



Paving a path to net zero

SUPPORTING the Paris Agreement goals on climate change to prevent the worst effects of global warming, Standard Chartered recently announced its ambitious new interim 2030 targets for the most carbon-intensive sectors and its methodology for a pathway to net zero by 2050.

The bank also aims to catalyse finance and partnerships to scale impact, capital and climate solutions to where they are needed most, including mobilising US\$300bil in green and transition finance by 2030.

As Standard Chartered Malaysia chief executive officer and managing director Abrar Anwar said, companies that are responsible for the bulk of the world's emissions are typically financed either by or through banks.

Achieving a just transition — one where climate objectives are met without depriving developing countries of the opportunity to grow and prosper — will require capital and specialised support.

In fact, 85% of companies claim that the barriers are high levels of investment and issues with returns and the commercial viability of transitioning to net zero.

This is where Standard Chartered comes in, as it is uniquely placed to help by directing capital to markets with the greatest opportunity to adopt low-carbon technology and some of the toughest transition financing and climate challenges.

"Progress doesn't have to cost the planet. The need for a just transition to an inclusive, net-zero economy brings with it a huge opportunity for innovation and growth for our clients and our bank," said Abrar.

Leading decarbonisation

Standard Chartered's net-zero approach is to cut financed emissions, mobilise capital and accelerate solutions to support a just transition in its markets. The bank will do this by focussing on three areas, namely:

> Accelerating sustainable finance:

With more than 91% of its sustainable finance assets located in emerging markets — where the need for funding is the greatest and could bring the most impact — Standard Chartered has committed to funding and facilitating US\$75bil of sustainable infrastructure, clean technology and renewables between 2020 and 2025.

It also has a Transition Finance Framework that sets out how its transition finance will be governed and a set of well-defined principles to help guide its clients to a low-carbon pathway, alongside a new dedicated Transition Acceleration Team to support clients in high-emitting sectors and launch sustainable products.

> Reducing emissions:

Standard Chartered will measure, manage and ultimately reduce the emissions related to its operations and the financing of its clients, with the goal of reaching net zero carbon emissions from its operations by 2030 and from its financing by 2050.

The bank has already covered nearly two-thirds of its in-scope financed emissions, while targets for the remaining carbon-intensive sectors will be announced before the first quarter of 2024, in line with current guidelines from the Net Zero Banking Alliance.

This is in addition to targets to reduce its energy usage and report its yearly progress in detail, as part of the Task Force on Climate-Related Financial Disclosures process.

> Managing financial risks:

To better quantify the risks, such as those associated with climate change, Standard Chartered partnered with Baringa to measure, manage and report climate-related transition risks. It also partnered with Imperial College London to understand the science and unlock solutions for climate risk management to help prepare its clients and support their transition.

With the bank sharing its methodology transparently in a white paper to help collective learning and encourage discus-

sion and debate, Abrar stressed that its emissions calculations will be further refined as standards and methodologies evolve, alongside improvement in data quality and availability.

"In Malaysia, we have embarked on a journey to include sustainable investing into our advisory framework and solutions to help clients embrace net zero and ESG (environmental, social and governance) principles.

"As we reduce the emissions associated with our financing activities to net zero, we will also tackle financial barriers to the transition, including by making more green and transition finance available. This will help clients on a path to net zero, while maximising the benefits of a just transition for people and communities," said Abrar, adding that the bank has seen

a 10-fold increase in ESG-integrated assets under management since the start of 2021.

Driving momentum

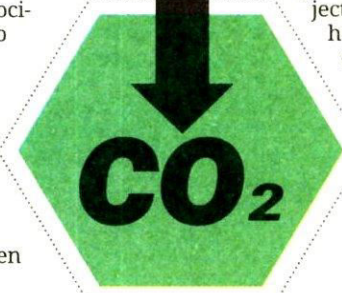
While seeking ways to help clients in their move to net zero, the bank also focuses on driving innovation.

He said, "The drive to innovate also matters. We can find many ways to invest and

get clients to invest in projects and mechanisms that have a sustainability objective."

Locally, Standard Chartered has already collaborated with a number of partners and clients to execute such transactions.

These include execut-



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Standard Chartered is uniquely placed to help by directing capital to markets with the greatest opportunity to adopt low-carbon technology and some of the toughest transition financing and climate challenges.

Companies responsible for the bulk of the world's emissions are typically financed either by or through banks and achieving a just transition will require capital and specialised support.

NET
ZERO

