

Statement on Modern Slavery and Human Trafficking

This Statement on Modern Slavery and Human Trafficking for the year ended 31 March 2019 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 specialize in global commodities, fixed income, currencies and equities. We are headquartered in London and have operations in Dubai, Hong Kong, Shanghai, Singapore, Tokyo and New York.

We are committed to conducting our business in accordance with the legislative and regulatory requirements of the jurisdictions within 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 are applicable to us.

Our Values

We have in place a *Corporate Social Responsibility (“CSR”) Programme*. The four pillars that underpin our CSR model are environment, society, our people and good ethics. Modern slavery is viewed in the context of society, our people and good ethics. Two of our key values; “integrity” and “openness”, are 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.

Openness: we are an open and inclusive organisation committed to the principle of equal opportunities and to creating a working environment in which all those we have contact with are treated with dignity and respect. This includes employees, contractors, clients, advisors and suppliers. We value and promote diversity, seeking to ensure that all individuals are treated fairly with dignity and respect.

These values, amongst others, serve to underpin our zero tolerance to modern slavery.

Policies on Modern Slavery

Following the passage of the Act we implemented a *Modern Slavery Act Policy* and we have a framework to address modern slavery risk within our business. We also ensure anti-modern slavery principles are incorporated in our internal policies and procedures. Our *Modern Slavery Act Policy* looks at modern slavery from the perspective of employees, our supply chain and our counterparties (both clients and third parties).

Our policy on dealing with third parties (who are our vendors, suppliers and service providers) is not to enter into, or renew, an engagement with a third party unless we are satisfied that the third party is within our financial crime risk appetite. Our *Financial Crime Risk Appetite Statement* confirms our position that we do not employ staff contrary to the requirements of the Act, nor do we enter into business relationships with vendors, suppliers, or service providers who we think operate in contravention of anti-modern slavery principles. We consider any adverse news related to concerns of modern slavery (or any other financial crime) when determining whether we will establish or continue a business relationship with a third party.

We have implemented a *Responsible Sourcing of Precious Metals Policy and Procedure* setting out our requirements for responsible practices in the sourcing of precious metals (gold, silver, platinum, palladium and rhodium). Our policy is to ensure we source physical precious metals from legitimate and ethical sources and, more widely, deal only with parties operating in the precious metals supply chain that take a

responsible approach to sourcing precious metals. We have zero tolerance to knowingly doing business with any party who engages in slavery, forced labour, child labour or human trafficking.

Structure and Supply Chains

To protect against modern slavery risk in our business relationships we conduct third party/supply chain screening at the start and throughout the relationship. All third parties are subject to 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 to comply with all applicable laws and regulations in the jurisdictions, countries and regions where they conduct business. In particular, we expressly state that third parties must not employ forced or child labour, they must have in place internal controls to minimise health and safety risks and they 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 are aware of the inherent risks in trading physical precious metals. In our *Responsible Sourcing of Precious Metals Declaration* we confirm that we do not tolerate, contribute to, assist or facilitate war crimes or other armed conflict, terrorism or terrorist financing, human rights abuses (including child labour), money laundering, corruption, bribery, fraud, sanctions transgressions, facilitation of tax evasion, or mining operations in violation of environmental regulations.

Throughout 2019 we will continue our work in assessing the risks associated with our supply chain.

Due Diligence

Due diligence is an important tool to ensure we understand and know our clients and third parties and their businesses. Employing a risk-based approach, we will perform enhanced due diligence and approval processes on clients and third parties presenting heightened financial crime risk which includes modern slavery. The geopolitical and industry risk associated with a client or third party will also inform the level of due diligence conducted.

Bespoke due diligence questionnaires and risk assessments help us accurately and comprehensively identify and assess the risks (and perceived risks) threatening our bank.

Critically, all new relationships deemed high risk from a financial crime perspective are subject to a counterparty risk management committee review and approval process. In addition, all existing high risk relationships are subject to ongoing monitoring and periodic review.

Risk Assessment and Measuring Effectiveness

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, the location in which 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 risks.

In 2018 we conducted a global assessment of financial crime risk which provided senior management with a consolidated view of the risks our bank faces across money laundering, terrorist financing, sanctions, and bribery and corruption. This assessment also examined the effectiveness of mitigating controls in place. A direct assessment of modern slavery risk will be undertaken in our 2019 risk assessment.

We have already embedded controls where modern slavery risks are present (e.g. client and third party on-boarding process and staff on-boarding). Effectiveness of financial crime-related controls is tested on a regular basis as part of our internal assurance programme.

Training

Staff members are required to complete mandatory annual training on money laundering, bribery and corruption, sanctions, fraud, and tax evasion (including facilitation of tax evasion). They are reminded of their legal requirement to report to our Money Laundering Reporting Officer if they know or suspect, or have reasonable grounds for knowing or suspecting that a client, third party, or related party of any client or third party is engaged in any illegal activity, including modern slavery. Our Compliance department also delivers bespoke training and hosts awareness-raising sessions. Modern slavery will be explicitly referenced in the financial crime training schedule for 2019.

All new employees receive training when they first join ICBCS and are advised that our bank upholds the highest ethical and business standards. In addition, we run regular training on issues such as inclusion and diversity.

Our staff members have access to a whistleblowing service provided by an external and independent company. This service provides a safe and secure mechanism to report concerns.

Our Continuing Commitment

We will continue to engage with our staff, clients and third parties to ensure that 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 2019 has been approved by the Board of Directors of ICBC Standard Bank PLC on 21 February 2019.



Marc Van Der Spuy

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