

**China Construction Bank Sydney Branch**  
**(Accordance with the Modern Slavery Act 2018)**

**Introduction**

This statement is made by China Construction Bank Sydney Branch (hereinafter referred to as "CCBS", ARBN: 125167553, AFSL: 377293) as the reporting entity under the Australian Modern Slavery Act 2018 (the Act). CCBS is committed to improving its local practices to identify, mitigate and combat modern slavery. This statement is made in accordance with section 13 of the Australian Modern Slavery Act 2018 (Cth).

**Our structure, business and supply chains**

CCBS is a branch of China Construction Bank (CCB) in Australia. The branch was registered in Australia on 14 June 2007 and has held an Australian Financial Services License issued by the Australian Securities and Investments Commission (ASIC) since 20 September 2010. The Australian Prudential Regulatory Authority (APRA) approved CCBS as a foreign authorised deposit-taking institution in August 2010.

As at 31 December 2022, CCBS had 122 employees. We provide financial services (including corporate banking, trade finance, financial market business and private banking) to wholesale clients. CCBS is located in Sydney, with three offices located in Melbourne, Brisbane and Perth.

Supply chains are in place to support our operations, including third-party banking services, property leasing, transport, accommodation, office equipment and IT services, and professional services (consulting, audit arrangements, legal and recruitment services).

Under the Act, modern slavery is defined to include servitude, human trafficking, debt bondage, forced marriage, forced labour, deceptive recruiting for labour or services, and the worst forms of child labour. It includes situations of serious exploitation where offenders use coercion, threats or deception to exploit victims and undermine their freedom. This Modern Slavery Statement summarises steps we have taken to identify, prevent, mitigate and manage the risk of modern slavery in our operations and supply chains.

**Modern slavery risk and policy**

We consider the risk of modern slavery being present in our operations as low on the basis that we are a financial services provider that employs a professional workforce under employment terms and conditions governed by Australian employment laws. Nevertheless, we are aware of and understand the potential risks that may arise from our relationship with customers, suppliers and other third parties. We use a number of factors to assess the potential risk of modern slavery in our supply chains, including but not limited to the application of our risk management framework.

As part of our risk management framework, we have policies that require compliance with regulation and legislation, including those relating to the management of the risk of modern slavery. We have put processes in place to identify, monitor and mitigate this risk.

Further details as to the initiatives we take to prevent or mitigate the risk of modern slavery are as follows:

### **Human Resources**

Our policies include a code of conduct, whistleblowing policy, reputational risk policies, an employee handbook, and human resource standards in response to legislative and regulatory expectations. Policies and procedures are reviewed periodically and updated if required, and any reviews of modern slavery risk are conducted in a manner consistent with the three lines of defence model.

### **Procurement**

We maintain centralised procurement management policies, procedures, methods, and operating processes, which provide the foundation for selection and management of suppliers. Based on internal assessment criteria (including cost, impact of supply disruption, potential losses from service failure and reputational impacts), we currently have three material suppliers including IT services, the Disaster Recovery site, and outsourced internal audit function. Each of the material suppliers has been assessed as reputable, based on current regulations and legislation, including the modern slavery requirements. While material supplier arrangements are subject to enhanced levels of scrutiny, we expect our suppliers to comply with regulations and legislation.

### **Modern Slavery Policy**

The CCBS Modern Slavery Policy was implemented since 2021. This Policy provides the principles and requirements for monitoring and applying the modern slavery obligations, mitigating modern slavery risk in operations and supply chains, and promoting a culture of transparency and integrity. The Policy strictly prohibits any activities defined as modern slavery by the Act, directly or indirectly.

### **Actions in connection with modern slavery risk and the effectiveness of actions**

#### **Human resources**

CCBS “people” includes employees and contractors. While the risk of modern slavery is low, we continue to take steps to prevent potential risks. We operate in a highly regulated environment and have robust policies and procedures concerning employment screening (including work eligibility checks), employment conditions (including fair pay and hours) and appropriate workplace behaviour. These policies and procedures are reviewed on a regular basis to reflect changes to employment legislation and regulation and they are explained to staff through regular training. We maintain a robust training framework to ensure all staff are aware of CCBS’s expectations and values.

We have abided by legal requirements (prior to the first reporting period) in the recruitment, retention and employment of our people to address potential modern slavery risk, specifically by:

- Following legal requirements in the recruitment and on-boarding process;
- Conducting reviews on our prospective employees prior to on-boarding, including during the selection process, background checks and employment references;
- Recruiting and developing our people based on merit and capability, and promoting a positive culture of integrity;

- Having a code of conduct that defines the responsibility of our people to conduct themselves with a high degree of integrity and that sets the minimum standards of expected (and acceptable) behaviours;
- Providing a whistleblowing procedure to encourage the reporting of incidents of misconduct or impropriety; and
- Provision of second line oversight by the compliance and risk teams.

### **Business Relationships (Customers, Suppliers, and other third party arrangements)**

When developing business relationships, reputation is a primary consideration. If a business relationship is identified as having a heightened risk to modern slavery (for instance when we determine that certain industries or jurisdictions have higher modern slavery risk), we conduct enhanced due diligence before entering into the relationship, which includes:

- Ensuring that the supplier has similar values, ethics, and has controls in place to mitigate modern slavery risk;
- Performing due diligence and monitoring activities in compliance with CCBS's policies and procedures to identify, manage and mitigate the risks when entering into a business relationship with a customer, supplier or other third party. Enhanced due diligence will be undertaken where increased modern slavery risk is identified;
- Providing guidance and training to our procurement and supply chain staff;
- Performing transaction monitoring and analysis to identify modern slavery related risks; and
- Modern slavery risk factors are considered during on-boarding and ongoing review of our customers and suppliers.

### **Overall Assessment of Effectiveness of Actions**

We periodically review modern slavery requirements and monitor the effectiveness of policies and procedures as a means to ongoing improvement. Key actions include:

- Reviewing policies in connection with modern slavery to reflect key requirements for the identification, mitigation and reporting of such risks;
- Reviewing all whistleblower reports to identify concerns that may be related to modern slavery;
- Implementing policy requirements in connection with operations and supply chains;
- Addressing modern slavery concerns when they emerge and considering whether any policy or process changes are needed to address relevant systemic issues;
- Learning from best market practice on modern slavery measures and addressing legislative changes;
- Assessing the attendance at relevant training and monitoring the evolution in community standards;
- Maintaining escalation channels to ensure modern slavery concerns are identified and reported;
- Responding to government agencies on the lodgement of statements;
- Consulting, approving and lodging the annual statement on a timely basis;
- Ongoing monitoring activities which may include audits, support for grievance mechanisms and whistleblower programs;
- Supporting the remediation of identified non-conformances; and
- Training our employees to increase awareness of modern slavery risks.

We recognise that our review and assessment of our actions to identify and address our modern slavery risks in our operations and across our supply chain will be an ongoing and

evolving process that we are committed to continue to build upon. To this end, we set ourselves annual goals to reach so we can look back and assess the effectiveness of our approach and inform our path forward.

## **Training**

Modern slavery training is provided annually to all CCBS employees. The training program relating to modern slavery is updated and developed based on an annual training plan. The most recent modern slavery training was completed in October 2022.

Increasing employee awareness about the prevalence and nature of modern slavery risks within our supply chains is an important component of our strategy for reducing modern slavery risk. Our training module provides an overview of what modern slavery is, and the role business has in eliminating this practice.

## **Reporting Period 01/01/22 to 31/12/22**

- No instances of modern slavery have been identified in our direct operations or wider business relationships for the period;
- Throughout the risk assessment process, including enhanced due diligence and ongoing monitoring, no modern slavery instances were identified;
- No whistleblower events associated with modern slavery were raised; and
- No other sources of information have identified modern slavery risk within the reporting period.

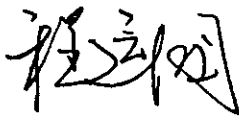
We will continue to improve identification, management and mitigation of modern slavery risk.

## **Consultation Process**

We do not own or control any other entities and therefore this criterion is not applicable.

## **Approval**

This statement was approved and signed by Senior Officer Outside Australia (SOOA), Mr. Cheng Yuanguo, in his role as principal governing body and responsible member of China Construction Bank Sydney Branch.



Cheng Yuanguo  
Senior Officer Outside Australia (SOOA) of China Construction Bank Sydney Branch  
1 June 2023