

RISKS IN THE FINANCIAL SERVICE INDUSTRY

There are a number of ways in which the financial services industry may come in contact with Modern Slavery. Financial Institutions (FIs) may be at risk of exposure to Modern Slavery in their supply chains, or may have clients exposed to such risk. Furthermore, FIs may work with clients in business sectors, including apparel, seafood or retail businesses, which are considered as “high risk” for the exploitation of labour. The proceeds from exploitation may be laundered through the financial system, or the system may be used to facilitate exploitation (for example, use of a victim’s identity when applying for banking products).



ABOUT STANDARD CHARTERED

Standard Chartered is an international banking group with a worldwide workforce of more than 86,000. The group operates more than 1,026 branches and outlets across 63 locations and, in 2017, reported a profit of \$3,010 million.

BEST PRACTICES

1. Declared position statement on human rights

Standard Chartered has developed and published a Human Rights Position Statement with reference to international bills of human rights and International Labour Organisation conventions to avoid human rights infringements and develop policies and procedures to ensure this is the case across its financing, operations and supply chain. The Bank’s group-wide Code of Conduct is drafted to be in line with the statement, and all staff are required to adhere to and endeavor to achieve the highest standard of ethics and integrity.

2. Established Speaking Up policy

Standard Chartered Bank’s Speaking Up Programme provides stakeholders such as employees, clients, contractors and vendors with a secure and confidential way to report known or suspected misconduct relating to the activities of the Group, including any breach of the Group Code of Conduct. The Speaking Up Programme is overseen by Senior Management and all line managers are required to complete training on the programme. Where concerns are raised about the conduct or practices of the Bank’s clients or suppliers relating to modern slavery, these will be considered by the applicable committee or department.

3. Supplier Charter in place

The Bank’s Supplier Charter sets out the principles that Standard Chartered expects from suppliers and their onward supply chains. Principles 5 and 7 of the Supplier Charter are specifically related to modern slavery. Standard Chartered forbids human trafficking, the use of forced labor and modern slavery. The company will not involve itself in relationships where they become aware of the above claims. The company shares the Charter with all new

suppliers, and annually with existing suppliers, to ensure they are aware of the company’s expectations.

4. Due diligence and surveillance control

Standard Chartered uses client due diligence processes and ongoing monitoring controls to prevent and detect criminal activity, including potential laundering of funds that are the proceeds of modern slavery. The Bank is an active member of the Mekong Club, which has an extensive database of training, typologies and other relevant material. In November 2017, the Mekong Club provided training on modern slavery practices to the Standard Chartered FCC team in Japan. The Mekong Club and the Thomson Reuters Foundation work together in the operation of the Asia Banks Alliance, along with financial institutions including Standard Chartered. The Bank also works with Liberty Asia, which focuses on preventing human trafficking through legal advocacy, technological interventions, and strategic collaborations with NGOs and corporations in Asia. Additionally, as part of public-private partnerships, such as the Joint Money Laundering Intelligence Taskforce (JMLIT) in the UK, the Bank also endeavors to forge collaborative partnerships to detect and prevent the flow of illicit funds associated with modern slavery. Standard Chartered chairs the JMLIT Expert Working Group on Human Trafficking and Organised Immigration Crime, and, in July 2017, coordinated a multi-agency workshop attended by law enforcement, financial institutions, and other relevant sectors such as hotels and telecommunications. A Bank-wide ‘Whole Story’ Human Trafficking Awareness Campaign has been conducted so that, amongst others, relationship managers understand the need to ensure they make clients aware of the company’s expectations and implement appropriate controls to prevent modern slavery practices.

SOURCES AND FURTHER READING

- [Modern Slavery Statement](#)
- [Human Right Position Statement](#)
- [Code of Conduct](#)
- [Speaking Up Policy](#)
- [Supplier Charter](#)
- [Fighting Financial Crime](#)
- [The Right Controls](#)
- [Forging New Partnerships](#)
- [The Whole Story video](#)