

MODERN SLAVERY STATEMENT 2022

This Statement is made pursuant to the Modern Slavery Act 2018 for the financial year from 1 January 2022 to 31 December 2022.

1. INTRODUCTION

Taiwan Business Bank, Ltd. ("TBB", the "bank" or "we" or "us" or "our") was established in 1915 in Taiwan starting out as a private bank. In 1976 the Taiwan's government reorganised the bank into a government owned bank specialising in providing financial services for small and medium businesses. The bank was called the "Medium Business Bank of Taiwan". In 1998 the government decided to privatise the bank by turning it into a publicly listed company registering in the Taiwan Stock Exchange (TWSE). The bank's name changed to Taiwan Business Bank, Ltd. However, the Taiwanese government still maintain around 27.74% of ownership of the bank through government owned financial institutions or government agencies.

TBB Currently has about 5,581 employees worldwide and establishes a service network of 125 domestic branches in Taiwan, 1 offshore banking unit, 8 overseas branches, and 4 subsidiaries.

Taiwan Business Bank, Ltd. set up Sydney's Representative Office in 1997. On 27 July 2001, the Representative Office was upgraded to Sydney Branch under the supervision of the Australian Prudential Regulatory Authority (APRA). TBB established a second branch in Brisbane in May 2014. As at 31 December 2022, TBB employs 20 staff in Sydney Branch and 12 staff in Brisbane Branch.

2. OPERATIONS AND SUPPLY CHAINS

2.1 Business Structure and Operations

In Taiwan, the Bank provides a wide range of banking products and services such as deposits, consumer and commercial lending, foreign exchange transactions, trade finance, remittance, electronic banking, credit cards, wealth management, etc. The banking operation in Taiwan covers both retail and wholesale banking products.

In addition to the Bank (which is the major group entity), TBB also operates the following fully-owned subsidiaries: (i) TBB International Leasing Co., Ltd. (ii) TBB Venture Capital Co., Ltd., (iii) TBB (Cambodia) Microfinance Institution Plc, and (iv) TBB Consulting Co, Ltd. Except for TBB (Cambodia) Microfinance Institution Plc, which operates in Cambodia, and TBB International Leasing Co., Ltd., which operates in both in China and in Taiwan, the operations of these subsidiaries are confined to Taiwan.

For overseas branches, the focus is on wholesale banking products such as wholesale deposits and commercial lending.

2.2 Supply Chains

Our supply chains include suppliers from the following sectors: information, communication and technology, consulting services, property services (including facilities management, utilities, contractor, cleaning, waste management and security); and office supplies. The majority of these suppliers are located in Taiwan, and in countries of where the Bank have operating branches.

Suppliers of information, communication and technology and consulting services are mainly suppliers of specialist skilled services, generally through larger well-known firms. Service contracts may vary in duration, but generally the relationship with these suppliers will be stable and long-term in nature.

Property services suppliers provide both services and products. Services are generally not highly skilled in nature, and products are generic in nature. Property service suppliers comprise a combination of large and small firms. Again, contracts may vary in duration, but generally the relationship with the supplier will be stable and long-term in nature.

Office supplies comprise generic office products, which are generally purchased on as needs basis from third party suppliers. These suppliers comprise a combination of large and small firms. Contracts are likely to be short-term and changeable.

3. RISK OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

3.1 In Operations

The risk of modern slavery practices in our operations are low due to the products that we supply is more of services in nature. In all of the countries that we operate in, we complied with the local employment laws. However, we acknowledged that employment laws varied from country to country and there may be risks of modern slavery in certain countries that we operate in where employment laws are less developed.

3.2 In Supply Chains

In terms of risk of modern slavery practices in our supply chains, it may be presented in our service providers' employment practices or the way the products provided by them is manufactured. For example, computer equipment hardware and office supply we use may be manufactured in certain countries that does not have proper employment laws or protections for workers.

4. POLICIES AND PROCEDURES

4.1 In Operations

The bank develops its policies and procedures in accordance with international laws and the International Bill of Human Rights. Employment policies of the Bank are established in accordance with the relevant employment laws in countries where we have operations.

The Bank adopts an equal employment policy irrespective of gender, race, age, marital status, family conditions, delivers equal opportunities in respect of compensation, employment conditions, training, and promotion to protect the legal rights of employees. The bank establishes and implements fair employees' welfare measures (including remuneration, vacation, and other benefits) and distributes bonuses fairly based on the employees' operating performance or results.

4.2 In Supply Chains

The bank evaluates the integrity of all counterparties it has business relationships with. The Bank has a policy called "Ethical Corporate Management Best Practice Principles". This policy states that when signing a contract with suppliers, the bank is required to fully understand the other party's integrity. The contract shall include terms of complying with the ethical corporate management of the Bank and shall stipulate that when the counterparty in the transaction engages in unethical behaviours, the Bank may terminate or cancel the terms of the contract at any time.

The bank has established policies for supplier management, requiring suppliers to comply with relevant regulations regarding aspects such as environment protection, occupational health and safety, and employees' rights and protection. The Bank monitors the implementations of the suppliers in regards to these aspects.

The contract between the Bank and the suppliers provides that suppliers shall fulfil their social and environmental protection responsibilities. Where suppliers violate its corporate social responsibility policies and generate material effects to the environment and society, the Bank may terminate their contracts upon verifying that the violations were true.

5 RISK MANAGEMENT

5.1 Due Diligence Processes

We conduct the following due diligence measures on prospective suppliers and current suppliers when processing a purchase or tender:

- We conduct screening of the supplier on the Government e-Procurement system (in Taiwan) which blacklisted suppliers that has been fined for illegal or unethical behaviours in the past. The Bank may reject such suppliers to participate in the tender.
- We conduct annual risk assessment our suppliers and for those who have performed well in fulfilling corporate social responsibility, environmental sustainability, occupational safety and health, and respecting labour rights, the Bank shall issue Excellent Supplier Certificates to suppliers.
- For suppliers that do not meet the expected standards, the Bank can provide training or counselling to assist them in formulating appropriate remediation plans and track their implementation.
- However, for those suppliers who intentionally commit dishonest behaviours, violate environmental protection, occupational safety and health, or employees' human rights, the Bank will terminate the contracts and forbid them to participate in the Bank's subsequent procurement (including maintenance) bidding.

The Bank has published our policy for supplier management on our website.

5.2 Remediation Processes

As mentioned above for suppliers that do not meet the expected standards regarding to complying with corporate social responsibility, environmental sustainability, occupational health and safety, and respecting labour rights, the Bank can provide training or counselling to assist them in formulating appropriate remediation plans to meet the expected standards. However, for those suppliers who intentional breach regulations regarding these matters the Bank will terminate contracts with them.

The Bank has also established whistle-blowers policies where employees and external parties can report malpractices. The reporting channel for the public is published on our website and there is also an internal system for employee to confidentially report any misconducts. There is an independent department that handle any investigations regarding reports of misconducts. The policies also state that the investigation department must keep the identity of the informant confidential. The Bank may not carry out dismissal, discharge, demotion, pay cut regarding the informant, or create damages to the rights that the informant is entitled to according to laws and regulations, contracts, or practices, or other adverse actions. However,

where the informant reported untrue facts or unfounded accusations then these protections will no longer apply to the informant.

5.3 Assessment of Effectiveness

The Bank has developed risk assessment tools and policies to monitor our suppliers and mitigate associated risks by providing training and counselling to our suppliers. In the cases of those suppliers who intentional breach laws and regulations regarding social responsibility, environmental sustainability, occupational health and safety, and employees' labour rights then we will terminate the relationship.

Supplier management policies are being reviewed on an annual basis and the Bank's auditor's conducts audit on control procedures regarding supplier management on a regular basis.

6 CONSULTATION WITH SUBSIDIARIES

During the reporting period this statement covers, we have actively engaged and consulted with all companies we own or control in the development of this statement (entities mentioned in 2.1 above). We discussed details of the Modern Slavery Act 2018's reporting requirements and information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates.

7 TRAININGS

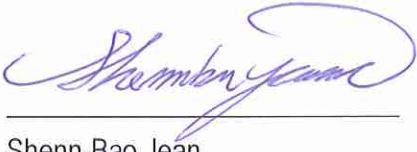
Annually, our employees undertake training relating to modern slavery, occupational health and safety, and employees' rights and protection to ensure staff awareness of these interrelated issues.

8 ANNUAL REVIEWS

We will conduct annual reviews of this statement, policies and procedures and continuously assess risks of modern slavery when there are any changes to our business such as expanding our operations to a high-risk country or regions.

9 APPROVAL

This Statement was approved by the Board of Directors on (13/06/2023) and has been signed on behalf of the Board by the Senior Officer Outside Australia (SOOA).



Shenn-Bao Jean

Senior Vice President & General Manager, International Banking Department (SOOA)

Taiwan Business Bank, Ltd.

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Date : June 13, 2023