



中國銀行

BANK OF CHINA

MODERN SLAVERY STATEMENT 2020

Bank of China (Australia) Limited

Bank of China Limited, Sydney Branch

24 June 2021

INTRODUCTION

This statement applies to Bank of China (Australia) Limited ACN 110 077 622 (**BOC Aus**) and Bank of China Limited ARBN 002 979 955, Sydney Branch (**BOC SB**) (together referred to as "**we**", "**our**" and "**the Bank**" in this statement). The statement sets out our approach to preventing slavery and human trafficking in our own business and supply chains.

This is our first report made under the provisions of the *Modern Slavery Act 2018* (Cth) (**Act**) and with reference to the guidelines issued by the Department of Home Affairs (Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities)

OUR ORGANISATION'S STRUCTURE AND OUR BUSINESS

BOC Aus, incorporated in Australia, is a full service bank offering retail banking services in Australia. BOC Aus is a wholly owned subsidiary of Bank of China Limited, incorporated in China. BOC Aus is authorised by the Australian Prudential Regulation Authority (**APRA**) to carry on banking business in Australia as a locally incorporated authorised deposit-taking institution and also holds an Australian Financial Services Licence No. 287322 issued by the Australian Securities and Investments Commission (**ASIC**) to carry on a financial services business in Australia. BOC Aus also holds an Australian Credit Licence No. 287322 issued by ASIC to provide consumer credit products.

BOC Aus offers retail banking services to retail consumers including current accounts, savings accounts, debit and credit cards, ATM services, cheque services, internet banking & mobile banking services and home mortgage loans. There are 13 retail banking branches in Australia, located in Queensland, New South Wales, Victoria, South Australia and Western Australia.

BOC SB is an Australian establishment of Bank of China Limited, incorporated in China, operating through its Sydney Branch. It is authorised by APRA to carry on banking business in Australia as a foreign authorised deposit-taking institution and also holds an Australian Financial Services Licence No. 230547 issued by ASIC to carry on a financial services business in Australia.

BOC SB provides a range of wholesale products to corporate clients such as: commercial banking, corporate lending, syndicated loan facilities, trade finance, money market, foreign exchange, and debt capital market services. BOC SB's corporate and trade finance business encompasses funding and advisory services for Chinese as well as Australian corporates. BOC SB is also the official RMB clearing bank in Australia through Austraclear.



中國銀行

BANK OF CHINA

BOC SB and BOC Aus operate separately with BOC SB's Australian operations managed by its Senior Management team (**Senior Management**) and BOC Aus governed by its Board of Directors (**Board**). However, BOC SB and BOC Aus share the same premises and have joint functional support services such as personnel, treasury and operational resources under an outsourcing arrangement between BOC SB and BOC Aus, with BOC SB being the service provider. The registered address for both BOC SB and BOC Aus is 140 Sussex Street, Sydney NSW 2000. As BOC Aus and BOC SB use many policies and processes together, and operate in the same sector and have many shared suppliers, a single consolidated description of the actions taken to address modern slavery risks is set out in this statement. There are 594 full time employees of the Bank in Australia.

OUR SUPPLY CHAINS

The Bank's supply chains include suppliers for the following goods and services provided to the Bank in respect of:

- hard and soft facilities management;
- real estate;
- recruitment;
- travel;
- cash management;
- marketing and communication;
- mail and logistics;
- IT & telecommunications;
- security;
- legal services;
- finance/mortgage broking;
- valuation;
- audit services;
- consulting services;
- credit reporting;
- printing;
- cleaning; and
- catering & hospitality.

RISKS OF MODERN SLAVERY

We consider the risk of modern slavery within our immediate operations to be low, on the basis that we are a financial services organisation that employs a professional workforce. However we are conscious that through our supply chains, we can be exposed to the risk of modern slavery. Key areas of risk are identified to be:

- outsourcing cleaning services for the Bank's offices around Australia; and
- outsourcing staff canteen and food catering services at the head office in Sydney.

However, we have currently assessed that such risk is low.

ACTIONS TAKEN TO ADDRESS RISKS

To minimise the risk of modern slavery in our supply chains, we have implemented risk management processes to assist in identifying and monitoring potential risk areas. In particular, the Bank is establishing a modern slavery due diligence process for new supplier relationships.

The Bank is also taking steps to ensure that new and renewed supplier contracts contain clauses relating to the prevention of modern slavery and human trafficking, where appropriate.

The Bank is introducing steps and measures to mitigate the risk of slavery and human trafficking in its business and supply chains, including:

- (a) Continuing to apply a modern slavery due diligence process.
- (b) Revising new and renewed supplier agreements to ensure they contain a supply chain transparency clause, where appropriate.
- (c) Providing guidance and training to procurement and supply chain management staff.

ASSESSING EFFECTIVENESS

Measures to be taken by the Bank to assess the effectiveness of the steps taken to assess and address the risk of modern slavery include:

- Establishing a review process;
- Internal due diligence; and
- Follow-up actions, if applicable.

CONSULTATION

As explained above, BOC SB and BOC Aus share the same premises and have joint functional support services such as personnel, treasury and operational resources under an outsourcing arrangement between BOC SB and BOC Aus, with BOC SB being the service provider. This statement was prepared by the Bank taking into consideration both BOC Aus and BOC SB's operations and supply chains. Representatives from the management of both BOC SB and BOC Aus were consulted in the whole process and they form part of the Bank's working group in implementation of the modern slavery law.



中國銀行

BANK OF CHINA

OUR COMMITMENT ON MODERN SLAVERY

The Bank is committed to acting ethically and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems and controls to mitigate the risk that modern slavery is taking place in its own business or in any of its supply chains. Furthermore, all our staff must adhere to our Code of Conduct which is based on the Bank's values. Although this does not mean that we can guarantee that the entire supply chain is free from slavery and human trafficking at all times.

CONCLUSION

This statement is made pursuant to Part 2 of the Act and constitutes BOC Aus and BOS SB's Modern Slavery statement for the financial year ending December 2020. This joint statement has been approved by the Board of BOC Aus and signed by a director of BOC Aus.

A joint statement has been prepared and approved under section 14(2)(e)(iii) of the Act by the Board of BOC Aus, because it is not practicable to comply with the other approval options due to the complex governance structures of the Bank. BOC SB and BOC Aus work closely together and share many policies and processes. The senior management of BOC SB have been fully consulted in the preparation of this statement and adopt its content.

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Professor the Hon Stephen Martin
Chairman
Bank of China (Australia) Limited
Date: 24 June 2021