

# Extractive Industries Position Statement

(Effective October 2024)



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## Our commitment

Standard Chartered is committed to promoting economic and social development in the markets we serve. We seek to drive positive impact whilst at the same time reducing potential negative impacts to people and planet through managing environmental and social (E&S) risks.

There are a minimum set of standards that we apply to our clients regardless of the sector in which they operate and these are set out in our cross sector Position Statements on [human rights, climate change](#) and [nature](#). Our approach is informed by international standards including the IFC Performance Standards, the Equator Principles, OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. Furthermore, clients must comply with all applicable laws and regulations and we expect that their approach be guided by international conventions, international standards and best practice.

We have established sector specific criteria to manage the heightened E&S risks associated with the metals and mining and oil and gas (collectively known as Extractive Industries) sectors. How we apply our cross sector and sector specific Position Statements is explained in our [Environmental and Social Risk \(ESRM\) Management Framework](#). This Position Statement should be read in conjunction with our ESRM Framework, which explains in greater detail how our Position Statements are applied in practice.

## Key potential E&S risks faced by the extractive industries sectors

**Human rights:** new projects or developments can result in loss of land or water rights, involuntary resettlement and impacts to livelihoods for local communities, including to indigenous or vulnerable people, and potential human rights abuses associated with security at operating sites. Occupational health and safety risks, if not adequately managed, can arise when workers are exposed to hazardous or explosive substances, high temperatures, working at heights, underground or offshore, unsafe equipment, insufficient protective clothing, lack of training, or inadequate emergency response arrangement.

**Nature and biodiversity:** extractives operations as well as associated tailings and waste disposal sites and pollution events can cause loss of natural habitat and degradation of ecosystems, with heightened impact when located in sensitive or protected habitats. Noise, dust and other pollutants from mining and drilling can disrupt migratory pathways and degrade habitats. Extractive processes can consume high volumes of water from local ecosystem, threatening reliant biodiversity, particularly in wetlands or arid habitats.

**Pollution to air and climate risks:** mines and smelting, refining, and processing facilities generate noise, dust and harmful gases. Both sectors are highly carbon intensive, in particular activities such as flaring, venting and fugitive emissions release. These sectors are subject to transition risk and physical risk when assets are impacted by weather risks or climate hazards, such as hurricanes or sea-level rise.

**Pollution to water and land:** heavy metals, sulphuric acid and other toxic chemicals generated from mining processes if released can cause erosion and contaminate soil and water supplies, including from poor hazardous waste and tailings management. Spill events and tailings dams failures can pollute land and water.

# Metals & mining

**Sector scope:** activities within the scope of this Position Statement include:

- Exploration activities, construction and development of mines, minerals and construction materials extraction, mines operations, ores processing activities, trading of sensitive minerals, and mines closure and rehabilitation.

For thermal coal sector specific criteria refer to the [Thermal Coal Position Statement](#).

## Metals & Mining Position Statement criteria:

We will <b>not</b> provide financial services directly towards:	<ul style="list-style-type: none"> <li>• Asbestos mines.</li> <li>• Mines that conduct direct marine and riverine tailings disposal.</li> <li>• Mines that conduct Appalachian mountaintop removal.</li> <li>• The exploration or production of deep-sea mining projects.</li> <li>• Greenfield mines in UNESCO World Heritage Sites or Ramsar Sites.</li> </ul>
We will <b>only</b> provide financial services to clients who:	<ul style="list-style-type: none"> <li>• Follow the Kimberly Process (applicable to clients that mine and/or trade diamonds).</li> <li>• Are signatories to the International Cyanide Management Code or have established a time-bound plan to demonstrate alignment with this certification (applicable to clients that mine gold).</li> <li>• Operate in countries that are signatories to the Non-Proliferation Treaty and/or which submit to International Atomic Energy Agency and World Nuclear Association's Principles regulations inspections (applicable to clients that mine and/or process uranium).</li> <li>• Have established controls to ensure end use is for peaceful purposes (applicable to clients that mine and/or process uranium).</li> <li>• Have a tailings storage plan.</li> <li>• Have a mine closure plan.</li> </ul>
We <b>expect</b> clients to:	<ul style="list-style-type: none"> <li>• Demonstrate alignment with the principles of the OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (applicable to clients involved in the mining, trading and processing of cassiterite (tin), wolframite (tungsten), coltan (tantalum) or gold).</li> </ul>
We <b>encourage</b> clients to:	<ul style="list-style-type: none"> <li>• Support the implementation of the Extractives Industries Transparency Initiative (EITI).</li> <li>• Align to the principles and guidance material of the International Council on Mining and Metals (ICMM).</li> <li>• Align to the Responsible Jewellery Council (RJC) codes of practice and certification process.</li> <li>• Implement a sustainable sourcing policy.</li> </ul>



# Oil & gas

**Sector scope:** Activities within the scope of this Position Statement include:

- The exploration and production of oil and natural gas, transportation and storage of crude oil and natural gas, and clients providing services to the oil and gas industry.

## Oil & Gas Position Statement criteria:

<p>We will <b>not</b> provide financial services directly towards projects or activities, including associated export facilities, which involve the exploration or production of:</p>	<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> <li>• Oil from tar sands.</li> <li>• Extra heavy oil (defined as API equal to or below 10°).</li> </ul>
<p>We will <b>not</b> provide financial services directly towards:</p>	<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>
<p>We will <b>only</b> provide financial services to clients who:</p>	<ul style="list-style-type: none"> <li>• Have implemented or are in the process of implementing an asset Health, Safety and Environmental (HSE) case, or equivalent, for all new and existing onshore and offshore production facilities, including arrangements for examination of well design, construction and well control safety critical equipment by a competent authority.</li> <li>• Target zero-routine production flaring and venting for new assets and for existing assets are implementing economically viable solutions to eliminate legacy flaring and venting no later than 2030.</li> <li>• Have implemented or are implementing methane monitoring and abatement practices, as well as a methane reduction target (intensity or absolute) aligned with methane emissions initiatives, such as the Oil and Gas Climate Initiative's (OGCI) Aiming for Zero Initiative or the Oil and Gas Methane Partnership 2.0.</li> <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 been subject to enhanced due diligence (EDD) on their shale oil and gas activities.</li> <li>• Own, operate or charter vessels used for the transportation, production or storage of oil and gas, including vessels used to support oil and gas operations, which are compliant with International Maritime Organisation (IMO) regulations.</li> <li>• Have established appropriate decommissioning plans for oil &amp; gas activities (including rehabilitation of the natural environment).</li> <li>• Have established, where required, processes to align with the UN Voluntary Principles on Security and Human Rights.</li> </ul>

## Important Notice

Please refer to the Important Notice included in our [ESRM Framework](#), which also applies to this Position Statement.

