

1 April 2022

## Statement on Modern Slavery and Human Trafficking

This Statement on Modern Slavery and Human Trafficking for the year ended 31 March 2022 sets out the steps that ICBC Standard Bank Plc has taken to tackle modern slavery (as defined in the Modern Slavery Act 2015 (the “**Act**”)) in our business and supply chains.

### Our Business

ICBC Standard Bank Plc (“**ICBCS**” or “**we**”) is a leading financial markets and commodities bank. We provide our clients with specialist knowledge and expertise to develop and grow their investments across the globe. We are a strategic platform for serving our clients in global markets products, as well as distributing emerging and frontier market risk. We specialise in global commodities, fixed income, and currencies. We are headquartered in London, with additional operations via a branch or subsidiary in Singapore, Shanghai and New York.

We are committed to conducting our business in accordance with the legal and regulatory requirements of the jurisdictions in which we operate. In particular, we are dedicated to upholding the highest level of integrity. We do not tolerate slavery, forced labour, child labour, or human trafficking in any form and will never knowingly be party to any activity that would violate the modern slavery laws, rules and requirements that apply to us.

### Our Values

Our key values are “integrity”, “openness”, “prudence”, “innovation” and “excellence” (“**Our Values**”). Of these, we consider two to be particularly relevant to combatting modern slavery:

- *Integrity*: we are committed to undertaking the right business in the right way and to act with respect, transparency and honesty. We act responsibly in the societies in which we operate and treat our clients, colleagues and stakeholders fairly.
- *Openness*: we are an open and inclusive organisation committed to the principle of equal opportunities and to creating a working environment where everyone is treated with dignity and respect. This includes our employees, contractors, clients, advisors and suppliers. We value and promote diversity, and strive to treat all individuals with dignity and respect.

Our Values underpin our position against modern slavery.

We have in place a *Corporate Social Responsibility (“CSR”) Programme* which seeks to put Our Values into action. The four pillars that underpin our CSR model are environment, society, our people and ethics. Our stance against modern slavery is taken in the context of our responsibilities in respect of society, our people and ethics.

### Our Framework against Modern Slavery

Our *Anti-Modern Slavery Framework* is supported by policies, procedures, systems and controls to address modern slavery risk within our business. We ensure anti-modern slavery principles are incorporated in our internal policies and procedures. Our *Anti-Modern Slavery Policy* addresses direct and indirect modern slavery risks in respect of all of our business relationships, including our workforce, clients and third parties (our vendors, suppliers and service providers). Direct risk is where there is a provision of services or goods directly to the Bank, while indirect risk is where goods or services are carried out by a subcontractor of a vendor.

Our *Financial Crime Risk Appetite Statement*, which sets out our risk appetite in respect of modern slavery (among other) risks, provides that we do not employ staff contrary to the requirements of the Act; nor do we enter into or continue business relationships with clients or third parties that operate in contravention of anti-modern slavery principles.

We acknowledge the inherent risks in trading physical precious metals. We have a *Responsible Sourcing of Precious Metals Policy and Procedure* which sets out our requirements for responsible practice in sourcing precious metals. We only deal with legitimate and ethical providers operating in the precious metals supply chain that take a responsible approach to sourcing precious metals. We do not tolerate and will not knowingly do business with any party who engages in slavery, forced labour, child labour or human trafficking.

## Supply Chains

To protect against modern slavery risk in our business relationships, we conduct third party and supply chain due diligence before commencement and ongoing monitoring throughout the course of those relationships. All third parties are subject to the requirements of our *Third Party Risk Management Framework*. Third parties that provide goods or services directly to, for, or on behalf of ICBCS are subject to financial crime risk rating, due diligence, approval, contracting, management and control processes.

All third parties are given a copy of our [Conduct Declaration for Third Parties](#) (the “**Conduct Declaration**”). This explicitly requires third parties – including suppliers – to comply with all applicable laws and regulations in the jurisdictions, countries and regions in which they conduct business. In particular, we expressly require that third parties must not employ forced or child labour, must have internal controls in place to minimise health and safety risks and must adequately compensate employees.

We expect our third parties to have fully implemented policies and procedures designed to prevent slavery, servitude, forced labour, human trafficking or similar practices from occurring in their business or any of their supply chains.

We reserve the right to terminate the relationship if we find that a third party has failed to comply with the principles and expectations set out in our Conduct Declaration.

We seek to build positive partnerships that reflect and support our CSR policies and culture by working with suppliers that look after the wellbeing of their people. It is important to us that our suppliers promote an environment in which their employees are safe, valued and respected.

In our [Responsible Sourcing of Precious Metals Declaration](#), we recognise as best practice the World Gold Council Conflict Free Gold Standard, the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (and associated Gold Supplement) as set out by the Organisation for Economic Cooperation and Development (“OECD”), and the LBMA’s Responsible Gold Guidance and Responsible Silver Guidance. We also recognise as best practice the principles set out in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502, regarding specified Conflict Affected Countries.

We do not tolerate, contribute to, assist or facilitate: war crimes and other armed conflict, including contributing to such conflict or direct or indirect support of armed militia; terrorism or terrorist financing; human rights abuses, including child labour; money laundering; corruption, bribery or fraud; sanctions transgressions; the facilitation of tax evasion; or mining operations in violation of environmental regulations.

In line with our *Responsible Sourcing of Precious Metals Policy and Procedure*, we continuously engage with industry stakeholders to inform and establish best practices. We are a member of the LBMA and the LME, which actively support initiatives to encourage responsible sourcing of metals.

During 2022 we will continue to assess and manage the risks associated with our supply chain.

## Due Diligence

Due diligence is an important control to ensure we know our clients and third parties and their businesses. Employing a risk-based approach, we perform enhanced due diligence on clients and third parties that present heightened financial crime risk, including with respect to modern slavery.

We consider adverse news that relates to concerns of modern slavery (or any other financial crime) when determining whether we will enter into or continue a business relationship with a client or third party.

Any transactions that suggest forced labour, slavery, or other forms of exploitation are escalated to a senior governance committee responsible for assessing and approving transactions.

## Risk Assessment and Measuring Effectiveness

Consideration of modern slavery risk forms part of our product risk rating methodology which in turn feeds into our client risk rating methodology. Modern slavery risk is therefore considered when the Bank enters into any new client relationship or when there is a new product offering to existing clients.

We employ a risk-based approach in assessing financial crime risks, including assessing modern slavery risk. Factors taken into account include the types of services or goods, where the services will be performed, where the party is based, adverse news reports and any other financial crime related red flags. This enables us to identify those clients or third parties carrying heightened financial crime risk.

We conduct a global Financial Crime Risk Assessment (“**FCRA**”) annually which provides senior management with a consolidated view of the risks our bank faces across various financial crime pillars, namely, money laundering, terrorist financing, sanctions, bribery, corruption, fraud and modern slavery. The FCRA also examines the effectiveness of controls in place to manage those risks.

We have controls implemented to manage modern slavery risks (e.g. when on-boarding clients, third parties and staff). Effectiveness of financial crime related controls is tested on a regular basis as part of our internal assurance programme. Our controls framework is kept under constant review to identify opportunities for enhancement.

We acknowledge that physical commodities present a more complex risk profile compared to other business lines, which increases modern slavery risk for the Bank.

Client and vendor visits are an important part of our risk assessment and due diligence process and provide an important control with respect to modern slavery risks. Due to Covid-19 related travel restrictions, the number of counterparty visits in 2021 was less than usual, however we were able to conduct more visits than in 2020. As travel restrictions continue to lift we intend to increase the number of counterparty visits.

## Training and awareness

All new staff (including temporary workers and contractors) must complete training on financial crime compliance, including with respect to modern slavery. This training explains what modern slavery is, how it relates to our business and what we do to prevent modern slavery. Our Compliance department also delivers bespoke training to raise awareness around financial crime prevention and risk management. Existing employees must complete an annual financial crime prevention knowledge test and retrain if a satisfactory result is not achieved.

The Bank also runs regular training for its staff members on issues such as inclusion and diversity.

In 2021, the majority of our staff members continued to work from home due to the Covid-19 pandemic. In instances where we were unable to deliver face-to-face training, Compliance training was delivered virtually.

Staff members are reminded of their duty to report any knowledge or suspicion of financial crime, including modern slavery, to our Money Laundering Reporting Officer. Our workforce has access to a whistleblowing

service, provided by an external and independent company, which provides a confidential and secure mechanism to report concerns.

In 2021 the Bank ran an internal “speak up” campaign that reminded staff of their duty to report suspicious activity, as well as the signs to watch out for.

### **Our Continuing Commitment**

We will continue to engage with our staff, clients and third parties to ensure modern slavery and human trafficking are not taking place in our business and our supply chain.

This *Statement on Modern Slavery and Human Trafficking* for the year ended 31 March 2022 has been approved by the Board of Directors of ICBC Standard Bank Plc on 24 February 2022.



**Wenbin Wang**

Chief Executive Officer and a member of the Board of Directors of ICBC Standard Bank Plc