

# DBS Modern Slavery Statement

## Introduction

In May 2017, DBS Bank Ltd (“**DBS**”) published its first modern slavery statement, for the financial year ended 31 December 2016.

This is DBS’s fifth statement and is made pursuant to Section 54(1) of the UK Modern Slavery Act 2015 and this year, the Australian Modern Slavery Act 2018 (Cth).

This statement sets out the steps taken by DBS in the financial year ended 31 December 2020, to address the risks of modern slavery in our organisation, financing practices and supply chains.

DBS is committed to adopting sustainable and socially responsible policies, including alignment of our operations, practices and strategies with universally accepted principles in human rights and elimination of all forms of forced and compulsory labour.

We pledge support to the United Nations Global Compact and are committed to the 10 (ten) principles on human rights, labour standards, environment and anti-corruption. Our commitment and progress on these are also outlined below.

## About DBS

DBS is a wholly owned subsidiary of DBS Group Holdings Ltd and a public company having its registered office at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982.

DBS is a full-service multinational banking and financial services corporation headquartered in Singapore, with a strong presence in Asia. Apart from Singapore, our key markets are China, Hong Kong, India, Indonesia and Taiwan. Our main businesses include consumer banking / wealth management, institutional banking, and treasury markets.

For the purposes of this Statement: DBS is registered as a foreign company in Australia (ARBN 601 105 373), with its registered office at Suite 1901, Level 19, Chifley Tower, 2 Chifley Square, Sydney, New South Wales, Australia, and a reporting entity; and DBS is registered as a branch in the United Kingdom, with its registered office at One London Wall, EC2Y 5EB, London, United Kingdom.

## Our Employees

To provide our employees with a safe and fair working environment, we have through our Code of Conduct, set out clear principles and minimum standards of behaviour expected of each employee, which includes treating others in a professional, ethical and responsible manner. It also defines the procedures for reporting of incidents and provides protection for employees making these disclosures

In addition, our DBS speak-up channel is a service managed independently by a third party, and every case of grievance and report of misconduct is investigated by Financial Crime or, where appropriate, Human Resources. Staff misconduct is reviewed and addressed in accordance with an established disciplinary review process.

We have a holistic approach to employee development, engagement and retention, covering amongst others recruitment, onboarding, compensation and benefits and continuous employee development.

We comply with the Tripartite Standards by the Tripartite Alliance for Fair & Progressive Employment Practice (“**TAFEP**”) that set standards for fair recruitment practices, flexible work arrangement, grievance handling processes, age management and other employment matters.

To assess the effectiveness of the steps we have in place to mitigate modern slavery risks, DBS conducts a yearly engagement survey, independently administered by an external party.

This survey impartially measures our employees’ sentiments towards our organisation and their confidence to be able to report any practices or conduct (including modern slavery) they might witness or experience in the course of their employment.

The yearly results of this survey show that, as an organisation, the steps we have taken in mitigating modern slavery risks have been effective: our employees are consistently confident about being able to report any conduct or practice in violation of our Code of Conduct.

## **Our Customers**

To address the risks of the proceeds of modern slavery being laundered through legitimate financial systems and lending activities, we have established responsible financing practices and environmental, social and governance (“**ESG**”) policies which outline the standards we expect and require of our customers.

Our Group Responsible Financing Standard (the “**Standard**”), which was introduced in 2017, provides guidance on assessing ESG for all credit applications, periodic credit reviews (including where specific triggers are breached), and capital markets transactions.

The Standard is supplemented by our 9 (nine) Sector Guides pertaining to industries with elevated ESG risks. These cover the agricultural commodities, palm oil, chemicals, oil and gas, mining and metals, power generation, infrastructure, animal husbandry and feed sectors, and a new sector guide on the apparel, footwear and textiles sector was also introduced. The sector guides provide our relationship managers and credit risk managers with a structured approach to assess ESG risks.

We regularly review our Sector Guides to ensure they remain aligned with emerging ESG issues and industry best practices. In 2020, specifically with regards to labour standards and modern slavery issues, we made our ESG standards more stringent for the Palm Oil and the Agri Commodities sector guides. Read more about our Sector Guides in [Our Approach to Responsible Financing](#).

Under the Standard, we have an established ESG risk assessment approach which includes screening to prevent contributing to forced labour and modern slavery practice in our lending portfolio.

Among others, we will not knowingly finance activities involving child or forced labour and human rights abuses. In 2020, we continued to strengthen our ESG risk assessment process which also evaluates the risk of customer operations affecting livelihoods, involving resettlement, or demonstrating poor labour working conditions as these may create situations which bring about slavery.

In our efforts to robustly monitor and mitigate the risks of modern slavery, we enhanced our due diligence process in 2020. For more information, please click [here](#).

Finally, our ESG risk assessment framework is aligned to international best practices, including the International Finance Corporation Performance Standards, World Bank Environmental, Health and Safety Guidelines and International Labour Organisation Conventions and Recommendations, International Council on Mining and Metals principles and position statements, Roundtable on Sustainable Palm Oil Principles and Criteria, and the Stockholm and Rotterdam Convention for chemicals.

Notably, in November 2019, we signed up to the Equator Principles (“**EPs**”), which outline rigorous social and environmental standards for large-scale developments involving our customers.

The adoption of the EPs has further strengthened our risk management of modern slavery issues in financed projects.

We also monitor our customers’ adherence to our ESG standards by tracking progress in addressing past incidents, following negative media coverage and engaging our customers in establishing policies that align with international standards.

Where exploitative practices are identified, we will investigate and work with our customers to ensure they rectify them and prevent recurrence. We follow up on agreed mitigating measures and action plans to ensure good sustainability performance by our customers.

If a customer is unwilling to adequately manage the identified ESG risks, we are prepared to decline the transaction or reassess the corporate banking relationship altogether.

We conduct trainings that enable our employees to be equipped with the knowledge to apply our policies and standards consistently. In total, 83% (eighty-three percent) of our Relationship Managers (“**RMs**”) and Credit Risk Managers (“**CRMs**”) have completed ESG training using our eLearning module.

Furthermore, we conducted training for RMs and CRMs specifically on human trafficking and modern-day slavery with our Know Your Customer (“**KYC**”) team and trained 153 (one hundred fifty-three) RMs in 2020. The objective was to raise internal awareness, enhance our understanding of the early-warning signals and relevance of modern slavery to our business and how modern slavery issues can be identified during the KYC process.

We will continue with our training programmes to equip our staff with the knowledge and tools required to conduct ESG risk assessments in 2021.

## **Our Suppliers**

DBS conducts a materiality risk assessment of potential sustainability risk exposures within our organisation once every 2 (two) years. The last review was conducted in 2019 (“**2019 assessment**”).

### **Due Diligence**

To mitigate the potential risk of DBS being exposed to modern slavery practices, DBS aims to only partner with suppliers who adopt good ethical, professional and legal standards.

DBS Sustainable Sourcing Principles (“**SSP**”) outline our expectations of suppliers in 4 (four) key areas – human rights (which includes human trafficking and modern slavery), safety and health, environmental sustainability and business integrity and ethics.

In 2020, 99.9% (ninety-nine-point nine percent) of our new suppliers have signed their commitment to our SSP.

In 2020, we also expanded our sustainability risk governance style to include a more collaborative approach through the introduction of supplier training and have conducted sustainability assurances on 30 (thirty) suppliers and trained 11 (eleven) suppliers on sustainability.

### **Remediation Processes**

As part of the sustainability assurance dialogue that we have with our suppliers, DBS has remediation processes in place to address any non-compliance with our sustainability principles. These processes generally include a corrective action plan and an improvement suggestion scheme.

Our corrective action plan includes working closely with our suppliers to ensure that their operations and practices are aligned with our sustainability principles. For example, in 2019, we identified 1 (one) supplier with practices likely to cause or contribute to modern slavery. Upon such identification, we provided improvement suggestions and worked together with the supplier, collaborating with their senior management to reinforce DBS’ sustainability commitments to bring about a positive change.

In 2020, following the 30 (thirty) sustainability assurances conducted, we did not find any modern slavery practices present in our suppliers’ operations. Therefore, no corrective actions were required in 2020.

Nevertheless, to ensure that our suppliers understand our commitment to sustainability (and against modern slavery), we identified and directed 2 (two) of our suppliers, with weaker sustainability practices in place, to attend sustainability trainings in 2021.

Our assurance programme in 2020 includes the following:

- undertaking supplier environmental, social and governance risk portfolio according to sector or country level risks;
- conducting environmental and social audits on our suppliers either in regular intervals or when a risk is highlighted; and
- establishing appropriate remediation plans for addressing modern slavery issues found in our / our suppliers' operations.

### **Process of Consultation**

This Statement has been prepared in consultation with our key internal stakeholders. This working group of stakeholders includes representatives from procurement, institutional banking, human resources, legal and the sustainability council. The process included extensive discussions and other methods of feedback.

As a result of the consultation, DBS is better informed and equipped to tackle any upcoming risks or novel forms of modern slavery.

### **Any Other Relevant Information**

DBS recognises that tackling modern slavery is an ongoing process.

Looking forward, we recognise that the Covid-19 pandemic may increase the risk of exposure to modern slavery practices within our operations and our suppliers' operations. We remain diligent and committed to implementing and enhancing our current initiatives, where appropriate, to further strengthen our actions in response to any potential risk of modern slavery.

This Statement was approved by the Board of Directors on 29 June 2021.

Name (Director) : Piyush Gupta

Signature : 

Date : 29 June 2021