



## TAIWAN COOPERATIVE BANK MODERN SLAVERY STATEMENT 2022

### 1. Purpose of Statement

This annual modern slavery statement (Statement) is made, pursuant to the Modern Slavery Act 2018 (Cth) (the "Act"). This Statement sets out the steps taken by Taiwan Cooperative Bank, Ltd (ARBN 139 482 634) (TCB) (the "Bank", "TCB" "we" or "our") to identify, assess, and address modern slavery risks across our operations and supply chains in the reporting period ending 31 December 2022.

### 2. Structure, Operations and Supply Chains

#### 2.1 Structure & Operations

TCB is a wholly owned subsidiary of Taiwan Cooperative Financial Holding Co, Ltd., which is a public company listed on Taiwan Stock Exchange (TWSE:5880) with its headquarter based in Taipei, Taiwan.

TCB is one of the largest banks in Taiwan serving individual customers, small and middle-market business and large corporations with a full range banking, investing products, wealth management, insurance, and other financial and risk management products and services. TCB has approximately 8,800 staff and 297 branches globally; which include an offshore banking unit; 26 overseas branches/representative offices in Sydney, Melbourne, Los Angeles, New York, Seattle, Houston, Hong Kong, Manila, Phnom Penh and 7 sub-branches in Cambodia, Suzhou, Fuzhou, Tianjin, Changsha and 1 sub-branch in China, Vientiane, Yangon Representative Office, Beijing Representative Office, Prague Representative Office and a subsidiary—United Taiwan Bank in Brussels, Belgium.

TCB Sydney Branch and TCB Melbourne Branch holds an Australian banking licence as a foreign Authorised Deposit taking Institution (foreign ADI /bank branch) and Australian Financial Service Licence. It provides financial and banking services in Australia. The primary business focuses on commercial banking and wholesale banking.

#### 2.2 Our Supply Chain

TCB operates its business across the globe and as such, the network of suppliers is diverse and involves obtaining professional services such as contract labour, legal services, information technology services, communication services, property/real estate services, facilities management, (including utilities, contractor, cleaning, waste management and security); business continuity services, consulting services; and office supplies. While we source from many countries, most of our vendors are headquartered and provide services to us in Taiwan. TCB's suppliers in Australia are mainly sourced locally within Australia.

### **3. Modern Slavery Risks in our Operations and Supply Chains**

#### **3.1 In Operations**

TCB group operates in some jurisdictions that have been identified as having a higher inherent risk of modern slavery. Our customers may become higher risk due to sectors and countries in which we, and our customers, operate.

However, we consider the risk of modern slavery in our operations in Australia to be low due to the demographics of our clients and in light of the processes we have in place in respect of recruitment, the roles our employees fulfil and the benefits provided to our employees. We are committed to providing a safe working environment where our employees are valued, respected and receive fair and equal treatment in all aspects of their work. Our Code of Conduct outlines the obligations and responsibilities each TCB employee has and should follow when dealing with each other, our customers and other business partners. This includes part of our approach to human rights.

#### **3.2 In Supply Chain**

Industries are generally considered as higher risk for modern slavery due to the prevalence of sub-contracting arrangements leading to decreased supply chain transparency, labour intensive work coupled with low barriers to entry, and workers from vulnerable backgrounds including migrant workers.

We conduct regular reviews of our extended supply chain to identify Modern Slavery Risk. In terms of the risks in the supply chain supporting our operations, high risk areas have been identified as IT hardware, telecommunications equipment, stationary manufacturers and suppliers and any other procurement area determined by the Risk and Compliance area.

### **4. Action taken to assess and address Modern Slavery Risk**

#### **4.1 Policies, Procedures and Approach**

TCB's Code of Conduct, Policies and Procedures regarding Human Resources, AML-CTF, and Know-Your-Customer, as well as Sustainable Development Policy are approved by the Bank. The Bank administers the overarching documents that assess and address modern slavery risk. Moreover, TCB has its own AML-CTF Program, Human Resource Policy, Whistleblowing Policy, Outsourcing Policy and Risk Management Framework in place in Sydney and Melbourne branches to bolster our commitment in fighting Modern Slavery issues.

TCB is committed to respecting the human rights of employees and demonstrates leadership in responsible workplace practice across all our branches in all regions/ countries where we conduct business. The Bank does not tolerate any forms of slavery, forced or child labour, servitude, and workplace abuse. Our management team leads and inspires the employees to conduct business in accordance with high professionalism and ethics, by demonstrating mutual trust, appreciation and respect in a positive work environment.

In 2022, TCB conducted its first company-wide human rights due diligence procedure targeting all employees. The human rights due diligence process included surveys, where the survey results indicate TCB's overall risk ratio was relatively low, showing that all TCB employees fully agree with the human rights risk issues that the Company values.

We continue to align our bank's policies and practices with international standards. Our commitment to fair, ethical and responsible business practices, as we engage with our employees, clients, vendors and communities around the world is embodied in our values, our code of Conduct and Vendor selection policy and procedure.

#### **4.2 Addressing the Risks in our Business**

TCB is committed to treat all employees, contractors and temporary employers with respect and dignity and to protect their human rights. We offer equal employment opportunity to all and we do not tolerate discrimination or harassment under any circumstances. We acknowledge and support the rights of each employee and value an open communication (via skills assessment/performance management) with our employees so we can continue to improve our workplace environment.

We support and comply with labour laws and regulations in the regions where we conduct business. We provide a safe and healthy work environment for all our employees. We have effective policies and procedures to ensure that all employees, including contractors and temporary workers, are recruited ethically and are subject to applicable background checks prior to commencement of employment. The background checks involve verifying an individual's identity, age and right to work.

We recognize the role we play in combating human trafficking and modern slavery as a financial crime. In order to mitigate the risk, we have implemented policies and procedures and controls to prevent the illegal use of our products and services, that may result in human rights violations. These include rigorous customer due diligence checks and anti-money laundering controls to monitor any instances of potentially linked to any prospective clients or existing clients.

TCB also has various other policies which assist in managing human rights, these are:

- HR policies regarding unpaid parental leave for caring children, sexual harassment prevention and appeal and discipline procedures aimed at creating a working environment based on respect and fairness;
- Whistleblowing Policy/Procedures, where an employee can escalate any concerns relating welfares or the Bank's operations;
- Code of Conduct, where an employee is aware that any breach will give rise to disciplinary action and may, where applicable, give rise to criminal prosecution; and
- Anti-Money Laundering and Counter-terrorism Financing Policy/Procedures, in recognizing that slavery can be a precursor to activities related to money laundering.

#### **4.3 Due Diligence for Slavery**

The Bank follows internationally recognized guidelines for human rights with respect to labour, the right of collective bargaining and care for vulnerable groups. The Bank does not tolerate the use child labour, forced labour and recruitment and employment discrimination. Moreover, the Bank's human resource policies do not contain materials that promote preferential

treatments based on gender, race, socioeconomic status, age, or marital and family status, thus, equality and fairness is achieved in the channels of recruitment and employee welfares.

Externally, when the Bank conducts its business operations, we will consider the following modern slavery risk factors to identify risk level of customers and/or vendors:

- Certain 'high-risk' sectors (e.g., agriculture, manufacturing and domestic work);
- Certain countries with higher estimated number of victims than others;
- Unskilled or low skilled work (e.g., labouring and cleaning); and
- Vulnerable groups.

For those customers and/or vendors that falls into the high-risk category, enhancing due diligence is implemented to ensure that we mitigate the risk of engaging in slavery and human trafficking practices.

#### **4.4 Training**

TCB trains all new and existing employees to recognize issues with respect to modern slavery, financial crimes, human trafficking. All employees are required to annually complete an AML/CTF training. Moreover, front line staff and risk and compliance staff complete additional training annually specific to AML/CTF regulation and such training covers topics with respect to identifying and reporting suspicious activity, including human trafficking. When a new employee is hired, TCB provide the new employee with professional and compliance training within the first 3 months of employment. Compliance training such as enhanced training for anti-money laundering and counter-terrorism financing, local laws/regulations, HR, Occupational Health & Safety Policy, Staff Code of Conduct and Whistleblowing Policy are provided on a regular basis to all employees. The training sessions employed by TCB ensures that all employees are aware of the aforementioned issues and to manage risks effectively.

#### **4.5 Ongoing Actions**

TCB recognizes that there are a number of further actions that should be employed to undertake in order to better assess and address modern slavery and human trafficking risks in our operations and supply chains. TCB aims to continue to improve on the following:

- Identify aspects within our operations and supply chains that may cause, contribute, or be directly linked to the heightened risk of modern slavery, by incorporating measures within our risk assessment methodologies;
- Review and clarify our due diligence and remediation processes as it relates to identifying, managing and acting on modern slavery risks;
- Review current policies and procedures to further ensure consideration of modern slavery risk in the continuously evolving landscape; and
- Continue to have regular reviews of our supplier risk profile, monitoring key performance indicators, and ensuring any gaps or issues identified are remedied in a timely manner.

### **5. Assess the Risk of Modern Slavery**

#### **5.1 Business Operations**

The Bank conducts on-going training of staff and is constantly reviewing its policies and procedures. We have external and internal auditors to review our business operations in its compliance with regulations, policies and procedures. Any findings will be addressed and corrective measures taken.

Additionally, the Bank will conduct annual risk assessments and ongoing monitoring of risks including modern slavery risks. Where these risks exist, we will take actions to mitigate those risks via actions such as rigorous customer due diligence and anti-money laundering controls. By undertaking these assessments and monitoring, we aim to verify the effectiveness of our actions and continuously improve the management of modern slavery risks. Where the bank finds that additional measures are needed, these will be actioned and communicated to staff.

## **5.2 Supply Chain**

TCB has a relevant vendor selection procedure/outsourcing (to third party) policy and procedure in place to manage the risk of using vendors to support our business.

As for supplier/Vendor management, we assess the impact their procurement has on society as well as the environment of the community that they are procuring from, in addition, when entering into contracts with suppliers, the content includes terms stipulating mutual compliance with the corporate social responsibility policy, and suppliers are requested to sign the corporate social responsibility commitment letter, moreover the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

TCB is committed to maintaining effective management of modern slavery risks by evaluating current processes to consider whether they are appropriately identifying modern slavery risks and whether there are measures, which could be improved. If the assessments deem the risks to be high, we implement enhanced due diligence as appropriate.

## **6. Consultation Process**

TCB closely communicates with all its branches and its subsidiary to continuously optimise business processes and improve risk and compliance –including modern slavery risk control measures. TCB in Australia, as part of the preparation of this statement has consulted TCB Head Office in Taiwan about this statement and has taken into account and incorporated where relevant the TCB approach taken to managing Modern Slavery.

## **7. Other Information — COVID-19 and Geopolitical Challenges**

The COVID-19 pandemic and geopolitical challenges such as the Russian invasion of Ukraine has had a fundamental impact on the global economy and at an individual level. These challenges has acted as a driver of increasing modern slavery risk which must be taken into consideration. TCB will continue to identify best-practice approaches to protect vulnerable workers and manage the additional challenges posed by COVID-19 and regional conflicts.

## 8. Approval and Disclaimer

The modern slavery statement was prepared in accordance with the Act and was reviewed and approved by the Board of Directors on 24/04/2023 as the principal governing body of TCB.

It is signed, by the President of TCB, who is the Director of the Board of Directors. It is also signed by the Australia Country Head, the most senior officer of TCB in Australia.

The modern slavery statement will be annually reviewed and updated.



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Yen Mao Lin  
Director and President  
Taiwan Cooperative Bank, Ltd.



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Hsiang-Yang Hung  
General Manager of Sydney Branch &  
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Taiwan Cooperative Bank, Ltd.

Date: **MAY 15 2023**