

Nature Position Statement

(Effective October 2024)



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We acknowledge that protecting nature is essential to mitigating the effects of climate change and ensuring we have a healthy planet that can sustain livelihoods and support inclusive sustainable economic development.

We welcome the adoption of the [Kunming-Montreal Global Biodiversity Framework](#) and commit to continuing to evolve our approach to nature including biodiversity, consistent with its goals and targets.

The 2019 [Global Assessment Report](#) from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services highlighted how biodiversity loss undermines livelihoods, food security, economies and health, while also threatening the resilience of our planet to climate change. Our presence in over 50 markets across the world 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.

How we work

Our own operations

We are committed to minimising the impact our operations have on nature. Recognising that there are direct pressures on nature through the buildings and facilities we operate, the natural resources we consume and the waste we generate, we have targets in place to: (i) reduce and recycle our waste; (ii) reduce our Scope 1 & 2 greenhouse gas emissions; and (iii) increase our utilisation of renewable energy, which we report on in our [Annual Report](#).

Our suppliers

We recognise our indirect contribution to nature loss through the goods and services we procure from our suppliers and set out our expectations in our [Supplier Charter](#). We work with suppliers who uphold global environmental and social standards which helps us mitigate our impact on nature. 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.



Our clients

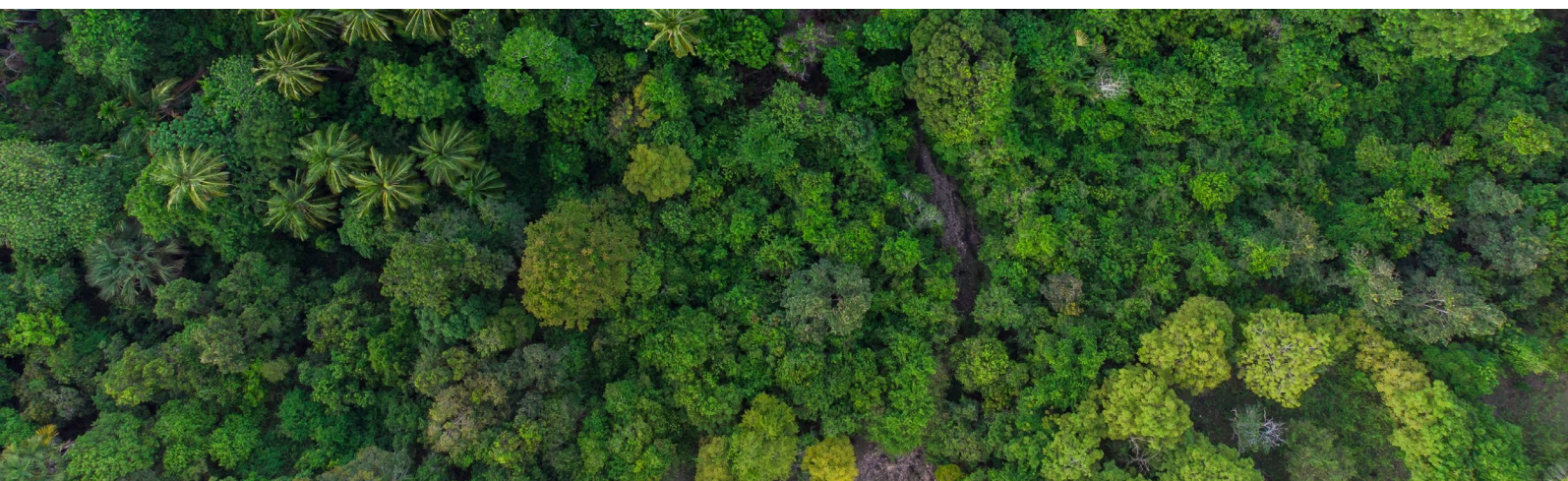
We are committed to engaging our clients on nature-related impacts, dependencies, risks and opportunities. One way we do this is through the provision of sustainable finance products and transactions that aim to deliver financial services that drive positive environmental and/or social benefits, including those which support the preservation and/or improvement of nature. In our [Green and Sustainable Product Framework](#) and the [Sustainability Bond Framework](#) we include eligible activities related to sustainable management of living and natural resources.

Another way we engage our clients on nature is through our [Environmental and Social Risk Management \(ESRM\) 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. For example:

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

[Our sector specific Position Statements](#) cover various sensitive industries, and we recognise the need for an enhanced focus on forest-risk commodities. We have additional [sector specific criteria](#) covering forestry (timber and pulp and paper), palm oil and soy which consider additional nature-related criteria such as land conversion, geographic restrictions, supply chain traceability and certification scheme requirements.



Transparency, communication and engagement

We are committed to continuing to evolve how we monitor, assess and transparently disclose nature-related impacts, dependencies, risks and opportunities associated with the Group's activities.

We are monitoring the evolution and development of emerging nature-related laws, regulations, standards and best practices, and we are committed to constructively engaging with regulators, clients, investors, civil society and other external stakeholders on these complex topics.

We acknowledge that data, metrics and methodologies related to nature are not as advanced as they are for climate, but in the interests of timely action we intend to target the most material nature-related impacts, dependencies, risks and opportunities informed by science and credible partners.

We are members of a wide range of industry platforms and memberships working to address nature-related challenges and advance nature considerations in financial decision making, including being an early adopter of the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations. We disclose a list of our memberships on our [stakeholders and sustainability](#) web page.

Feedback

For more information on our approach to sustainability, please see our [Sustainability Library](#). Your comments are important to us, and we welcome your feedback on this Position Statement. Please contact us at sustainability.feedback@sc.com.



Important notice

How we apply our cross sector and sector specific Position Statements is explained in our 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. Please refer to the Important Notice included in our [ESRM framework](#), which also applies to this Position Statement.