

# Infrastructure & Transport Position Statement

(Effective Q3 2024\*)



standard  
chartered

\*Specific date to be confirmed in Q3 2024



## 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](#). We are guided 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. In addition to the above, clients must comply with all applicable laws and regulations.

We have established sector specific criteria to manage the heightened E&S risks associated with the Infrastructure and Transport sectors. How we apply our cross sector and sector specific Position Statements is explained in our [Environmental and Social Risk Management \(ESRM\) 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.



## Infrastructure

### Key potential E&S risks faced by the infrastructure sector

**Human rights:** local communities may be negatively impacted by noise, waste, and other forms of pollution, during or after construction. Occupational health and safety risks to workers, if not adequately managed, can arise during construction phase, and there can be impacts to local communities if the development or operation of infrastructure (e.g. roads, railways, bridges, ports or buildings) causes involuntary resettlement or impacts livelihoods, including to indigenous or vulnerable people.

**Nature and biodiversity:** infrastructure developments can destroy or disrupt local biodiversity and be particularly impactful where the development is located in highly biodiverse areas or sensitive or protected habitats.

**Pollution and climate risk:** construction or operation of infrastructure can cause pollution to air, water, land and soil. Climate change risks including physical and transition risk are applicable, particularly where the developments are highly carbon intensive (relating to the raw materials consumed and power generation sources utilised), or in areas at risk from climate or weather hazards.

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

- But not limited to, the construction, operation and decommissioning of transportation facilities (including ports, harbours, terminals, airports, railways and toll roads), water and waste management facilities, energy and telecommunications infrastructure (including pipelines, towers, data centres, fibre optic, electrical cables, land and subsea electrical cables, power transmission and distribution), health care facilities and mixed-use real estate and commercial developments.

#### Infrastructure Position Statement criteria:

<p>We <b>expect</b> clients to:</p>	<ul style="list-style-type: none"> <li>• Follow the applicable IFC Environmental, Health and Safety (EHS) Industry Sector Guidelines – specifically all guidelines applicable to Infrastructure developments and operations.</li> <li>• Follow a recognised certification scheme such as the Joint Commission International (JCI), or other accreditations schemes certified by the International Society for Quality in Health Care (ISQ) or the United Kingdom Accreditation Forum (as applicable to clients operating hospitals and health care facilities).</li> </ul>
<p>We <b>encourage</b> clients to align with industry best practices such as:</p>	<ul style="list-style-type: none"> <li>• Adopting measures to manage the physical and digital security of data centres, telecommunication networks, hospitals or other facilities which manage personal data (ISO/IEC 27000 series).</li> <li>• The Building Research Establishment Environmental Assessment Method (BREEAM) and Leadership in Energy and Environmental Design (LEED), Excellence in Design for Greater Efficiencies (EDGE) or equivalent.</li> <li>• Sustainability in Buildings and Civil Works (ISO 21678).</li> <li>• Internationally recognised guidelines for the design and construction of hospitals and healthcare facilities, such as the Facility Guidelines Institute (FGI) Guidelines for Design and Construction; the Green Guide for Health Care; or the UK Department of Health, Health Building Note 00-01.</li> </ul>

## Transport

### Key potential E&S risks faced by the transport (aviation and shipping) sectors:

**Human rights:** to workers through unsafe labour and potentially exploitative conditions including forced and child labour, excessive working hours, discrimination and extremely dangerous working conditions for seafarers and those who work in shipbreaking. The sector can also be used to facilitate human and wildlife trafficking.

**Nature and biodiversity:** discharge of oily wastewater from ships as well as accidental oil spills can damage sensitive habitats, whilst invasive species introduced through discharge of ballast water and hull fouling can negatively impact on local species. Ship strikes and noise pollution, associated with busy shipping routes, can cause death and decline of marine mammals.

**Pollution to air:** vessels, vehicles and aircrafts collectively produce high quantities of substances such as sulphur oxide, nitrogen oxides and particulate matter (PM), contributing to air pollution and human health hazard. The transport sectors are major contributors to climate change, including ships burning heavy fuel oil and aircraft releasing gases and water vapour trails at altitude that react and cause global heating.

**Pollution to land and water:** ships produce several pollutants that can damage marine ecosystems and coastlines, including debris disposed of at sea, scrubber effluent, sewage and grey water, oily waste and sludge discharged to sea.



# Shipping

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

- **Shipping:** specifically refers to the ownership and operation of ships used for the transport of general goods and bulk cargo.
- **Ship recycling:**<sup>1</sup> refers to those involved in the process of dismantling a vessel's structure for scrapping and buyers of scrap vessels.

## Shipping Position Statement criteria:

<p>We will <b>only</b> provide financial services to clients who:</p>	<ul style="list-style-type: none"> <li>• Establish and maintain plans and procedures to monitor the necessary information to calculate the carbon intensity and climate alignment of their financed fleet.</li> <li>• Require vessels to be classed by a member of the International Association of Classification Societies (IACS) which conducts periodic technical surveys to verify compliance with its criteria and all applicable international conventions.</li> <li>• Have full protection and indemnity insurance in accordance with the standard rules of the International Group of P&amp;I Clubs. We also expect the insurer to be a known and reputable company.</li> <li>• Comply with International Maritime Organisation (IMO) requirements for shipment of oil or other hazardous substances in tankers.</li> <li>• Have a policy to ensure that any ship it controls that is intended to be scrapped will be recycled at a yard that conducts its recycling business in a socially and environmentally responsible manner, such as in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships.</li> <li>• Require all financed new build vessels to have an Inventory of Hazardous Materials (IHM)<sup>2</sup> in accordance with the EU Ship Recycling Regulations requirements for IHMs and encourage clients to ensure that an IHM is prepared and maintained for each ship in their existing fleet.</li> </ul>
<p>We <b>encourage</b> clients to:</p>	<ul style="list-style-type: none"> <li>• Aim for environmental class notations which the IACS provides to its members for improved environmental performance – for all new build vessels.</li> <li>• Track and improve their environmental performance and where possible disclose performance data through a recognised industry initiative or certification.</li> <li>• Align their fleet / portfolio to the IMO decarbonisation trajectory ambitions, including Scope 3 emissions arising from their chartering activities.</li> <li>• Comply with the International Convention for the Control and Management of Ships' Ballast Water and Sediments.</li> </ul>

## Ship Recycling Position Statement criteria:

<p>We will <b>only</b> provide financial services to clients who:</p>	<ul style="list-style-type: none"> <li>• Have an environmental and social management system (ESMS) certified to the International Organisation for Standardisation standard ISO14001, the occupational health and safety standard ISO45001, or ISO30000 for Ship Recycling Management Systems.</li> <li>• Have a time bound plan to comply with the requirements of The International Convention for the Safe and Environmentally Sound Recycling of Ships (the 'Hong Kong Convention') of the International Maritime Organization of the United Nations (2009).</li> <li>• Implement environmentally responsible dismantling practices to ensure zero discharge when operating within the intertidal zone and adhere to responsible waste management practices for onshore management of hazardous waste.</li> </ul>
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<sup>1</sup> Our Ship Recycling business is concentrated amongst a very limited number of clients in one country. We recognise that Ship Recycling can have substantial environmental and social risks and therefore strictly limit financial services to these clients.

<sup>2</sup> Modelled on the requirements of the EU Ship Recycling Regulation.





# Aviation

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

- Owners, lessors, lessees, and operators of aircraft for civilian transportation of passengers or freight.

The manufacture of aircraft or aircraft components are excluded (captured in the [Manufacturing Position Statement](#)), as is the development or operation of airports (captured in the [Infrastructure Position Statement](#)).

## Aviation Position Statement criteria

### Asset level criteria

We will <b>only</b> provide financing for:	<ul style="list-style-type: none"> <li>• Aviation asset acquisition or leasing where the asset is designated as a modern fuel-efficient aircraft.</li> </ul>
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### Client entity level criteria

We will <b>only</b> provide financing to clients who:	<ul style="list-style-type: none"> <li>• Commit to align their emissions with internationally recognised emission schemes / recommendations including Carbon Offsetting and Reduction Scheme of International Aviation (CORSIA), International Air Transport Association (IATA), International Civil Aviation Organization (ICAO) or their respective country's Paris Agreement obligations.</li> </ul>
We <b>expect</b> clients to:	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Commit to the IATA resolution (or equivalent) denouncing human trafficking and work collaboratively with government authorities and civil society to prevent and suppress human trafficking.</li> </ul>
We <b>encourage</b> clients to:	<ul style="list-style-type: none"> <li>• Sign the Buckingham Palace Declaration supporting the United for Wildlife Transport Taskforce to fight the illegal wildlife trade.</li> <li>• Continue to transition aircraft fleets to new technology, fuel efficient aircraft types, increase use of Sustainable Aviation Fuel (SAF), and set quantifiable and measurable sustainability targets.</li> <li>• Follow sustainable waste disposal methods and regulations on how International Catering Waste is handled and aim for a material reduction in food waste by 2030.</li> <li>• Apply sustainability certification standards in line with ICAO criteria<sup>3</sup> or regional or local equivalent for sustainable aviation fuels.</li> <li>• Use ICAO and IATA programs and support mechanisms which have been developed to address the environmental impacts of aviation, improve the environmental performance of airlines, and promote the adoption of industry best practices.</li> </ul>

<sup>3</sup> e.g. the Roundtable for Sustainable Biomaterials or International Sustainability and Carbon Certification

### Important Notice

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

