



浦发银行  
SPD BANK

# Modern Slavery & Human Trafficking Statement

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Shanghai Pudong Development Bank Co., Ltd,  
London Branch

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## **1. Introduction**

The Modern Slavery Act 2015 (“the Act”) came into effect on the 29<sup>th</sup> October 2015. This statement, as required under the Act, sets out the steps Shanghai Pudong Development Bank Co., Ltd London Branch (“SPDB”), is taking to reduce the risk of slavery and human trafficking taking place in its supply chains or in any part of its business.

SPDB is committed to a program of continual improvements to its practices designed to prevent slavery and human trafficking. All SPDB employees, wherever employed, must adhere to SPDB’s Code of Conduct which is based in the Bank’s values of integrity, accountability, quality, professionalism, teamwork and diversity – for SPDB, integrity is not an optional extra; it must be integral to its being.

Accordingly, SPDB has:

- Allocated a senior manager with overall responsibility for the prevention of modern slavery and human trafficking;
- Established a *Modern Slavery & Human Trafficking Policy* and enhanced its existing due diligence procedures around its suppliers;
- A process for review of third-party agreements to ensure that SPDB’s suppliers are committed to the prevention of modern slavery and human trafficking;
- Established an employee training programme as a part of SPDB’s compulsory compliance training;

## **2. SPDB’s structure and business**

Shanghai Pudong Development Bank (SPDB Group) was established in 1993 with the approval of the People’s Bank of China (1992), as a joint-stock commercial bank with its headquarters located in Shanghai. SPDB Group has 30 branches and offices around China and 3 overseas branches Hong Kong, Singapore and London.

SPD Bank London Branch obtained its UK banking license on the 18th of December 2017, making it the first European branch of SPD Bank and also the first branch outside of Asia.

SPD Bank's approach to business is to develop in a prudent and safe way with compliance and risk control as the top priority. London Branch currently focuses on corporate banking business, financial markets and financial institution business. London Branch is an important part of SPD Bank's international development, allowing the bank to meet its core customer's needs in the European markets and timezones while also attracting new customers to the group and expanding the SPD Bank brand in Europe.

### **3. Action on Slavery and human trafficking within SPDB**

#### Employment Policy

The SPDB Employment Policy requires all workers to treat their colleagues with dignity and respect at all times, and must not discriminate against or harass others, whether junior or senior to them. The Bank will not tolerate any discriminatory practices or behaviour. Specific elements of the policy pertinent to addressing the risk of human trafficking and slavery include the requirements for all Group businesses to:

- Strictly comply with prevailing employment laws and regulations; and
- Conduct pre-employment checks including references and the right to work.

#### Assurance processes

At least annually all employees are required to attest to their awareness of the behaviour expected of them under the Bank's Compliance Policies. Internal audit is also required to confirm that non-financial controls are in place and operating effectively.

#### Speaking Up

SPDB's commitment to doing the right thing underpins our belief in speaking up when we see behaviour that is wrong. If SPDB personnel identify any behaviour

inconsistent with the SPDB Employee Code of Conduct, including any signs of slavery, human trafficking or other human rights abuses, they are encouraged to report this to management directly.

#### **4. Action on Slavery and human trafficking within SPDB's supply chains**

We believe in treating our suppliers with fairness and integrity. In return we expect our suppliers to do the right thing. This means that we expect them, their employees and their supply chains to operate in a way that supports our commitment to strong ethical standards.

SPDB is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. The policy that we intend to implement will reflect this commitment as well as our determination to act ethically and with integrity in all our business relationships and to implementing effective systems and controls to ensure that neither slavery nor human trafficking is taking place anywhere within our supply chains.

#### **Supplier Policy**

We have introduced a Supply Due Diligence Policy and Risk Assessment that sets out the standards expected of our suppliers. The policy clearly states the risk factors that SPDB should consider when engaging with their suppliers to ensure that they comply with relevant laws and regulations in relation to the Modern Slavery Act.

To ensure that our suppliers conduct themselves in a manner that supports our commitment to strong ethical standards, the policy will require SPDB to conduct a risk assessment of any new supplier and avoid dealing with those that might damage SPDB's reputation, including those that infringe internationally accepted standards for workers; rights or use forced or child labour.

Most, if not all, of our suppliers are subject to the requirements of the Modern Slavery Act 2015 providing assurance that our direct suppliers respect human rights and do not use child or forced labour.

### **Risk of slavery and human trafficking in our supply chain**

The risk assessment will be based upon a three factors all of which will be graded low/medium or high. :

Factor one will include a high-level assessment of suppliers with an annual spend of £10,000 or higher or considered to be high risk due to the nature of their business activity. The assessment will consider the perceived prevalence of forced labour in the countries in which the suppliers are based and the risk of forced labour in the sectors in which our suppliers operate by reference to the International Labour Organisation's Reports.

Factor two of the assessment will involve cross referencing the identified suppliers by country the goods and services that have a higher risk of being produced by child and/or forced labour. We believe that none of the SPDB suppliers supply products or commodities considered to be a high risk.

Taking into account the anticipated outcome of this assessment, the expected commitment of our direct suppliers to comply with our Supplier Code of Conduct and the anticipated absence of any reports of concerns regarding slavery and human trafficking in our supply chain from our procurement functions, we predict that the risk of slavery and human trafficking occurring in the first tier of our supply chain will be low.

## **5. Training**

Behavioural characteristics indicative of forced labour and human trafficking are to be summarised and circulated to those most likely to be in position to identify and address modern slavery risks, including senior management and personnel in our Human Resources, Purchasing and Internal audit functions. This 'red flag' summary will also include details of the countries where instances of forced labour and human trafficking are more prevalent and encourage SPDB personnel to be more vigilant when sourcing products or services from these locations.

## **6. KPIs**

In order to assess the effectiveness of the measures we have taken we will continue to review the following key performances indicators:

- The number and nature of employee attestations;
- The number and nature of major and minor incidents of non-compliance reported by compliance or internal audit;

This statement applies to the year ending 31st March 2022 and was approved by the branch governing Committee.