client due diligence in relation to environmental and social standards and support our sustainability and nature strategic ambitions. In instances where clients cannot meet relevant standards, the team works with ESGR to ensure timebound action plans which seek to achieve compliance are in place and if these are not met, we may need to reassess our level of support.

<sup>1</sup> Refer to section 7.2 for further details about the roles of the ESRM and ESGR teams.

## Governance in practice

The governance of nature-related matters within the Group is evolving as we are at the initial phase of our approach to understand and manage nature-related impacts and dependencies across our organisation. While a comprehensive overview of our sustainability governance structure is set out in the Group's Annual Report, the following table summarises the current committees and management bodies with specific or emerging responsibilities related to nature. This reflects our ongoing effort to strengthen oversight and accountability for nature considerations into our governance.

Governance Body	Chair	Responsibility and progress
<b>Standard Chartered PLC Board</b>	Group Chair	<ul style="list-style-type: none"> <li>Oversee the Group's sustainability strategy with input from the Culture and Sustainability Committee</li> </ul>
<b>Board Risk Committee (BRC)</b>	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Oversee the Group's key risks on behalf of the Board and act as the primary risk committee at Board level that oversees ESGR Risk</li> <li>Received Nature-related risk training in 2025</li> </ul>
<b>Culture and Sustainability Risk Committee (CSC)</b>	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>Review the Group's overall Sustainability Strategy</li> <li>Review progress against the Group's external commitments, Sustainability Aspirations, and delivery against key sustainability priorities</li> <li>Monitor emerging sustainability issues that require board-level oversight and/or external stakeholder engagement</li> <li>Review sustainability measures included in the Group annual and/or long-term incentive plan (LTIP) scorecards</li> <li>Received Nature-related training in 2024</li> </ul>
<b>Group Management Team (GMT)</b>	Chief Executive Officer	<ul style="list-style-type: none"> <li>Support the Board in its strategic decisions which includes the pursuit of the Group's key sustainability priorities</li> <li>Hold ultimate decision-making authority over all significant sustainability initiatives</li> </ul>
<b>Group Responsibility and Reputational Risk Committee (GRRRC)</b>	GCRO	<ul style="list-style-type: none"> <li>Oversee and approve Position Statements including sector-specific and cross-sector statements</li> <li>Oversee ESGR-related risk appetite metrics</li> <li>Escalate very high or high ESGR matters to the Group Risk Committee and Board Risk Committee as appropriate</li> <li>Make decisions on high-rated clients and/or transactions which are based on the relevant ESGR assessments, while considering trade-offs associated with ESGR risks and opportunities</li> <li>Received ad hoc progress updates on the Group's nature-related commitments, including TNFD implementation and sustainable finance targets</li> </ul>
<b>Sustainability Executive Committee (Sustainability ExCo)</b>	CSO	<ul style="list-style-type: none"> <li>Direct actions as necessary for areas of improvement to ensure the effective implementation of sustainability initiatives</li> <li>Review findings and escalations from delegated committees</li> </ul>

# 6. Our strategic approach to nature

Sustainability is a strategic focus area for the Group, as we strive to promote inclusive growth and prosperity across the markets where we operate. One area we are focused on is mobilising finance to where it's needed to make a material impact towards both halting and reversing nature loss.

## 6.1 Our approach to nature

Our approach to sustainability supports the Group's strategy, which is designed to deliver our Purpose: to drive commerce and prosperity through our unique diversity. This is underpinned by our brand promise, here for good.

Our approach is articulated through our long-term sustainability goals – our Sustainability Aspirations – and our short-term sustainability targets – our Sustainability Strategic Pillars.

Aspiration 1	Mobilise \$300 billion of sustainable finance <sup>1</sup>
Aspiration 2	Operationalise our interim 2030 financed emissions targets to meet our 2050 net zero ambition
Aspiration 3	Enhance and deepen the sustainability ecosystem
Aspiration 4	Drive social impact with our clients and communities
Pillar 1	Scale sustainable finance income
Pillar 2	Further embed sustainability across the organisation
Pillar 3	Deliver on the annual milestones set forth in our net zero roadmap
Pillar 4	Leverage our Innovation Hubs

A core pillar to the Sustainability Strategic Pillars is leveraging our five Innovation Hubs, which includes the Nature Finance Innovation Hub, to focus on emerging sustainability themes that are nascent but ripe for scale, aligned to areas where the Group has a core competency, and are particularly suited to clients in our footprint markets. The Nature Finance Hub serves as a centre of excellence to support all nature-related engagements across the Group. It is also guided by our ambition to shift financial flows towards nature-positive outcomes, thereby supporting and contributing to the GBF to halt and reverse biodiversity loss.

Our presence in 54 global locations gives us the opportunity to engage with a wide range of stakeholders on the impacts of nature and biodiversity loss and how these impacts can be mitigated, with nature being restored. Our Nature Position Statement reaffirms how we aim to address nature across our value chain:

### Our direct operations

- We aim to minimise the impact our direct operations have on nature.
- We have targets in place to: (i) reduce and recycle our waste; (ii) reduce our Scope 1 and 2 greenhouse gas emissions; and (iii) increase our utilisation of renewable energy.
- We have carried out nature risk assessments on our operations and the results reflect that our operations' local impacts and dependencies on nature are limited. Further details have been provided in Section 7.4.

### Our suppliers

- Through our Supplier Charter, we set out the expectations of our suppliers to support us in the use of goods and services which help mitigate our environmental impact, as well as better manage and use resources such as energy, paper, water and waste.
- We encourage our suppliers to monitor and continually look for ways to minimise waste and emissions from their operations, products and services, including managing environmental concerns in their own supply chains, and to protect the environment and conserve natural resources, in compliance with all applicable environmental laws and regulations.

 [Read more about our approach to sustainability on page 66 of our 2025 Annual Report](#)

<sup>1</sup> We define mobilisation of sustainable finance as our share of any investment or financial service provided to clients that supports: (i) the preservation and/or improvement of biodiversity, nature or the environment; (ii) the long-term avoidance/decrease of GHG emissions, including the alignment of a client's business and operations with a 1.5°C trajectory or national net zero pathway (known as transition finance); (iii) a social purpose; or (iv) incentivising our clients to meet their own sustainability objectives (known as sustainability-linked finance). It is a measure of total capital mobilised and considers the total value committed on facilities provided to clients. Mobilisation is the provision of capital that, as per the legal contractual documents meet the sustainable finance verification criteria, or sustainability-linked loan eligibility, as of the date of execution of the trade.

## Our clients

- We intend to continue our engagement with clients on nature-related impacts, dependencies, risks and opportunities.
- One way we do this is through the provision of sustainable finance products and transactions that aim to deliver financial services that drive positive environmental and/or social benefits, including those which support the preservation and/or improvement of nature.
- Another way we engage our clients on nature is through our ESRM Framework. Many sectors in which we provide financial services depend on and/or impact nature, and the ecosystem services they provide.
- Our cross sector and sector specific Position Statements provide the framework under which we assess the environmental and social risks (including risks and impacts pertaining to nature) of our clients and/or transactions.
- We are undergoing in-depth analysis of potentially nature-sensitive sectors and assess our financed assets exposure to potential nature impacts and dependencies.

## 6.2 Our progress on nature

### Mobilising finance for nature-positive outcomes

This year, we have exceeded our 2025 target to generate at least \$1 billion annual sustainable finance income<sup>1</sup> and have mobilised \$157 billion<sup>2</sup> of sustainable finance from January 2021 to September 2025 against our commitment to mobilise \$300 billion by 2030. Our broad sustainable finance product suite, which contains over 40 product variants and includes bonds, loans, advisory and trade finance, is underpinned by our sustainable finance frameworks that outline how we apply the sustainable finance labels across products and transactions.

In 2025, we structured a €433 million sustainability-linked loan for the Ministry of Finance and Budget, Republic of Côte d'Ivoire, acting as sole lender and mandated lead arranger. Arranged under Côte d'Ivoire's Sustainability-Linked Financing Framework launched in June 2025, the loan enables access to financing on more favourable terms by linking financial conditions to clear sustainability performance targets in renewable energy (excluding hydropower), deforestation prevention, and reforestation.

We also provided advisory services to Kreditanstalt für Wiederaufbau to evaluate the feasibility of the Tropical Forest Forever Facility and Tropical Forest Investment Fund, a global initiative led by the Government of Brazil and aimed at creating a long-term, results-based financing mechanism to incentivise tropical forest conservation, for which Germany announced a commitment at the United Nations Framework Convention on Climate Change COP30 in Belem to contribute €1 billion towards.

The Group also leveraged the Hub's nature risk capabilities along with the advancement in its geospatial tools for deal diligence and nature performance modelling. Notably, in the landmark project financing for Chestnut Carbon (see spotlight below), we conducted nature performance analysis across the asset locations.

In 2024, we closed the Group's first debt conversion for nature project with The Government of The Bahamas, unlocking \$124 million in savings for marine conservation. The savings will support The Bahamas in effectively managing its extensive network of marine protected areas (MPAs), complete a national Mangrove Management Plan, and develop and implement a Marine Spatial Plan. We were the sole arranger, underwriter and liability manager.

### Integrating nature into our sustainable product frameworks

Our Green and Sustainable Product Framework (GSPF) was expanded in 2024 to include additional nature-related activities informed by the GBF that contribute to ecosystem and biodiversity conservation:

- Investment in restoration, conservation, management and maintenance of degraded terrestrial, inland water, coastal and marine ecosystems, protected areas (national and regional natural parks and other protected areas).<sup>3</sup>
- In-situ marine, aquatic and terrestrial conservation in the vicinity of certified sustainable tourism areas<sup>4</sup> covering: (i) development, operations, and maintenance of conservation areas<sup>5</sup>; and (ii) development and construction of eco-tourism hotels and resorts.<sup>6</sup>
- Investment in activities that eliminate, minimise, reduce and or mitigate the impacts of invasive alien species on biodiversity and ecosystem services.

There is a growing momentum by the market to credibly label nature financing with the release of the International Capital Market Association Sustainable Bonds for Nature Practitioner Guide<sup>7</sup> and Multilateral Development Banks Common Nature Finance Taxonomy.<sup>8</sup> We are closely monitoring these and awaiting further market clarity to determine the best approach to further update our internal frameworks.

 **Read more in our Sustainable Finance Impact Report 2025 and sustainable finance frameworks available at [sc.com/sustainabilitylibrary](https://sc.com/sustainabilitylibrary).**

1 \$1.07 billion sustainable finance income generated in 2025. This value was subject to independent limited assurance by EY. The report is available at [sc.com/sustainabilitylibrary](https://sc.com/sustainabilitylibrary).

2 This value was subject to independent limited assurance by EY. The report is available at [sc.com/sustainabilitylibrary](https://sc.com/sustainabilitylibrary).

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

4 Certifications include Global Sustainable Tourism Council accredited certification bodies.

5 Tourism sites will implement a) a clear set of activities aimed at avoiding direct negative impacts on biodiversity, including an analysis of the carrying capacity of the area; b) partnership agreements with conservation management entities, local NGOs or communities to contribute to the conservation; c) a biodiversity information and awareness plan linked to specific impacts arising from tourism activities; and d) a clear framework for the continuous monitoring and measuring of the effectiveness of the conservation.

6 That align with the Green Buildings criteria in the GSPF.

7 Sustainable Bonds for Nature: A Practitioner's Guide, International Capital Market Association, 2025.

8 MDB Common Nature Finance Taxonomy, World Bank Group, 2025.

# Our strategic approach to Nature

## Understanding the materiality of nature loss on the Group's activities

We aim to continuously refine and enhance our approach to managing nature-related impacts and dependencies. This includes staying abreast of market advancements, integrating new scientific insights, and adapting our policies and practices to better address emerging environmental concerns.

Our efforts in this space have been recognised by the World Wildlife Fund (WWF) who have ranked Standard Chartered joint first in their most recent annual Seafood Sector Policy Analysis,<sup>1</sup> in which they assessed 40 banks' seafood-related policies and disclosures to understand how they are, or are not, effectively implementing the tools at their disposal – such as sector policies, due diligence processes, and sustainable finance products – to manage and minimise impacts on nature as well as maximise opportunities related to the sustainability and resilience of their seafood portfolios.

Standard Chartered was ranked 5<sup>th</sup> out of 150 financial institutions in the Forest500 2024 assessment.<sup>2</sup> Our consistent ranking, maintained from the 2023 assessment, is particularly noteworthy considering Global Canopy's report that many financial institutions have experienced a decline in their scores. This is a testament to our strength and scope of Position Statements to address deforestation risks linked to financing companies in forest-risk commodity supply chains.

We have commenced initial analysis to better understand our exposure to nature-sensitive activities, and the potential impact of our direct operations on sensitive locations. Learn more about the outcomes of our analysis, and how nature is integrated into our wider risk management process in Section 7 on page 16.

## Supporting collective action to address nature loss and ecosystem decline

### Thought leadership

We have strengthened our focus on the blue economy as we build on our momentum and further amplify our thought leadership in support of capital mobilisation for nature, including the ocean:<sup>3</sup>

- In 2023, we published "Seaweed: Kelp is on the way", highlighting how investments in seaweed could generate circa \$313 billion of value and generate 200 million jobs by 2040.
- In 2024, we published "Towards a sustainable ocean: where there's a will, there's a wave", highlighting opportunities for financing the Nature-positive transition of the blue economy.
- In 2025, we published "Harnessing Africa's Blue Economy" and "Valuing Nature: The ROA of an MPA".

Alongside the International Union for Conservation of Nature (IUCN), we co-funded on-the-ground research led by the Zoological Society of London, the Wildlife Institute of India and the Tamil Nadu Forest Department, on the Palk Bay Dugong Conservation Area. This supports the development of high-integrity blue carbon projects through a feasibility study to explore whether carbon and biodiversity credits could create new revenue streams to support conservation of this unique marine ecosystem and local stewardship of the area's resources.<sup>4</sup>

### Partnerships and initiatives

We regularly engage with our stakeholders, including clients, peers, market initiatives and financial regulators. By doing so, we aim to contribute meaningfully to global efforts in preserving biodiversity, combating climate change, and promoting sustainable development. We expect that our ongoing efforts will help us not only mitigate risks but also identify opportunities to advance the nature finance ecosystem and support a more resilient and sustainable future.

For example, we are co-chairs of the UK-China Nature & Biodiversity Finance Workstream and members of the UN Environment Programme Finance Initiative and Principles for Responsible Banking, Singapore Sustainable Finance Association, African Natural Capital Alliance, Green Finance Institute, TNFD, World Economic Forum Nature Positive Transition & Biodiversity Credit Initiative, UK PRA/FCA Climate Financial Risk Forum nature workstream, and the Sustainable Markets Initiative Financial Services Task Force.

We have a specific focus on advancing the sustainable blue economy through continued engagement with the Ocean Risk and Resilience Action Alliance (ORRAA), the UN Global Compact Ocean Investment Protocol Steering Committee, the World Economic Forum Global Future Council for the Ocean and with the WWF Seafood Finance Working Group. Through our engagement with ORRAA, we have joined the #BackBlue Ocean Finance commitment.

We have also contributed to nature finance related whitepapers from the World Economic Forum,<sup>5</sup> UK PRA/FCA Climate Financial Risk Forum,<sup>6</sup> Cambridge Institute for Sustainability Leadership,<sup>7</sup> the Institute of International Finance,<sup>8</sup> and the Singapore Sustainable Finance Association.<sup>9</sup>

1 Above Board: 2024 Assessment of Banks' Seafood Sector Policies, WWF, June 2025.

2 Forest500 Assessment, Global Canopy, 2024.

3 Read our research and insights at [sc.com/sustainabilitylibrary](https://sc.com/sustainabilitylibrary).

4 Read the full study at [sc.com/palk-bay](https://sc.com/palk-bay).

5 (1) Nature Finance and Biodiversity Credits: A Private Sector Roadmap to Finance and Act on Nature (2) Investing in Mangroves: The Corporate Playbook and (3) Nature Positive: Corporate Assessment Guide for Financial Institutions.

6 Climate Financial Risk Forum (October 2024), Nature-related risk: Handbook for financial institutions.

7 Cambridge Institute for Sustainability Leadership (October 2024), Scaling Finance for Nature: Barrier Breakdown.

8 Institute of International Finance (2024), Discussion Paper on Nature-related Finance, Responding to Nature-related Risks and Opportunities.

9 Singapore Sustainable Finance Association (2025), Financing our Natural Capital: A practical guide for FIs getting started on nature financing.

## Building internal capacity

Our CSO organisation aims to act as a catalyst for change and a centre of excellence.

We foster collaboration internally to embed sustainability across our business operations and functions. We aim to create a self-reinforcing cycle, which is built on established processes, clear frameworks, engagement with our clients and collaboration across risk and business teams.

Our aim is to work with our clients to support their transition, decarbonisation and climate adaptation journeys, for example by exploring natural climate solutions and ecosystem-based adaptation opportunities.

In 2025, to further this aim, we have piloted nature-related training with our CIB client coverage teams in priority sectors, following similar training to our Wealth & Retail Banking (WRB) business last year.

We have also provided nature-related training to the Board CSC, as well as relevant risk functions (i.e. Climate Risk Analysts, ESRM and ESGR teams).

## Infrastructure and Development Finance Group, with support from Carbon Markets and Nature Finance Hubs, unlocks real-world climate and nature outcomes: Supporting Chestnut Carbon to advance US afforestation in the voluntary carbon market



Chestnut Carbon, a nature-based carbon removal developer, announced the closing of a landmark non-recourse project finance credit facility of up to \$210 million in August 2025. This is one of the first applications of a commercial project financing for a US voluntary carbon removal afforestation project, with Standard Chartered participating as a mandated lead arranger alongside a syndicate of banks. This transaction marks a pivotal step towards achieving increasing commercial scale for both the company and the broader voluntary carbon market and US afforestation space.

This innovative credit facility leverages the long-term off-take agreement executed earlier in 2025 between Chestnut and Microsoft to deliver more than 7 million tons of carbon removal credits over 25 years as an anchor revenue stream for the financing. The project is estimated to restore roughly 60,000 acres of unused farmland by planting over 35 million native, biodiverse hardwood and softwood trees.

### Setting a new standard for project finance in the voluntary carbon space

Drawing on elements from traditional sectors, most notably renewable power projects, the deal's structure, underpinned by the long-term offtake contract with Microsoft, brings credit discipline, rigorous underwriting, and scalability to a relatively new asset class.

As the industry evolves, this transaction is a prime example of how innovative financing can help support a path towards competitively priced capital and investor diversification.

# 7. Risk and impact management

Effective risk management is essential in delivering consistent and sustainable performance for all of our stakeholders and this is central to the financial and operational management of the Group.

## 7.1 Nature risk at Standard Chartered

TNFD defines nature-related risks as follows:

<b>Nature-related transition risks</b>		Nature-related transition risks are risks to an organisation that stem from a misalignment of economic actors with actions aimed at protecting, restoring, and/or reducing negative impacts on nature. These risks can be prompted, for example, by changes in regulation and policy, legal precedent, technology, or investor sentiment and consumer preferences. They can also arise from activities aimed at restoring nature that no longer align with, for example, revised policies.
<b>Nature-related physical risks</b>		Nature-related physical risks are risks resulting from the degradation of nature (such as changes in ecosystem equilibria, including soil quality and species composition) and consequential loss of ecosystem services that economic activity depends upon. These risks can be chronic or acute. Nature-related physical risks arise as a result of changes in the biotic (living) and abiotic (non-living) conditions that support healthy, functioning ecosystems. These risks are usually location specific.
	Chronic	Nature-related physical risks to an organisation that emerge from gradual changes to the state of nature (degradation of nature and consequential loss of ecosystem services). For example, pollution stemming from continued pesticide use or climate change.
	Acute	Occurrence of short-term, specific events that change the state of nature. For example, oil spills, forest fires or pest infestations affecting a harvest.
<b>Nature-related systemic risks</b>		Nature-related systemic risks are risks arising from the breakdown of the entire system, rather than the failure of individual parts. Nature-related systemic risks are characterised by modest tipping points combining indirectly to produce large failures and cascading interactions of physical and transition risks. One loss triggers a chain of others and stops systems from recovering their equilibrium after a shock. Nature-related systemic risk covers more than only risk to a financial system (i.e. financial stability risk). It also covers the risks from the breakdown of natural systems (i.e. ecosystems).

In identifying the time horizons used to identify, assess, and manage the likelihood and impact of nature-related risks and opportunities we have considered the useful life of the Group's assets and infrastructure. The horizons are aligned with our Sustainability Aspirations, net zero strategy and climate risk management processes. They are as follows:

<b>Short-term</b>	0 to 5 years	Our short-term aspiration is to understand how our downstream value chain is sensitive to nature and to review existing processes related to environmental management. We plan to conduct deep dives on potentially nature sensitive client sectors through asset-level analysis and develop nature risk impact and dependency indicators to support the assessment.
<b>Medium-term</b>	5 to 10 years	Our medium-term aspiration is to leverage results from sector deep dives to evaluate potential impacts and determine possible enhancements to existing risk management and governance. Over this horizon, we plan to continuously evolve our approach towards nature risk and build internal capabilities.
<b>Long-term</b>	10+ years	We aim to develop nature risk scenarios and assess financial materiality, aligned with market developments, to be run alongside our current 30-year scenarios for physical and transition climate risks.

## 7.2 Our Enterprise Risk Management Framework

The Enterprise Risk Management Framework (ERMF) enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite. The ERMF is complemented by frameworks, policies and standards which are mainly aligned to the Principal Risk Types (PRTs), and embedded across the Group, including its branches and subsidiaries.<sup>1</sup>

The Group applies a three lines of defence model to its day-to-day activities for effective risk management, and to reinforce a strong governance and control environment:

- Businesses and functions engaged in or supporting revenue generating activities that own and manage risks constitute the first line of defence.
- Control functions, independent of the first line of defence, that provide oversight and challenge of risk management activities act as the second line of defence.
- Internal Audit acts as the third line of defence, providing independent assurance on the effectiveness of controls supporting the activities of the first and second lines of defence.

 Refer to page 222 of our 2025 Annual Report for further details around our ERMF

### First line of defence

For over 20 years, our Environmental and Social Risk Management (ESRM) Framework has drawn on industry standards such as the International Finance Corporation (IFC) performance standards and the Equator Principles, helping us to apply international standards and best practices across our markets.

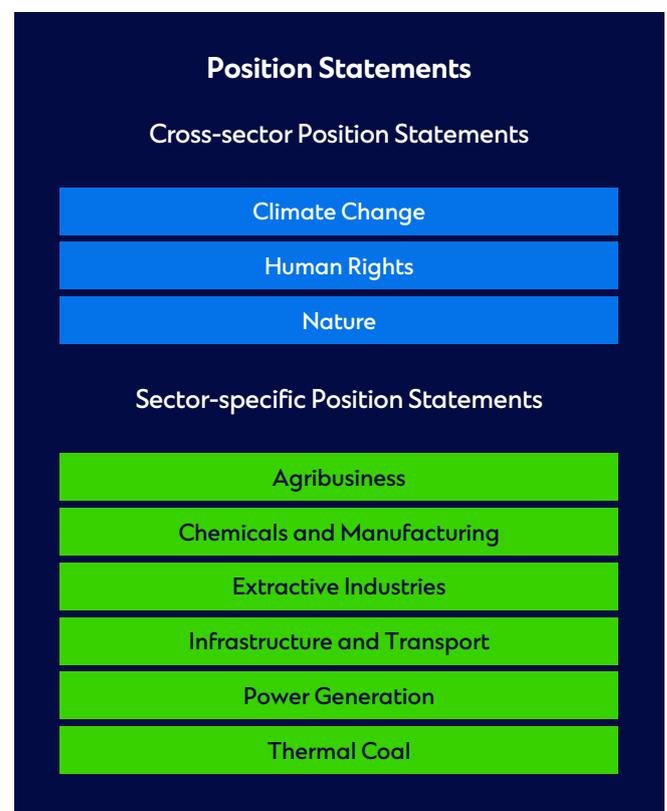
On the frontline, our ESRM team within the CSO organisation oversees the management of environmental and social risks associated with our client relationships. Our approach is embedded into our credit approval process and helps us work with our stakeholders to identify, manage and mitigate the potential impacts on nature that stem from our financing decisions.

Our Position Statements, approved by the GRRRC, outline the cross-sector and sector-specific criteria we apply to assess whether to provide financial services to our clients. We use these statements to assess environmental and social risks of our clients, including risks to nature.

The Group's cross-sector Nature Position Statement provides a consolidated view of our approach to manage impacts pertaining to nature, across our clients and/or transactions. Furthermore, clients operating within sensitive sectors must adhere to additional nature-related restrictions and criteria (See Appendix 2 for details).

Our ESRM Framework details the application of cross-sector and sector-specific Position Statements. The criteria outlined in the Position Statement should be read in conjunction with our ESRM Framework for a comprehensive understanding of their practical application.

Our sector-specific Position Statements overlap with the material sectors identified by TNFD as having high nature-related impacts and dependencies (i.e. agribusiness, chemicals and manufacturing, extractives industries, etc). These also form the majority of our potentially nature sensitive sectors for nature-related risk, as identified in our heatmapping exercise (refer to Section 7.3 on page 19). As such, Standard Chartered has already begun to address nature impacts.



The ESRM review focuses on environmental and social risks affecting a client or transaction, including risks to nature, and considers whether there are appropriate plans in place to avoid, manage or mitigate these risks. We reviewed 1,204 clients across CIB and WRB client segments and 685 CIB transactions that presented potential for elevated environmental and social risk in 2025. If we find a material environmental and social issue, we take steps to proactively engage the client to mitigate identified risks and impacts, and support and guide our clients to improve their environmental and social performance over time. However, for clients who do not meet our Position Statement criteria, we may look to withdraw financial services and exit the relationship if we cannot work with them to align over an agreed time frame.

<sup>1</sup> The Group's ERMF and system of internal control applies only to wholly controlled subsidiaries of the Group, and not to associates, joint ventures or structured entities of the Group.

Spotlight

# Ensuring a safe passage: Safeguarding elephants in Tanzania's new rail project

**Project Overview:** The Government of Tanzania Ministry of Finance has signed a facility agreement with Standard Chartered Tanzania for a \$1.46 billion term loan to fund the construction of the Standard Gauge Railway (SGR) project from Dar es Salaam to Makutupora.

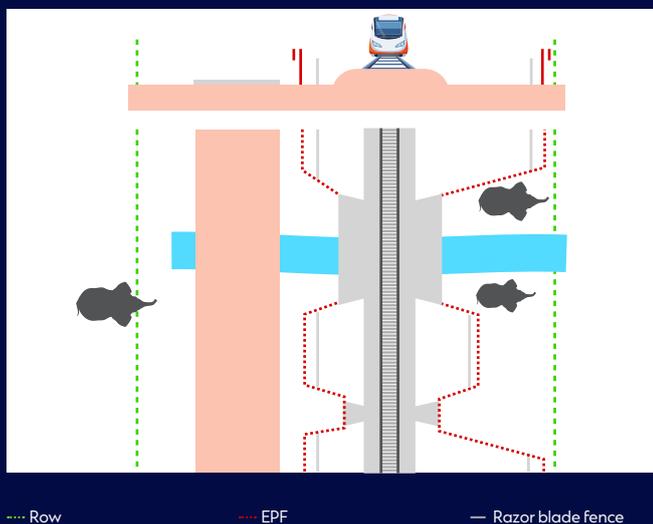
Running approximately 550 kilometres long, the SGR project is one of the country's biggest projects connecting Dodoma to Dar es Salaam via Morogoro and Makutupora. Once complete, the SGR rail project will provide a safe and reliable means for efficiently transporting people and cargo to and from the existing Dar es Salaam port.

According to the Tanzania Railways Corporation, it is expected that the railway will address current congestion challenges and decrease freight service charges by 40 per cent, as the railway will be able to haul up to 10,000 tons of freight, equivalent to 500 lorries, per trip. It will also connect Tanzania to Burundi, Rwanda and The Democratic Republic of Congo, playing a key role in enhancing regional trade. By shifting transport from road to rail, the project is also expected to help reduce CO<sub>2</sub> emissions, contributing to environmental sustainability outcomes.

Comprehensive environmental and social studies were conducted by local and international specialists prior to construction to establish baseline conditions, focused on assessing potential impacts and proposing mitigations in line with international sustainability standards. Studies had a strong focus on biodiversity, with detailed ecological studies and sampling to characterise the habitats and species in the affected areas.

### Example layout of wildlife crossing and the elephant proof fence

(Source: RUBIS, Elephant Proof Fence System Material Document, December 2022)



It was identified that parts of the rail route were frequented by large animals, including elephants, using known paths identified by the local community. Through collaboration with local communities, specialist studies, and governmental wildlife authorities, a Wildlife Crossing and Fencing Design Options Report was developed to prevent large animal movements from being hindered by the rail line's development.

These crossings are designed to prevent 'bottlenecks' that endanger wildlife and increase human interaction, while also being actively managed to deter poachers from exploiting these aggregation points and undermining conservation efforts of these mammals.

Standard Chartered Tanzania actively coordinated with specialist independent consultants, forest and wildlife authorities, and local communities to develop biodiversity management and action plans aligned with International Finance Corporation Performance Standard 6, aiming to achieve no net loss for natural habitats and net gain for critical habitats.

During the construction period, the project team made route adjustments to account for key habitat and conducted pre-construction site walkovers to quantify areas of habitats impacted. This recorded accurate habitat compensation into the overall Biodiversity Offsetting Management Plan.

We continue to actively monitor the implementation of the biodiversity policies and procedures for the project, using lessons learnt to inform subsequent phases of the project and other linear infrastructure projects.

## Second line of defence

ESGR Risk has been identified as a PRT by the Group. PRTs are those risks that are inherent in our strategy and business model and have been formally defined in the Group’s ERMF. These risks are managed through distinct Risk Type Frameworks (RTF), which are approved by the Group CRO.

The ESGR RTF provides the overall risk management approach for Environmental, Social and Governance (ESG) and Reputational risks.

The ESG Risk policy outlines the Group’s commitment to integrating ESG considerations into its business, operations, and decision-making process. The policy sets out the requirements for identifying, assessing, and managing ESG risks, including impacts on nature.

The Reputational Risk policy sets out the principal sources of reputational risk driven by negative shifts in stakeholder perceptions, as well as the responsibilities for managing Reputational Risk arising out of client onboarding and due diligence, from transactions, product design and product features, or strategic coverages such as exposure to sensitive industries, markets, or investments. Specifically in the case of nature, reputational risks can result from stakeholders’ and local communities’ perceptions with respect to nature, and can ultimately affect brand value and market share, among other factors. Whenever potential for stakeholder concerns is identified, issues are subject to review and decision by both the first and second lines of defence.

Lastly, we have uplifted our client-level Climate Risk Questionnaire by incorporating two non-weighted nature related questions to assess companies’ progress on nature. The Climate Risk Questionnaire supports our evaluation of potential financial risks from climate change using qualitative and quantitative insights. This integration marks a first step in our broader strategy to gradually gather data to assess companies’ nature progress, which will inform and guide how we potentially embed nature considerations into our existing risk management processes.

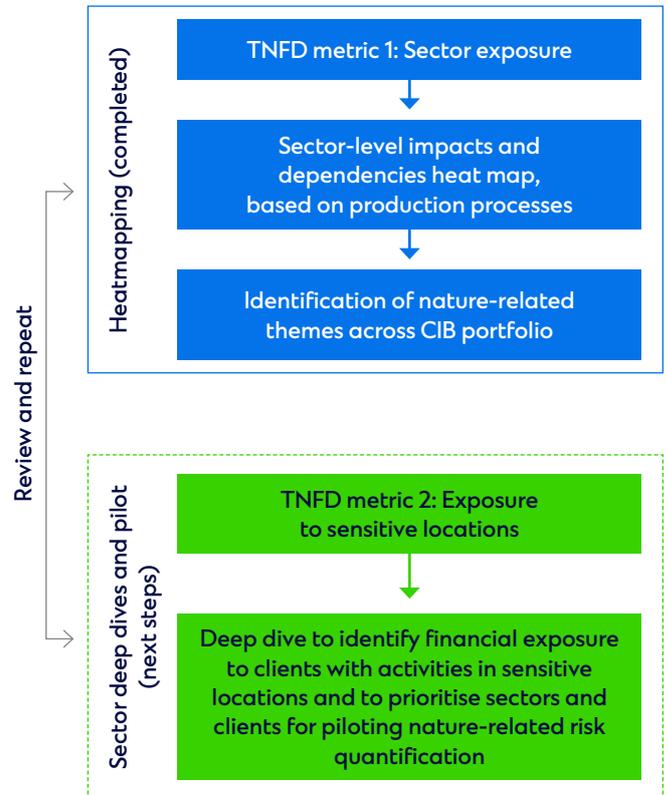
## 7.3 CIB portfolio exposure analysis

### Overview of nature risk heatmapping process and methodology

We are building on our existing policies and frameworks, which are described in section 7.2 above, by prioritising the requirement to further assess, evaluate and understand nature risk across our financing activities and direct operations. Recognising the complexity of nature, data challenges, and the evolving nature risk methodologies, we anticipate that over time the insights gained will enable us to better evaluate how to integrate nature risk management further into our frameworks.

We conducted a heatmapping exercise to provide us with a preliminary indication of our potential exposure to the most nature-sensitive sectors in our CIB segment. We have adopted the below process to identify, assess and prioritise nature-related dependencies and impacts of the sectors that we are exposed to through our clients’ direct and upstream operations.

Moving forward, we plan to conduct in-depth analyses of the most nature-sensitive sectors to map potential impacts and dependencies to our clients and their assets, thereby identifying their exposure to nature-sensitive locations.



# Risk and impact management

We will be guided by the TNFD LEAP approach – Locate, Evaluate, Assess, and Prepare – as the foundation for our sector deep dives into nature-sensitive issues. This structured four-step approach will enable us to:

- **Locate:** Using private location data providers, supplemented by public location data bases where appropriate, we locate the primary operating sites of our clients.
- **Evaluate:** Geo-spatial analysis is used to inform the proximity of our clients’ assets to sensitive locations to identify assets with high impacts and dependencies on nature.
- **Assess:** Further assessment, based on academic guidance and industry-best practise is used to attribute a score to the nature impacts and dependencies related to each asset.
- **Prepare:** Respond to, and report on, material nature-related issues, aligned with the TNFD’s recommended disclosures.

## Heatmapping

We conducted a heatmapping exercise aimed at identifying and prioritising sectors with high pressure and/or dependencies on nature in their operations and supply chains, using the latest ENCORE<sup>1</sup> dataset. In this latest version, ENCORE also adopted the “pressure” terminology. Hence we have applied this term when we directly describe the ENCORE dataset, and used “impacts” for derived metrics and results of the heatmapping assessment. The ENCORE tool assigns a “materiality rating” to each dependency and pressure link, using a scale of “Very low” to “Very high”. The ratings helped us identify which potential pressures and dependencies might be of greatest concern, and what to prioritise for further analysis.

We mapped ENCORE’s 271 economic activities to Standard Chartered’s internal industry classification which uses the UN International Standard Industrial Classification (ISIC) codes. Where multiple ENCORE economic activities corresponded to the same ISIC code, we have applied the average ENCORE rating across the pressure and dependency scores. To perform mathematical operations on the “Very low” to “Very High” ENCORE ratings, we converted the ratings into a numeric scale based on a conversion table by the UN Environment World Conservation Monitoring Centre<sup>2</sup> (UN-WCMC):

ENCORE rating	Not Disclosed (ND)	Not applicable (N/A)	Very Low	Low	Medium	High	Very High
Significance Rating	Exclude	0	0.2	0.4	0.6	0.8	1

In the ENCORE database, “N/A” indicates no link between pressure / dependency and economic activity and is assigned a numeric value of zero. However, pressures or dependency marked as “ND” suggest there could be a potential link between pressure / dependency and economic activity but lack data or reference to confirm it. “ND” ratings are not assigned a numeric value and excluded from our calculations.

In order to consider additional pressures and dependencies arising from the value chain associated with our client activity, we also calculated indirect supply chain scores for the first input level for all sectors. The aggregated supply chain scores for a sector were derived by using all input sectors’ dependency and pressure scores, weighted by input value shares, as follows:

### Indirect significance rating<sub>i,k</sub>

$$= \sum_{j \neq i}^N \text{input value shares}_{ij} * \text{sector significance rating}_{j,k}$$

where (i) is the assessed industry, (j) is the upstream input industries of (N) total industries, and (k) is the pressures or dependencies. Global / country value input shares for each upstream industry (j) into industry (i) are derived from EXIOBASE version 3.8 for each borrower based on the country of their main operations.

The calculated significance rating for each sector’s impacts and dependencies was determined by taking the maximum of the direct and indirect rating for each pressure and dependency. This rating was subsequently weighted against:

- 1 Total 2025 portfolio exposure<sup>3</sup>; and
- 2 In-scope 2025 CIB portfolio exposure<sup>4</sup> which comprises of the following products:
  - a Corporate bonds
  - b Corporate lending
  - c Project finance loans
  - d Commercial real estate investment loans
  - e Asset-backed lending

Lending to financial institutions and private banking as well as traded products, including derivative balances and unsettled trades, amongst others, are excluded from the in-scope CIB portfolio exposure due to their indirect potential exposure to nature-related impacts and dependencies, which cannot be traced through ENCORE’s economic activities mapping. Product exclusions are consistently applied across each sector.

1 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a free, online tool that helps organisations explore their exposure to nature-related risk and take the first steps to understand their dependencies and impacts on nature.  
 2 Source: UNEP\_2023\_Nature\_Risk\_Profile\_Technical\_G\_01172023.pdf.  
 3 Portfolio exposure refers to the total value of CIB’s assets.  
 4 Approach aligned with TNFD additional guidance for financial institutions 2.0 (2024).

The results of the impact and dependency heatmaps are as follows:

**Figure 1: Impact heatmap across CIB sectors for in-scope products**

	Area of freshwater use	Area of land use	Area of seabed use	Disturbances (e.g. noise, light)	Emission of non-GHG air pollutants	Emissions of nutrient soil and water pollutants	Emissions of toxic soil and water pollutants	Generation and release of solid waste	Introduction of invasive species	Other abiotic resource extraction	Other biotic resource extraction (e.g. fish, timber)	Volume of water use
Agriculture producers	0.2	0.5	0.0	0.7	0.6	0.8	0.7	0.6	0.4	0.0	0.1	0.7
Automobiles and components	0.1	0.5	0.1	0.6	0.4	0.1	0.5	0.4	0.2	0.0	0.0	0.5
Building products, construction and engineering	0.6	0.5	0.4	0.8	0.5	0.2	0.8	0.6	0.3	0.0	0.0	0.5
Commercial and professional services	0.1	0.6	0.1	0.5	0.3	0.1	0.4	0.3	0.1	0.0	0.0	0.4
Commodity traders	0.1	0.5	0.1	0.6	0.5	0.2	0.5	0.5	0.9	0.0	0.0	0.6
Consumer durables and apparel	0.1	0.5	0.1	0.6	0.5	0.2	0.6	0.5	0.1	0.0	0.0	0.6
Consumer services	0.3	0.5	0.1	0.5	0.4	0.3	0.4	0.6	0.4	0.0	0.0	0.5
Corporate real estate	0.1	0.5	0.1	0.4	0.4	0.1	0.4	0.4	0.1	0.0	0.0	0.5
Financial and holding companies	0.1	0.6	0.1	0.4	0.4	0.1	0.4	0.4	0.1	0.0	0.0	0.5
Financial institutions	0.1	0.5	0.1	0.5	0.4	0.1	0.5	0.4	0.1	0.0	0.0	0.4
Food and staples retailing	0.2	0.5	0.1	0.6	0.6	0.2	0.5	0.5	0.2	0.0	0.0	0.6
Food, beverage and tobacco	0.2	0.5	0.0	0.6	0.5	0.6	0.6	0.6	0.3	0.0	0.1	0.6
Household and personal products	0.1	0.5	0.1	0.7	0.5	0.2	0.7	0.5	0.2	0.0	0.0	0.6
Media	0.1	0.6	0.1	0.4	0.3	0.1	0.3	0.4	0.1	0.0	0.0	0.4
Metals and mining	0.3	0.5	0.2	1.0	0.8	0.2	1.0	0.6	0.1	0.2	0.0	0.6
Oil and gas	0.4	0.5	0.4	0.9	0.6	0.1	0.9	0.5	0.2	0.0	0.0	0.5
Other	0.1	0.6	0.1	0.4	0.3	0.1	0.4	0.4	0.1	0.0	0.0	0.5
Other capital goods	0.1	0.4	0.1	0.6	0.5	0.1	0.7	0.4	0.1	0.0	0.0	0.5
Other materials	0.1	0.5	0.0	0.9	0.6	0.2	0.9	0.6	0.1	0.0	0.0	0.6
Pharmaceuticals, biotechnology and life sciences	0.1	0.5	0.0	0.6	0.5	0.3	0.6	0.5	0.4	0.0	0.0	0.6
Sovereign and Multilateral Development Organisations (MDO)	0.1	0.5	0.1	0.5	0.4	0.2	0.5	0.4	0.2	0.0	0.0	0.5
Technology hardware and equipment	0.1	0.4	0.1	0.6	0.5	0.1	0.7	0.4	0.1	0.0	0.0	0.5
Telecommunication services	0.1	0.4	0.3	0.4	0.3	0.1	0.4	0.3	0.1	0.0	0.0	0.4
Trading companies and distributors	0.1	0.5	0.1	0.6	0.5	0.2	0.5	0.5	0.6	0.0	0.0	0.6
Transport and storage	0.4	0.5	0.3	0.6	0.6	0.2	0.6	0.5	0.4	0.0	0.0	0.5
Utilities	0.4	0.6	0.2	0.6	0.5	0.2	0.6	0.5	0.2	0.0	0.1	0.5

● Low      ● Medium      ● High

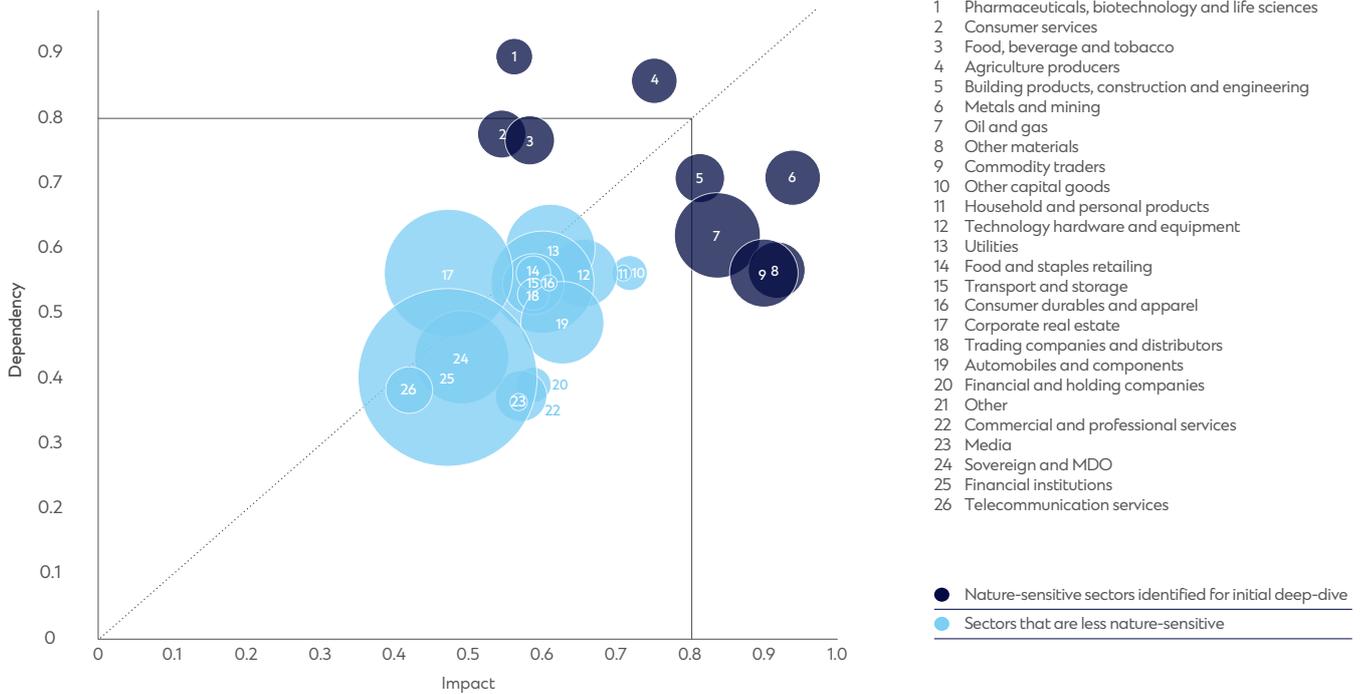
Figure 2: Dependency heatmap across CIB sectors for in-scope products

	Air Filtration	Biological control	Biomass provisioning	Flood control	Genetic material	Global climate regulation	Local (micro and meso) climate regulation	Noise attenuation	Nursery population and habitat maintenance	Animal-based energy	Dilution	Mediation	Pollination	Rainfall pattern regulation	Soil and sediment retention	Soil quality regulation	Solid waste remediation	Storm mitigation	Water flow regulation	Water purification	Water supply
Agriculture producers	0.3	0.3	0.3	0.6	0.3	0.4	0.5	0.1	0.1	0.1	0.4	0.1	0.2	0.4	0.6	0.2	0.6	0.6	0.8	0.9	0.8
Automobiles and components	0.2	0.1	0.1	0.5	0.1	0.3	0.4	0.1	0	0	0.2	0.1	0	0.3	0.5	0.1	0.3	0.5	0.5	0.5	0.5
Building products, construction and engineering	0.2	0.2	0.1	0.6	0.1	0.4	0.4	0.2	0	0.1	0.3	0.2	0	0.8	0.6	0.1	0.4	0.6	0.6	0.6	0.6
Commercial and professional services	0.1	0.2	0	0.4	0	0.3	0.4	0.1	0	0	0.1	0.1	0	0.2	0.3	0	0.2	0.4	0.4	0.2	0.4
Commodity traders	0.2	0.2	0.1	0.5	0.1	0.3	0.4	0.1	0	0	0.2	0.1	0	0.3	0.5	0.1	0.4	0.5	0.6	0.5	0.6
Consumer durables and apparel	0.2	0.1	0.1	0.5	0.1	0.3	0.4	0.1	0	0	0.3	0.1	0	0.3	0.4	0.1	0.5	0.5	0.6	0.6	0.5
Consumer services	0.2	0.2	0.1	0.4	0	0.3	0.4	0.5	0	0	0.1	0.4	0	0.3	0.4	0	0.5	0.4	0.4	0.8	0.4
Corporate real estate	0.2	0.2	0.1	0.4	0.1	0.3	0.4	0.2	0	0	0.1	0.2	0	0.2	0.6	0	0.3	0.4	0.4	0.4	0.4
Financial and holding companies	0.1	0.2	0.1	0.4	0.1	0.3	0.4	0.1	0	0	0.1	0.1	0	0.2	0.4	0	0.2	0.4	0.4	0.3	0.4
Financial institutions	0.1	0.1	0.1	0.4	0.1	0.3	0.4	0.1	0	0	0.1	0.1	0	0.3	0.4	0.1	0.2	0.4	0.4	0.3	0.4
Food and staples retailing	0.2	0.2	0.1	0.6	0.1	0.3	0.4	0.1	0	0.1	0.2	0.1	0	0.3	0.6	0.1	0.4	0.6	0.6	0.5	0.5
Food, beverage and tobacco	0.3	0.3	0.2	0.5	0.3	0.4	0.5	0.1	0.1	0	0.3	0.1	0	0.4	0.5	0.2	0.6	0.6	0.7	0.8	0.8
Household and personal products	0.2	0.2	0.1	0.5	0.1	0.3	0.4	0.1	0	0.1	0.3	0.1	0	0.3	0.5	0.1	0.6	0.5	0.6	0.6	0.6
Media	0.1	0.2	0	0.3	0	0.3	0.4	0.1	0	0.1	0.1	0.1	0	0.2	0.4	0	0.2	0.4	0.4	0.2	0.3
Metals and mining	0.3	0.1	0.1	0.7	0	0.4	0.4	0.2	0	0	0.6	0.2	0	0.7	0.5	0	0.4	0.6	0.8	0.7	0.8
Oil and gas	0.2	0.1	0.1	0.7	0.1	0.5	0.4	0.2	0	0	0.5	0.2	0	0.3	0.5	0.1	0.4	0.5	0.6	0.6	0.6
Other	0.1	0.2	0.1	0.4	0	0.3	0.4	0.2	0	0	0.1	0.1	0	0.2	0.3	0	0.4	0.4	0.4	0.3	0.4
Other capital goods	0.2	0.1	0.1	0.6	0.1	0.3	0.4	0.2	0	0	0.4	0.2	0	0.4	0.5	0	0.5	0.6	0.6	0.6	0.6
Other materials	0.2	0.1	0.1	0.6	0.1	0.3	0.4	0.2	0	0.1	0.4	0.2	0	0.3	0.5	0.1	0.5	0.6	0.6	0.6	0.6
Pharmaceuticals, biotechnology and life sciences	0.2	0.2	0.1	0.6	0.4	0.3	0.4	0.1	0	0.1	0.2	0.1	0	0.3	0.5	0.1	0.4	0.6	0.7	1	0.7
Sovereign and MDO	0.2	0.2	0.1	0.4	0.1	0.3	0.4	0.1	0	0	0.2	0.1	0	0.3	0.4	0.1	0.3	0.4	0.5	0.4	0.4
Technology hardware and equipment	0.2	0.1	0.1	0.5	0.1	0.3	0.4	0.2	0	0	0.3	0.1	0	0.3	0.4	0	0.4	0.5	0.6	0.6	0.5
Telecommunication services	0.1	0.1	0	0.4	0	0.3	0.4	0.1	0	0	0.1	0.1	0	0.2	0.4	0	0.1	0.4	0.4	0.2	0.3
Trading companies and distributors	0.2	0.2	0.1	0.5	0.1	0.3	0.4	0.1	0	0	0.2	0.1	0	0.3	0.5	0.1	0.4	0.5	0.6	0.5	0.5
Transport and storage	0.2	0.2	0.1	0.5	0.1	0.4	0.4	0.2	0	0	0.2	0.1	0	0.6	0.5	0	0.4	0.5	0.5	0.6	0.5
Utilities	0.2	0.1	0.1	0.6	0.1	0.5	0.5	0.2	0	0	0.2	0.1	0	0.4	0.6	0.1	0.4	0.5	0.6	0.5	0.6

The dependency and impact ratings indicate the extent to which each sector is exposed to specific factors. Nature dependencies linked to cultural activities are excluded from the final sectors' dependency score due to limitations in the underlying rating methodology.<sup>1</sup>

While all sectors depend on or impact ecosystem services to some degree, we treat sectors with a "High" or "Very high" score (0.8 or higher) as potentially nature-sensitive. For dependencies, a value of 0.8 represents a high dependency, indicating that the respective ecosystem service is critical and irreplaceable for the production process<sup>2</sup>. A similar logic is applied to impacts to define a threshold for potential nature-sensitivity.

**Figure 3: Sensitivity matrix for in-scope products**



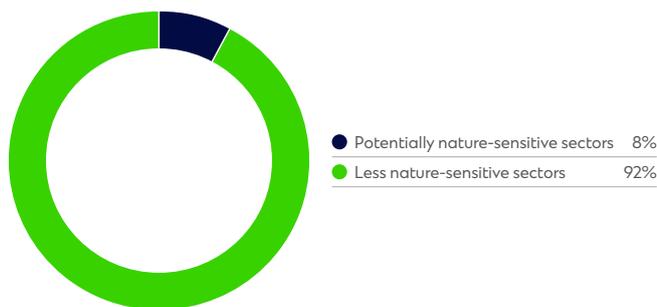
The size of each bubble represents the size of the total in-scope portfolio exposure for the sector.

### Identification of potentially nature-sensitive sectors

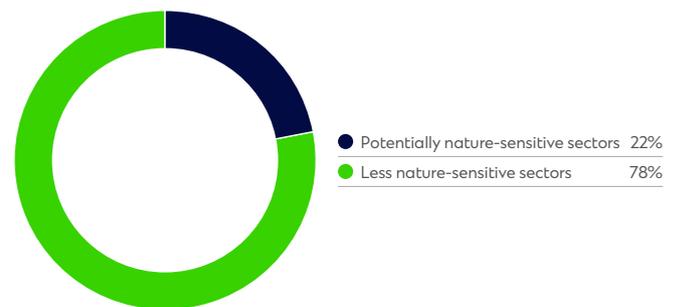
Our analysis identified agriculture producers, building products, construction and engineering, metals and mining, oil and gas, other materials, commodity traders, pharmaceuticals, biotechnology and life sciences, consumer services and food, beverage and tobacco as the sectors with the highest sensitivities to nature-related impacts and dependencies for in-scope portfolio exposure. The food, beverage and tobacco sector has met the potential nature-sensitivity threshold for in-scope portfolio exposure, but did not meet the potential nature-sensitivity threshold for total portfolio exposure.

These represent 8 per cent of CIB's total 2025 exposure and 22 per cent of CIB's in-scope lending portfolio. The total 2025 portfolio exposure does not include the food, beverage and tobacco sector on the basis that it did not meet the potential nature-sensitivity threshold for total portfolio exposure.

#### Total portfolio exposure



#### In-scope portfolio exposure



1 "The materiality rating of Very High (VH) was assigned to all cultural ecosystem services (recreation-related services; visual amenity services; education, scientific and research services; and spiritual, artistic and symbolic services) across all economic activities that were identified as depending on them. Our review of existing literature on the relationship between specific economic activities and cultural ecosystem services has shown that further consolidation in the scientific community is needed to establish a recognised approach for how the materiality of the dependencies on these ecosystem services for specific economic activities should be assessed" (ENCORE).

2 Living in a world of disappearing nature: physical risk and the implications for financial stability, European Central Bank (ECB) Occasional Paper Series No 333.

# Risk and impact management

Table 1 provides further breakdown of our exposure to the potentially nature-sensitive sectors identified:

**Table 1: Breakdown of 2025 portfolio exposure to potentially nature-sensitive sectors (in USD billion)**

Potentially nature-sensitive CIB sectors	Total portfolio exposure	In-scope portfolio exposure
Oil and gas	8.8	7.3
Commodity traders	10.8	4.6
Other materials	4.4	3.2
Metals and mining	4.8	3.0
Building products, construction and engineering	2.8	2.4
Food, beverage and tobacco <sup>1</sup>	3.4	2.4
Consumer services	2.3	2.3
Agriculture producers	2.3	2.0
Pharmaceuticals, biotechnology and life sciences	2.6	1.3
<b>Total exposure to potentially nature-sensitive sectors<sup>2</sup></b>	<b>38.8<sup>3</sup></b>	<b>28.5</b>

All the sectors identified as potentially nature-sensitive are part of TNFD’s list of proposed priority sectors. Accordingly, we will also prioritise these sectors for further analysis to enhance our understanding of the potential underlying nature risks.

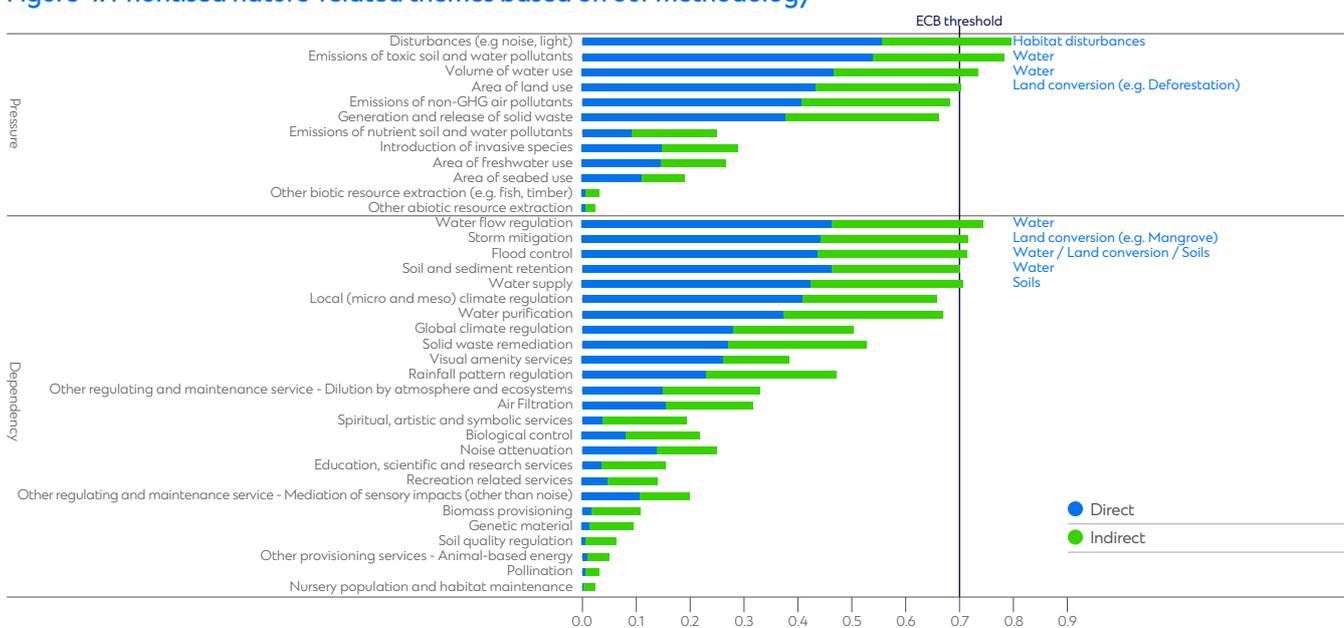
## Predominant nature risk themes potentially present in our portfolio

We analysed the predominant nature risk themes potentially present in our portfolio. We adopted the European Central Bank (ECB) methodology<sup>4</sup> to calculate portfolio scores for themes of nature risks, based on ENCORE’s individual production process rating.

$$\text{Portfolio sensitivity rating}_{i,k} = \text{Direct rating}_{i,k} + (1 - \text{Direct rating}_{i,k}) \text{Indirect rating}_{i,k}$$

where (i) is the assessed industry, and (k) is the impacts or dependencies. When grouped across impacts and dependencies, land conversion, habitat disturbances, soils, and water emerged as the most nature-sensitive risk themes potentially applicable to our portfolio. These risk themes will guide our further sector and client analysis.

**Figure 4: Prioritised nature-related themes based on our methodology**



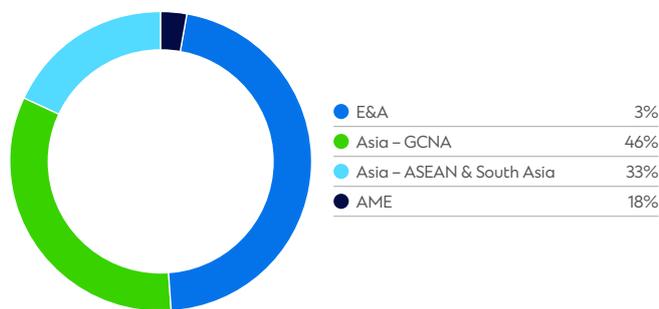
- The food, beverage and tobacco sector did not meet the potential nature-sensitivity threshold for total portfolio exposure however, it did meet the potential nature-sensitivity threshold for in-scope portfolio exposure.
- The total portfolio exposures in this table differ from the sector-specific climate exposures disclosed on page 263 of our 2025 Annual Report. The purpose of the climate exposure disclosure in the Annual Report is to provide a useful measurement of the Group’s exposure to the highest emitting sectors. Hence, they include the Group’s exposure to clients within the most relevant ISIC codes for this purpose as recommended by the Net Zero Banking Alliance (NZBA). Given the wider range and variety of potential nature-related impacts and dependencies, these impacts and dependencies may be relevant to sectors that have been deemed to be within the lower emitting categories for climate. Accordingly, we have taken a cautious approach and decided to include all ISIC codes within the sectors in this report, in order to provide a holistic assessment to understand the impacts and dependencies associated with the economic activities.
- The total exposure to potentially nature-sensitive sectors does not include the food, beverage and tobacco sector total portfolio exposure on the basis that it did not meet the potential nature-sensitivity threshold for total portfolio exposure.
- Living in a world of disappearing nature: physical risk and the implications for financial stability, ECB Occasional Paper Series No 333.

## 7.4 Risk and impact assessment of our direct operations

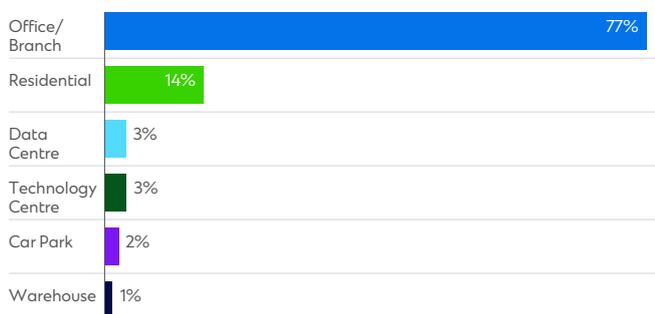
Our markets across Asia, Africa and the Middle East include regions that are particularly rich in biodiversity. This unique geographic footprint positions us well to enhance our business operations in places where nature is critically important. We have developed an in-house methodology for conducting a nature risk asset location analysis of our direct operations, guided by the TNFD LEAP framework.

Below is a snapshot of our asset locations and a breakdown of the types of assets that we operate.

### Breakdown by geography



### Breakdown by asset type

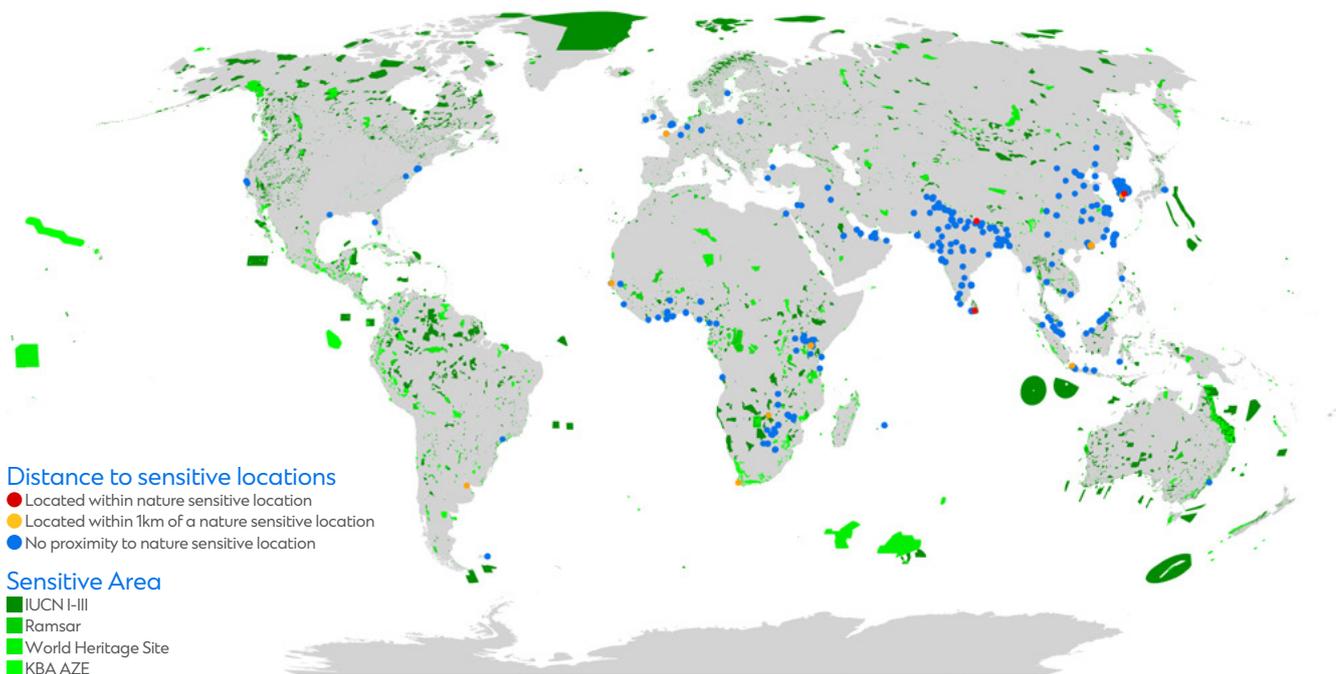


We have assessed our direct operations' proximity to sensitive locations based on Standard Chartered's Position Statements criteria. Based on the availability of data, we have analysed the following restrictions under our Nature and Agribusiness Position Statement:

- We will not provide financial services to clients who:
  - Have operations that adversely impact upon the Outstanding Universal Value of UNESCO World Heritage Sites; or
  - Have operations in Key Biodiversity Areas (KBA) or IUCN Protected Areas categories I-III for new plantations or farmland.
- We will not provide financial services directly towards projects or activities that:
  - Adversely impact upon the ecological character of wetlands designated under the Ramsar Convention on Wetlands of International Importance.

In our recent environmental assessment, we implemented a 1km buffer zone to effectively identify if our operations are within or close to these sensitive natural areas. This analysis identified six critical locations directly within nature-sensitive zones, comprising of two overlaps with RAMSAR sites and four with IUCN Protected Area Ia. Additionally, we discovered 30 site overlaps within the 1km buffer of sensitive areas, comprising of two UNESCO World Heritage sites, seven RAMSAR sites, 17 Alliance for Zero Extinction (AZE) Key Biodiversity Areas (KBA), one IUCN Protected Areas Ia, and three IUCN Protected Areas II. These findings highlight the areas requiring further in-depth analysis to ensure the preservation of biodiversity and the sustainability of ecosystems. We have detailed our evaluations of these sites to guide our conservation efforts and regulatory compliance in the subsequent sub-sections.

Figure 5: Geospatial analysis of our operations' proximity to sensitive locations



**Proximity to sensitive locations: Key Biodiversity Areas (KBAs)**

We assessed our operations' proximity to KBAs based on our Agribusiness Position Statement. In this assessment, we focused specifically on the AZE sites within KBAs, as they are in the most urgent need of conservation to prevent imminent global extinction. This approach is aligned with how the IFC prioritises KBAs<sup>1</sup>. In contrast to IUCN-classified Protected Areas, KBAs are not precisely delineated, complicating the nature impact assessment from our direct operations.

Based on the assessment, out of ~1,000 Group site<sup>2</sup>, there are 17 sites within 1km of an AZE KBA. None of the properties lie within an AZE KBA, and only 5 are within a 500m radius. All locations are within dense urban context and consist of low-impact property types such as branches/offices and car parks.

Based on the analysis of the five properties within a 500 meter radius of an AZE KBA, all are located in Hong Kong's urban areas (see Appendix 3 for illustration), and thus it can be concluded that our own operations have no to very limited impact on the AZE KBA. This conclusion is supported by the following factors:

- **Built environment:** The properties are situated in a highly developed urban area, which typically has established infrastructure and regulated environmental protections.
- **Asset type:** The nature of the assets (e.g. office / branch and carpark) suggests that they are not likely to engage in activities that would significantly disrupt the biodiversity of the nearby AZE KBA.
- **Proximity:** Although the properties are within 500m of the AZE KBA, the distance is sufficient to mitigate direct impacts, especially considering the urban context and existing environmental safeguards.

1 International Finance Corporation's Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.  
 2 Excluding ATMs, closed branches, coin vault and signage.

## Proximity to sensitive locations: IUCN Protected Areas I-III

We assessed our own operations' proximity to IUCN Protected Areas categories I – III. In this assessment, there are eight sites within a 1km buffer of an IUCN Protected Area I-III, four of which are within the perimeter of the Area. These sites comprise of five offices/branches and three residential properties.

Subsequently, we conducted an in-depth analysis on the eight sites within a 1km radius of IUCN Protected Areas I-III to assess the materiality of the overlap. Our geospatial and street view analysis indicates that these sites are not in immediate proximity to nature sensitive areas, as these sites are located within urban environments and generally have a small geographical footprint. See Appendix 3 for illustrations.

### Spotlight

## Gamak Bay Marine Protected Area, South Korea

### Background of protected area

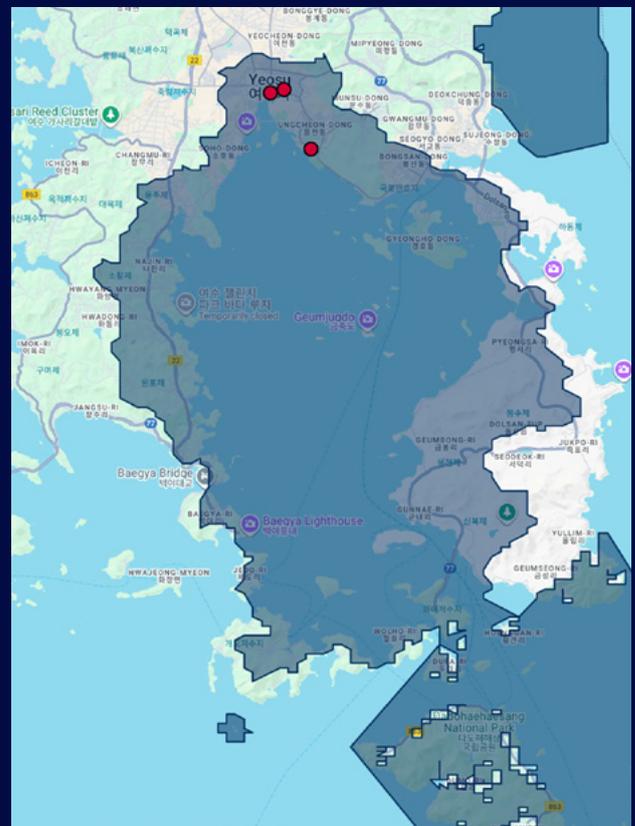
Following an extensive 2009 study, which found moderate levels of heavy metal sediments in the Yeosu Bay region, the Korea Marine Environment Management Corporation (KOEM) has overseen the protection and maintenance of the Gamak, Yeoja and Jangsu bays on the city coast of Yeosu since 2010. The site has been designated an IUCN Ia protected area since 2012.

The KOEM, through its MPA Center, coordinates registration, assessment, citizen monitoring, enforcement, and education. The broad MPA, has successfully balanced ecological protection with economic resilience, by designating sensitive habitats as no-take areas while promoting tourism and fisheries. Key strategies include international collaboration, community engagement through advisory councils, and eco-tourism initiatives. By harmonising biodiversity goals with local livelihoods, Yeosu MPA has emerged as a benchmark for effective marine governance.

### Assessment

We have concluded that our assets, including a branch and residential property, located in Yeosu have limited impact on the IUCN Protected Area 1a. This conclusion is supported by the following factors:

- **Built environment:** The assets are situated in a highly developed urban area, as confirmed by Google Maps Street view.
- **Asset type:** The nature of the assets suggests that they are not likely to engage in activities that would significantly disrupt the biodiversity of the nearby protected area.
- **Proximity:** Although the assets are within the marine protected area, the distance from the water is sufficient to mitigate direct impacts, especially considering the urban context.
- **Existing environmental safeguards such** as those displayed in Korea includes an integrated management framework of MPAs overseen by the KOEM. The KOEM also conducts regular monitoring of marine environments within MPAs to assess water quality, biodiversity and ecosystem health.<sup>1</sup>



1 Yeosu Regional Office of Oceans and Fisheries, 2025.

### Proximity to sensitive locations: UNESCO World Heritage Sites

In our assessment of direct operations, we identified two locations within a 1km buffer of a UNESCO World Heritage Site: an office in Cape Town, South Africa, and a residential property in Victoria Falls Town, Zimbabwe. Given that these sites are located in urban areas with a minimal geographical footprint and are not within the boundaries of the heritage sites, we have determined that their operations will not adversely impact the integrity of the UNESCO World Heritage Sites.

 See Appendix 3 for illustrations.

### Proximity to sensitive locations: RAMSAR sites

In our assessment, we have identified nine sites within a 1km buffer of a RAMSAR site. These sites comprise seven offices / branches, one car park, and one warehouse. Given our nature cross-sector position statement restriction to not provide financial services directly towards projects or activities that adversely impact upon the ecological character of wetlands designated under the Ramsar Convention on Wetlands of international importance, we have focused our assessment on sites within the RAMSAR boundaries as they have the potential to infringe those restrictions. Notably, two branches are located within the RAMSAR wetland area in the lake cluster of Pokhara Valley, Nepal. See Appendix 3 for illustrations.

It can be concluded that our two branches have limited impact upon the ecological character of the lake cluster of Pokhara valley. This conclusion is supported by the following factors:

- **Built environment:** The properties are situated in a highly developed urban area, which includes two airports, as confirmed by Google Maps Street view.
- **Asset type:** The nature of the assets suggests that they are not likely to engage in activities that would significantly disrupt the biodiversity of the nearby area.
- **Proximity:** Although the properties are within the RAMSAR area, the distance from the lakes are sufficient to mitigate direct impacts, especially considering the urban context and existing environmental safeguards.
- **Existing environmental safeguards:** The Lake Conservation Development Authority (LCDA) was established in 2019 to oversee conservation and management of the lake basins, including the Pokhara Valley Ramsar site.

### Nature-related impact and dependency assessment

We have further assessed our direct operations for local impacts and dependencies using geospatial data from the WWF Biodiversity risk and Water Risk filter and the Natural History Museum (UK). To ensure completeness across the indicators, all ENCORE pressures and dependencies were mapped against these datasets as can be seen in Figure 6 below.

Figure 6: Mapping of ENCORE pressures and dependencies to raw source indicators

	Pressures			Dependencies		
	Raw source indicator	Final Encore mapping		Raw source indicator	Final Encore mapping	
Source: IBAT	KBA	Alliance for Zero Extinction (AZE)	Source: WWF Water Risk Filter	Biodiversity intactness index	BI score is retained since there is not a direct map into Encore	
	PA	IUCN I-III		Water Availability	Water supply	
Source: WWF Water Risk Filter	Water availability	Volume of water use		Flooding	Flood control	
	Air condition	Emissions of non-GHG air pollutants		Drought	Rainfall pattern regulation	
	Nitrate-Nitrate concentration	Emissions of nutrient soil and water pollutants		Water Quality	Water purification	
	Water quality	Emissions of toxic soil and water pollutants		Source: WWF Biodiversity Risk Filter	Landslides	Storm mitigation
	Total dissolved solids	Generation and release of solid waste			Wildfire Hazard	Soil and sediment retention
	Limited marine fish availability	Marine ecosystem use			Forest productivity and distance to market	Biomass provisioning
	Freshwater biodiversity richness	Freshwater ecosystem use			Soil condition	Soil quality regulation
Source: WWF Biodiversity Risk Filter	Forest canopy loss	Area of land use			Air condition	Air filtration
	Invasives	Introduction of invasive species			Pollination	Pollination
	Limited wild flora & fauna availability	Other biotic resource extraction			Plant/Forest/Aquatic pests and diseases	Biological control
				Herbicide resistance	Other regulating and maintenance service – Dilution	
				Land, Freshwater and sea use change	Nursery population and habitat maintenance	
			Extreme heat	Global climate regulation		

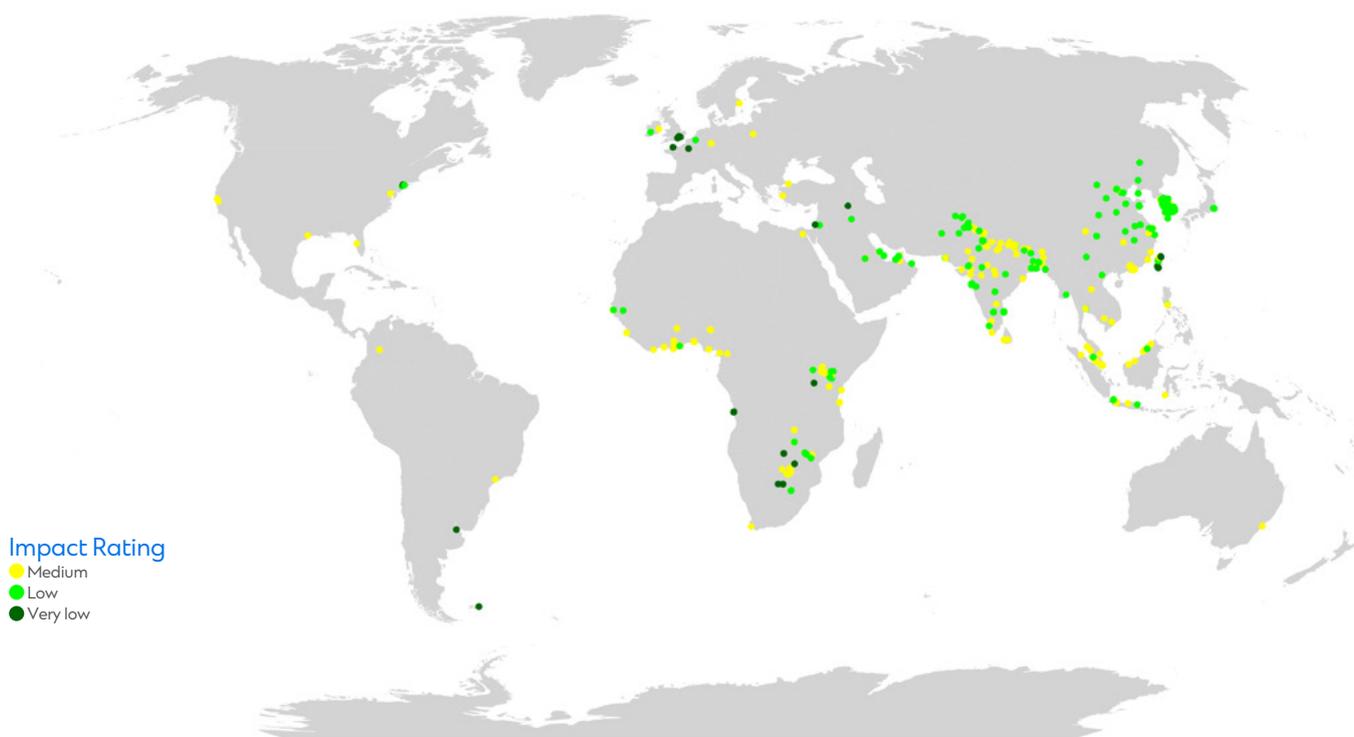
Subsequently, the local impact and pressure scores derived from the WWF Biodiversity and Water Risk filter<sup>1</sup> for each Standard Chartered property were weighted using an asset type weighting matrix. This matrix was derived by mapping the 271 ENCORE economic activities to (n) different asset types and using the maximum dependency and pressure ratings to determine an asset weight for each impact and dependency (k).

$$\text{Asset sensitivity}_{m,k} = \sqrt{\text{Local sensitivity rating}_{m,k} \times \text{Asset weight}_{n,k}}$$

Using the above formula (based on UN-WCMC), we calculated assets sensitivity scores for each of our properties (m). The below maps showcase the maximum sensitivity score for each asset for dependencies or impacts respectively.

Based on our analysis, no site exceeds the “Medium” sensitivity rating for nature-related impacts.

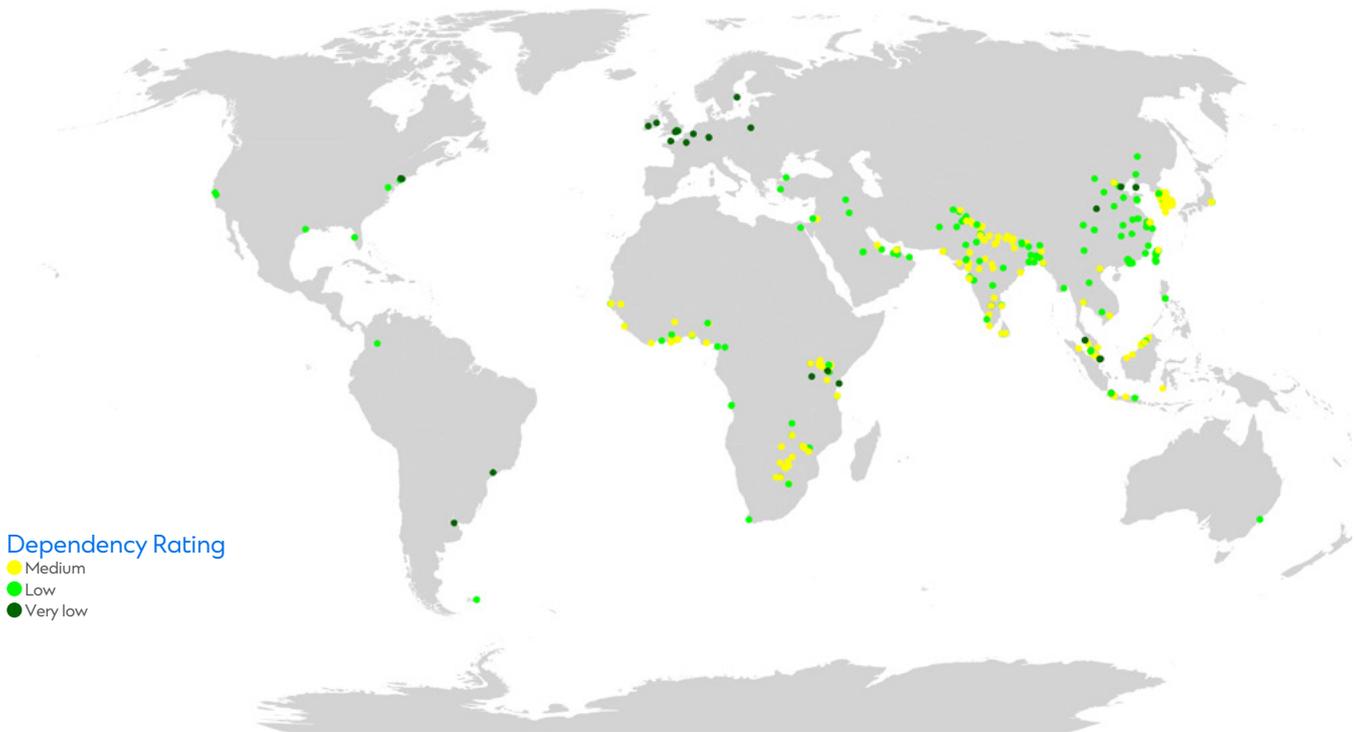
**Figure 7: Geospatial local impacts assessment of our sites**



The dependency scores, based on the WWF Biodiversity Risk Filter, indicate that all properties, except for seven, have a maximum rating of “Medium”. These seven properties in Asia exhibit a “High” or “Very high” dependency on nature for flood control. We subsequently cross-checked these results against internal climate risk data sources, which revealed that no property has an elevated risk of experiencing flash flood events.

<sup>1</sup> WWF Biodiversity and Water Risk filter are hosted on the WWF Risk Filter Suite (current v2.0) and are compositions of various nature-related geo-spatial data sets developed and sustained by WWF. The Biodiversity Risk Filter focuses on geo-spatial information centred around biodiversity-related physical, regulatory and reputational risk, measured based on risk indicators, for example, such as land, freshwater, and sea use change. The Water Risk Filter provides geo-spatial data on the same risk categories but with a focus on water-related risk indicators such as basin-level water stress.

Figure 8: Geospatial local dependencies assessment of our sites



**Our direct operations have limited exposure to nature risks**

In summary, our direct operations assets have limited local impacts and dependencies on nature:

- **No immediate proximity to nature sensitive areas**
  - Given that IUCN Protected Areas are officially delineated and managed areas, there is heightened focus to ensure that our operations do not contribute any potential nature-related impacts in these sensitive areas. The eight assets within 1km of an IUCN Protected Areas I-III are not in immediate proximity to nature sensitive areas as all of these sites are located in urban areas, are all small office branches and residential homes and as such our nature-related impact is judged as minimal. The two properties located within the Ramsar site of Pokahara also demonstrate the same characteristics as minimally impacting site types within urban landscapes.
  - Potentially more impactful property types such as data centres, technology centres or warehouses are all 3km or further away from any IUCN Protected Areas I – III and at least 1km away from any area designated as AZE KBA.
  - Most of our properties are more than 7.5km or further away from IUCN Protected Areas I – III or AZE KBA.

- **No sites exceed an impact sensitivity rating of “Medium”**
- **No sites exceed a dependency sensitivity rating of “medium”.**

We plan to embed a nature risk assessment as a component of our due diligence process for all new leased and purchased assets in future. This will enable us to proactively identify risk and opportunities related to ecosystem impacts, land use or potential infringements into protected or sensitive areas and ensure that our decisions are consistent with our position statement and policies.

# 8. Metrics and targets

The analysis described in sections 7.3 and 7.4 have improved our understanding of nature-related impacts and dependencies for our CIB portfolio and in our direct operations, giving us greater insights into our portfolios' exposures to sectors with the highest potential exposure to nature-sensitive activities and of our direct operations' proximity to sensitive locations.

In this section, we have summarised the metrics that we have gathered as part of this exercise, together with other nature-related information that the Group is already disclosing as part as our wider sustainability disclosures.

This information covers some of the metrics set out in the TNFD Recommendations and the TNFD's Additional Guidance for Financial Institutions:

	Indicator	Metric type	Financial portfolios	Direct operations
<b>Impacts and Dependencies</b>	FI.C0.0 Exposure to sectors	Core FI sector metric	We have disclosed a breakdown of 2025 portfolio exposure to potentially nature-sensitive sectors (in USD billion) on page 32.	Not applicable.
	FI.C0.1 Exposure to sensitive locations	Core FI sector metric	Not yet disclosed due to current limits on data availability.	Not applicable.
	Greenhouse gas emissions	Core metric	We have disclosed our financed and facilitated emissions on page 34.	We have disclosed the emissions from our direct operations on page 35.
<b>Risks and opportunities</b>	C.2.2 Waste generation and disposal	Core metric	Not disclosed	We have disclosed the amount of waste generated, and the amount of waste reused or recycled on page 35.
	C7.1 Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related physical risks (total and proportion of total)	Core metric	Refer to FI.C0.0	We have disclosed the proximity of the Group's direct operations to nature-sensitive locations on page 34.
	C7.3 Amount of capital expenditure, financing or investment deployed towards nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy or third-party industry or NGO taxonomy, where relevant	Core metric	We have disclosed the amount of green assets on our balance sheet. Qualifying assets are defined and governed by the Group's GSPF on pages 33 to 34.	Not disclosed.
	A3.0 Total water consumption and withdrawal	Additional metric	Not disclosed.	We have disclosed water consumption and intensity on page 35.

Further work is required before we will be in a position to disclose against other metrics in the TNFD disclosure framework. Financial institutions working towards TNFD disclosures are currently facing challenges due to a lack of data availability and the absence of established scenarios and mature methodology guidance. This will likely limit the pace at which we will be able to develop further metrics in the near term. We summarise our key assumptions, challenges and limitations encountered to date in section 9.

## Metrics and targets

### 8.1 Financial portfolios

#### Exposure metrics: Breakdown of 2025 portfolio exposure to potentially nature-sensitive sectors (in USD billion)

TNFD recommends that financial institutions disclose a metric that represents the exposure to a defined set of sectors considered to have higher exposure to nature-related dependencies and impacts. This metric demonstrates that a financial institution has undertaken an initial nature-related exposure assessment with a sector lens, based on a heatmapping approach.

The heatmapping exercise outlined in section 7.3 above, provided us with a preliminary indication of our potential exposure to the most nature-sensitive sectors in our CIB segment:

Potentially nature-sensitive CIB sectors	Total portfolio exposure	In-scope portfolio exposure
Oil and gas	8.8	7.3
Commodity traders	10.8	4.6
Other materials	4.4	3.2
Metals and mining	4.8	3.0
Building products, construction and engineering	2.8	2.4
Food, beverage and tobacco <sup>1</sup>	3.4	2.4
Consumer services	2.3	2.3
Agriculture producers	2.3	2.0
Pharmaceuticals, biotechnology and life sciences	2.6	1.3
<b>Total exposure to potentially nature-sensitive sectors</b>	<b>38.8<sup>2</sup></b>	<b>28.5</b>

The in-scope CIB portfolio exposure comprises of the following products:

- Corporate bonds
- Corporate lending
- Project finance loans
- Commercial real estate investment loans
- Asset-backed lending

Lending to financial institutions and private banking as well as traded products, including derivative balances and unsettled trades, amongst others, are excluded from the in-scope CIB portfolio exposure, due to their indirect potential exposure to nature-related impacts and dependencies which cannot be traced through ENCORE's economic activities mapping. Product exclusions are consistently applied across each sector.

The total portfolio exposures in this table differ from the sector-specific climate exposures disclosed on page 263 of the Group's 2025 Annual Report. The purpose of the climate exposure disclosure in the Annual Report is to provide a useful measurement of the Group's exposure to the highest emitting sectors. Hence, they include the Group's exposure to clients within the most relevant ISIC codes for this purpose, as recommended by the Net Zero Banking Alliance (NZBA). Given the wider range and variety of potential nature-related impacts and dependencies, these impacts and dependencies may be relevant to sectors that have been deemed to be within the lower emitting categories for climate. Accordingly, we have taken a cautious approach and decided to include all ISIC codes within the sectors in this report, in order to provide a holistic assessment to understand the impacts and dependencies associated with the economic activities.

<sup>1</sup> The food, beverage and tobacco sector did not meet the potential nature-sensitivity threshold for total portfolio exposure however, it did meet the potential nature-sensitivity threshold for in-scope portfolio exposure.

<sup>2</sup> The total exposure to potentially nature-sensitive sectors does not include the food, beverage and tobacco sector total portfolio exposure on the basis that it did not meet the potential nature-sensitivity threshold for total portfolio exposure.

## Amount of green assets on our balance sheet

Our sustainable finance assets reflect the assets on our balance sheet generated as a result of green, social and sustainable financing activity, and it is against these assets that we raise sustainable liabilities. How we apply the 'green' label across products and transactions is outlined in our GSPF, which governs the activities that we as an organisation classify as 'green', 'social' and 'sustainable'. We provide further details on our GSPF on page 13 and in our Sustainable Finance Impact Report 2025. The GSPF is available at [sc.com/sustainabilitylibrary](https://sc.com/sustainabilitylibrary).

We have not conducted a full nature impact assessment for each asset or asset category and acknowledge that in many cases trade-offs between positive and negative nature-related impacts are necessary.

## Green finance assets<sup>1,2</sup>

### Theme

	Sept 2025 \$m	Sept 2024 \$m	SDGs	Key Impact Reported <sup>3</sup>
<b>Clean transportation*</b>	<b>1,790</b>	1,929		6,736 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
Electric vehicles (EVs)	742	710		
EV battery manufacturers	381	622		
Manufacturing of specialised component parts of EVs	241	147		
Rail	396	450		
Several clean transportation projects	30			
<b>Climate change adaptation*</b>	<b>1</b>	3	 	
<b>Energy efficiency*</b>	<b>204</b>	141		64,915 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
LED lighting	98	92		
Modernisation of broadband network	105	46		
Smart meters	-	3		
Several energy efficiency projects	1	-		
<b>Eco-efficient products</b>	<b>26</b>	37	 	
<b>Green buildings*</b>	<b>8,030</b>	8,816	 	67,049 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
Green buildings	4,701	5,554		
Green mortgages	3,329	3,262		
<b>Pollution prevention and control</b>	<b>37</b>	157	 	8,701 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
<b>Portfolio of green projects</b>	<b>334</b>	436	Multiple	3 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
<b>Renewable energy*</b>	<b>6,120</b>	5,498		5,990,151 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
Transmission lines	84	174		
Wind and solar	424	528		
Hydropower	72	24		
Manufacture of components for renewable energy technology	988	954		
Solar	2,037	1,618		
Waste to energy	201	239		
Wind	2,076	1,534		
Energy storage	147	130		
Green hydrogen	33	19		
Biofuels	40	-		
Mixed renewables	18	278		

## Metrics and targets

	Sept 2025 \$m	Sept 2024 \$m	SDGs	Key Impact Reported <sup>3</sup>
Sustainable management of living and natural resources	277	249	  	523,869 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
Sustainable water and wastewater management	216	127		6,661,424 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
Total green assets	17,035	17,393	Multiple	6,661,424 tCO <sub>2</sub> e achieved and expected GHG emissions avoided
Portfolio of green and social projects <sup>4</sup>	576	392	Multiple	

\* Categories denoted with an asterisk are considered to be climate-related.

1 Amounts included in the table are as of September 2025 and September 2024 and are aligned to the Group's Sustainable Finance Impact Report available at [sc.com/sfimpactreport](https://sc.com/sfimpactreport).

2 Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at [sc.com/sustainabilitylibrary](https://sc.com/sustainabilitylibrary).

3 Key impact reported includes impacts from assets that are both operational and under construction and therefore reflects a combination of annual achieved and expected outcomes over the reporting period. The metrics presented in this column are limited to the three impact metrics that are subject to independent limited assurance by EY. For a broader set of impact metrics across environmental and social categories, please refer to our 2025 Sustainable Finance Impact Report.

4 The underlying assets could potentially span across various green and/or social project categories aligned to those in the Sustainability Bond Framework. In such cases, financing is temporarily reported under this portfolio category until the underlying data can be sufficiently disaggregated to allow accurate and transparent reporting by specific project type.

### Financed and facilitated emissions

Greenhouse gas emissions are an indicator in TNFD's core global disclosure indicators and metrics table for nature-related dependencies and impacts. As such, we have disclosed our financed and facilitated emissions in the following table:

	2025 (tCO <sub>2</sub> e)	2024 (tCO <sub>2</sub> e)	2023 (tCO <sub>2</sub> e)
<b>Scope 3 Category 15: Investments<sup>1</sup></b>			
Financed emissions <sup>2</sup>	33,900,000	35,600,000	42,330,000
Facilitated emissions	3,080,000	1,761,000	3,007,000
<b>Scope 3 Category 15 emissions excluding agriculture sector Scope 3 emissions<sup>2</sup></b>	<b>36,980,000</b>	<b>37,361,000</b>	<b>45,337,000</b>
Agriculture sector Scope 3 emissions <sup>3</sup>	13,900,000	10,300,000	–
<b>Total Scope 3 category 15 emissions<sup>2</sup></b>	<b>50,880,000</b>	<b>47,661,000</b>	<b>45,337,000</b>

## 8.2 Direct operations

### Proximity of our direct operations to nature-sensitive locations

We set out how we have assessed our direct operations' proximity to sensitive locations based on the Group's Position Statements criteria in section 7.4. The following table summarises the location of our sites:

Area designation	Sites located within the area	Sites located within 1km of the area
UNESCO World Heritage	–	2
RAMSAR	2	7
AZE KBAs	–	17
IUCN Protected Areas I – III	4	4
Total	6	30

In summary, our direct operations assets have limited local impacts and dependencies on nature. Read more on page 30.

1 Category 15: Investments includes financed and facilitated emissions and are measured on a one to two-year lag based on the availability of third-party and client data. Facilitated emissions are calculated on a three-year rolling average. Category 15 emissions are rounded to the nearest 1,000 tCO<sub>2</sub>e.

2 Prior year total financed emissions have been restated following a restatement in the oil and gas sector absolute emissions. The prior period has been restated to apply the Group's methodology of only counting Scope 3 emissions on upstream production activities (including diversified and integrated counterparties). There was no impact on the baseline year.

3 The baseline emissions for the agriculture sector are calculated using the Implied Temperature Rise (ITR) method. Agriculture financed emissions includes Scope 3 emissions which are complex in nature due to the vast value chain, operations of our clients within this sector and data availability limitations. The decision to include Scope 3 emissions of the Group's agriculture clients was intentional as this has the most real-world impact by allowing the Group to engage with our clients to decarbonise both their operations and their supply chains. On an absolute emissions basis the agriculture portfolio has 1.4 MtCO<sub>2</sub>e in its Scope 1 and 2 emissions and a further 13.9 MtCO<sub>2</sub>e in its Scope 3 emissions, giving the sector 15.3 MtCO<sub>2</sub>e in total. Read more in our 2025 Annual Report.

## Environmental impacts of our own operations

The following table outlines the environmental impacts of our operations, including our greenhouse gas emissions as well as water consumption and waste generation.

	Units	2025	2024	2023
<b>Scope 1 and 2 GHG emissions<sup>1</sup></b>				
Scope 1 emissions <sup>2</sup>	tCO <sub>2</sub> e	5,792	7,696	8,488
Scope 2 emissions (location-based)	tCO <sub>2</sub> e	74,591	82,837	85,741
Scope 2 emissions (market-based)	tCO <sub>2</sub> e	0	17,272	26,246
<b>Scope 1 and 2 emissions (market based)</b>	<b>tCO<sub>2</sub>e</b>	<b>5,792</b>	<b>24,968</b>	<b>34,734</b>
<b>Scope 3 supply chain emissions<sup>3</sup></b>				
Category 1: Purchased goods <sup>4</sup>	tCO <sub>2</sub> e	251,761	319,078	346,819
Category 2: Capital goods	tCO <sub>2</sub> e	41,799	43,716	42,707
Category 4: Upstream transportation and distribution (including SAF) <sup>5</sup>	tCO <sub>2</sub> e	16,904	27,268	24,125
Category 5: Waste generated in operations	tCO <sub>2</sub> e	349	379	520
Category 6: Business travel (air travel)	tCO <sub>2</sub> e	52,375	53,326	48,046
Category 6: Business travel (miscellaneous other than air travel)	tCO <sub>2</sub> e	8,446	16,420	8,918
Category 7: Employee commuting <sup>6</sup>	tCO <sub>2</sub> e	60,348	81,065	71,228
Category 8: Upstream leased assets (data centres) <sup>1,7</sup>	tCO <sub>2</sub> e	4,397	4,186	4,431
Category 13: Downstream leased assets (real estate) <sup>8</sup>	tCO <sub>2</sub> e	4,799	7,119	7,898
<b>Total Scope 3 supply chain emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>441,178</b>	<b>552,557</b>	<b>554,692</b>
<b>Environmental resource efficiency</b>				
<b>Energy</b>				
Indirect non-renewable energy consumption	GWh	126	125	142
Indirect renewable energy consumption	GWh	13	14	16
Direct non-renewable energy consumption	GWh	8	12	13
Direct renewable energy consumption	GWh	2	2	2
Energy consumption	GWh	150	154	173
<b>Water</b>				
Water consumption	Million litres	413	446	393
Water intensity	m <sup>3</sup> /m <sup>2</sup>	0.48	0.52	0.45
<b>Waste<sup>9</sup></b>				
Waste generated	kg	670,935	725,230	998,407
Waste intensity	kg/m <sup>2</sup>	0.8	0.9	1.1
Waste reused or recycled	%	74	61	52

- Our Scope 1 and 2 emissions and Scope 3 Category 8: Upstream leased assets (data centres) emissions calculations for the most recent reporting year were independently assured by Global Documentation Ltd. The assurance scope includes the leased vehicle fleet and fugitive emissions.
- As we aim to improve our emissions measurement and reporting year-on-year, we have included leased vehicle fleet emissions in our Scope 1 data since 2024 (733 tCO<sub>2</sub>e in 2025 and 1,340 tCO<sub>2</sub>e in 2024) and fugitive emissions since 2023 (3,035 tCO<sub>2</sub>e in 2025, 3,877 tCO<sub>2</sub>e in 2024 and 5,266 tCO<sub>2</sub>e in 2023).
- Scope 3 Category 3, Category 9, Category 10, Category 11, Category 12 and Category 14 are not relevant for the Group due to the nature of our business, products and services and operations. GHG emissions associated with these categories are not deemed as relevant and/or material. Scope 3 Category 2, Category 4, Category 5, Category 7, Category 8 and Category 13 are not deemed material.
- We have restated our Scope 3 Category 1: Purchased goods and services emissions data for the 2024 reporting year from 345,193 tCO<sub>2</sub>e to 319,078 tCO<sub>2</sub>e due to one of our largest suppliers (by spend) restating their publicly reported emissions. The supplier restatement is a result of improved data accuracy within its calculations.
- We recognise the role of Sustainable Aviation Fuel (SAF) as a lever in lifecycle greenhouse gas emissions of logistics emissions. In line with emerging international standards and guidance, we account for the use of SAF in our emissions calculations by applying its verified lifecycle carbon intensity compared to conventional jet fuel for our logistics emissions. Our emissions reductions from SAF (through The Book and Claim Model) are only recognised when supported by robust certification, traceability, and sustainability criteria to avoid double counting and ensure genuine climate benefit. We will continue to monitor evolving standards to align with best practice as frameworks mature. Category 4 emissions for 2025 were 17,467 t CO<sub>2</sub>e when excluding the purchase of SAF.
- Category 7: Employee commuting includes both emissions from commuting (28,864 tCO<sub>2</sub>e) and emissions associated with home office working (31,484 tCO<sub>2</sub>e).
- Emissions from third-party collocated data centres have been reclassified to Scope 3 Category 8 from Scope 3 Category 1. We re-evaluated the nature of our lessee relationship with these assets and, in line with the GHG Protocol, believe this data aligns more closely to Scope 3 Category 8. We have reclassified these emissions in our 2023 and 2024 comparatives, which were already reported separately from other Category 1 emissions.
- Category 13: Downstream leased assets are leased spaces within locations where the Group is either the owner or main tenant of the building.
- Does not include any hazardous waste.

# 9. Assumptions

This report provides an overview of Standard Chartered's evolving methodology for assessing nature-related impacts, dependencies, risks and opportunities, including by reference to the TNFD disclosure framework, along with reporting the results derived from these assessments. Our evaluations utilise current data and proprietary methodologies.

We acknowledge that our approach and reporting may change, including as a result of regulatory changes, data availability, methodological updates, and market developments and we're committed to continuous refinement in line with emerging best practices.

Key assumptions, challenges and limitations encountered during this process:

- **Data processing:** The manual mapping of the Group's ISIC codes to ENCORE ISIC codes, as well as the alignment of ENCORE dependencies and impacts with WWF risk filter data, has been conducted in-house on a best-efforts basis. Due to the lack of readily available granular data on the primary production processes within each sector of the Group's portfolio, a single production process is assumed for each ISIC code in the initial heatmapping assessment.
- **Data analysis:** The impact of sectors and clients on climate change has been excluded in the assessment of their impact risk scores, as this evaluation is conducted separately under our current climate risk and net zero commitments. It is important to note that different aggregation methods can yield varying outcomes. We maintain transparency in our approach to potential double materiality within our portfolio, aiming to prioritise sectors for further analysis and engagement based on their level of potential impacts and dependencies.
- **Data reliability:** The data sources used, such as ENCORE and EXIOBASE, represent some of the best available at the time of assessment. However, these sources are based on modelling approaches that incorporate assumptions, averages, maximums, and expert judgment. Additionally, severity ratings are established at a global level for each economic activity, while actual impacts and dependencies are influenced by local production processes, technologies, and environmental conditions. Therefore, the results should be viewed as indicative and interpreted with caution, in conjunction with other sources. Further geo-spatial analysis is required to enhance accuracy.
- **Complexity of ecosystems:** Ecosystems are intricate systems with numerous interconnections and dependencies, making it challenging to fully comprehend their dynamics and functions solely through our assessments.
- **Sensitive location assessment:** The exercise to map our properties against sensitive locations, such as IUCN Protected Areas I-III and KBAs proved to be valuable. It facilitated the development of capabilities and heightened business awareness on this important topic. However, there are important shortcomings that hinder the effectiveness and scalability of this exercise:
  - The delineation of sensitive areas is not precise, often resulting in spatial representations that include buffer zones or extend into urban areas (See our case study on the marine protected area of Yeosu). This lack of clear delineation limits the conclusions that can be drawn from the analysis and restricts actionable steps, as "proximity" to sensitive areas is not an accurate measure of impact on those areas. Further analysis is necessary, but this can only be feasibly conducted for a manageable number of asset locations.
  - The IUCN categorisation in certain cases does not exhibit consistency. For example, Category Ia typically implies no or limited human impact on the area. However, in the case of Yeosu, the Category Ia designation includes urban settlements and permits fishing activities. This inconsistency arises because national governments report IUCN categorisation, but the IUCN does not verify the level of protection and proper management. This has been addressed by the IUCN through the Green list project.
  - Asset types need to be considered, but the area of impact is not always clearly defined for each asset type. For example, research indicates that mining and oil sites can have impacts extending up to 10km on average. However, it is challenging to find comparable impact estimates for other types of properties.

# 10. Looking ahead

**As we embark on our nature journey, this inaugural TNFD report marks a pivotal step in guiding our integration of nature into strategic decision-making and risk management across the Group. By enhancing our nature risk capabilities to assess impacts and dependencies, we intend to be better equipped to support our clients in transitioning to nature-positive outcomes. This aligns with our commercial ambition to shift capital toward nature-positive outcomes, contributing to the targets of the GBF.**

## Continuing to evolve our approach in response to market developments and policy and regulatory updates

We plan to continue actively monitoring evolving nature-related policies, regulations, and frameworks across our markets. These will effectively guide how we explore integrating these developments into our existing risk assessments, uplift internal frameworks, and drive client engagement, with the aim of ensuring that our approach to managing nature-related impacts and dependencies remains effective.

## Carrying out deep-dives on sectors with the highest potential sensitivities to nature-related impacts and dependencies

We plan to prioritise the identified sectors with the highest nature-related sensitivities for location-level risk analysis. This approach is intended to enable us to identify and assess potential nature-related impacts and dependencies within each sector, which can then inform the feasibility of further integrating nature risk into our governance policies and framework.

## Internal operations

We plan to embed a nature risk assessment as a component of our due diligence process for all new leased and purchased assets in future. This is intended to enable us to proactively identify risk and opportunities related to ecosystem impacts, land use or potential infringements into protected or sensitive areas and help ensure that our decisions are consistent with our position statement and policies.

## Uplifting our GSPF framework to include market developments on nature finance labelling

We aim to closely monitor market developments in establishing a robust framework to label nature finance transactions. We intend to determine the best approach to uplift our GSPF to further improve credibility and scalability with science-based taxonomies and disclosure standards.

## Driving nature-positive engagement with real economy players

Leveraging our sector-level nature risk location assessment analysis, we plan to work closely with our clients by providing insights of their potential impacts and dependencies on nature and support them on their nature transition journey. We aim to achieve this through extending sustainable finance products that aim to drive positive environmental and/or social benefits, including those which support the preservation and/or improvement of nature.

## Thought leadership and capacity development

We plan to continue to advance the nature finance ecosystem through proprietary sustainability research, engagement with market initiatives and financial regulators, as well as by contributing to relevant finance and nature risk related whitepapers.

# Glossary

Biodiversity	The variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems. <b>Convention on Biological Diversity (1992) Article 2.</b>
Dependencies (on nature)	Dependencies are aspects of environmental assets and ecosystem services that a person or an organisation relies on to function. A company's business model, for example, may be dependent on the ecosystem services of water flow, water quality regulation and the regulation of hazards like fires and floods; provision of suitable habitat for pollinators, who in turn provide a service directly to economies; and carbon sequestration. <b>Adapted from Science Based Targets Network (2023) SBTN Glossary of Terms.</b>
Ecosystem	A dynamic complex of plant, animal and microorganism communities and the non-living environment, interacting as a functional unit. <b>Convention on Biological Diversity (1992) Article 2; Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2019) Global Assessment Report on Biodiversity and Ecosystem Services.</b>
Impacts (on nature)	Changes in the state of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions. Impacts can be positive or negative. They can be the result of an organisation's or another party's actions and can be direct, indirect or cumulative. A single impact driver may be associated with multiple impacts. <b>Science Based Targets Network (2023) SBTN Glossary of Terms, Climate Disclosure Standards Board (2021) Application guidance for Biodiversity-related Disclosures. See further definition of impacts from Impact Management Platform.</b>
Key Biodiversity Area	A site contributing significantly to the global persistence of biodiversity. <b>International Union for Conservation of Nature (2016) A Global Standard for the Identification of Key Biodiversity Areas: Version 1.0</b>
Nature	The natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment. <b>Adapted from Díaz, S et al. (2015) The IPBES Conceptual Framework – Connecting Nature and People.</b>
Nature loss	The loss and/or decline of the state of nature. This includes, but is not limited to, the reduction of any aspect of biological diversity e.g., diversity at the genetic, species and ecosystem levels in a particular area through death (including extinction), destruction or manual removal. <b>Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2019) Global Assessment Report on Biodiversity and Ecosystem Services.</b>
Nature-positive	Nature-positive is a global societal goal defined as 'halt and reverse nature loss by 2030 on a 2020 baseline, and achieve full recovery by 2050'. Nature-positive is a global and societal goal. Individual entities, geographies and countries can and must demonstrate their sufficient contribution to a global nature-positive outcome. In operationalising nature-positive, tackling drivers and the negative and positive impacts is central. Companies and financial institutions can contribute to the nature-positive goal by taking these high-level actions: Assess their material impacts, dependencies, risks and opportunities; shift their business strategy and models; commit to science-based targets for nature; report their nature-related issues to investors and other stakeholders; transform by avoiding and reducing negative impacts, restoring, and regenerating nature; collaborate across land, seascapes and river basins; and advocate to governments for policy ambition. <b>Nature Positive Initiative (2023) The definition of Nature positive.</b>
Pressures	Human activities that directly or indirectly change the state of the environment and ecosystem. Following the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), five key pressures or 'drivers of nature change' contribute most to the loss of nature globally: land and sea use change; direct exploitation of organisms; climate change; pollution; and invasion of alien species. In the SBTN methods, the following categories are used to describe these pressures: Ecosystem use and ecosystem use change; resource exploitation; climate change; pollution; and invasives and others. <b>Science Based Targets Network (2023) Glossary of Terms</b>

Protected areas	<p>A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. International Union for Conservation of Nature (2018) Guidelines for Applying Protected Area Management Categories.</p> <p>The definition is expanded by six management categories (one with a sub-division), summarised below:-</p> <p><b>Ia Strict Nature reserve:</b> Strictly protected for biodiversity and also possibly geological/ geomorphological features, where human visitation, use and impacts are controlled and limited to ensure protection of the conservation values.</p> <p><b>Ib Wilderness area:</b> Usually large unmodified or slightly modified areas, retaining their natural character and influence, without permanent or significant human habitation, protected and managed to preserve their natural condition.</p> <p><b>II National park:</b> Large natural or near-natural areas protecting large-scale ecological processes with characteristic species and ecosystems, which also have environmentally and culturally compatible spiritual, scientific, educational, recreational and visitor opportunities</p> <p><b>III Natural monument or feature:</b> Areas set aside to protect a specific natural monument, which can be a landform, sea mount, marine cavern, geological feature such as a cave, or a living feature such as an ancient grove.</p> <p><b>IV Habitat/species management area:</b> Areas to protect particular species or habitats, where management reflects this priority. Many will need regular, active interventions to meet the needs of particular species or habitats, but this is not a requirement of the category.</p> <p><b>V Protected landscape or seascape:</b> Where the interaction of people and nature over time has produced a distinct character with significant ecological, biological, cultural and scenic value: and where safeguarding the integrity of this interaction is vital to protecting and sustaining the area and its associated nature conservation and other values.</p> <p><b>VI Protected Areas with sustainable use of natural resources:</b> Areas which conserve ecosystems, together with associated cultural values and traditional natural resource management systems. Generally large, mainly in a natural condition, with a proportion under sustainable natural resource management and where low-level non-industrial natural resource use compatible with nature conservation is seen as one of the main aims.</p>	
LEAP	LEAP FI stands for Locate, Evaluate, Assess, Prepare (for reporting) for financial institutions. See TNFD website.	
ENCORE scoring methodology	Refer to ENCORE's methodology:	
	Materiality Rating: VL	Limited loss of functionality and low financial cost
	Materiality Rating: L	Either limited loss of functionality and moderate financial cost OR moderate loss of functionality and low financial cost
	Materiality Rating: M	Either severe loss of functionality and low financial cost OR limited loss of functionality and low financial cost OR moderate loss of functionality and moderate financial cost
	Materiality Rating: H	Either severe loss of functionality and moderate financial cost OR moderate loss of functionality and severe financial cost
	Materiality Rating: VH	Severe loss of functionality and severe financial cost

# Consolidated nature-related restrictions and criteria across our cross-sector Nature Position Statement and sector-specific Position Statements

The following are extracts from our Position Statements which outline the criteria we expect our clients to meet in order to continue working with them. The full Position Statements are available at [sc.com/positionstatements](https://sc.com/positionstatements).

## Nature Position Statement (cross-sector)

We will <b>not</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Have operations that adversely impact upon the Outstanding Universal Value of UNESCO World Heritage Sites; or</li> <li>• Trade or process species listed on the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES).</li> </ul>
We will <b>not</b> provide financial services directly towards projects or activities that:	<ul style="list-style-type: none"> <li>• Adversely impact upon the ecological character of wetlands designated under the Ramsar Convention on Wetlands of International Importance; or</li> <li>• Convert or degrade High Conservation Value (HCV), High Carbon Stock (HCS) forests or peatlands.</li> </ul>

## Nature-related Position Statements for agribusiness sector

We will <b>not</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Convert or degrade High Conservation Value (HCV) areas, including forests or High Carbon Stock (HCS) forests, peatlands, Key Biodiversity Areas (KBA) or International Union for Conservation of Nature (IUCN) Protected Area categories I-III for new plantations or farmland.</li> <li>• Use fire, including for land clearance, and/or in the preparation of land for planting.</li> <li>• Use pesticides categorized as 1A or 1B by the World Health Organisation (WHO); substances banned under the Stockholm Convention on Persistent Organic Pollutants (POP); or substances listed in Annex III of the Rotterdam Convention in their operations –applicable to producers.</li> </ul>
We will <b>only</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Have a policy in place to ensure safe production, cultivation, trade and transport of living genetically modified organisms and have appropriate permits as required by the Cartagena Protocol on Biosafety.</li> </ul>
We <b>expect</b> clients to:	<ul style="list-style-type: none"> <li>• Implement a sustainable sourcing policy applicable to processors, traders and wholesalers.</li> <li>• Participate in, or be certified by, sustainability initiatives such as the International Sustainability &amp; Carbon Certification (ISCC) for food based products, animal feed and biofuels or other multi stakeholder initiatives as appropriate such as Fairtrade International, Global Coffee Platform (GCP), Universal Trade Zone (UTZ) certified, Rainforest Alliance (RA), Roundtable on Responsible Soy (RTRS), Sustainable Rice Platform (SRP), etc applicable to producers of soy, cocoa, cotton, rubber, rice, coffee and sugar.</li> <li>• Have a sustainable use policy to minimise the use of pesticides, herbicides, fungicides and fertilisers applicable to producers.</li> </ul>
We <b>encourage</b> clients to:	<ul style="list-style-type: none"> <li>• Conduct appropriate studies to demonstrate that their operations do not negatively affect local or regional food security – applicable to producers.</li> <li>• Follow the International Code of Conduct on the Distribution and Use of Pesticides issued by the Food and Agriculture Organisation (FAO) –applicable to producers.</li> <li>• Adopt sustainable agriculture techniques that promote soil fertility and minimise GHG emissions and water usage – applicable to producers.</li> </ul>

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**Nature-related Position Statements for agribusiness sector: Aquaculture and Wild Fisheries Position Statement criteria:**

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We will <b>not</b> provide financial services to clients who:	<ul style="list-style-type: none"><li>• Practice shark finning, commercial whaling or process or trade shark fin and/or whales – applicable to wild capture fisheries.</li><li>• Use driftnet fishing, deep sea bottom trawling or fishing with the use of explosives or cyanide – applicable to wild capture fisheries.</li><li>• Conduct Illegal Unreported and Unregulated (IUU) fishing, or use vessels known to have conducted IUU fishing – applicable to wild capture fisheries.</li><li>• Harvest, trade or process species listed on the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES).</li></ul>
We will <b>only</b> provide financial services to clients who:	<ul style="list-style-type: none"><li>• Operate in or source from fisheries that are certified by the Marine Stewardship Council (MSC), or equivalent certifications, or have in place a time-bound plan to increase their sourcing from certified fisheries – applicable to wild capture fisheries.</li><li>• Implement policies and develop products aligned to the Food and Agriculture Organization of the United Nations (FAO) Code of Conduct for Responsible Fisheries – applicable to wild capture fisheries.</li><li>• Operate or source from farms that are certified to the Aquaculture Stewardship Council (ASC) or Best Aquaculture Practice (BAP) certification, or equivalent certification, or have a time bound plan to increase their sourcing from certified aquaculture producers – applicable to aquaculture.</li></ul>
We <b>expect</b> clients to:	<ul style="list-style-type: none"><li>• Adhere to FAO guidelines for the marking of fishing gear, or guidelines for the application of a system on the marking of fishing gear – applicable to wild capture fisheries.</li><li>• Adhere to the FAO Code of Conduct for Responsible Fisheries to reduce lost and abandoned fishing gear at sea – applicable to wild capture fisheries.</li><li>• Implement a sustainable sourcing policy to source from companies operating under a recognised catch certification scheme or are aligned to the FAO Code of Conduct for Responsible Fisheries – applicable to midstream and traders.</li><li>• Have mapped or are working to map the supply chain traceability of their seafood products from the place of origin – applicable to midstream.</li><li>• Have policies to minimise fish escapes – applicable to aquaculture producers.</li></ul>
We <b>encourage</b> clients to:	<ul style="list-style-type: none"><li>• Apply the FARMS Initiative Responsible Minimum Standards for farmed fish – applicable to aquaculture producers.</li></ul>

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**Nature-related Position Statements for agribusiness sector: Biofuels**

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We will <b>not</b> provide financial services directly towards:	<ul style="list-style-type: none"><li>• Operations that grow, process or manufacture biofuels grown on HCV-HCS land or recently deforested land; where it directly competes with food sources; or in areas of high-water stress.</li></ul>
We will <b>only</b> provide financial services directly towards:	<ul style="list-style-type: none"><li>• Operations that process and/or trade biofuels where there is a sustainable sourcing policy.</li></ul>
We <b>expect</b> clients to:	<ul style="list-style-type: none"><li>• Demonstrate alignment to, or be certified by, sustainability initiatives such as the Roundtable for Sustainable Biomaterials (RSB) Standard for biofuel production; International Sustainability and Carbon Certification (ISCC); Bonsucro; Roundtable on Responsible Soy (RTRS); Roundtable on Sustainable Biomaterials (RSB); Roundtable on Sustainable Palm Oil (RSPO); 2BSvs Biomass Biofuels Sustainability; RED Bioenergy Sustainability Assurance Standard (RBSA); Forest Stewardship Council (FSC); Programme for the Endorsement of Forest Certification (PEFC) or equivalent – applicable to producers.</li></ul>

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## Appendix 2

### Nature-related Position Statements for agribusiness sector: Forestry

We will <b>not</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Use fire in forestry or plantation operations including in the clearance and preparation of land for planting.</li> <li>• Are involved in illegal logging or trading activities.</li> </ul>
We will <b>only</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Have Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certification for their production sites; or have an agreed timebound plan to achieve certification – applicable to producers.</li> <li>• Follow an appropriate chain of custody scheme (FSC, PEFC or equivalent scheme<sup>1</sup>) for timber, pulp or paper products originating from high risk countries<sup>2</sup>, to demonstrate the legal origin of the timber, including certification for those species regulated under the Convention of International Trade of Endangered Species (CITES) – applicable to processors, manufacturers and traders.</li> </ul>
We <b>expect</b> clients to:	<ul style="list-style-type: none"> <li>• Implement a sustainable sourcing policy which includes a goal to source wood or pulp and paper produced with no deforestation, burning, or exploitation of people – applicable to processors, manufacturers and traders.</li> </ul>
We <b>encourage</b> clients to:	<ul style="list-style-type: none"> <li>• Have a public commitment to No Deforestation, No Peat, No Exploitation (NDPE).</li> </ul>

### Nature-related Position Statements for agribusiness sector: Palm Oil

We will <b>not</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Develop new plantations by converting or degrading: <ul style="list-style-type: none"> <li>• High Conservation Value Forests (HCV);</li> <li>• High Carbon Stock Forests (HCS);</li> <li>• Primary forests; or</li> <li>• Designated, national or international legally protected or preserved areas.</li> </ul> </li> <li>• Develop new plantations on fragile soils, including swamps and peat, regardless of depth.</li> <li>• Use fire in their plantation operations, including in the clearance and preparation of land for planting.</li> <li>• Exploit people or local communities – we expect consent to have been obtained through a credible Free Prior Informed Consent (FPIC) process (as applicable).</li> </ul>
We will <b>only</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Have Roundtable on Sustainable Palm Oil (RSPO) membership and initiated certification as per RSPO Principles and Criteria Certification System for owned or managed units of production, with a timebound plan to become fully certified – applicable to producers.</li> <li>• Publicly commit to No Deforestation, No Peat and No Exploitation (NDPE), verified by credible assessors when developing new plantations – applicable to producers.</li> <li>• Have RSPO membership and RSPO Supply Chain Certification of owned facilities and or obtain a RSPO Traders License – applicable to refiners and traders with direct linkages to units of production (plantations).</li> </ul>
We <b>expect</b> clients to:	<ul style="list-style-type: none"> <li>• Implement a sustainable sourcing policy which includes a goal to source palm oil produced with no deforestation, burning, exploitation or planting on peat – applicable to refiners and traders with no direct linkages to units of production (plantations).</li> </ul>
We <b>encourage</b> clients to:	<ul style="list-style-type: none"> <li>• Use the High Carbon Stock Approach Toolkit and Pro Forest Good Practice Guidelines, for integrating HCS-HCV assessments and FPIC into the Environmental and Social Impact Assessment (ESIA) process.</li> </ul>

1 Equivalent scheme: a recognised verification system for legality and sustainability, as defined by the GFTN Guide to Legal and Responsible Sourcing.

2 High-risk countries: High risk countries are defined using the Transparency International's Corruption Perceptions Index (CPI).

#### Nature-related Position Statements for agribusiness sector: Soy

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We will <b>not</b> provide financial services to clients who:	<ul style="list-style-type: none"><li>• Grow, process or trade soy from the Brazilian Amazon in contravention of the Amazon Soybean Moratorium implemented in 2006.</li><li>• Grow soy in the Brazilian Cerrado.</li></ul>
For clients who source, process or trade soy from the Brazilian Cerrado and / or Brazilian Amazon, we will <b>only</b> provide financial services to those who can demonstrate:	<ul style="list-style-type: none"><li>• A sustainable sourcing policy with the explicit aim of protecting High Carbon Stock (“HCS”) and High Conservation Value (“HCV”) land;</li><li>• A commitment to no deforestation and protection of native vegetation;</li><li>• Active participation in sustainability forums designed to protect HCV areas and stop land conversion (such as the Soft Commodities Forum (SCF), the Cerrado Working Group (GTC), the Roundtable on Responsible Soy (RTRS) or the Cerrado Manifesto; and</li><li>• A commitment to report regularly on the efforts to achieve full traceability of the soy supply chain.</li></ul>

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#### Nature related Position Statements for the extractive industries

##### Metals and mining sector

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We will not provide financial services directly towards:	<ul style="list-style-type: none"><li>• The exploration or production of deep-sea mining projects.</li><li>• Greenfield mines in UNESCO World Heritage Sites or Ramsar Sites.</li></ul>
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##### Oil and gas sector

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We will <b>not</b> provide financial services directly towards projects or activities, including Associated export facilities, which involve the exploration or production of:	<ul style="list-style-type: none"><li>• Oil and gas in the Arctic region (defined as the total area covered by the Arctic Circle, the Arctic 10°C Isotherm, and the Arctic National Wildlife Refuge).</li><li>• Oil and gas in the Amazon Basin.</li></ul>
We will <b>not</b> provide financial services directly towards:	<ul style="list-style-type: none"><li>• Greenfield projects, including associated export facilities, which involve the exploration or production of oil and gas in UNESCO World Heritage Sites or Ramsar Sites.</li></ul>
We will only provide financial <b>services</b> to clients who:	<ul style="list-style-type: none"><li>• Implement and test oil spill preparedness and response plans or have access to reputable oil spill response and well control resources.</li><li>• Have established appropriate decommissioning plans for oil &amp; gas activities (including rehabilitation of the natural environment).</li></ul>

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#### Nature-related Position Statements for aviation sector

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We <b>expect</b> clients to:	Commit to the IATA resolution (or equivalent) denouncing the illegal trade in wildlife and wildlife products and pledging to partner with government authorities and conservation organisations in the fight against the trafficking of protected species.
We <b>encourage</b> clients to:	Sign the Buckingham Palace Declaration supporting the United for Wildlife Transport Taskforce to fight the illegal wildlife trade.

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# Geospatial analysis

Figure 9: Geospatial analysis of our asset locations within 500m buffer of an AZE KBA

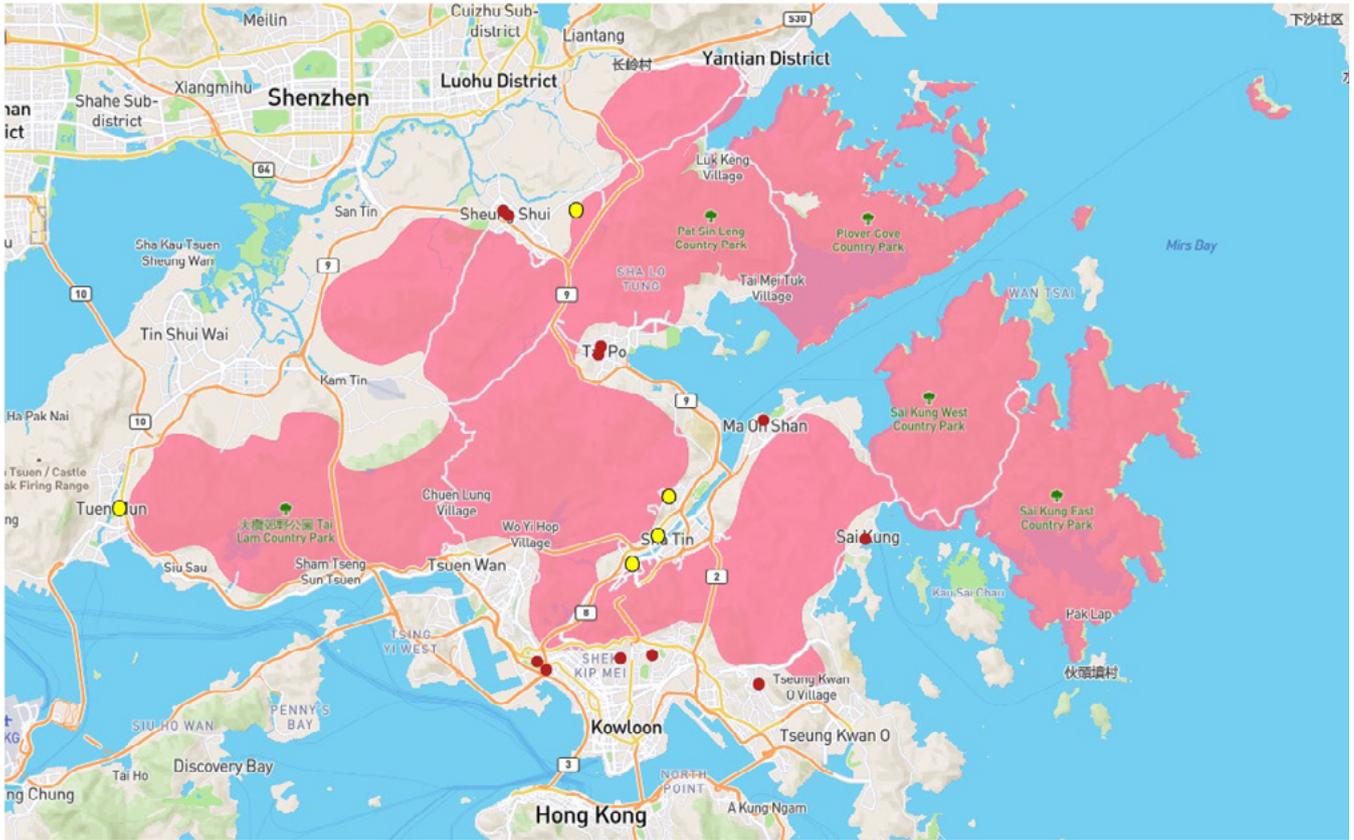


Figure 10: Geospatial analysis of our sites within 1km buffer of an IUCN Protected Area I – III

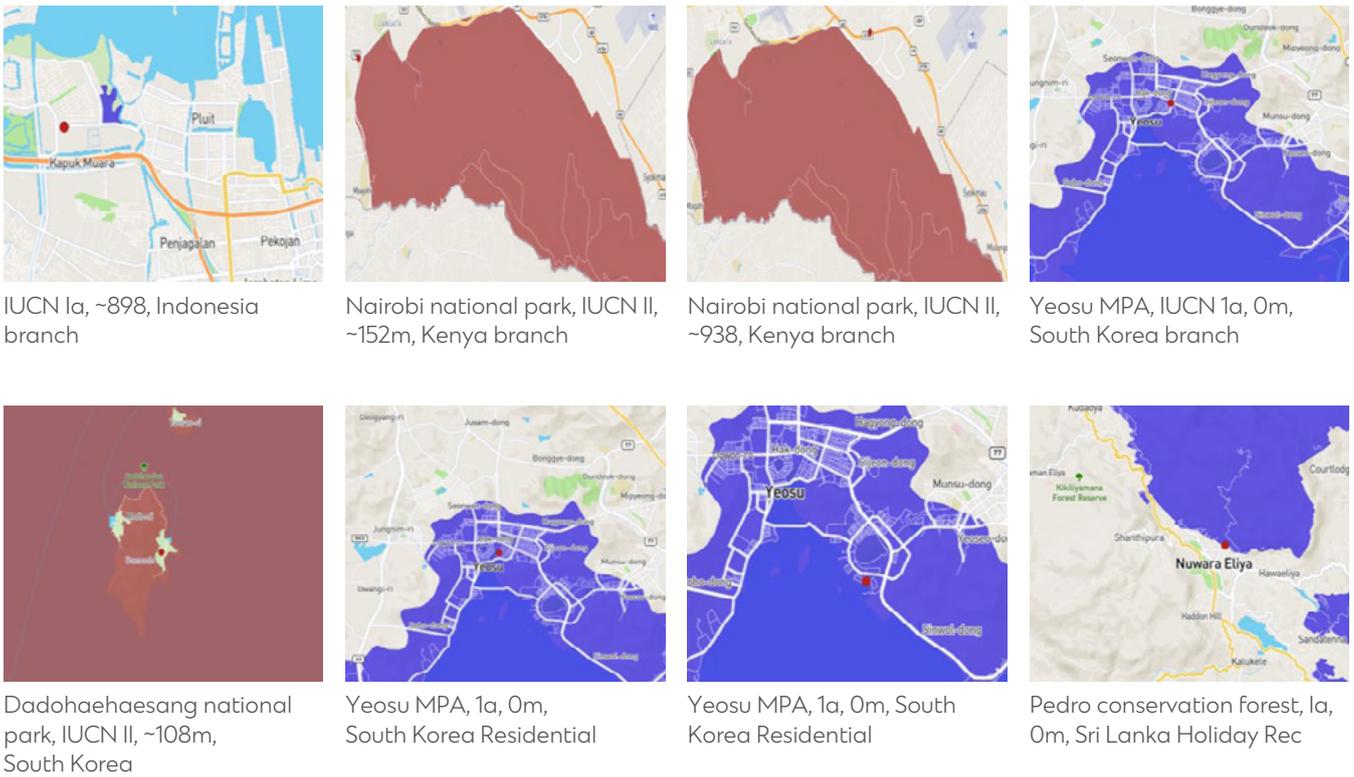


Figure 11: Street view of our sites within 1km buffer of an IUCN Protected Area I-III



IUCN Ia, ~898, Indonesia branch



Nairobi national park, IUCN II, ~152m, Kenya branch



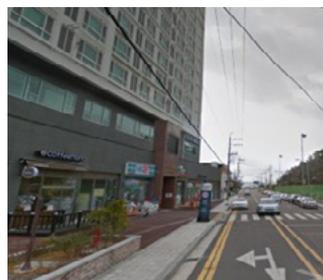
Nairobi national park, IUCN II, ~938, Kenya branch



Yeosu MPA, IUCN Ia, 0m, South Korea branch



Dadohaehaesang national park, IUCN II, ~108m, South Korea



Yeosu MPA, 1a, 0m, South Korea Residential

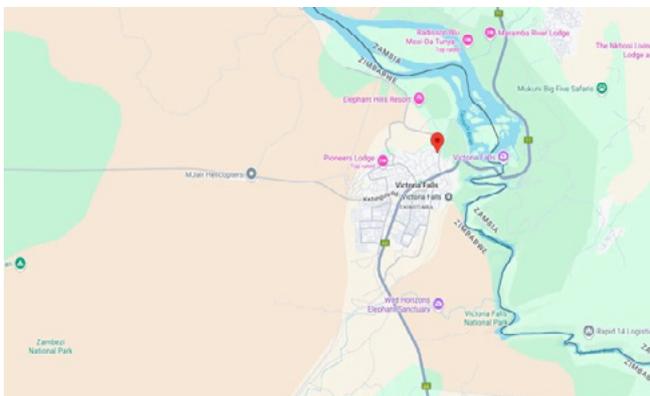


Yeosu MPA, 1a, 0m, South Korea Residential



Pedro conservation forest, Ia, 0m, Sri Lanka Holiday Rec

Figure 12: Geospatial analysis of our sites within 1km buffer of a UNESCO World Heritage Site



Zimbabwe, Victoria Falls UNESCO World Heritage Site, ~830m, Residential property

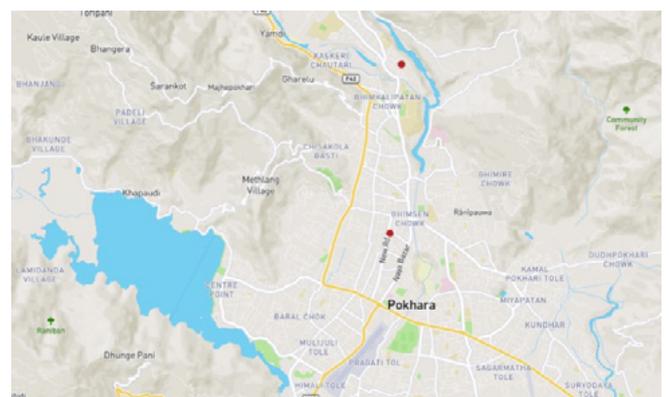


South Africa, Table Mountain UNESCO World Heritage Site, ~840m, Branch

Figure 13: Geospatial analysis of our sites within 1km buffer of a RAMSAR site



Lake Cluster of Pokhara Valley comprises nine lakes in the mid-hill region of Nepal



Two branches located within Lake Cluster of Pokhara Valley

# Important notices

## Forward-looking statements

The information included in this document may contain 'forward-looking statements' based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, nature, climate or other sustainability-related commitments, ambitions and targets). Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'aim', 'continue' or other words of similar meaning to any of the foregoing. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and 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. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements. In particular, there is additional uncertainty around the evolution, state, health, dependencies, impacts, risks, solutions and opportunities of, on and relating to nature, natural realms, the environment, environmental assets, eco-systems, ecosystem services, land use, pollution, biodiversity, biomes, habitats, species, natural capital, indigenous peoples and local communities, the circular economy, climate change and other sustainability related matters that cannot be evaluated in the same way as more conventional financial risk, including due to their novelty, complexity and long-term time horizon and their different interaction with non-nature-, climate- or sustainability-related risks and vulnerabilities.

There are several factors which could cause the Group's actual results and its plans, targets and objectives to differ materially from those expressed or implied in forward-looking statements. The factors include (but are not limited to): changes in the evolution, state, health, dependencies, impacts, risks, solutions and opportunities of, on and relating to nature, natural realms, the environment, environmental assets, eco-systems, ecosystem services, land use, pollution, biodiversity, biomes, habitats, species, natural capital and indigenous peoples and local communities, the circular economy; changes in global, political, economic, business, competitive and market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social, physical or transition risks; legal, regulatory and policy developments, including regulatory measures addressing climate change and broader sustainability-related issues; the development of standards and interpretations, including evolving requirements and practices in ESG reporting and the development of nature-, climate- and other sustainability-related metrics and methodologies; the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of nature, climate and other sustainability-related issues effectively; changes in how nature positive and sectoral decarbonisation pathways for

different sectors develop; changes in the methodologies used to quantify the impact of investment in nature positive activities and the metrics and methodologies used to measure attainment in respect of concepts such as 'nature', 'nature positive' and 'nature-sensitive' and nature-related activities; risks arising out of health crises and pandemics; risks of cyber-attacks, data, information or security breaches or technology failures involving the Group; changes in tax rates or policy; future business combinations or dispositions; and other factors specific to the Group, including those identified in this document, Standard Chartered PLC's Annual Report and financial statements of the Group. To the extent that any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group, they should not be taken as a representation that such trends or activities will continue in the future.

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- iii the information included in this document does not constitute any investment, accounting, legal, regulatory or tax advice or an invitation or recommendation to enter into any transaction;
- iv the information included in this document may have been prepared using models, methodologies and data which are subject to certain limitations. These limitations include (but are not limited to): the limited availability of reliable data, data gaps, and the nascent nature of the methodologies and technologies underpinning this data; the limited standardisation of data (given, amongst other things, limited international coordination on data and methodology standards); and future uncertainty (due, amongst other things, to changing projections relating to technological development and global and regional laws, regulations and policies, and the current inability to make use of strong historical data);
- v models, external data and methodologies used in information included in this document are or could be subject to adjustment which is beyond our control;
- vi any opinions and estimates should be regarded as indicative, preliminary and for illustrative purposes only. Expected and actual outcomes may differ from those set out in this document (as explained in the “Forward-looking statements” section above);
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- x while the Group bears primary responsibility for the information included in this document, it does not accept responsibility for the external input provided by any third parties for the purposes of developing the information included in this document;
- xi the data contained in this document reflects available information and estimates at the relevant time;
- xii where the Group has used any methodology or tools developed by a third party, the application of the methodology or tools (or consequences of its application) shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the application of the methodology or tools;
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- xiv the important notices are not limited in applicability to those sections of the document where limitations to data, metrics and methodologies are identified and where the important notices are referenced. The important notices apply to the whole document;
- xv further development of reporting, standards or other principles could impact the information included in this document or any metrics, data and targets included in this document (it being noted that nature, climate and sustainability-related reporting and standards are subject to rapid change and development); and
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