

## Introduction

**This statement, issued in accordance with the UK's Modern Slavery Act 2015, sets out the steps we have taken during the financial year ending 31 December 2016 to ensure that modern slavery is not taking place in our own operations or in our supply chains. It is made on behalf of Standard Chartered PLC and each of its wholly owned direct and indirect subsidiaries (the "Group").**

Standard Chartered is an international banking group headquartered in the United Kingdom providing a wide range of banking and financial products and services to personal and business clients across 68 countries. For more information about our structure, please visit <https://www.sc.com/en/about-us/who-we-are/our-business.html>

## Who we are

We employ over

# 86,000

staff across 68 countries

We are focused on banking the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. **We recognise we have the privilege, opportunity and responsibility to be a force for good in the markets in which we operate.**

We employ over 86,000 staff, and have around 18,000 active suppliers providing a range of products and services including professional services, travel, facilities management, banking operations and Information Technology services.

Our supply chain is almost entirely comprised of indirect sourcing (i.e. goods and services not for resale).

We have approximately

# 18,000

active suppliers providing a range of products and services

## Why this matters

Through slavery, servitude, forced or compulsory labour, and human trafficking, modern slavery breaches fundamental human rights. Standard Chartered is committed to respecting human rights impacted by our activities, and to addressing adverse impacts if they occur. We will seek to ensure there is no modern slavery in our operations and supply chain, and also to identify and address modern slavery risks connected to our provision of financial services.

## 2016 Modern Slavery Statement

### Our role in tackling modern slavery

We have the potential to be exposed to modern slavery practices through our role as an employer, a procurer of goods and services, and as a provider of financial services. This document summarises our approach in each of these areas.

Our Position Statement on Human Rights details the wider approaches we take to respect human rights. You can read a copy here [https://www.sc.com/en/resources/global-en/pdf/sustainability/Human\\_Rights\\_Position\\_Statement.pdf](https://www.sc.com/en/resources/global-en/pdf/sustainability/Human_Rights_Position_Statement.pdf)

Our Group-wide Code of Conduct reflects our commitments on human rights. All staff commit to our Code on joining the Group and recommit to it annually, including participating in training. You can read a copy of the Code here <https://www.sc.com/CodeofConduct>

We have a whistle-blowing channel, called Speaking Up, available in 15 languages. This allows any concerns, including those related to human rights and modern slavery, to be confidentially raised and investigated. We extend access to Speaking Up to our staff and contractors, and also to our suppliers and the public. All line managers are required to complete training on our Speaking Up programme. You can read more on our Speaking Up Policy here [https://www.sc.com/en/resources/global-en/pdf/sustainability/Speaking\\_up\\_policy.pdf](https://www.sc.com/en/resources/global-en/pdf/sustainability/Speaking_up_policy.pdf)

We recognise the importance of a joined-up approach to addressing modern slavery across the organisation. To achieve this, in 2016, we created a cross-function working group on human rights.

#### During 2017, we will:

- Undertake a risk assessment process to ensure we have identified all material modern slavery risks
- Determine any further controls which may be needed to address these

Our whistleblowing channel is available in **15** languages

In **2016** We created a working group on human rights

### How we work with employees

We have a range of policies and procedures which seek to ensure that no employee of Standard Chartered is a victim of modern slavery practices. These include:

**Ensuring all staff are paid at or above statutory minimum wage relevant to their country, and complying with all labour laws**

**Providing equality of opportunity and fair treatment in employment, and not unlawfully discriminating in our recruitment and employment policies and processes**

**Enabling staff to resolve grievances connected directly with their employment**

**Maintaining fair and consistent standards where the conduct or performance of staff fails to meet expected standards .**

You can read further details about these policies and procedures here <https://www.sc.com/en/sustainability/performance-and-policies/standards-and-policies.html>

## 2016 Modern Slavery Statement

### How we work with suppliers

Our footprint and supply chain give us the opportunity to raise awareness of modern slavery in a wide range of markets and industries. Through the Request for Proposal process, we screen higher value suppliers to ensure they have in place approaches to address modern slavery, which may include issuing a modern slavery statement. A supplier's response forms part of our overall evaluation criteria, informing our decision on whether to do business with them.

We expect all of our suppliers to adhere to our Supplier Charter, which sets our expectations of our suppliers. This extends to their own supply chain, and specifically includes modern slavery and labour practices. We share our Charter with all new suppliers, and annually with existing suppliers. You can read our Supplier Charter here <https://www.sc.com/en/sustainability/being-a-responsible-company/suppliers.html>

We require that our contracts contain rights to conduct routine monitoring of suppliers fulfilling higher-value contracts. Those found non-compliant with our standards may face termination of contracts and be excluded from potential engagement opportunities.

### During 2017, we will:

- Investigate how human rights and modern slavery risks can be incorporated into our Third Party Risk Management framework, currently under development for our higher value suppliers
- Revise our contractual terms in new contracts with higher-value suppliers to impose express obligations to address modern slavery in their supply chains
- Review our contractual provisions applying to suppliers of UK-based non-employed workers to ensure these specifically reference the Modern Slavery Act, and introduce changes when signing new contracts

### How we manage modern slavery risks with our higher-value suppliers

**1** Ask about their approach to modern slavery

**2** Apply our Supplier Charter standards

**3** Retain rights to monitor

**4** Engage or terminate if issues are identified

**We recognise the role the financial services sector can play in fighting modern slavery. As one of the more serious predicate offences to money laundering and one of the most significant generators of illicit proceeds, we take fighting modern slavery as seriously as fighting drug trafficking, corruption or organised crime.**

## 2016 Modern Slavery Statement

### How we work with clients

Our client due diligence processes and surveillance controls are designed to prevent and detect criminal activity, including suspicions of laundering funds generated in relation to modern slavery. Between 2015 and 2016, we launched an internal awareness-raising campaign on financial crime compliance, featuring modern slavery. You can find our videos, posters and infographics from this campaign here <https://www.sc.com/fightingfinancialcrime>

As an example, you can read about the work of our 'financial crime fighting' teams in combating corruption linked with human trafficking and illicit organ trafficking here <https://www.sc.com/fightingfinancialcrime/controls.html>

As part of our broader work on supporting partnerships against financial crime, we have had a programme of work in place since 2014 intended to encourage a more coordinated, informed industry approach to the role of financial institutions

in identifying and disrupting financial flows linked with modern slavery. You can read more about this work here <https://www.sc.com/fightingfinancialcrime/partnerships.html>

We have longstanding environmental and social standards for our business clients, including clear expectations that clients have appropriate controls in place to prevent incidences of modern slavery practices. Where we identify that such practices do occur, we will investigate and work with clients to ensure they are able to prevent recurrence. Where this is not possible, transactions have been and will continue to be turned down. Our relationship managers receive training to help them engage with clients. You can read more on our approaches here <https://www.sc.com/eandsrisk> and here <https://www.sc.com/en/sustainability/performance-and-policies/standards-and-policies.html>

### Measuring our progress

We measure how we perform against our policy standards in a number of ways. This includes monitoring:

- **Completion of our mandatory eLearning on anti money laundering which contains materials on human trafficking**
- **Commitment to the Code of Conduct on an annual basis, and associated training**
- **The number of clients and transactions reviewed by our dedicated Environmental and Social Risk Management team, including predominant sectors and themes**

We will continue to review these metrics, and will introduce new metrics if we find better ways to monitor our progress in addressing modern slavery.

We welcome feedback on our modern slavery transparency statement. Please contact us at [sustainability.feedback@sc.com](mailto:sustainability.feedback@sc.com).

This statement has been approved by the Board of Directors of Standard Chartered PLC.



Signed by Bill Winters  
Group Chief Executive Officer  
May 4<sup>th</sup>, 2017