

Taishin International Bank Co., Ltd.

ABN 30 165 085 638

Modern Slavery Statement

Reporting Entity

This statement describes the risks of modern slavery in the operations and supply chains of Taishin International Bank Co., Ltd. (“the Bank”, “Reporting Entity”) and includes information about actions taken to address those risks.

Structure, Operations and Supply Chains of the Bank

Structure

Taishin International Bank Co., Ltd. has its headquarters at 1F and B1, No. 44, Sec. 2, Zhongshan N. Rd., Zhongshan Dist Taipei City 104, Taiwan(R.O.C.). The Bank has 108 business units, including 105 domestic and overseas branches (including the Hong Kong, Singapore, Japan and Brisbane branches). The Brisbane Branch opened in Australia on July 31, 2017 as a foreign authorised deposit-taking institution (ADI).

The Bank is a wholly owned subsidiary of Taishin Financial Holding Co., Ltd. (“We”, “the Company”). Taishin Financial Holding Co., Ltd. is a Taiwan-based financial holding company listed on the Taiwan Stock Exchange Corporation (TWSE), with its headquarters at No. 118, Sec. 4, Ren-Ai Rd., Da-An District Taipei City 106, Taiwan (R.O.C.).

Operations

The Bank’s major business lines include deposit receipt, loan extension, export/import, foreign exchange, foreign-currency deposits, discount of negotiable instruments, currency conversion, guarantee, surrogate collection/payment, custody and trust services, provision of credit cards, trading in derivatives, brokerage of short-term bills, acting as a securities dealer, certification and underwriting, factoring, securities investment and underwriting, offshore banking, issuance of financial bonds, wealth management, the sale of gold bullion, and gold/ silver coins.

Supply Chains

The Company engages a wide variety of suppliers including system developers, telecommunication carriers, insurance companies, fund companies, card manufacturers, overseas investment consultants, financial information suppliers, advertising companies, media, printing companies, and office consumables suppliers.

Types and Percentage of major suppliers in 2015-2019 (%)

Year	IT /telecommunication	equipment/construction	Cards/printing	Services	Marketing activities	General affairs
2015	49	21	12	12	4	2
2016	46	19	9	22	4	0
2017	39	28	11	22	0	0
2018	40	30	12.5	17.5	0	0
2019	52.6	14.5	6.6	16.3	9.9	0.1

Unit : %

Risks of Modern Slavery Practices Operations and Supply Chains

After reviewing Company's operating model, we have identified employees, customers (including borrowers) and suppliers to be one of the most relevant stakeholders as far as human right is concerned. We have devised separate policies, statements and guidelines to serve as the ultimate guiding principle for human rights protection. In addition, we adopt communication, protection and supervision practices to secure the rights of all stakeholders, which provide the foundation of corporate ethics within the Company.

Actions taken to Assess and Address Risks, Including Remediation

The Company is dedicated to upholding human rights, and shares the value of international human rights rules including Universal Declaration of Human Rights, International Labour Organization, The UN Guiding Principles on Business & Human Rights and Equator Principles, and complies with regulations of Taiwan and all locations it operates in.

Taishin Financial Holding Co., Ltd. - Corporate Social Responsibility Best Practice Principles

To enhance the overall corporate sustainable practices, Taishin Financial Holding Co., Ltd. has adopted the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies. One of the key guidelines of these best practices is the preservation of public welfare. The Principles apply to the Company and its subsidiaries.

The Bank shall comply with relevant labour laws and regulations, and respect principles of the labour force's human rights, and shall enact appropriate management methods in accordance with the following principles:

1. Protect the legal rights of employees, without conditions adversely affecting the fundamental labour rights.
2. Exercise to achieve equality and ensure the employment policies do not contain any differential treatments based on gender, race, age, marital status, family situation, etc.

3. Provide information for the employees so they have knowledge of their rights under the labour laws of the countries where the companies have business operations.
4. Provide safe and healthful work environment for the employees and shall endeavour to curb dangers to employees' safety and health and to prevent occupational accidents. The Company should conduct educational activities and training on a regular basis to prevent occupational hazards.

Taishin Financial Holding Co., Ltd. - Statement on Human Rights

Taishin Financial Holding Co., Ltd. is committed to creating a safe and healthy workplace. Pursuant to the laws of the Republic of China and internationally accepted practices, the Company adheres to the following principles regarding protection of labour and human rights:

1. Adhere to the Labour Standards Act and all employment regulations in the Republic of China as well as local employment regulations in different countries, international labour standards, and declarations of human rights.
2. Protect the rights of all workers and enforce rules regarding work hours, break time, leave of absence, salary and benefits; and prohibit all forms of forced labour.
3. Treat all employees equally and make decisions such recruitment, compensation, job offering, reward, and discipline free of discrimination.
4. Value the growth of its employees, take steps to ensure suitable working/living conditions for workers and a work-life balance, and implement measures to protect child and female workers. Uphold health and safety in the workplace and invest in promoting a healthy workplace.
5. Maintain open channels for employees to report illegal conduct or infringement of rights. Protect the safety of plaintiffs and informants and confidentiality of their personal information against unfair treatment and retaliation.

Work Rights

For the protection of work rights for all employees, the Company not only adheres to the principles announced by International Labour Organization (ILO) regarding prohibition against forced labour, minimum employable age, work hours, weekly breaks and recommended practices, but also complies with relevant regulations of the Republic of China, including "Labour Standards Act," "Act of Gender Equality in Employment" and "Employment Service Act." Internal work rules and personnel policies have been created based on the principles below.

Three Main Principles



Meanwhile, the Company also takes steps to ensure that all overseas locations (including branches, offices and preparatory offices) are able to comply with local labour regulations and set reasonable work terms to protect the rights of local employees.

Supplier Management Policies

Suppliers' contributions to our corporate social responsibility is an important point of consideration during our selection process. To strengthen suppliers' efforts to fulfil their corporate social responsibilities, the Company is taking a systematic approach and has formulated "Supplier Management Regulations". To implement sustainable supplier management, the Company follows our "Supplier Maintenance & Management Guidelines" to categorize and rate suppliers based on the content and amount of purchase each year. Suppliers also sign a "Supplier Commitment Statement".

Management Policies

Supplier Management Regulations	Supplier Maintenance & Management Regulations	Supplier Commitment Statement
<p>Selection principles:</p> <ul style="list-style-type: none"> • Localization • Labor assessment • Impact assessment • Moral standards • Risk management... 	<p>Eligible suppliers have to meet one of the following criteria:</p> <ul style="list-style-type: none"> • Certified for ISO or other quality assurance systems of equivalent nature; • Is legally registered; • Having developed sound reputation in the business, is highly willing to accommodate the Bank's needs, and delivers good service quality; • Is the designated supplier, given the specifications of the procurement involved; • Having produced a sample that passed requirements; • Having passed an on-site inspection. 	<ul style="list-style-type: none"> • Corporate ethics and integrity • Risk management • Labor and human rights • Public welfare and environmental protection • Continual implementation • Scope of Application

Supplier Management Regulations

The Supplier Management Regulations ("the Regulations") have been established to ensure that suppliers comply with and fulfil corporate social responsibilities to the benefit of the stakeholders. The Regulations apply to all suppliers of the Company and its subsidiaries.

When selecting suppliers, the Company and its subsidiaries shall evaluate the supplier against the following items:

- I. Child labour.
- II. Forced labour and human trafficking.
- III. Compliance with regulations concerning working hours and remuneration.
- IV. Non-discrimination and anti-harassment.
- V. Freedom of association and collective bargaining.
- VI. Existence of rules related to health and safety.

Supplier's Commitment Statement

The Company has included "Supplier Commitment Statement" as part of the contract, which is to be signed whenever a contract is renewed or newly established. The statement outlines suppliers' commitment to issues such as corporate social responsibility and protection of basic human rights.

Human Rights Policy

To control human rights supervision and improve supplier management, the Company has designed a supplier human rights risk questionnaire based on Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, ISO 26000, International Labour Organization, Social Accountability 8000, Code of Conduct of Responsible Business Alliance (RBA), and ISO 27001-Information Security System requirements pertaining to financial industries to serve this purpose.

Supplier Training

The Company provides training through supplier conferences where we will exchange experience with suppliers and convey our attention to human rights issues in greater depth.

Customer - Equator Principles

The Equator Principles is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence and monitoring to support responsible risk decision-making.

Taishin International Bank Co., Ltd. is a member of the Equator Principles Association and follows the Equator Principles to review its credit facility cases so as to urge its customers envisaging the potential risks or negative impacts of the environment and society.

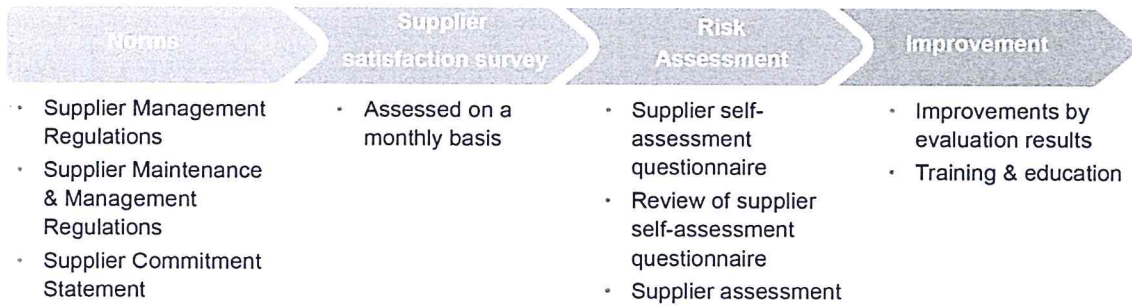
Since 2015, the Bank has adopted the spirit of the Equator Principles for project financing cases/project-related financing cases, established an audit evaluation mechanism, and disclosed the results in the Corporate Social Responsibility (CSR) report.

The Bank will establish a project financing credit system that is more in line with international standards, and continue to pay attention to the international sustainable development trend, and make a more positive contribution to corporate social responsibility by the financial profession.

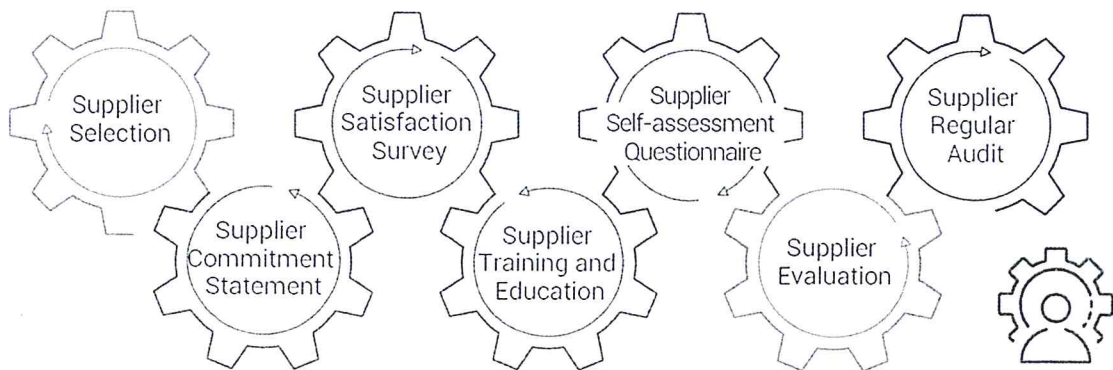
Describe how the reporting entity assesses the effectiveness of such actions

Supplier Evaluation

The Company will also perform annual supplier assessments and request improvement from suppliers based on the outcome of those assessments.



To implement sustainable supplier management, the Company follows our "Supplier Maintenance & Management Guidelines" to categorize and rate suppliers based on the content and amount of purchase each year.



Supplier Satisfaction Monthly Evaluation Form

The “Supplier Satisfaction Monthly Evaluation Form” is used for audits and annual supplier evaluations.

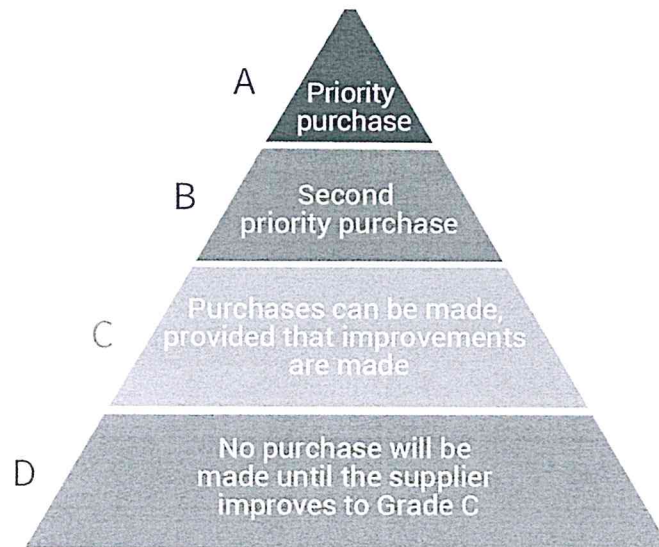
Supplier Self-Assessment Questionnaire

To understand the efforts made by suppliers on related issues, the Company developed a questionnaire to survey major suppliers on this topic in 2018. The Company performs supplier assessment and requests improvement from suppliers based on the outcome of assessments to ensure risk reduction and effective control.



Supplier Assessment

The Company follows our "Supplier Maintenance & Management Guidelines," to categorize and rate suppliers based on the content and amount of purchase each year. Suppliers with rating of C will be instructed to make improvements, and suppliers with rating of D will have purchase orders suspended until improvements are made and their rating changed back to C.



Supplier Human Rights Survey

The Supplier Human Rights Risk Assessment includes Human Rights Policy, Information Protection, Health and Safety, Management System and Practices, Workplace Diversity and Management Performance.

In 2019, suppliers that scored below 80 were defined as high-risk suppliers. Risks presented by suppliers mainly involved: failure to pass certification for ISO 27001 - Information Security System, absence of statistics on disabling injuries and absence in hiring indigenous people/persons with disability.

The Company convened its first supplier conference in 2019 as a way to enforce its supplier management system. During the conference, suppliers were briefed on corporate social responsibilities, market trends, Company policies, and its emphasis on sustainability issues such as occupational safety, human rights, environmental protection and information security. The purposes of this conference was to guide suppliers toward making continual improvements, and help them set short/medium/long-term goals that not only apply to themselves, but influence the society as a whole. Through coordination with business partners, the Company contributes toward sustainability and fulfils its duty as a corporate citizen.

CSR Committee

For the purpose of managing corporate social responsibility (CSR) initiatives, the Company establish a dedicated CSR unit that is in charge of proposing and enforcing the corporate social responsibility policies and systems of the Company. The President of Taishin Financial Holdings Co., Ltd. serves as chairman of the CSR Committee, the CFO and President of the Bank serves as vice-chairmen, while representatives from various business groups/subsidiaries/foundations serve as executive members. The Committee is responsible for establishing CSR strategies and goals, examining annual CSR plans, and reviewing each CSR projects and their results.

The CSR Committee meet at least twice a year and may hold a meeting at any time if necessary. The CSR Committee held 3 meetings in 2019 with issues including 2019 CSR plans, the materiality matrix, strengthening risk culture awareness and signing the Equator Principles. The Committee presents performance reports and major plans to the board of directors. The chairman and executive members are invited to participate in regular board meetings, during which they may communicate with the board CSR-related issues.

CSR Report

The Corporate Social Responsibility Report ("the CSR Report") is produced in accordance with the AA1000AS (2008) Type II moderate level by British Standards Institution Taiwan Branch (BSI Taiwan). The report has also been structured based on the IR framework stipulated by the International Integrated Reporting Council (IIRC). The Taishin Financial Holding Co., Ltd. CSR Report is publically available on our website.

Information of the CSR Report is publically disclosed in accordance with core options of Global Reporting Initiative's sustainability reporting standards (GRI Standards), the Financial Services Sector Supplement, "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies," and policies or guidelines of relevant authorities.

We believe that along with the pursuit of profit, companies must also consider long-term sustainable development. While demonstrating our profitability through financial reporting, we transparently report Environmental, Social, and Corporate Governance relevant efforts and achievements through our annual corporate social responsibility (CSR) report. The Company is dedicated to upholding human rights and will continue to provide training, exchange experience with suppliers and convey our attention to human rights issues in greater depth, and invite them to join our cause.

Yours sincerely,



CHUN-MING (Steven) CHANG
Senior Officer Outside of Australia
Taishin International Bank Co., Ltd.

This statement was approved by Chun-Ming (Steven) Chang in his role as principal governing body of Taishin International Brank Co., Ltd. Brisbane Branch on 28 of June 2021