

Corporate Social Responsibility

Standard Chartered aims to be an ethical and responsible partner, which means that Corporate Social Responsibility (CSR) is integral to everything we do. Basing our business activities on sound CSR policies and principles not only enhances shareholder value, but means Standard Chartered can have a strong and positive influence in the markets where we operate.

CSR in Standard Chartered is much more than corporate philanthropy; it's about how we manage our operations in different markets, the values that drive our behaviour and underpin our performance and the impact that our business has on customers and communities.

By taking a socially responsible approach Standard Chartered has accrued real benefits. CSR has made a major contribution to risk management, has enhanced our reputation in local markets, has attracted new business and has helped deliver record levels of employee engagement.

Standard Chartered complies with all international and local legal obligations and adheres to international codes of practice. We also understand our wider obligations to the communities in which we operate. This is reflected in the breadth of CSR initiatives Standard Chartered is involved with.

Environment

We are committed to minimising our environmental impact. In 2003 we conducted a complete review of our Group Environment Policy and boosted the coverage of our Global Environment Management System (GEMS), to over half of our employees, up from 40 per cent in 2002.

GEMS identifies areas where we make an impact on the environment, such as waste and energy use, and measures how we perform against targets. For the

first time independent environmental audits of the offices covered by GEMS were conducted and we are on target to reach our goal of involving 70 per cent of our operations by 2005.

We also created 'GEMS-Lite', an information service for employees in our smaller markets, designed to help reduce their environmental impact.

Our Environmental and Social Risk Policy, designed to ensure we do not lend to inappropriate customers, was thoroughly reviewed in 2003. In addition, we completed a series of workshops for customer relationships managers covering the range of social and environmental risks inherent in lending. This information, along with an e-learning environmental awareness course for our employees, was made available via our intranet.

We recognise our duty to encourage our suppliers to meet our high CSR standards. All principal suppliers and service providers in our major procurement centres of Hong Kong, Singapore and London are now required to demonstrate in tender documents how they meet our social, ethical and environmental standards.

Our commitment to preserving the environment was underlined last year by our decision to adopt the Equator Principles. Based on International Finance Corporation Standards, the Equator Principles are voluntary guidelines for project finance addressing

issues such as sustainable use of renewable natural resources, socio-economic impacts and protection of human health, cultural properties and biodiversity. The Equator Principles reinforce our commitment to provide loans only to customers demonstrating that their investments are socially and environmentally responsible.

Standard Chartered is also a signatory of the United Nations Environment Programme's Financial Institutions Statement on the Environment and Sustainable Development.

Human rights

Standard Chartered is committed to supporting the principles established by the United Nations Universal Declaration of Human Rights.

Our business approach is clear. We support people and economies, not individual governments or regimes. In mid 2003 we decided to cease conducting business in Myanmar (Burma) and close our representative office there. We had a small operation in Myanmar and were not an integral part of the economy.

Standard Chartered first had a presence in the country in 1862, but with increasing international condemnation of the government of Myanmar and no sign of any change or improvement in the regime's approach to human rights, we felt our presence in the country could no longer be justified.



The United Nations Global Compact

Standard Chartered adopted the UN Global Compact in 2001 and actively addresses the principles contained in it. We are members of the UN Global Compact UK Forum and spoke at the UN Global Compact Policy Dialogue on HIV/AIDS.

Human rights

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Labour standards

Standard Chartered aims to uphold the International Labour Organisation (ILO) core conventions. Rewarding our employees' success and helping them to fulfil their potential makes a key contribution to our performance.

FTSE4Good

We are part of FTSE4Good, the Socially Responsible Investment Index that recognises companies achieving high standards of Corporate Social Responsibility. FTSE4Good reviews its constituents every six months and Standard Chartered has been a member since its launch in July 2001.



Business in the Environment

Business in the Environment recognised Standard Chartered's substantial progress in its environmental index, published in 2003, increasing our average score to 70 per cent, up from 48 per cent the previous year.



Community Partnership for Africa

With a growing presence in African markets, Standard Chartered has created a unified aid programme designed to make a lasting impact in local communities.

The amount we contributed through the Community Partnership programme increased to \$1.5 million in 2003. Close cooperation between our staff, governments, local businesses and customers means we are making positive progress on a range of projects. For example, in Gambia we have funded the construction of a centre to provide counselling and rehabilitation advice for street children. In Nigeria we are refurbishing and equipping the Ayinke House State Teaching Hospital and in South Africa we have provided funding for furniture and a pre-school teacher for a school in Soweto.

Being the Right Partner means dedication to making a difference to the communities where we operate.



Award for International Impact

Business in the Community is the UK's leading organisation promoting Corporate Social Responsibility. Our Community Partnership for Africa programme won the 2003 Example of Excellence for International Impact.



Child bankers clinic

In Thailand, Standard Chartered employees educated the children of the Samakkee Songkhor School in basic banking.

Brazil

Standard Chartered staff planted 150 pine and fruit trees, working together with 'Casa Da Paz', 'Home of Peace', which houses homeless children.

Environment

Standard Chartered made significant progress towards reducing our environmental impact as measured by Business in the Environment (BiE). We became a signatory of the Equator Principles and our Global Environment Management System (GEMS), was expanded to over half of our employees.

Our investment in the community US\$m

| | |
|------------------|-------------|
| Cash support | 8.5 |
| Staff time | 7.3 |
| Gifts in kind | 0.1 |
| Management costs | 0.6 |
| TOTAL | 16.6 |

Note: Calculated using Business in the Community's PerCent Standard guidelines. This represents 1.1 per cent of our operating profit for 2003.

Living with HIV

Actress Glenn Close presents Standard Chartered with the Global Business Coalition on HIV/AIDS 2003 Award for Business Excellence in the Workplace.



We took the decision to leave Myanmar after consulting widely with relevant non-governmental organisations and governments.

Community

As well as being responsible to our customers through our financial service offerings, we also want to be responsible towards the communities in which we operate. In 2003 we invested \$16.6 million in community activities as defined by the UK's Business in the Community. Adding the \$1.44 million raised by staff for 'Seeing is Believing' and the \$365,000 raised by the Standard Chartered marathons makes over \$18.4 million contributed to our communities.



On World AIDS Day we placed eye-catching advertisements promoting business responsibility in fighting the HIV/AIDS pandemic.

Community Week

During Community Week (22 September to 26 September 2003) every member of staff was given a day's leave to work for a charity or community project of their choice following the basic themes of youth, health, education and the environment. We offered employees the chance to win \$10,000 for their chosen charity and the scheme prompted our employees around the world to initiate a huge range of activities.

The winning events were a car rally in India involving blind navigators and, in Sri Lanka, music and drama workshops for children living in slums. Three employees were also awarded three-month sabbaticals to work for the charity of their choice.

As well as contributing to the neighbourhoods in which we do business, Community Week allowed our staff to have fun while making a difference.

Living with HIV

Standard Chartered believes we have both a moral duty and a business need to confront the worst pandemic the world has ever seen. As a company with nearly 5,000 employees in Africa and a major presence in markets such as India and China, where the spread of HIV/AIDS is particularly rapid, the disease impacts our business.

Ignorance and discrimination are a real barrier to tackling the disease in many countries, so we have made education a priority. Our 'Living with HIV' course was designed to answer the questions our staff and their families needed answering, such as how HIV is spread, how it can be prevented and how to care for those infected. All of our 30,000 employees participated in the course in time for World AIDS Day, on 1 December 2003.

'Living with HIV' proved so effective that in some markets, such as Brunei and Bahrain, Standard Chartered employees

Sierra Leone

Staff participated in a community walk to raise funds for our HIV/AIDS and 'Seeing is Believing' campaigns.



Philippines

Staff helping pre-schoolers at the Resources for the Blind Centre.



Community Week

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Jordan

General Manager for MESA, David Edwards and CEO Jordan, Zahid Rahim, along with other staff from the Bank, donated eyeglasses to Beit Al Amal School.



were invited to educate health service officials in the public sector. We are very proud that the programme was awarded the Global Business Coalition on HIV/AIDS Workplace Award for Business Excellence in 2003.

In 2003 we incorporated the provision of anti-retro viral drugs for employees and their dependents wherever possible. We also made 'Living with HIV' information freely available via our website (www.standardchartered.com/global/csr/com/com_hiv_intro.html) to other businesses and organisations.

Seeing is Believing

It is a staggering fact that of the 45 million blind people in the world today, 80 per cent of cases could be prevented or cured with the right knowledge or treatment. Sight loss plays a major role in perpetuating poverty and after we asked our staff which social issues they would most like to see us address, blindness emerged as a top theme.

One of the biggest causes of blindness is cataracts, which can cost as little as US\$25 to cure. With this in mind,

Standard Chartered launched 'Seeing is Believing', which aimed to restore the sight of 28,000 people (the number of Standard Chartered employees in February 2003) by World Sight Day on 9 October 2003.

Fundraising schemes were launched by our teams around the world and we far exceeded our original target. By the end of 2003 we had raised \$1.44 million, enough to restore the sight of more than 56,000 people around the world. We intend to develop 'Seeing is Believing' through 2004, with a target to restore sight to a million people. If you would like to help, please contact Genevieve Kotta, whose details are on the back of this report.

Shopping against SARS

Being a responsible organisation also means helping communities overcome relevant issues.

The SARS outbreak hit Hong Kong's economy particularly hard, with tourist traffic falling by 65 per cent during March, April and May last year. In response, hundreds of our staff in Hong Kong caught the imagination of the public and media by demonstrating their support

for local businesses with a mass shopping trip in May.

Employees were supplied with T-shirts bearing the slogan 'We Believe in Hong Kong' and more than 1,000 took part in a rally in Hong Kong's main shopping centre to demonstrate the city's will to fight back. In cooperation with the Singapore government, we also took out a full-page advert in the Financial Times when the World Health Organisation took Singapore off the SARS list.

Marathons

We have taken an active role in promoting health and fitness by sponsoring marathons in markets where we operate. In 2003 we sponsored marathons in Hong Kong, Singapore and Nairobi, which attracted large numbers of local citizens and raised money for charity.

The 2003 Standard Chartered Bank Hong Kong Marathon, for example, saw 18,000 runners take to the streets and raised more than HK\$2 million (US\$260,000) for the Hong Kong Sports Association for the Physically Disabled. The 2003 Standard Chartered Bank Singapore Marathon attracted over 9,000 runners and raised SG\$130,000 (US\$76,000) for Action for AIDS Singapore, and the first Standard Chartered Bank Nairobi Marathon raised KES2,225,000 (US\$29,000) for cataract operations in Kenya.

In 2004 we will add Mumbai to our list of marathons for the first time.



Thailand

Group Chief Executive Mervyn Davies (above) visits Khun Thongchai Sanpolamuang, a sugar cane farmer in Thailand, who can see again as a result of our 'Seeing is Believing' campaign.

Children's Ward at Islamia Hospital

We funded the construction of the Standard Chartered operating theatre and children's ward in the Islamia Hospital in Dhaka, Bangladesh. Group Executive Director Chris Keljik (above), removes the bandages from a young girl whose sight was restored through our 'Seeing is Believing' campaign.

CSR online

Full details of our CSR activities and our latest environmental report are available at www.standardchartered.com/ourbeliefs

