
State Bank of India, Australia Modern Slavery Statement 2023

State Bank of India, Australia (ABN 95 082 610 008; AFSL 238340)

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DISCLOSURE Note

This Modern Slavery Statement (**2023 Statement**) is the State Bank of India, Australia (SBIA) response to the Australian Modern Slavery Act 2018 (Cth) (Australian Modern Slavery Act) for the period 1 April 2022 to 31 March 2023, our financial year (FY23).

SBIA, branch of State Bank of India (the Parent Bank), is the largest public sector bank in India. SBIA (ABN 95 082 610 008; AFSL 238340) is a reporting entity in accordance the Modern Slavery Act 2018 (cth) (Act).

In this Statement, we refer to ‘modern slavery’ as defined by the Modern Slavery Act 2018 Commonwealth (Cth) (MSA). Reference to ‘slavery’, ‘servitude’, ‘forced or compulsory labour’ and ‘human trafficking’ are references to those terms as they are defined for the purposes of MSA. This 2023 statement outlines the actions taken by SBIA to identify, assess and mitigate modern slavery risks in the operations and supply chains over its financial year.

This Statement was approved on 25th September 2023 by the principal body of State Bank of India, Australia; Senior Officer Outside Australia (SOOA).

INTRODUCTION

With a legacy of over 200 years, State Bank of India (SBI) traces its ancestry to the Bank of Calcutta founded in 1806. Today SBI is an Indian multinational, public sector banking and financial services statutory body, fostering India's US\$3.4 trillion economy and serving the hopes of its vast population. The bank is a member of the Fortune 500 and the largest commercial bank in India alone in terms of assets, deposits, branches, customers and employees. The Government of India is the largest shareholder of SBI, holding a 56.92% stake.

SBI has 225 foreign offices in 30 countries, which include operations in Australia, Japan and other parts of Asia, the United Kingdom, Europe, the Middle East, Africa, and the Americas. SBI, in addition to its branch operations, has a global network of group entities.

SBI has over 22,000 State Bank Group branches. It provides a range of banking products through its network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). SBI has 17 regional hubs and over 100 Administrative / Zonal offices that are located at major cities throughout India and has over 65,000 ATMs.

SBI offers a broad range of financial services centered on banking and are also engaged in the leasing, securities, credit card, investment, mortgage securitization, venture capital, derivatives, and other credit related businesses.

Our efforts to respect human rights underpin the way we do business, and we seek to act fairly across our business operations, supply chains, financing decisions, and when we engage with stakeholders.

SBI recognises freedom from modern slavery is an international recognised human right, All human right risk are covered by our action to address ESS or Sustainability risk.

More information about our business is set out in our [2022-23 Annual Report](#) and [2022-23 Sustainability Performance Report](#).

Our values are the foundation of our culture, guiding us in everything we do.



OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

SBIA started its operations on the 23rd of November 1998 when it opened a Representative Office in Sydney. Effective from the 21st of April 2004, the Representative Office was transformed into an Australian Bank. The branch was opened with the objectives of fostering trade between India and Australia through trade finance products and helping Indian corporates access and contribute to the Australian economy.

The Reserve Bank of India regulates SBI, and the Australian Banking operations are also authorized and regulated by Australian Prudential Regulation Authority (APRA) and other local Australian regulators. SBIA does not own or control any other entities. SBIA offers a wide range of services such as deposits, remittances, trade finance solutions, syndicated loans etc.

SBIA business is primarily undertaken in an office environment, with the majority of its suppliers' providing goods and services in connection with the office premises (such as Stationery supplies, cleaning services and food and refreshments supplies), financial, technology and other professional services.

Given its geographic spread, SBI's supply chain is geographically diverse, with suppliers from countries in which SBI operates. SBI's suppliers range from small businesses to international organisations, operating across the developed and developing regions in which SBI has presence.

The arrangement SBIA has with its suppliers are combination of one-off/ annual/ long-term relationship and it is governed by the Outsourcing Policy. The arrangement can be terminated by giving a notice to the supplier(s). Modern slavery risk amongst its suppliers and service providers relate to major vendors as identified in outsourcing arrangement.

OUR SUPPLY CHAIN

SBIA procures a large variety of goods and services from suppliers both locally and internationally. These suppliers range from small businesses to large businesses and the parent bank. Our arrangements with them range from one-off purchases to long-term contracts.

In FY23, we sourced goods and services from more than 150 direct suppliers and had a total procurement spend of close to \$8 million. Over 95% of our suppliers is within Australia.

Category of Services	Description of Services
Technology	Includes Professional IT services, business process outsourcing, telecommunications, application services and technology infrastructure.
Corporate Services	Includes consulting, human resources, legal services, facilities management, utilities services, stationery and records management.
Customer Services	Postal services, marketing, digital and creative services , events and promotional merchandise.
Other Third Parties	Payment schemes, couriers, debt collection settlement agents, valuation services, title searches, charitable donations and grants.
Regulatory Services	Tax agents, regulatory legal services, auditor, GST recoupment, fees and taxation.

EMPLOYEE

SBIA has approximately 45 employees located in Australia. Our office in Sydney provide administrative and back-office client services to SBIA customers and our Melbourne office is a contact centre.



Integration of human risk into our risk framework

SBIA relies upon its Risk Management Framework (RMF), which evolves to accommodate changes in the business operating environment, better practice approaches, and regulatory and community expectations.

The RMF incorporates the requirements of APRA's Prudential Standard CPS 220 Risk Management supported by three key components:

- SBIA's Risk Appetite Statement (RAS) articulates the type and degree of risk the SOOA* is prepared to accept and the maximum level of risk that the institution must operate within.
- The Risk Management Strategy (RMS) describes the Bank's approach to ensure comprehensive management of its material risks in support of achieving its strategic goals and objectives.
- The RMS is aligned to the Business Plan and has a rolling three-year duration and considers material risks to the organisation.
- An established periodic Risk and Controls Self-Assessment (RCSA) process exists with SBIA where business units and support units identify and assess the risks to achieving their business objectives.
- The risk monitoring (RCSA tool) assists in evaluating impact of risks occurring across SBIA. The impact scales are assessed based on financial impact, as well as impact to customers, reputation, legal compliance and people.
- Governance arrangements covers monthly operational risk and compliance committees.

* A reference to the Board in the case of a foreign ADI, is a reference to the Senior Officer Outside Australia (SOOA)

OUR MODERN SLAVERY RISK EXPOSURE

We understand modern slavery can occur in many forms and encompasses eight types of serious exploitation including trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work) such as forced labour, child labour, domestic servitude, sex trafficking, and human trafficking. We also note that Asia Pacific is the highest risk region globally for modern slavery occurrence. Fundamentally, we acknowledge that modern slavery is about risk to people.

As a financial institution, there is a risk we may be connected to modern slavery and human trafficking through our own operations, but also through our business relationships.

Our approach to identifying modern slavery risk aligns to the continuum of involvement outlined in the UN Guiding Principles on Business and Human Rights which specifies companies can be involved with adverse human rights impacts either through their own activities or as a result of their business relationships.

Cause	A risk that we directly cause modern slavery through our own operations
Contribution	A risk that we contribute to modern slavery through our operations and/or actions in the supply chain
Direct link	A risk that our operations, products and services may be directly linked to modern slavery through the activities of entities with which we do business.

Business area	Description of risk	Assessment of our potential to cause, contribute or be directly linked to modern slavery
Financial products and services	There is a risk that customers may use our products or services for activities that involve modern slavery	Moderate risk
Lending and investment	There is a risk we could lend to businesses involved in modern slavery.	Moderate risk
Procurement	There is a risk that we could purchase goods and services where modern slavery was used in their creation or delivery	Higher risk
Employment	There is a risk of labour exploitation in our own workforce, particularly in our contracted workforce	Lower risk
Community investment	There is a risk that we support, directly or indirectly, via advocacy, donations, grants, sponsorships and/or partnerships, organisations involved in modern slavery	Lower risk

RISK IDENTIFICATION

Identifying risks through financial crime monitoring covering AML / CTF, AB&C and Anti-tax evasion facilitation

We are aware that criminals, including those who exploit other people and cause or contribute to modern slavery, can profit from this exploitation by employing the financial system to transfer funds from victims, amongst other criminals and to themselves.

These risks are identified through guidance from regulators and NGOs (e.g. Mekong club), participation at external professional knowledge events, briefings from Legal firms, and by screening transactions for behaviours that triggers red flags. All of our employees have an obligation to be alert to, and report, unusual customer activities or transactions. This allows SBIA to quickly and confidentially investigate and report the matters to the relevant regulators, if required.

SBIA relies on the library of red flags and typologies (AML / CTF) to identify potential money laundering, terrorism financing and other financial crime offences, including specific red flags and typologies for modern slavery and child exploitation.

Red flags relate to behaviours by customers, in accounts, loans, use of cash and participation of third parties. We update our source documents, as required, based on guidance from regulators, authorities, industry bodies and NGOs.

Red flags that could relate to modern slavery activity, or other exploitation, include cash payments to accounts with the description of “wages” and then the quick transfer of most of those funds back to the original account, or payments involving high-risk industries, including labour hire.

OUR ACTIONS TO ADDRESS MODERN SLAVERY RISK

SBIA acknowledges the requirements of the Modern Slavery Act and will work towards ensuring compliance within the organisation and its supply chains. SBIA's Framework includes established policies, staff awareness and code of conduct.

SBIA ensures that staff are given adequate training to mitigate the risk of slavery and human trafficking taking place within its business and continuous operations. All employees of SBIA have completed the Modern Slavery training by an External Third-Party Provider, i.e., Thomson Reuters.

The purpose of this training is to create awareness around the concept of modern slavery and the implications this can have on customer organisations. The course introduces the countries, industries, and types of workplaces where modern slavery risks are known to be high, as well as the current legislation in place to protect individuals. Additionally, it covers the tools, systems and controls that can be utilised to address and manage risks. The training addresses the risk of modern slavery in our supply chains for the purpose of ensuring our workforce/ contractors understands the law and their obligations, and to raise awareness of modern slavery risks in the context of our business.

SBIA has outsourced some processes to the parent bank and external firms. Additionally, the Bank procures goods and services as per its Outsourcing Policy. The outsourced service providers, together with the suppliers, make up the supply chains for the Bank. As per the terms of the contract, SBIA will be entitled to terminate the relevant contract in case of a breach or to assess any actual or potential breach of terms of engagement.

For monitoring, SBIA has also included in its Risk Management Committee legislation register it's domestic and international human rights-related laws in which SBIA operates or procures products or services.

The modern slavery statements along with the Outsourcing policy and Whistle Blower Policy, highlighting the reporting route available in case of any complaint or concern regarding our modern slavery obligations, are accessible on SBIA's website to improve transparency.

SBIA's principal code of conduct also governs our employees and contractors, who are required to understand and adhere to the Guidelines throughout their employment or engagement.

Senior Management shall take responsibility for implementing the policies, decision making processes and its objectives and ensure that staff are given adequate training to mitigate the risk of slavery and human trafficking, if any, taking place within the Bank.

As we evolve in our approach over the coming year, we are committed to reviewing the effectiveness of our Modern Slavery Risk Management program by devising the risk assessment approach and associated controls within our operations and supply chain in line with global best practice.

ASSESSING THE EFFECTIVENESS OF OUR APPROACH

SBIA acknowledges that the assessment of the effectiveness of our actions is an ongoing and evolving process. We continue to monitor the effectiveness of the policies and procedures we have implemented in order to address the risk of modern slavery and we review these policies and processes on a regular basis.

We have several processes in place to ensure effective modern slavery risk management. These include:

- **The Modern Slavery Roadmap:** which sets out our plan of action to respond to modern slavery risks.
- **Modern slavery governance:** we have strong and established governance frameworks in place to oversee and report on modern slavery risks.
- **Assessment processes:** Various processes in place to ensure effective assessment of modern slavery risks across our operations and supply chain including our internal reporting process for suspicious or unusual activity detected by our employees.
- **Stakeholder engagement:** Engaging with our employees and suppliers ensures awareness of modern slavery and understand obligations.

Our current indicators of the effectiveness of our approach to identifying, assessing, managing, mitigating and reporting modern slavery risk include the following:

Focus area	Indicator
Governance	100 % policies reviewed and updated during the FY23 Number of Committee engagements during the reporting period: 12 committee meetings during FY23
Training & awareness	Number of employees who completed the modern slavery general awareness training online module: 43 in FY23 % modern slavery training completion rate for relevant employees: 94% in FY23
Procurement & supply chain	Number of suppliers with medium and high modern slavery risk that have undergone additional due diligence. FY23: Assessment currently underway and is likely to be completed by 30.06.2024
Grievances & reporting	Number of reports of slavery or trafficking through the Whistleblower Service. FY23: 0 Number of modern slavery issues raised via our transaction monitoring processes. FY23: 0

PROGRESS AND FUTURE FOCUS

SBIA objective is to protect and advance human right within the jurisdictions in which we conducted business or had a physical presence.

SBIA respects human rights and ensures that in its business operations it acts equitably within the SBIA, supply chains, lending decisions and when it engages with its third-party services providers. We recognise that we have a responsibility to protect and advance human right, and identify opportunities to positively impact human rights, across our operations and supply chain.

The 2023 Statement aims to provide further insight into the risk of modern slavery in our operations and supply chain and what action we're taking to address modern slavery within our business operation as a financial services provider, as an employer, as a service provider, an acquirer of goods and services and a donor to charitable organisations as part of our ongoing work in this area.

FY23 key highlights

Developed a Modern Slavery Roadmap

Progressed the development of our Human Rights Position Statement

Developed a Supplier Code of Conduct

Commenced developing our approach to modern slavery risks for our employment and community investment activities

Implemented actions to uplift our understanding and management of modern slavery risks in our customer activities

F24 Focus

SBIA will also evaluate each of its outsourcing partner and service provider against risk matrix (depending on the sector/geographic/ services) and develop risk-based controls to monitor such risks.

SBIA will continuously train the relevant staff to create awareness and subject matter expertise to identify the risks related to modern slavery within our eco system.

CONSULTATION

SBIA has actively engaged in a consultation process aimed at addressing the SBIA's response to modern slavery. This ongoing initiative is primarily conducted through the SBIA's Risk Committee (RCOM).

To ensure compliance with the Australian Modern Slavery Act, SBIA reached out to divisional heads across all identified reporting teams.

All relevant parties expressed their commitment by endorsing participation in a joint statement prepared by SBIA, as mandated by Section 14(1) and (2) of the Act. Before its official release, a final draft of this statement was shared with the nominated representatives of the involved entities for their review and input.

This statement was approved by the principal governing body of State Bank of India Australia (Senior Officer Outside Australia - SOOA) on 25th September 2023.

This statement is signed by Niraj Kumar Panda in his role as Senior Office Outside Australia (SOOA) of State Bank of India, Australia (ABN 95 082 610 008; AFSL 238340).



(Niraj Kumar Panda)
Senior Officer Outside Australia (SOOA)
State Bank of India, Australia
25th September 2023

APPENDIX 1- AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA

This Statement was prepared to meet the mandatory reporting criteria set out under the Australian Modern Slavery Act. The table below identifies where each criterion is addressed within this Statement.

AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	2023 MODERN SLAVERY STATEMENT
Identify the reporting entity (16(1)(a))	Disclosure notes (p. 3)
Describe the structure, operations and supply chain of the reporting entity (16(1)(b))	Our structure, operations and supply chain (pp. 5 - 8)
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity, and any entities that the reporting entity owns or controls (16(1)(c))	Our modern slavery risk exposure (pp. 9-10)
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes (16(1)(d))	Our actions to assess and address modern slavery risk (p. 11)
Describe how the reporting entity assesses the effectiveness of such actions (16(1)(e))	Assessing the effectiveness of our approach (p. 12)
Describe the process of consultation with any entities that the reporting entity owns or controls (16(1)(f))	Consultation (p. 14)
Any other information that the reporting entity considers relevant (16(1)(g))	Progress and future focus (p. 13)