

# DBS Modern Slavery Statement

## Introduction

In May 2017, DBS Bank Ltd (“DBS”) published its first modern slavery statement, for the financial year that ended on 31 December 2016.

This is DBS’s seventh 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 that ended on 31 December 2022, to address the risks of modern slavery in our organisation, financing practices and supply chains, which involve taking actions to assess and address those risks and assess the effectiveness of such actions.

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.

In 2022, we formalised our consistent efforts of recent years in the area of human rights by establishing a [DBS human rights policy](#) (the “Policy”). In this Policy, we commit to upholding the principles in the United Nations Guiding Principles on Business and Human Rights. The Policy is also guided by the:

- United Nations Universal Declaration of Human Rights
- United Nations Guiding Principles Reporting Framework
- the Equator Principles (“EP”)<sup>1</sup>

We continue to 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 19 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. Recognised for its global leadership, DBS has been named “World’s Best Bank” by Global Finance, “World’s Best Bank” by Euromoney and “Global Bank of the Year” by The Banker. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named “World’s Best Digital Bank” by Euromoney and the world’s “Most Innovative in Digital Banking” by The Banker. In addition, DBS has been

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<sup>1</sup> DBS has been a signatory to the Equator Principles since 2019.

accorded the “Safest Bank in Asia” award by Global Finance for 14 consecutive years from 2009 to 2022.

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 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.

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 2022, all of our new suppliers signed their commitment to our SSP.

As part of the sustainability check exercise, DBS adopts a risk-based approach and highlights potential areas of non-compliance with our SSP to our suppliers and suggests areas of improvement with the support of our sustainability ratings provider. These processes generally include a corrective action plan and an improvement suggestion scheme.

For example, during 2022, we identified a supplier that required improvements to its whistleblowing processes in its company policy and communication materials with employees. Through deeper engagements with the vendor, we understood that the company had in place informal channels for whistleblowing. The company has since updated their policy to increase transparency, and to raise employees’ awareness of its whistleblowing processes. We also managed to identify areas of improvement with another supplier in the aspect of labour and human rights, which included timely renewal of their occupational health and safety ISO certification, and reporting on their accident frequency and severity rates.

Since 2020, we have expanded our sustainability risk governance to introduce supplier trainings that foster a more collaborative approach. To date, we have trained 50 suppliers. In 2022, we leveraged the expertise of an external source to provide supplier ratings and together with our existing sustainability checks, reviewed over 160 suppliers through an evidence-based approach.

## Our Employees

In 2022, we published a [Diversity, Equity and Inclusion policy](#) to guide our people programmes and practices across different touchpoints of employee experience to build an equitable and inclusive workplace. We commit to valuing diversity and respect for all individuals, establishing fair and equitable processes, promoting an open and inclusive working environment, and ensuring no tolerance for discrimination and harassment.

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.

We comply with the Tripartite Standards by Singapore's Tripartite Alliance for Fair & Progressive Employment Practice that set standards for fair recruitment practices, flexible work arrangement, grievance handling processes, age management and other employment matters.

In addition, we have put in place a whistleblowing programme, DBS Speak-up, which is managed independently by a third party. 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, DBS introduced a series of holistic wellbeing initiatives so that employees can better care for themselves and others.

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 of 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 policies and guides which outline the standards we expect and require of our customers. Our standards take into consideration relevant 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.

Our Group Responsible Financing Standard (the “**Standard**”), which was introduced in 2017, provides guidance on assessing environmental, social and governance (“**ESG**”) risks for all credit applications, periodic credit reviews, and capital markets transactions, including EP-eligible transactions. Our ESG risk assessment is conducted using our ESG Risk Questionnaire (the “**ERQ**”) which covers a suite of sector-specific factors and is designed to help us identify, assess, and quantify environmental and social risks for each project or borrower. 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.

The Standard is supplemented by our 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 Standard 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](#) which was reviewed and updated in March 2022.

All credit applications initiated at the Institutional Banking Group are accompanied by an ERQ as guided by the Standard to prevent contributing to forced labour and other modern slavery practices in our lending portfolio. Depending on the transaction and risk categories, further ESG due diligence is conducted which forms an integral part of our credit and capital markets deal engagement process. It entails monitoring our customers’ adherence to our policies and guides, including the bank’s human rights policy, 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 following up on agreed mitigating measures.

Additionally, as a signatory to the EP, for in-scope project-related finance transactions, we apply the environmental and social risk identification, assessment, management, and reporting requirements of the principles to eligible projects. For these eligible projects, we will conduct an internal review of project documentation during the due diligence and monitoring phases, and for higher risk projects an independent consultant will be appointed to conduct the due diligence process on behalf of the bank, as required by the EP Framework. The due diligence process and post-transaction monitoring will focus on critical and emerging environmental and social issues and the tracking of mitigants.

If there are incidents that require a deeper engagement, we request further 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.

We conduct trainings to equip our employees with the knowledge to apply our policies and standards consistently. In total, 88% of RMs and CRMs have completed the training. In particular, 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 700 RMs in 2022. 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 ERQ in 2023.

### **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. This 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 remain diligent and committed to implementing and enhancing our current initiatives, where appropriate, to address risk of modern slavery. This Statement was approved by the Board of Directors of DBS in their capacity as principal governing body of DBS on 2 August 2023 and is signed by Piyush Gupta in his role as a director of DBS on 2 August 2023.

Name (Director) : Piyush Gupta

Signature : 

Date : 2 August 2023