



## Who we are

We operate in 60 markets worldwide, with a strong focus on Asia, Africa and the Middle East. We provide a wide range of banking and financial products and services to personal and business clients, serving four client segments:

- **Corporate & Institutional Banking**
- **Commercial Banking**
- **Private Banking**
- **Retail Banking**

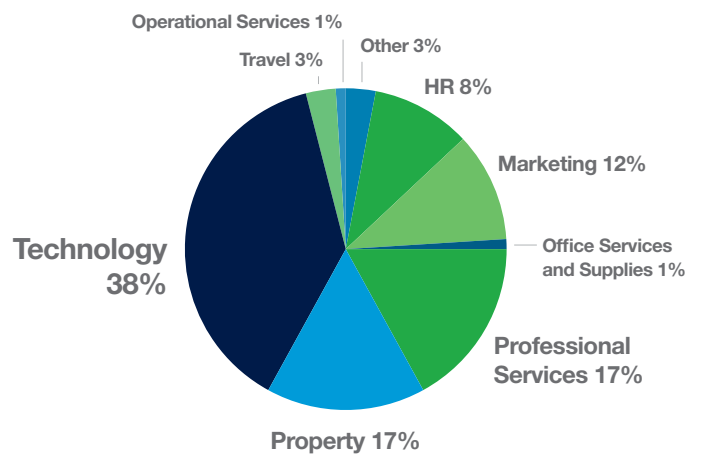
We achieve this via more than 85,000 employed and fixed term workers and over 12,000 non-employed workers, spread across our markets (see page 15 for full list of countries). A significant majority of those working for us are skilled professional workers.

We had around

# 15,500

active suppliers in 2018

We spent around USD4.1bn in 2018 with around 15,500 active suppliers. We source from all countries in which we operate. The majority of our expenditure is indirect; goods and services that enable our core provision of financial services, rather than goods for resale. We have no inherent seasonality in our sourcing; either in variation of the goods and services we source or the suppliers from whom we source.



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 2018 to seek 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").

## How we consider modern slavery and human trafficking (MSHT)

### Respecting human rights

We are committed to respecting human rights potentially impacted by our activities. Through due diligence we seek to avoid infringements or complicity in the infringements of others, and will address adverse impacts if they occur.

Our Position Statement on Human Rights ([sc.com/humanrights](https://www.sc.com/humanrights)) was developed following engagement with a range of external stakeholders including expert practitioners and civil society organisations. It was approved by our Group Chief Executive in May 2016 and details our approach and is informed by a range of international standards including:

- International Bill of Human Rights, comprising:
  - United Nations (UN) Universal Declaration of Human Rights
  - International Covenant on Civil and Political Rights
  - International Covenant on Economic, Social and Cultural Rights
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- International Labour Organisation (ILO) Conventions 138 (Minimum Age) and 182 (Worst Forms of Child Labour)
- UN Guiding Principles on Business and Human Rights (the 'Ruggie Principles')
- United Nations Global Compact
- Thun Group of Banks - The Guiding Principles: an interpretation for banks
- International Finance Corporation (IFC) Performance Standards

Where we identify that we have caused or contributed to adverse impacts, we endeavour to address these by providing remedy or cooperating in the remediation process.

Our Group-wide Code of Conduct ([sc.com/codeofconduct](https://www.sc.com/codeofconduct)) reflects our commitments on human rights, confirming that;

**“We respect human rights impacted by our activities with employees, suppliers and clients. Where adverse impacts occur, we are committed to addressing these”.**

All colleagues commit to, and undertake online training on, our Code upon joining Standard Chartered and recommit to it annually.

Standard Chartered's Speaking Up Programme has been established for use by internal and external parties to report actual, planned or potential misconduct on the part of Standard Chartered, its staff, suppliers and subcontractors. Third parties can report relevant information in confidence by using a secure web-based channel ([www.intouchfeedback.com/speakingup](https://www.intouchfeedback.com/speakingup)). The website accepts reports in 13 languages. Reports may also be made anonymously. Reports will be investigated by Standard Chartered in strict confidence. The Speaking Up Programme is overseen by Senior Management and all line managers are required to complete training on the programme.

We communicate our Speaking Up programme to our suppliers through our Supplier Charter, and we encourage our suppliers to raise awareness of the programme among their employees. During 2018 one such case was brought to our attention through this route. This is the subject of a case study on page 9.

### Tackling MSHT

Through slavery, servitude, forced or compulsory labour and human trafficking, MSHT breaches fundamental human rights. Our roles as an employer, procurer of goods and services and provider of financial services each provide potential exposure to these practices. Our broad footprint gives us the opportunity to raise awareness of MSHT in a wide range of markets and industries.

We seek to ensure there is no MSHT in our operations and supply chain, and to identify and address MSHT risks connected to our provision of financial services. We recognise this is an ongoing process, as evidenced by our 2018 actions and 2019 commitments detailed under the 'Learning and improving' sections in this document.

## In 2018, our working group’s remit expanded to become a Human Rights Working Group, which reports to our Sustainability Forum.

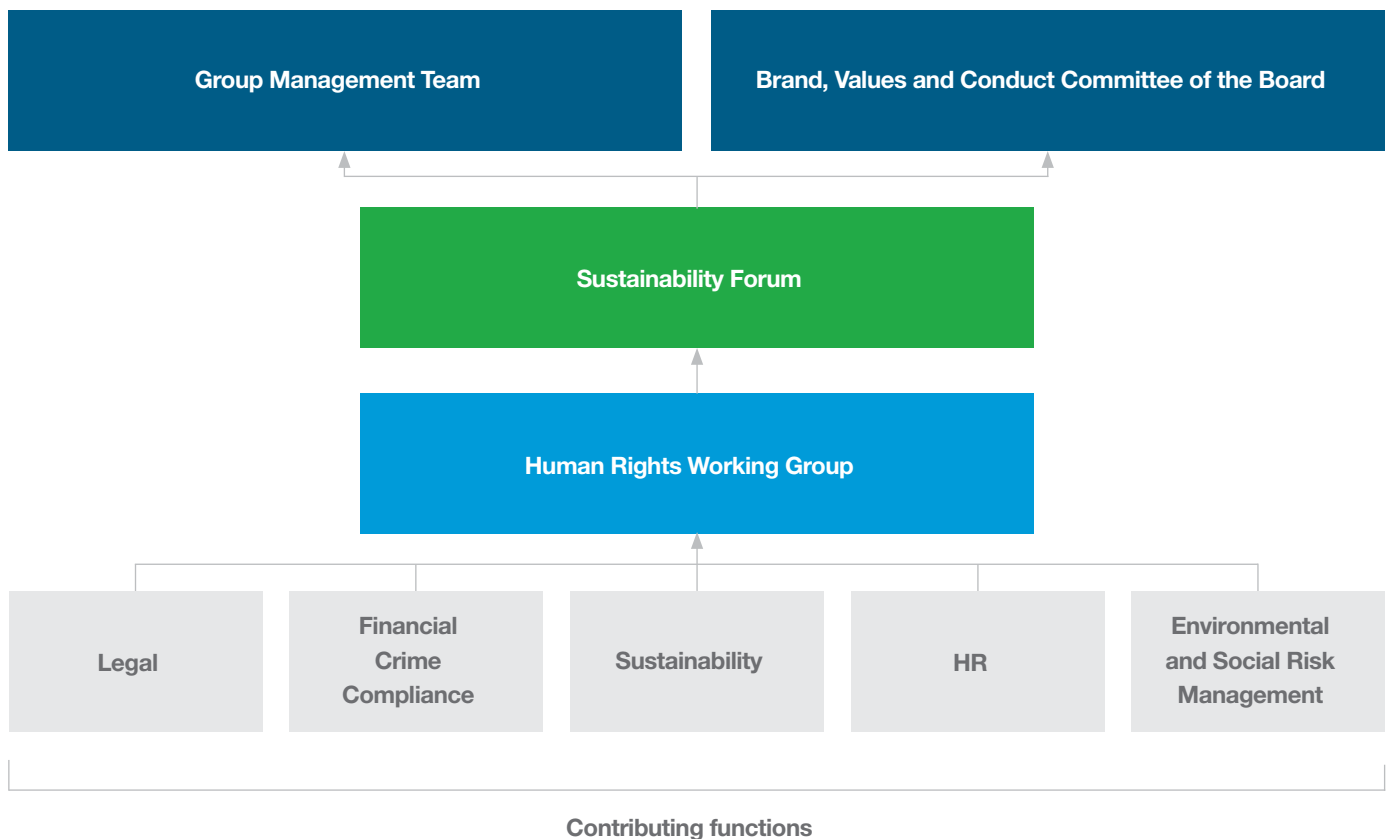
### Learning and improving

We recognise the importance of a joined-up approach to addressing MSHT across the organisation. During 2016 we created a cross-function MSHT working group. In 2017, this working group carried out a review of our salient MSHT issues and the controls we have in place to guard against negative impacts on people. This included an assessment of country-level MSHT risks in all the markets in which we operate, and how our role as an employer, procurer or financier may connect us to these risks.

We detail in the following sections how we have taken forward the outcomes from this assessment during 2018. In 2018, our working group’s remit expanded to become a Human Rights Working Group, which reports to our Sustainability Forum. In turn, the Forum provides periodic updates to our Group Management Team, and Brand, Values, Conduct and Culture sub-committee of the Board.

We also participate in informal discussions with other banks, including hosting workshops, to share experiences, best practice and enhance our knowledge of MSHT controls and reporting.

### Human Rights Working Group Reporting Lines



## How we approach MSHT with clients

We recognise the role the financial services sector can play in fighting MSHT. One such role is using our anti-money laundering capabilities to identify and report the illicit finances that facilitate and drive the unlawful business model of exploitation.

One of our objectives as a bank is to support partnerships that fight financial crime ([sc.com/financialcrime](https://www.sc.com/financialcrime)). Since 2014, we have worked to encourage a more coordinated industry approach to the role of financial institutions in identifying and disrupting financial flows linked with MSHT. Examples of this include our:

**Participation in the Joint Money Laundering Intelligence Taskforce (JMLIT)** - the UK's model for a collaborative approach to tackling money laundering, through a partnership between the UK government, law enforcement agencies and members of the financial sector. We chair the JMLIT's Expert Working Group on Human Trafficking and Organised Immigration Crime, through which we encourage stronger cross-sector partnerships and drive an improved understanding of how financial institutions can disrupt the illicit finances that underpin this criminal business, including developing guidance and materials for wider use.

**Contribution to other industry initiatives that help develop industry good practice.** This has included the Thomson Reuters Foundation's Banks Alliance Against Trafficking (in the US and in Asia Pacific) and a report published in 2018 by the Financial Action Task Force on financial flows from human trafficking and smuggling.

**Efforts to raise awareness of how financial institutions can detect and disrupt the finances related to MSHT through our programme of Correspondent Banking Academies** ("CB Academies") ([sc.com/financialcrime/industry.html](https://www.sc.com/financialcrime/industry.html)). In 2018, we created an enhanced module for the CB Academies on MSHT which was delivered in the CB Academies held in the UK, Spain, Italy, Bangladesh and Sri Lanka.

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1,308

staff on environmental & social risk management

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We screened a video we developed with Liberty Shared and seven other contributing partner NGOs across Asia and Africa (<https://vimeo.com/261404025/c3fc2747d2>) at a further two CB Academies, in Malaysia and the Philippines.

We have long-standing environmental and social standards in place for business clients ([sc.com/positionstatements](https://www.sc.com/positionstatements)). These set clear expectations requiring clients to have appropriate controls in place to prevent modern slavery practices. Further, we embed these standards via our systems and practices; for example in our trade finance systems we undertake automated screening of Letter of Credit trade financing, to identify where either the applicant or beneficiary of financing is operating in a high-risk country / commodity combination, using information sourced from the International Finance Corporation (IFC) / and World Wildlife Fund (WWF)'s Global Map of Environmental and Social Risks in Agro-Commodity Production (GMAP). A report is generated monthly to provide post-transaction screening across all global markets for high-risk combinations; this is used to help support our client due diligence and consider whether they have reasonable controls in place to manage risks including modern slavery.

Where we identify, or others bring to our attention, that MSHT practices are or may be occurring, we will investigate and work with our clients to ensure they are able to rectify these and prevent recurrence ([sc.com/eandsrisk](https://www.sc.com/eandsrisk)). Where we cannot get the necessary level of comfort that sufficient safeguards are in place, we will exit the client relationship and have done so on occasion in the past. Our relationship managers receive training via a variety of methods including face-to-face, webinar and online, to help them engage with clients. In 2018, we trained 1,308 staff on environmental and social risk management.

## Case Study: Eradicating Modern Slavery by fighting financial crime

Banking products and services are at risk of abuse by criminals perpetrating MSHT in many ways. This includes the abuse of banking products by criminals to facilitate exploitation of their victims or to launder the illicit profits that they generate from exploitation. Standard Chartered, and other banks which participate in the collective action initiatives with which we are involved, want to make the financial system a hostile environment for these criminals and, as part of this, look for financial indicators (so called “red flags”) of suspicious activity, which banks are obliged to report to the authorities.

The financial indicators of MSHT are relatively well-developed for “destination” countries, particularly for victims exploited in Western Europe and North America. However, there is relatively little known about the financial indicators of MSHT in “source” or “transit” countries, many of which are countries in which Standard Chartered operates.

We are taking action in “source” countries, aiming in the first instance to raise awareness among our frontline staff of the money laundering risks associated with MSHT, provide context on the types of indicators that they, as frontline staff, may be uniquely placed to identify and encourage them to be alert to these financial red flags.

We piloted this work in Nigeria in August and September 2018, training 377 frontline staff across the three cities in which we operate (Lagos, Port Harcourt and Abuja). We selected Nigeria as the pilot, because leading reports on MSHT identify it as a source, transit, and destination country for victims of trafficking and because combatting MSHT linked with Nigeria is a priority area for law enforcement agencies in the UK and Nigeria.



## Case study: Infrastructure project in Sub-Saharan Africa

Initial due diligence commissioned by Standard Chartered and undertaken by a specialist external consultancy for a potential infrastructure project in Sub Saharan Africa revealed that the Client’s Human Resources and Employment policies were poorly developed and insufficient to address potential risks around labour and working conditions during the construction and operational phases. Standard Chartered’s participation in the project was therefore made conditional on the client developing an Employment Policy Document (EPD) and implementing specific policies and procedures to deliver IFC PS 2. This included ensuring that contractors were required to incorporate the client’s HR Plans and Procedures into their own management systems for construction and that these were also cascaded down to all subcontractor contracts and monitored for implementation accordingly.

## Case study: Infrastructure project in the Middle East

During an onsite due diligence visit by Standard Chartered's Environmental and Social Risk Management (ESRM) team to an infrastructure project in the Middle East, discussions with the client on forced labour risks revealed that two of the Engineering, Procurement and Construction (EPC) contractors had identified forced labour risks related to their recruitment of temporary labour from Bangladesh and Nepal through third party recruiters and had put systems in place to address them.

The contractors' policies already required them to pay for the services of worker recruitment agencies and all the associated workers costs, and explicitly forbade charging of workers directly.

The ESRM team discussed with the client how during 'worker interviews' when they arrived on site, it was found that workers from certain agencies were still paying recruitment fees. Remediation approaches were also discussed which included discontinuing the use of those recruitment agents found to be charging fees directly to workers.

Collaborative, transparent and honest dialogue with the client enabled this identification of risks in the worker supply chain and gave Standard Chartered comfort that the client would continue to address these risks in line with the UN Guiding Principles on Business and Human Rights.

## Case study: Palm oil project in South East Asia

During a 2018 visit to the plantation of one of Standard Chartered's clients in South East Asia, the issue of worker rights and risks of forced and bonded labour was openly discussed. It is well known that this is a significant risk factor in the palm oil industry in the country, due to a lack of local labour and the requirement to recruit migrant labour often comprising low skilled, vulnerable workers who are more likely to be subject to abuse.

The client had specifically worked on these issues and was keen to demonstrate to Standard Chartered the progress that had been made to address the risks. This included upgraded worker accommodation, schools and child care for workers and a 'first of its kind' system to enable all workers to have access to a passport safe with their own code.



## Learning and improving

Our review of MSHT risks and controls during 2017 identified areas where we could enhance our response. We have taken action on a number of these, whilst some will take longer to address.

### During 2018, we:

- Trained 377 frontline staff across three Nigerian cities on how to identify the financial “red flags” for MSHT
- Enhanced material on the financial flows linked with MSHT used in our programme of CB Academies and included this in the training programme conducted in five countries
- Incorporated MSHT risk into our training materials delivered by the Environmental, Social and Risk Management (ESRM) team to staff including frontline staff and credit officers. This included guidance on key risk triggers for identification of MSHT risks
- Provided region-specific webinars for front-line relationship managers and credit officers in high risk country-sector combinations such as the Thai fisheries sector
- Published additional materials on our intranet pages to support our staff. This includes details of high risk factors for MSHT for certain country-sector combinations which would trigger additional due diligence, and client questionnaires and guidance on supporting documentation. These materials align to what is incorporated in our webinars and training
- Developed enhancements to our ‘Environmental and Social Risk Assessment’ templates to automatically prompt for additional due diligence in high and very high MSHT risk country sector combinations. These will go live in our systems in 2019 as part of a wider system update

### During 2019, we will:

- Develop further materials to raise awareness amongst our staff of the financial indicators linked with MSHT
- Review the template legal agreements we use with our clients, to understand whether we can enhance our leverage through new clauses on MSHT
- Work through industry platforms such as the Thun Group to promote co-ordination on integrating MSHT into legal agreements
- Review how we approach allegations of MSHT practices in our business relationships, including the channels through which these can be raised
- Continue our programme of training and capacity-building among frontline and credit staff to support them in identifying potential MSHT risks

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377

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In

2018

we provided region-specific webinars for front-line relationship managers and credit officers

## How we address MSHT with suppliers

Standard Chartered does not knowingly participate in relationships with suppliers involved in MSHT. We expect all our suppliers to comply with our Supplier Charter ([sc.com/suppliercharter](https://sc.com/suppliercharter)), and to apply its principles within their sphere of influence such as approved subcontractors. The Charter includes requirements on suppliers to:

- Work to support and respect the protection of human rights in accordance with the UN Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights
- Prohibit human trafficking, the use of all forms of forced or compulsory labour and any other form of modern slavery within the supplier's own operations
- Recognise and conform with the rights of employees to associate freely and to organise and bargain collectively in accordance within the framework of local laws in which they are employed, recognising the role of International Labour Organisation (ILO) Conventions 87 on freedom of association and 98 on right to organise and collective bargaining

- Not to use child labour and to support effective abolition of child labour, and to take all reasonable steps to eliminate such labour from their supply chain, recognising the role of ILO Conventions 138 on minimum age and 182 on child labour
- Take all reasonable steps to eliminate forced labour from their supply chain, recognising the role of ILO Conventions 29 and 105 on forced labour

We share our Charter with all new suppliers, and annually with existing suppliers. This Charter is now contractually binding for Suppliers contracted from 2017 and applied via an annual declaration for all suppliers contracted pre-2017 with whom we have ongoing spend.

For tendered initiatives, we screen potential suppliers to ensure they have approaches in place 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.

Our standard contracts contain rights to conduct routine monitoring of suppliers. Those found non-compliant with our standards may face termination of contracts and be excluded from potential engagement opportunities.

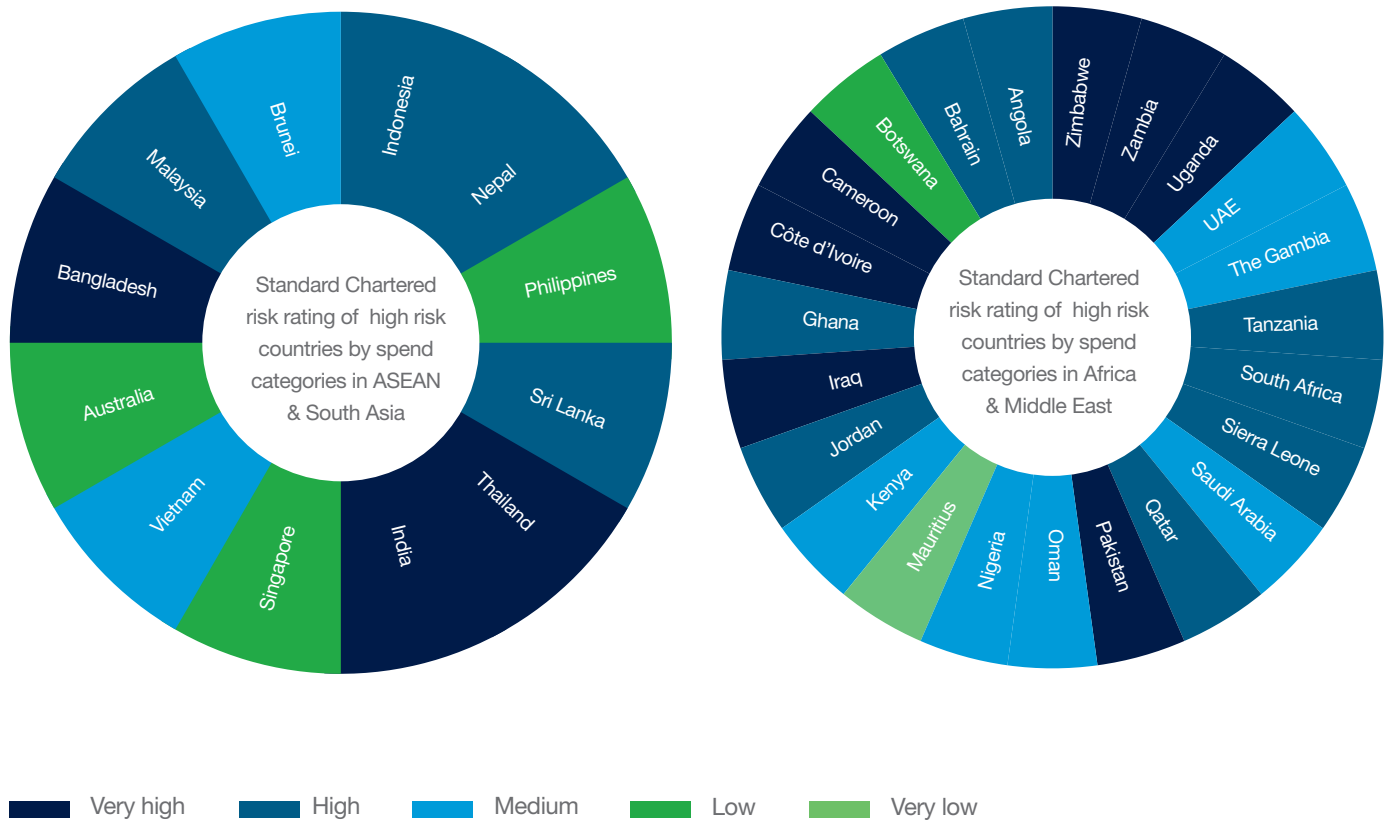
**We share our Charter with all new suppliers, and annually with existing suppliers. This Charter is now contractually binding for Suppliers contracted from 2017 and applied via an annual declaration for all suppliers contracted pre-2017 with whom we have ongoing spend.**



## How we address MSHT with suppliers

In 2017, with support from external specialists on human rights and labour practices, we mapped all our global spend to identify specific geographies and spend categories which may require enhanced oversight. This information has been used to help us conduct social compliance audits on a sample of suppliers operating in higher-risk geographies and sourcing categories

during both 2017 and 2018. In 2018 we decided to expand the scope of our audit to the wider topic of health and safety, labour practices, fair wage and MSHT. We also used the mapping to support dialogue within our regional Supply Chain Management structure, such as with ASEAN and South Asia, and Africa and the Middle East:



Risk rating is based on an internal scoring methodology using indicators grouped into three core areas; structural factors associated with vulnerability, governance and regulatory environment, and known risks in practice.

## Case Study

In West Africa, a Speaking Up complaint was made in 2018 in relation to a supplier's treatment of its staff. This led to Standard Chartered investigating the supplier via an on-site assessment as there was suspicion of falsified documentation relating to working conditions.

The findings led Standard Chartered to take immediate steps to terminate the relationship.

## Learning and improving

Building on our actions in previous years, we took further steps during 2018 with the long-term objective of eradicating MSHT from our supply chains:

### During 2018, we:

- Enhanced our supplier category taxonomy, supporting consistent action on risks in specific categories, including Human Rights, Bribery and Corruption and Health and Safety risks. We have identified 30 categories of goods and services which are considered high sustainability risk
- Following implementation of new contractual language in 2017 which made our Supplier Charter contractually binding, we now require suppliers to formally agree to our Supplier Charter. The top 200 suppliers by spend (representing 66% of total 2018 spend) were asked to register this agreement within our sourcing tool, SCBuy, in 2018. The next phase of supplier registration will be to extend this to suppliers based on sourcing activity
- Reviewed our audit approach for suppliers with an external specialist, expanding our pilot 2017 audits to cover, in addition to MSHT, a wider social aspect, including fair pay, diversity and health and safety. This recognises that suppliers are increasingly investigating how they can build out their own human rights review and mitigation processes
- Initiated further audits in 2018 on suppliers that have been identified as high risk in the fields of fit-out and improvement and facilities management
- Enhanced visibility through these supplier audits by asking our audit partner to speak directly with workers of audited suppliers, where our former scope focussed on documentary controls and interviews with management

### During 2019, we will:

- Assess how we can leverage SCBuy for the remaining supplier population, to support identification and management of modern slavery risks and develop relevant key risk indicators for measurement
  - Assess our Strategic Suppliers (suppliers with whom we wish to strengthen our collaboration and partnership with) to determine whether they have policies, procedures and statements related to identifying and preventing MSHT in their business and within their own supply chain
  - Take steps to educate and provide assistance to any Strategic Suppliers we identify as requiring further work on policies, procedures and statements, to ensure they are meeting the standards we expect. This includes confirming wages are in alignment with or exceed local laws, regulations and fair pay practices. Where our Strategic Suppliers do not have policies or public statements in place, through the education programme, we will ask our suppliers to share our Speaking Up grievance mechanism with their staff involved in the provision of services to or on behalf of SCB
  - Review our Supplier Charter and consider updates to enhance language around recruitment practices and fair pay, and to ensure it continues to align with our expectations of suppliers and subcontractors with regard to human rights and labour practices throughout the supply chain
  - Establish a Supply Chain Management Human Rights Working Group within the Bank, working in partnership with our existing Human Rights Working Group. The Group's focus will be to establish a model for human rights risk identification and management within Supply Chain Management
  - Refresh training to Supply Chain Management staff so they understand high risk suppliers and how to assess human rights risks in tender evaluations
- Standard Chartered recognises the importance of working with other financial institutions and affiliates on combating MSHT within the supply chain. We therefore will seek to collaborate with others on best practices such as via inter-bank discussion groups, with a view to progressing further our plans on MSHT.

## How we address MSHT with our workforce

Our workforce includes colleagues employed directly by Standard Chartered, and non-employed workers who are contracted through third-parties. We address MSHT with non-employed workers through measures taken with respect to our supply chain, as outlined above.

Our 2017 review of MSHT risks and controls indicated that our controls for direct employees appropriately address the risks to which we are exposed. We continue to maintain and assure our policies and procedures which set out how we engage with employees through hiring, throughout their career and upon leaving Standard Chartered, which include measures that seek to ensure no employee of Standard Chartered is a victim of MSHT practices.

During 2018 we published our Fair Pay Charter, which supports our commitment of delivering fair and competitive remuneration to all colleagues. The Charter clearly sets out the principles we use to guide our reward and performance decision-making globally, including commitments around how we set, structure and deliver remuneration.

We expect our stakeholders, including colleagues, to hold us to account for meeting the principles we have set out and which we are implementing over a multi-year period. An update on our progress with implementing the Charter is included in our Annual Report, on pages 103-104.

**We have clearly defined processes in place, including our Speaking Up program, to enable colleagues to raise and resolve grievances connected directly with their employment, and have implemented fair and consistent standards where the conduct or performance of colleagues fails to meet expected standards.**

## Case study: Living wages

Our Fair Pay Charter commits to pay a Living Wage to our employed workforce in all of our markets by 2020, and to seek to go beyond compliance with minimum wage requirements. The Living Wage is a wage that allows an individual to maintain an adequate standard of living and is based on various economic factors and the cost of goods and services in each market. We pay a Living Wage in the UK, where it is a defined construct and are accredited with the Living Wage Foundation.

Throughout 2018, we have been working with Fair Wage Network, a Non-Government Organisation (NGO), to develop a Living Wage construct in our other markets for our direct employees. We will maintain compliance with Living Wages through our hiring and annual pay review processes. A review will be undertaken during 2019 to assess whether it is possible to incorporate Living Wages into agreements for Non-Employed Workers.

## Supporting shared action

Standard Chartered acknowledges we cannot tackle MSHT on our own. Our actions detailed above show how we work with those we have a direct relationship with, and we also promote shared action through collaborative platforms. These include:

| Organisation   | Basis for partnering   | Progress in 2018   |
|--|--|--|
| <p><b>Thomson Reuters Foundation – Banks Alliance</b></p> <p>The Banks Alliance was established by the Thomson Reuters Foundation, the philanthropic arm of Thomson Reuters, in recognition of the key role that financial institutions can play in the fight against human trafficking.</p> | <p>Through the Banks Alliance, we can enhance our own understanding of the financial indicators associated with MSHT, share our knowledge with other participants, and help mobilise wider industry action by illustrating the role that banks can play in tackling MSHT.</p>  | <p>Building on the successful publication of a European toolkit in 2017, we were one of the key contributors to an updated toolkit for the US (published in July 2018) and a new white paper for Asia-Pacific (published in February 2019).</p>  |
| <p><b>Roundtable on Sustainable Palm Oil (RSPO)</b></p>  | <p>As an active member of the Round table for Sustainable Palm Oil (RSPO) Standard Chartered were approached in 2018 to become a member of the Complaints Committee, a non-judicial grievance mechanism designed in line with the requirements of the UNGP to provide a framework to address complaints against any RSPO member. An increasing proportion of these complaints involve infringement of individual, workers or communities' rights and involve significant risk factors for forced labour.</p> | <p>Standard Chartered's participation in this process underlines our commitment to ensuring our palm oil clients (whom we require to be RSPO members) are identifying and addressing risks of forced labour in their supply chains and increases our understanding of how to apply practical, best practice approaches to address and remedy these issues which are often endemic in agribusiness.</p> |
| <p><b>CDC</b></p>  | <p>We participated in workshops and the review process during 2018 in helping CDC, a client of Standard Chartered, to develop their 'Managing Risks Associated with Modern Slavery' guidance.</p>  |  |

| Organisation   | Basis for partnering   | Progress in 2018   |
|--|--|--|
| <p><b>Thun Group</b></p>   | <p>The Thun Group is an informal group of banks who work together with the purpose of understanding how human rights can best be respected and promoted across the breadth of different banking activities.</p> <p>Standard Chartered has been a participant in the Thun Group since 2013. At the annual in-person Thun Group meeting, it was agreed to form a 'core group' to facilitate the Group's activities and discussions, and Standard Chartered became a member of this core group.</p>   |  |
| <p><b>NGOs and Civil Society</b></p> <p>Our key partners in 2018 included the Mekong Club, Liberty Shared, Stop the Traffik, Sentry, RUSI and C4ADS.</p> <p><b>CDC</b></p> | <p>The focus of our engagement with NGOs and other civil society stakeholders on MSHT has been to inform our financial crime fighting work; we also seek opportunities to inform our wider programme on MSHT.</p> <p>We are proud to work alongside several leading NGOs that help strengthen our understanding of the financial flows associated with MSHT, for example any geographic or sector specific characteristics. In turn, we encourage them to consider financial indicators in their analysis and reports.</p> <p>We participated in workshops and the review process during 2018 in helping CDC, a client of Standard Chartered, to develop their 'Managing Risks Associated with Modern Slavery' guidance.</p> | <p>We have been supporting the development of new platforms for knowledge exchange on types and indicators of MSHT between NGOs, public sector participants and financial institutions. These initiatives represent a new approach to harnessing the knowledge and experience of NGOs, enabling them to collaborate more closely with financial institutions and the public sector.</p> <p>We were a key contributor and reviewer of the 2018 report issued by the think-tank, the Royal United Services Institute (RUSI); 'Leaning in: Advancing the Role of Finance Against Modern Slavery'.</p> |

| Organisation   | Basis for partnering   | Progress in 2018  |
|--|--|---|
| <p><b>The UK's Joint Money Laundering Intelligence Taskforce (JMLIT)</b></p> | <p>JMLIT is one of several financial crime-fighting financial information sharing partnerships (FISPs) in which we participate.</p> <p>JMLIT provides a framework for exchanging knowledge on key financial crime threats, including MSHT. It helps us enhance our effectiveness in combating financial crimes by improving our understanding of their financial characteristics. It also helps us play an active role in raising awareness among other financial institutions, law enforcement agencies and government bodies of the role that financial institutions can play in countering MSHT.</p> <p>JMLIT was described in 2018 by the Financial Action Task Force as “innovative” and an “example of best practice”.</p> <p>We chair the JMLIT’s Expert Working Group (EWG) on Human Trafficking and Organised Immigration Crime (HT &amp; OIC) and, as such, play a leading role in bringing together representatives from the public and private sectors to build and share knowledge, and help the financial industry take more effective action against MSHT.</p> <p><a href="https://www.sc.com/fightingfinancialcrime/partnerships.html">sc.com/fightingfinancialcrime/partnerships.html</a></p> | <p>In our role as Chair of the JMLIT EWG on HT &amp; OIC, we have helped drive a collective industry response to MSHT, including taking the following steps:</p> <ul style="list-style-type: none"> <li>i. We have extended membership of the EWG to include other important public-sector bodies with relevant intelligence on how the financial sector is vulnerable to abuse from those seeking to exploit others; enabling more comprehensive and cohesive action against MSHT. New members include the Gangmasters &amp; Labour Abuse Authority (GLAA), UK Border Force and UK Immigration Enforcement.</li> <li>ii. In partnership with UK Finance, the GLAA and another financial institution, we delivered a webinar on MSHT to the financial sector to 349 attendees. In 2019, the EWG aims to facilitate the delivery of a programme of “deep dive” webinars covering specific types of MSHT in greater detail.</li> <li>iii. We were one of two private sector institutions that presented at a conference hosted by the UN Office of Drugs and Crime on Illicit Financial Flows linked with Human Trafficking and Smuggling of Migrants. The purpose of the conference was to educate law enforcement agencies, financial intelligence units, and prosecutors on the value of running financial investigations in parallel with criminal investigations.</li> <li>iv. We presented at the FinTech FinCrime Exchange, an industry group for fintechs, to help widen engagement on combatting MSHT. Our presentation outlined the ways in which traditional financial institutions take action against this crime.</li> <li>v. We helped broaden awareness of the role of JMLIT in providing intelligence to law enforcement agencies working on MSHT. We have achieved this through proactive engagement with the Modern Slavery Police Transformation Unit, delivering training and educating UK law enforcement agencies on the value of financial crime investigations in supporting their work.</li> </ul> |

## Measuring our progress

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

| Measure  | 2018 Result  | 2017 Result  |
|--|--|--|
| Completion of our mandatory eLearning on anti- money laundering, which contains materials on human trafficking       | 99.9% completion in 2018   | 99.2% completion in 2017   |
| Commitment to the Code of Conduct on an annual basis, and associated training where required                         | 99.6% commitment and recommitment in 2018  | 99.4% commitment and recommitment in 2017  |
| The number of clients and transactions reviewed by our dedicated ESRM team, including predominant sectors and themes | 827 clients and transactions reviewed in 2018<br><br>Predominant sectors included chemicals and manufacturing, and infrastructure and transportation | 487 clients and transactions reviewed in 2017<br><br>Predominant sectors included mining and metals and agribusiness |
| [New for 2019] The number of staff trained on Environmental and Social Risk Management                               | 1,308  | 568  |

It also includes documenting our practical experience, such as through the case studies in this document.

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



Our work to fight modern slavery was recognised as “Highly Commended” in the Thomson Reuters Foundation’s Stop Slavery Award 2018.



Signed by Bill Winters  
Group Chief Executive Officer  
25th February 2019

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## Full list of footprint countries

|               |                  |              |              |
|---------------|------------------|--------------|--------------|
| Angola        | Falkland Islands | Laos         | South Africa |
| Argentina     | France           | Lebanon      | South Korea  |
| Australia     | Gambia           | Macau        | Sri Lanka    |
| Bahamas       | Germany          | Malaysia     | Sweden       |
| Bahrain       | Ghana            | Mauritius    | Taiwan       |
| Bangladesh    | Guernsey         | Myanmar      | Tanzania     |
| Botswana      | Hong Kong        | Nepal        | Thailand     |
| Brazil        | India            | Nigeria      | Turkey       |
| Brunei        | Indonesia        | Oman         | UAE          |
| Cambodia      | Ireland          | Pakistan     | Uganda       |
| Cameroon      | Iraq             | Philippines  | UK           |
| China         | Japan            | Qatar        | USA          |
| Colombia      | Jersey           | Saudi Arabia | Vietnam      |
| Côte d'Ivoire | Jordan           | Sierra Leone | Zambia       |
| Egypt         | Kenya            | Singapore    | Zimbabwe     |

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