



Modern Slavery Statement 2023

This statement is made pursuant to the Modern Slavery Act 2018 for the financial year ending 31 December 2023.

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Identification of the reporting entity

This Modern Slavery Statement has been prepared by Hua Nan Commercial Bank Ltd, Sydney Branch ARBN 138 221 637 (**Sydney Branch of Hua Nan Bank**) in accordance with the requirements placed on reporting entities by the *Modern Slavery Act 2018* (Cth) (**the Australian Modern Slavery Act**). In preparing this statement, we have followed the rules from Hua Nan Financial Holdings Co., Limited (**Hua Nan Holdings**), the ultimate controlling entity of the Sydney Branch of Hua Nan Bank, as well as with Hua Nan Commercial Bank, Limited (**Hua Nan Bank**). Collectively, all Hua Nan entities – Hua Nan Holdings, Hua Nan Bank and related entities are referred to as the “Hua Nan Group”.

As Hua Nan Bank has a reporting year ending on 31 December, this Modern Slavery Statement is prepared for the period 1 January 2023 – 31 December 2023 (**Reporting Period**).

Description of the reporting entity’s structure, operations and supply chains

Hua Nan Bank is a banking and financial service institution with its head office located in Taipei, Taiwan. It is a wholly-owned subsidiary of Hua Nan Holdings.

During the Reporting Period, Hua Nan Bank had 186 branches in Taiwan, 12 foreign (offshore) branches, 1 sub-branch, 3 representative offices and 1 subsidiary.¹

Hua Nan Bank employed around 8,380 staff globally with paid up capital of NT\$98 billion (circa AUD4.7billion) as at 31 December 2023. In Australia, the Sydney Branch of Hua Nan Bank employed 18 staff.

Hua Nan Bank is a full service retail and commercial bank offering a wide range of products including:

- Deposit products;
- Loan products;
- Trade Finance;
- Remittance services;
- Wealth Management Advice; and

¹ Overseas operations of Hua Nan Bank include Australia, China, US, UK, Hong Kong, Philippines, Singapore, Vietnam, Macau, Thailand, and Myanmar.

- Treasury services including issuing and dealing in foreign exchange, derivatives and securities.

The Sydney Branch of Hua Nan Bank principally provides its wholesale clients (as defined in the *Corporations Act, 2001 (Cth)*) with the following products and services:

- deposit products;
- payment services;
- foreign exchange; and
- derivatives.

The Sydney Branch of Hua Nan Bank also provides syndicated and commercial loans to its customers. These loans are not regulated by the *National Consumer Credit Protection Act, 2009 (Cth)*.

In Australia, key suppliers included companies who provided services such as:

- Communication and information technology;
- Office related services including leasing, cleaning and security;
- Professional services including legal, audit, tax accounting, and property valuations;
- Services provided by training organisations; and
- Other financial services including those provided by other banks and financial institutions.

Description of the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

Hua Nan Bank takes a zero tolerance approach to modern slavery and human trafficking and has always sought to ensure that our suppliers have similar values, including values relating to modern slavery and other human rights.

Therefore, as a regulated financial services institution in all jurisdictions in which we operate, Hua Nan Bank considers that the risk of directly engaging in modern slavery practices is low. Hua Nan Bank's supply chains are relatively simple and due to the nature of goods and services we acquire from our suppliers, there is limited opportunity for modern slavery and/or human trafficking practices to occur.

Hua Nan Bank acknowledges it is important that we have in place policies and procedures to address the risk that one or more of our suppliers engages in unacceptable modern slavery practices. One of Hua Nan Bank's key values is "respect for people". This means Hua Nan Bank does not tolerate slavery, human trafficking, child labour, domestic servitude or workplace abuse.

Additionally, in accordance with International Bill of Human Rights, Hua Nan Holdings has stipulated its Sustainable Development Best Practice Principles of which all group members must conform to. This includes the freedom of association, the right of collective bargaining, caring for the vulnerable, prohibiting the use of child labour, eliminating all forms of forced labour and discrimination, so as to achieve equality of employee welfares.

The Sydney Branch of Hua Nan Bank reviewed the risks that we face in our local supply chain, having regard to the:

- location of our suppliers; and
- the industries in which our suppliers operate

Given the simplicity of the operations and supply chain of the Sydney Branch of Hua Nan Bank, together with the values of the Hua Nan Group, the risk of the Sydney Branch of Hua Nan Bank engaging in modern slavery practices is also considered to be low.

Description of the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes

Hua Nan Group is aware of a number of risks of modern slavery practices that may be faced, and therefore Hua Nan Holdings has policies in place to provide the group with a clear path to manage the risk of inadvertently engaging in modern slavery practices.

As part of the established framework, Hua Nan Holdings is responsible for developing the group's "Supplier Code of Conduct" which ensures that only reputable suppliers are engaged. The group requires all of our suppliers to comply with labour regulations, basic human rights of labour and the ban on the use of child labour and to sign the Supplier Code of Conduct.

We manage the risks that we may face in relation to Modern Slavery issues in accordance with a number of policies and due diligence processes which support our approach to ensuring that we do not engage in, and do not engage suppliers who engage in modern slavery practices.

At a group level, the relevant principles, policies and processes include:

- Hua Nan Holdings' "Sustainable Development Best Practice Principles" which provides the framework of the business standards and cultural expectations of the group;
- Hua Nan Holdings' "Code of Ethical Conduct" which further sets out rules and social responsibilities which our staff must observe;
- Hua Nan Holdings' "Human Rights Policy" which strictly prohibits employing children, using forced labour or engaging in other modern slavery practices;
- Hua Nan Holdings' "Corporate Governance Best Practice Principles"; and
- Policies which have been adopted by Hua Nan Bank, branches, subsidiaries and representative offices globally:
 - Anti-Money Laundering and Know Your Customer policies and procedures;
 - Human resources policies and procedures; and
 - Whistleblowing policies and procedures.

In Australia, in order to ensure that our non-tolerance approach with modern slavery and other human rights issues are also upheld by our suppliers, all major suppliers are required to confirm that they comply with the Australian Modern Slavery Act. Actions taken by the Sydney Branch of Hua Nan Bank included:

- Obtained confirmation from material suppliers' compliance of modern slavery obligations. This included review of the suppliers' Modern Slavery Statements published by the Australian Government Attorney-General's Department (or overseas equivalent) to determine if there are any areas of concern;

- Where possible, the addition of a modern slavery clause for new or revised supplier contracts;
- Where the above is not possible, obtained attestation/confirmation from the suppliers their compliance with modern slavery obligations.

Consideration will be given to terminate any relationship if the supplier is found to be engaged in modern slavery practices.

Furthermore, in addition to Hua Nan Group's principles, policies and processes, the Sydney Branch of Hua Nan Bank also has the following policies to support our commitment not to engage in, and not to engage suppliers who engage in modern slavery practices:

- AML/CTF Program;
- Staff Handbook;
- Outsourcing Policy;
- Whistleblower Policy; and
- Credit Policy Manual and Credit Procedure Manual.

In recognition of the importance that Hua Nan Group places on ensuring that neither we nor our suppliers engage in modern slavery or other human rights abuses, the above policies and procedures are reviewed annually and updated on an on-going basis.

Hua Nan Bank has also implemented relevant and ongoing training to all areas of our business to ensure that our staff are aware of our policies, can identify any modern slavery practices that they may encounter and notify management as required. The Sydney Branch of Hua Nan Bank provided training on modern slavery to all staff. This training was compulsory.

Description of how the reporting entity assesses the effectiveness of these actions

Hua Nan Bank continues to adopt the following indicators to show and evaluate the effectiveness of managing the risk of modern slavery and human trafficking:

- our due diligence assessment of our suppliers, including our standard contractual provisions and/or attestations with significant suppliers to ensure that we mitigate the risk of a supplier engaging in slavery and human trafficking practices;
- our on-going training of staff;
- regular review of our policies and procedures; and
- our continued advocacy of the Australian Modern Slavery Act and relevant policies.

Hua Nan Bank undertakes an on-going evaluation of the results from these key indicators.

Describe the process of consultation with any entities the reporting entity owns or controls

While the Sydney Branch of Hua Nan Bank does not own or control any other entities, the Branch regularly consults with Head Office which acts as the co-ordinating body to ensure that all of our policies (and those of other Hua Nan Bank entities) are consistent with the policies and procedures mandated by the group.

Any other relevant information

The Sydney Branch of Hua Nan Bank will continue to identify, assess and address modern slavery risks that are relevant to us. Policies, procedures and processes will continue to be reviewed regularly in response to regulatory, industry and market best practice.

Approval

This statement was approved by Ding-Jong (Eric) Chen, Senior Officer Outside Australia, in his role as principal governing body for the Sydney Branch of Hua Nan Bank and Billy Yang, General Manager of the Sydney Branch of Hua Nan Bank, on 24 April 2024.

Signed



Ding-Jong (Eric) Chen
Senior Officer Outside Australia
Senior Vice President & General Manager,
International Banking Department
Hua Nan Commercial Bank, Ltd

Signed



Billy Yang
General Manager, Sydney Branch
Hua Nan Commercial Bank, Ltd