Open and transparent dialogue

We believe in having an open and transparent dialogue with all our stakeholders

At Standard Chartered our purpose is to drive commerce and prosperity through our unique diversity. To do so, we need to take a long-term view. Listening and responding to stakeholder issues or concerns is critical to achieving this and to delivering on our brand promise which is to be Here for good. We strive to maintain open and constructive relationships with a wide range of stakeholders including regulators, lawmakers, clients, investors, civil society and community groups to help us operate as a responsible and sustainable business. This helps inform our business strategy and build sound relationships in the markets where we operate. The engagement with policymakers and other stakeholders is overseen by the Bank’s Board and involves various functions at Group, regional and country levels. Our Board and Management Team members also engage with policymakers regularly.

Governance

On a day-to-day basis, our Compliance and Public Affairs functions are responsible for identifying changes to financial services regulation, ensuring that we comply with all requirements, and helping to manage relationships with policymakers. Responsibility for our public policy engagement rests with the Group Head, Corporate Affairs, Brand & Marketing, Conduct, Financial Crime and Compliance.

Our Brand, Values and Conduct Committee has oversight of the Group’s approach to government and regulatory relations, as delegated by the Board. The Committee is comprised solely of independent non-executive directors who have a wealth of experience in geopolitical matters. The Committee meets quarterly and considers conduct as a cornerstone of the Bank’s culture. You can read more about the role of our Brand, Values and Conduct Committee on pages 83-84 of our 2019 Annual Report.

We have strict governance procedures in place across the Group, and expect high standards of conduct and behaviour from all our staff,
directors and contractors in dealing with political stakeholders. This is outlined in our **Code of Conduct** which all employees are required to recommit to annually. All our staff also complete a range of training on joining the Bank and recertify many of these yearly to highlight the importance of observing and delivering high standards of conduct and behaviour. Modules include Conduct, Sanctions, Rejecting Bribery and Corruption (RBC), and Anti-Money Laundering and Counter Terrorist Financing (AML). In addition to modules that all staff complete, we provide specialist training in specific financial crime and conduct topics to identified parts of our population based on role, including front line, operations and Financial Crime Compliance staff. There are specific modules on Politically Exposed Persons (PEPs) as part of Client Due Diligence (CDD) certifications. Managers are also required to undertake specific training to drive a culture of good conduct and governance. This is mandatory, tracked and impacts performance reviews if not completed within defined time periods. In 2019, we engaged with policymakers at all levels on topics such as prudential rules, markets and conduct regulation, Brexit, trade promotion, FinTech, cyber security and fighting financial crime.

**Our valued behaviours**

We are committed to ethical behaviour, integrity and responsibility in all our activities. Our internal policies and procedures for public policy activities are designed to meet these values and the laws, norms and stakeholder expectations for integrity and ethical behaviour across our markets. This also ensures that our public policy activities are carried out consistently across our Group and third parties acting on our behalf. We recently re-set expectations for every employee of the Group, based on three new valued behaviours: Do the right thing, Never settle, and Better together. Taken together these behaviours will help us to continuously challenge the way we do things, make better decisions, and hold each other accountable.

**Engaging with governments, regulators and other policymakers**

We engage with relevant authorities to play our part in supporting the effective functioning of the financial system and the broader economy. We are committed to complying with all legislation, rules and other regulatory requirements applicable to our businesses in the jurisdictions within which we operate. Our compliance with legal and regulatory frameworks across our markets ensures that the Group meets its obligations. In turn, this supports the resilience and effective functioning of the Group and the broader financial system and economy. As an
organisation, we are committed to ethical behaviour, integrity and responsibility in our engagement with policymakers. Deeply embedding a culture of ethical banking ensures we are able to deliver for our investors, our clients, our colleagues and our communities. Good conduct – doing business in the right way – can, and will, be a powerful differentiator for our Group. You can read more about our approach to stakeholder engagement on pages 42 to 51 of our Annual Report.

Our active engagement with governments, regulators and policymakers at a global, regional and national level enables us to share insights and technical expertise on key public policy issues. This engagement supports the development of best practice and the adoption of consistent approaches across our markets. We are committed to engaging with governments and regulators in a transparent way, and do so through a variety of channels, including through ongoing dialogue, submission of responses to formal consultations and by joining and participating in industry working groups. In 2018, we engaged with policymakers at all levels on topics such as prudential rules, Brexit, trade promotion, FinTech, cyber security and fighting financial crime.

Responding to government and regulatory consultations

We periodically respond to consultations on matters that impact our business and the markets in which we operate. Below, we publish our consultation responses on regulations impacting the Group (or executive summaries for those containing commercially sensitive information) on a quarterly basis. Individual country responses specific to that country are not necessarily included. Copies of our responses are also often made available by the relevant authority on their website. The Group has signed up to the EU transparency register which is operated jointly by the European Parliament and the European Commission and discloses our key interests related to EU policy-making (e.g. CRD5 & CRR2, BRRD2, MiFID II, EMIR, Benchmarks, CMU, the Fintech Action Plan, and the Sustainable Finance Action Plan). As with all other signatories, it also includes an estimate of the annual cost of activities covered by the register.

Consultation responses
Responsible advocacy

The Bank’s engagement with policymakers is conducted directly by its staff and through industry associations. We do not retain the services of any public affairs consultancy to represent the Bank’s interests at Group level or in our key markets. Where we do retain geopolitical risk consultants, they provide political monitoring and intelligence across our markets.

The Group recognises the need to deal with policymakers and politically-exposed persons in an appropriate and transparent way given the influence they may have over laws and regulations of material interest to the Bank. As such, we have policies in place to guide staff on how to engage with such parties and staff are required to undergo training, to ensure that our engagement with policymakers is ethical and responsible. In addition, our Group Student Hiring policy prohibits Graduate or Internship opportunities that may be or appear to be an inducement to act improperly so as to obtain or retain business, or a business advantage, for the Group. The policy further prohibits any Graduate or Internship opportunities being created from an employee or client referral or request, source or connection.

Further, the Bank does not employ the services of serving politicians for advocacy or political engagement on behalf of the organisation. The Bank operates in a highly-regulated sector and its senior staff and individuals in roles of significant influence are subject to scrutiny and approval by the Bank’s regulators before they may be appointed.

Trade associations

We are members of a wide range of financial services and other relevant professional and trade associations, some of which may engage with political stakeholders on topics that are of relevance to our business. We are members of an estimated 200 associations globally. View our key memberships at Group level and in a range of our larger markets below.

As a matter of procedure, trade associations memberships are reviewed annually. As with any expenditure related to public policy engagement, changes to those memberships are subject to the Bank’s general expenditure policies and procedures and approved in line with the delegated authority structures in place at country, regional and Group levels.
Our memberships

Arab Bankers’ Association of North America (USA)

Asia Securities Industry and Financial Markets Association (ASIFMA) (Hong Kong)

Association for Financial Markets in Europe (UK)

Association of Banks in Malaysia

Bankers’ Association of Botswana

Business Leadership South Africa

Centre for European Reform (UK, Belgium)

China Banking Association

Emerging Markets Traders Association (USA)

Eurofi (France)

Ghana Association of Bankers

Ghana National Banking College

Global Financial Markets Association

Institute of International Bankers

Institute of International Finance Inc

International Swaps and Derivatives Association

International Securities Services Association

Kenya Bankers Association

KSEI (The Indonesia Central Securities Depository)

Loan Syndications and Trading Association (USA)

National Futures Association (USA)

Organization for International Investment (USA)

Perbina (International Banks Association of Indonesia)
Political donations

Whilst we seek annual authority from shareholders to make political donations and incur political expenditure, this is to avoid unintentionally breaching the legislation controlling political donations, which is wide in scope and could include certain routine activities undertaken by the Company and its subsidiaries.

The Group has a policy in place which prohibits donations being made that would: (i) improperly influence legislation or regulation, (ii) promote political views or ideologies, and (iii) fund political causes. As an organisation, we are strictly non-political. We do not get involved in political activities, support political parties or have any political links. In line with this, no political donations were made in the year ended 31 December 2020.

For queries about our public policy engagement, please contact us at sustainability.feedback@sc.com
More on our approach to banking

We’re committed to promoting social and economic development in our markets through our core business of banking

More on sustainability

About our services