

Modern Slavery Statement for the period 1 January – 31 December 2020

1. Identity of Reporting Entity

Bank of Communications Co., Ltd. Sydney Branch (“BoComAU”) as reporting entity.

In Australia, BoComAU is registered as a foreign company with ARBN 137 909 963. BoComAU obtained its banking authority from APRA on 13th October 2011, and an Australian Financial Services Licence, No. 409837, on 19 October 2011. BoComAU operates as a branch of Bank of Communications Co., Ltd. (‘BoCom’ or the ‘Bank’). It also established sub-branches in Brisbane in 2015 and in Melbourne in 2018.

BoCom was founded in 1908 and is incorporated in People’s Republic of China. BoCom is one of the major financial services providers in China and is listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

2. Structure, Operation and Supply Chains

As a foreign ADI, BocomAU is managed by the local senior management team headed by the General Manager, with oversight from Senior Officer Outside Australia¹. who has delegated authority from the Bank’s Board of Directors.

All of the operations of BoComAU are currently conducted with wholesale customers in Australia and wholesale BoCom clients doing business in Australia. Further, BoComAU supports BoCom domestic branches in China, through offering remittance, international settlement, trade finance, lending and other traditional wholesale banking products.

BoComAU’s supply chain includes goods and services providers such as for office supplies, maintenance and cleaning services, computing and network systems, risk management systems, payments systems and consulting and training services.

3. Risk of Modern Slavery within Branch Operations and Supply Chains

The Branch may be exposed to Modern Slavery risk through the activities of the Branch in purchasing supplies/services from manufacturers/providers of those supplies/services. However, based on due diligence on the manufacturers/providers, and based on the nature of these products and services, we believe this risk is minimal.

4. Actions taken to Assess, Address and Remediate, Modern Slavery Risks

BoComAU is committed to observing very high standards of integrity and efficiency in the conduct of its business. The Branch’s Code of Conduct outlines how we conduct our business and how we treat our clients, employees, suppliers and other third parties we interact with.

Under the Modern Slavery Act, BoComAU is not required to individually monitor or report on each of our wholesale clients, or on our supplies/services providers. However, at a high level, BoComAU identifies potential Modern Slavery exposure posed by our clients or supplies/services providers, by undertaking a search of media sources and screening against commercially available, risk management, databases. BoComAU has a range of risk management systems in place to identify industries and sectors that pose higher environmental and social risks. The Branch considers those risks in their decision to provide both financing to Branch clients and payments to our supplies/services providers.

¹ Paragraph 46 of APRA Consolidated Prudential Standard 510 states that foreign ADI must nominate a senior officer (whether a director or senior executive) outside Australia with delegated authority from the Board (senior officer outside Australia) who will be responsible for overseeing the Australian branch operation.

BoComAU has integrated Modern Slavery risk analysis into our client and supplies/services providers' due diligence processes.

BoComAU's Modern Slavery Policy outlines measures the branch will take to address overall Modern Slavery risk in our business operations and supply chains. It also addresses specific actions to be taken when BoComAU's due diligence reveals an incidence of Modern Slavery.

BoComAU's Outsourcing Policy and Information Security Policy outline the due diligence processes the branch undertakes for our supplies/services providers. Further, in addition to the Credit Risk Management framework, the branch's AML Program outlines the detailed due diligence procedures applicable to branch clients.

5. Assessing Effectiveness of Actions taken to Prevent/Detect Modern Slavery

BoComAU uses the "Three Lines of Defence" Risk management Model (required by BoComAU's banking regulator, APRA) to promote sound risk governance ownership and business management. In summary, these are:

- First Line of Defence: the business unit heads are responsible for monitoring for incidences of Modern Slavery risk, and for ensuring that all relevant branch policies are being complied with;
- Second Line of Defence: comprises of the Risk and Compliance departments respectively, and provides oversight of the implementation of all risk management systems for the Branch; and
- Third Line of Defence: is represented by the Branch's independent External and Internal audit functions, as well as Head Office oversight.

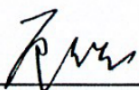
Actions taken by BoComAU to address Modern Slavery risks, and to ensure compliance with its obligations under the Modern Slavery Act, are captured within the above framework of policies and procedures, and are subject to regular assessment and review (at least annually).

6. Process for Consultation

BoComAU does not own or control any entities in the context of the Modern Slavery Act, and thus a process of consultation is not applicable.

7. Approval

This statement is approved by the principal governing body of Bank of Communications Co., Ltd. Sydney Branch, the Senior Officer Outside Australia on 27 April 2021.



Mr. Sheng Gu,
Senior Officer Outside Australia (SOOA)