



臺灣銀行
BANK OF TAIWAN

雪梨分行
Sydney Branch

MODERN SLAVERY STATEMENT

Bank of Taiwan
Sydney Branch

Financial year ending 31 December 2020

Registered Taiwan Head Office	No. 120, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 10007 TAIWAN
Australian Branch	Suite 10.02, Level 10, Chifley Tower. 2 Chifley Square. Sydney NSW 2000 AUSTRALIA



臺灣銀行
BANK OF TAIWAN

雪梨分行
Sydney Branch

1. Introduction

Bank of Taiwan (“BOT” or “we” or “our”) is wholly owned by the Government of Taiwan and guided by the Government’s principles. BOT operates a branch in Sydney, Australia, located at Suite 10.02, Level 10, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 (the “Sydney Branch”) (ARBN 608 940 718).

BOT is aware of the need for the industry and government to act jointly in addressing the presence of modern slavery and human trafficking. Our Sydney Branch takes its responsibilities seriously and maintains the highest professional and ethical standards and is fully committed in eradicating modern slavery and human trafficking from its business and supply chains.

This annual modern slavery statement (the “Modern Slavery Statement”) is made pursuant to the Modern Slavery Act 2018 (Cth) (the “Act”) for financial year ending 31 December 2020. This Modern Slavery Statement sets out the steps taken by our Sydney Branch in mitigating the potential risks associated with modern slavery within its business and supply chains.

2. Structure, operations and supply chains

2.1 Structure and operations

BOT is a commercial bank incorporated in Taiwan under the laws of the Republic of China and is wholly owned by Taiwan’s Ministry of Finance through its parent company, Taiwan Financial Holdings Co. Limited.

We are the largest bank in Taiwan with over 8,128 employees and BOT holds a vital position within the Taiwanese banking system. We are responsible for the operation of businesses related to the issuance of New Taiwan dollar currency, handling of deposits of military and civil servants’ retirement funds in addition to our forefront in both retail and commercial banking sectors within Taiwan.

Our counterparty credit rating is AA-/A-1+ Stable by Standard & Poor’s rating and Aa3/P-1 Stable by Moody’s rating.

We have 163 networks of branches in Taiwan, a single offshore banking branch, 12 overseas branches/sub-branches and 9 overseas representative offices¹.

Our banking business in Australia is conducted through our Sydney Branch and was authorised by the Australian Prudential Regulation Authority (“APRA”) to carry out banking business as a foreign Authorised Deposit-taking Institution (ADI) and we hold an Australian Financial Services Licence (AFSL No: 499407) regulated by the Australian Securities and Investments Commission (“ASIC”).

Our Sydney Branch’s products and services focus mainly on wholesale banking, syndication lending, investments in securities and bonds and money market deposits. Our Sydney Branch has 15 employees of which 6 are expatriates from Taiwan.

2.2 Supply Chains

BOT operates its business across five continents - Europe, North America, Asia, Australia and Africa. Given the geographical presence, the network of suppliers for each of our overseas branches are diverse and involves procuring products and services for operating our offices

¹ Refer to annual reports for further information on BOT operations at:
<https://www.bot.com.tw/English/EAnnualReport/Pages/default.aspx>



and supporting our staff. According to the Global Slavery Index Report 2018², the countries, in which BOT has its operations, are regarded to having low to moderate risk for modern slavery.

Our Sydney Branch's operations are primarily undertaken in an office environment and our supply chain arrangements include procuring products and services such as information technology, communications, property management services, utilities, stationary supplies and cleaning services. Furthermore, the arrangements our Sydney Branch has with its suppliers (local and overseas) are a combination of medium and large firms with long and short-term contractual relationships.

3. Risks of modern slavery practices in our operations and supply chain

The Government of Taiwan supports the principles of human rights and has adopted two international human rights treaties:

- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights.

Being a wholly government owned bank, BOT maintains ethical responsibilities to support, promote and respect the protection of international human rights through its own behaviour.

In accordance with the Global Slavery Index 2018, forced labour in Australia predominantly occurs in industries considered at risk, including agriculture, construction, domestic work, meat processing, cleaning, hospitality and food services sectors. Our Sydney Branch however operates in the banking industry primarily within an office environment and have minimal exposures to the abovementioned sectors.

3.1 Managing risk of modern slavery practices

BOT is committed to respecting the human rights of its employees as demonstrated in our Overseas Branch Personnel Administration Rules of Bank of Taiwan. Our employees are treated with high values and standards in a cultivating environment by practicing positive work environment, mutual trust, appreciation and respect. Our management team is expected to lead and inspire their respective teams to conduct business in accordance with the highest standards of ethics and professionalism.

Our Sydney Branch adheres to high values and standards in raising awareness amongst its employees and we, including our employees, understand the offences of modern slavery with respect to slavery servitude, forced or compulsory labour and human trafficking. This understanding ensures that there is no risk of modern slavery evident within its business and supply chains.

Moreover, part of our overall strategy requires the implementation of compliance and risk management frameworks to systematically process identification, assessment and monitoring of potential modern slavery risks to our operations.

The following is a list of approaches and indicators used in the management of slavery and human trafficking risks by the Sydney Branch:

- immediate termination of any relationship with a supplier(s) where reasonable evidence is identified as part of our due diligence processes where such evidence contravenes the Act.
- recognising that proceeds of modern slavery may be subject to money laundering with criminal gangs attempting to transfer funds to different jurisdictions and bank accounts

² <https://www.globallslaveryindex.org>



and BOT mitigates these risks through implementation of detailed AML policies and procedures to monitor, identify and report suspicious transactions.

- implementation of on-going procedures which trains employees to maintain appropriate moral and ethical standards in performing their duties. Moreover, employees who become aware of any inappropriate behaviour, potential violation of human rights, suspicion of activities relating to money laundering and any forms of modern slavery, are always required to report and escalate their concerns to senior management.
- providing knowledge to our employees through annual internal training that they are able to work in a safe and professional environment free of any discrimination, differential treatment and harassment.

3.2 Due diligence and remediation processes

The Sydney Branch is aware of its responsibilities under the Act and undertakes the following due diligence checks:

- Suppliers – Sydney Branch undertakes appropriate checks on the supplier’s contracts and terms of business to ensure that the clauses relating to policy or processes prevent modern slavery and address human rights of employees, agents and supply chains. If relevant clauses are not incorporated within the contracts or terms of business, we will alternatively request for copies of our supplier’s modern slavery statement for verification. Where there are concerns relating to risk of modern slavery in the provision of products and services, Sydney Branch will not deal with the supplier(s).
- Products and Customers – the Sydney Branch have relevant anti-money laundering and counter terrorist financing (“AML/CTF”) policies and procedures designed to prevent its products from being used for improper purposes such as anti-bribery, corruption and AML/CTF. The Sydney Branch maintains a customer due diligence processes to comply with international laws and regulations. The due diligence process involves identification of potential customers, corporations and financial institutions which presents a higher risk of financial crime, corruption or human trafficking. Moreover, the process also involves examination of policies on AML/CTF and human rights, including adverse media or negative news which would indicate weaknesses in systems in mitigating the risk of financial crime or modern slavery.
- AML proceeds of crime – the Sydney Branch maintains appropriate policies and procedures for undertaking customer due diligence, KYC information including source of funds. In processing payments, the Branch analyses payment trends and report transactions which require further due diligence. Our internal process involves examining:
 - the transactions and its underlying purposes
 - the relationship and business of the parties involved
 - evidence of the payment funding source and KYC information.

Any assessment results that trigger a “red flags” will be examined closely and reported to AUSTRAC if the matter is suspicious.

Managing effectiveness of our approach

In ensuring the effectiveness of our approach, our Sydney Branch’s risk management and compliance framework forms the basis of monitoring modern slavery and human rights risks and allows the evaluation of the performance of the due diligence processes undertaken.

Furthermore, steps are taken to raise awareness amongst the Sydney Branch employees includes conducting a semi-annual HO Compliance Self-Assessment training and induction



臺灣銀行
BANK OF TAIWAN

雪梨分行
Sydney Branch

training (for new employees). The coverage of the training includes Code of Conduct, financial crime, bribery and AML/CTF, all of which relates to modern slavery and human trafficking.

All our employees have the responsibility of raising any concerns relating to the requirements under the Act including the identification and reporting on human rights issues in their normal business dealings and these concerns are referred to the Branch's senior management.

Other relevant information

BOT recognises that modern slavery and human trafficking issues are challenging, complex and evolving in nature. Notwithstanding this, BOT continues to remain steadfast in fulfilling its role in promoting human rights and identifying potential risks of modern slavery. BOT will continue to review its practices in response to changing circumstances and ensuring it meets its legal obligations and ethical duties.

Approval

This Modern Slavery Statement was prepared in accordance with the Act and reviewed by the General Manager of Sydney Branch, Mr Renming Lee.

The statement was approved by Mr Chih -Wen Hsu in his role as principal governing body for Bank of Taiwan Sydney Branch (Senior Officer Outside Australia-SOOA).

This Modern Slavery Statement will be reviewed and updated annually.

Signed:

Mr Renming LEE
General Manager
BANK OF TAIWAN
Sydney Branch

Date: 09/07/2021

Mr Chih-Wen HSU
Senior Officer Outside Australia
BANK OF TAIWAN

Date: 26/07/2021

