

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 sixth statement and is made pursuant to Section 54(1) of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 (Cth).

This statement sets out the steps taken by DBS in the financial year ended 31 December 2021, 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 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 leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank’s “AA-” and “Aa1” credit ratings are among the highest in the world. DBS provides a full range of services in consumer, SME and corporate banking.

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, we have put in place a whistleblowing programme, DBS speak-up, which is managed independently. Every case of grievance and report of misconduct is independently investigated by Human Resources and, where appropriate, other relevant stakeholders. 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 launched a range of flexible work arrangements since 2021 to better support employees as part of our long-term commitment to grow and develop our employees. Additionally, recognising the blurring of work and personal life that the pandemic has brought about, DBS introduced a series of holistic wellbeing initiatives so that employees can better care for themselves and others.

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 our holistic approach to employee engagement, we conduct an annual employee survey which is managed by an external party. Notwithstanding the prolonged pandemic, our employees remain highly engaged. The yearly results of this survey show that, as an organisation, the steps we have taken in mitigating modern slavery risks have been effective with a yearly score above 85%.

This survey impartially measures our employees’ sentiments towards our organisation and includes their confidence in reporting any ill-practices or misconduct (including modern slavery) they might witness or experience in the course of their employment.

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 for hard-to-abate sectors with elevated ESG risks. These cover agricultural commodities, palm oil, chemicals, oil and gas, mining and metals, power generation, infrastructure, animal husbandry and feed and the apparel, footwear and textiles sectors. The Sector Guides provide our Relationship Managers (“**RMs**”) and Credit Risk Managers (“**CRMs**”) a structured approach to assess ESG risks more holistically.

We regularly review our Sector Guides to ensure they remain aligned with emerging ESG issues and industry best practices. With regard to labour standards and modern slavery issues, we have refined our ESG standards to be 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 practices in our lending portfolio. Among others, we will not knowingly finance activities involving child or forced labour and human rights abuses. We continually work 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.

Each credit application initiated at the Institutional Banking Group is accompanied by an ESG risk assessment. Our ESG risk assessments covers a suite of sector-specific factors by identifying, assessing, and quantifying environmental and social risks for each project or borrower. ESG due diligence is an integral part of our credit and capital markets deal engagement process. It entails monitoring our customers' adherence to our standards through tracking progress in addressing past incidents, following negative media coverage and activist campaigns, engaging customers in establishing practices that align with international standards, and follow up on agreed mitigating measures.

If there are incidents that require a deeper engagement, we request further ESG information from our customers and advise a strategy that satisfies our standards. If a customer is unwilling to adequately manage and mitigate the identified risks, we are prepared to decline the transaction or reassess the banking relationship altogether.

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 represent a globally recognised risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risk in development of projects. They outline environmental and social standards based on the IFC Performance Standards. A detailed Environmental and Social Due Diligence (ESDD) is carried out for projects to identify, manage, and mitigate the environmental and social risks of the project in accordance with relevant applicable standards and guidelines. This supports the mitigation of risks of modern slavery and violating rights of local communities. The adoption of the EPs, underpinned by IFC Performance Standards on Labor, Community, Land Resettlement and Indigenous People has further strengthened our risk management of modern slavery issues in financed projects.

We conduct trainings to equip our employees with the knowledge to apply our policies and standards consistently. In total, 87% (eighty-seven percent) of RMs and CRMs have completed ESG training using our eLearning module.

Our Know Your Customer (KYC) team continues to upskill our RMs and CRMs on modern-day slavery and its manifestations, including forced labour, debt bondage, money laundering and human trafficking and trained 804 RMs in 2021. Our objective is to continually raise internal awareness, while enhancing our understanding of the early-warning signals and relevance of modern slavery to our business and how these issues can be identified during the KYC process.

We will continue with our training programmes to equip our RMs and CRMs with the knowledge and tools required to conduct ESG risk assessments in 2022.

Our Suppliers

DBS conducts a materiality risk assessment to identify potential sustainability risk exposures within our organisation once every two years. The results of these assessments frame and reinforce the level of awareness and focus required by our sourcing managers during procurement activities. The last review was conducted in 2021.

Due Diligence

To mitigate the potential risk of DBS being exposed to modern slavery practices through our procurement processes, DBS aims to partner only suppliers that adopt good ethical, professional and legal standards.

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

In 2021, all 100% (one hundred percent) of our new suppliers signed their commitment to our SSP.

Since 2020, we have expanded our sustainability risk governance style, to introduce supplier trainings that foster a more collaborative approach. To date, we have trained 34 (thirty-four) suppliers. In 2021, we leveraged the expertise of an external source to provide supplier ratings and together with our existing sustainability assurances, reviewed over 150 (one hundred and fifty) suppliers through an evidence-based approach.

Remediation Processes

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

For example, our corrective action plan for 2021 included working closely with our suppliers to ensure that their operations and practices remained aligned with our sustainability principles. In the same year, we identified a supplier that required improvements to its labour, health and safety practices. Upon identification, we provided practical suggestions for improvements, and worked with the supplier to secure its alignment with, and commitment to, DBS’ sustainability commitments.

Process of Consultation

This Statement has been prepared in consultation with our key internal stakeholders on a consolidated basis, taking into account the input of entities owned or controlled by DBS. The working group of stakeholders includes representatives from procurement, institutional banking, human resources, legal and the chief sustainability office. The process included extensive discussions. The working group is kept updated of reporting requirements and provided with relevant materials to facilitate their engagement in the entire process.

As a result of the consultation and annual review, DBS is better placed to be informed and equipped to identify, measure and mitigate any upcoming risks or novel forms of modern slavery.

Any Other Relevant Information

DBS recognises that tackling modern slavery is an ongoing process.

We recognise that the Covid-19 pandemic may have increased the risk of exposure to modern slavery practices within our operations and our suppliers' operations. We have taken appropriate steps to mitigate the impact of the Covid-19 pandemic, such as through flexible work arrangements and holistic wellbeing initiatives, as elaborated upon in the section titled "Our Employees". 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 of DBS in their capacity as the principal governing body of DBS on 16 June 2022, and is signed by Piyush Gupta in his role as a director of DBS on 16 June 2022.

Name (Director) : Piyush Gupta

Signature : 

Date : 16 June 2022