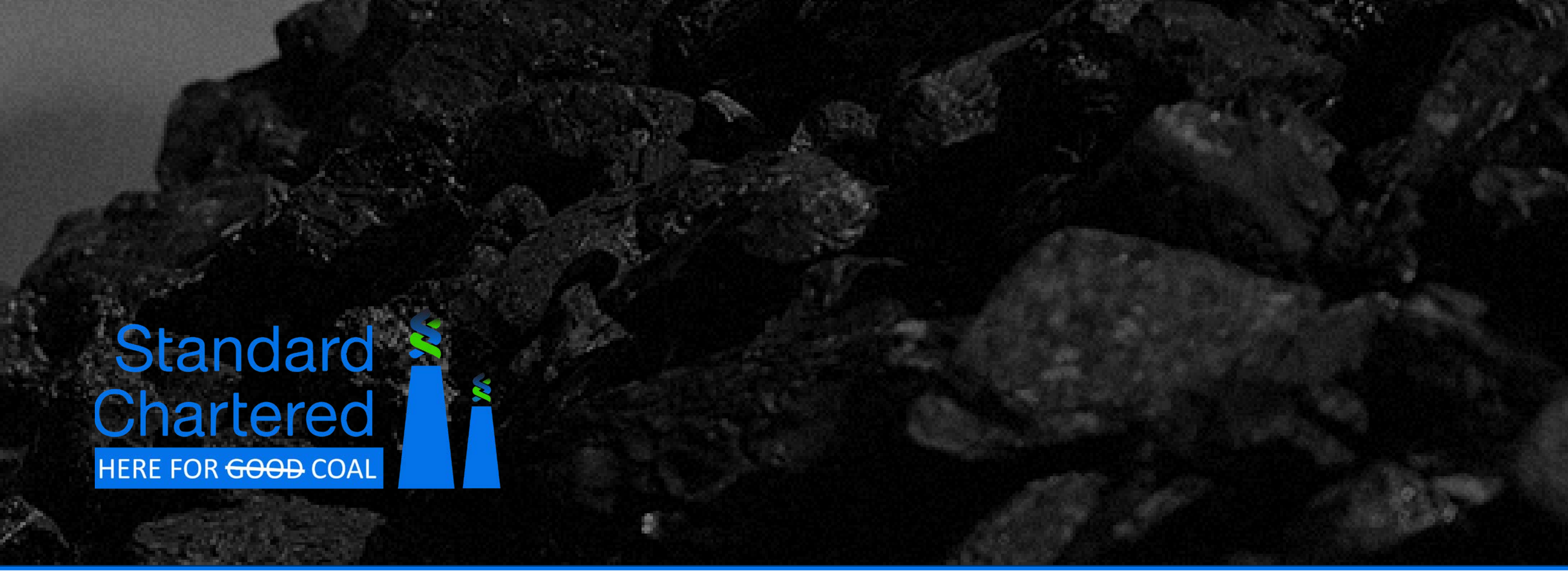

STANDARD CHARTERED'S LEADING ROLE IN FINANCING 10 OF THE MOST DEVASTATING FOSSIL FUEL PROJECTS

Two days ahead of the fifth **Paris Agreement anniversary**, 18 NGOs released a joint report, Five Years Lost [1], showcasing 12 of the most devastating fossil fuel projects currently planned or under development. These expansion projects alone **would use up three-quarters of the total remaining carbon budget** if we are to have a 66% chance of limiting global warming 1.5°C. The 12 case studies highlight the immense **environmental damage, violation of Indigenous rights, negative health impacts, and human rights concerns** caused by each of the projects.

In 10 out of the 12 case studies, Standard Chartered is among the top 30 banks financing the fossil fuel companies that are pushing the projects forward. In total, Standard Chartered has provided over $19 billion in loans and underwriting services to the fossil fuel companies featured in the report since January 2016.

These case studies were chosen based on their detrimental local and global impacts. They are being pushed forward against local resistance and despite calls by scientists and numerous political leaders to phase out fossil fuels. [2] The case studies are: gas extraction in **Mozambique**; oil and gas development in **Suriname**; oil and gas drilling in the **US Permian Basin**; oil and gas extraction in **Argentina's Vaca Muerta** region; coal and gas in **Bangladesh's Payra Hub**; **China's** new coal power plants; **India's** coal mines; coal expansion in the **Philippines**; gas extraction as part of **Australia's Burrup Hub**; drilling for oil and gas in the **Norwegian Barents Sea**; oil and gas projects and pipeline construction in the **East Mediterranean**; and offshore oil and gas drilling in the **UK**.

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STANDARD CHARTERED

One of the last resorts for coal finance in the Philippines?

Standard Chartered is the leading bank behind the companies driving the expansion of the Philippines' coal pipeline. Between January 2016 and August 2020, Standard Chartered has provided over **$1.6 billion** in loans and underwriting services to Top Frontier Investment Holdings, the parent company of San Miguel Corporation (SMC). SMC is the Philippines' largest corporation in terms of revenue and one of the top three coal plant developers in the country, with **3.4 GW** of additional coal capacity in the pipeline.

Standard Chartered has also provided project finance for a coal plant with a total planned capacity of **900 MW**. [3] The **Limay power station**, located in the Bataan province not far from a wildlife sanctuary, is currently being constructed and partially already operated by SMC. In 2017, SMC saw itself faced with violation notices after communities in Limay reported respiratory problems caused by fly ash from the plant. The plant's testing operations had potentially also resulted in ash spills into a waterway. [4]

"If all coal currently in the pipeline in the Philippines were to be built over the next few years, it would continue to dominate the country's energy mix at around 60-70%. This is unacceptable for a climate-vulnerable country in dire need of transition, and simply illogical given its abundant renewable energy potential that exceeds the current national power demand by at least ten times, promising much cheaper electricity for a poverty-stricken country if fully developed. Standard Chartered and other financial institutions have contributed largely to coal's expansion in the Philippines, and are thus complicit to the continued suffering of coal-affected communities and rising costs of electricity from coal. It's high time for these banks to hold themselves accountable by actually working towards alignment with the 1.5°C climate goal, and not just pretending to do so," says Gerry Arances, Executive Director of the Center for Energy, Ecology and Development.

Manisloc coal power station, Zambales, Philippines
Credit: CEED

WHY THE ENERGY POLICY UPDATE OF 2019 NEEDS AN URGENT REFRESH

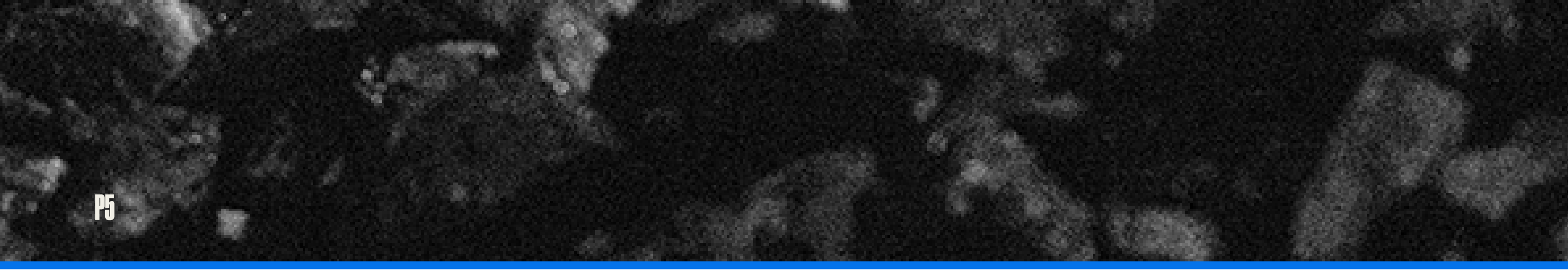
Standard Chartered’s current energy policy is a recipe for climate chaos. Despite the warm words, it allows the bank to continue funding the fossil fuel industry with almost no restriction. [5]

- The policy specifies a timeline for strengthening its exclusion threshold of coal companies based on their percentage of earnings from coal. However, this timeline is far too slow and the starting point is far too weak. While most of the coal infrastructures must be phase-out by 2030, Standard Chartered plans to **wait until 2025** to take a first real but tiny step - ending financial support for companies with more than **60% of their earnings from coal.** According to the Coal Policy Tool, [6] 33 financial institutions exclude companies that generate more than 20% of their revenues from coal, with 12 banks using an exclusion threshold up to 40%. Even **Barclays** - no angels when it comes to fossil fuel finance - has a far more ambitious exclusion threshold, currently at 5%.

- Standard Chartered’s policy allows the bank to keep supporting the majority of the coal industry, including more than 329 companies with coal expansion plans. [7] Even when Standard Chartered does lower its exclusion threshold, it is still based on a very limited metric to define the coal companies they will not support. **This means they can continue funding some of the biggest coal companies in the world.** Using ‘earnings’ (EBITDA) as the sole measurement means that the policy misses out very large diversified coal companies - such as large conglomerates - who are some of the world’s biggest contributors to climate change. Other measurements must be included, such as total coal mined, or total electricity produced by coal.

- The policy also does not give a final date for when the bank will fully end its support for the coal industry, allowing it to profit from the world’s dirtiest fossil fuel **well into the 2030s and beyond**. This is despite the need to phase-out coal at the latest by 2030 in all Europe and OECD countries, and by 2040 in other countries.

- Finally, and perhaps most seriously, the policy **does not put any real limits on investment in oil and gas.** Data from the Intergovernmental Panel on Climate Change and oil industry sources show that developed reserves in existing oil and gas fields alone [8] would push the world beyond the 1.5°C target defined in the Paris Agreement. It is impossible for a bank to credibly claim to support the Paris Agreement without acknowledging this reality and taking appropriate steps to bring financial support for the oil and gas industry to a swift end.



WHAT STANDARD CHARTERED NEEDS TO DO

We call on Standard Chartered to urgently close the huge loopholes on funding coal and introduce limits on funding oil and gas. Because 'here for good' does not mean financing coal, or oil and gas. Standard Chartered likes to say it cares about the environment, but their actions say the opposite. 'Here for good' means creating a climate policy that does more than just make the bank's leaders feel good.

Since the Paris climate agreement was signed in 2015 - which Standard Chartered says it supports - **the bank has funneled $24.02 billion into fossil fuels.** [9] Are these the actions of a bank concerned about climate change?

Banks that truly care about climate change don't fund the expansion of fossil fuels. Standard Chartered announces new climate policies with great fanfare, but these policies allow them to keep funding the climate crisis, with huge loopholes on funding coal and no limits on funding oil and gas. Standard Chartered's 'here for good' policies hardly impact the bank's ability to finance some of the dirtiest companies in the world: coal companies.

Standard Chartered must formulate and publish plans to align its financial services with the goals of the Paris Agreement, [10] starting by immediately announcing a rapid phase-out of all support to the coal industry, and an end to financing all companies and projects that would expand the scale of the fossil fuel industry.

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