

MODERN SLAVERY STATEMENT

Bank of Taiwan

Financial year ending 31 December 2023

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

This modern slavery statement ('Modern Slavery Statement') has been prepared by the Australian branch of Bank of Taiwan (ARBN 608 940 718) on behalf of Bank of Taiwan ('BOT' or 'we' or 'our') in pursuant to the Modern Slavery Act 2018 (Cth) (the 'Act').

This Modern Slavery Statement refers to the financial year period between 1 January 2023 to 31 December 2023 ('reporting period').

Identification of Reporting entity

BOT is a reporting entity for the purpose of the Act. This is because it has a consolidated revenue of at least AUD100 million during the reporting period and is a foreign entity carrying on business in Australia.

BOT structure, operations and supply chains

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.

Being one of the largest banks in Taiwan and headquartered in Taipei, BOT employs over 8,103 staff (both domestic and overseas) and holds a vital position within the Taiwanese banking system. Our main business operations offers both retail and commercial banking products and services including issuance of New Taiwan dollar currency, deposits handling for the military and civil servants' retirement funds. We have 163 branches in Taiwan, a single offshore banking branch, 12 overseas branches/sub-branches and 10 overseas representative offices.

Our Australian branch in Sydney (the 'Sydney branch') has 14 staff including 6 Taiwanese expatriates. The Sydney branch's business is focus mainly on wholesale banking, syndication lending, investments in securities and bonds and money market deposits.

Supply Chains:

BOT operates its global business spanning across five continents - Europe, North America, Asia, Australia and Africa. Given the geographic spread, the network of our supply chain (which consists of first tier suppliers) for each of our overseas branches are diverse and involves mainly procuring products and services for operating our offices and support for our staff.

Similarly, our Sydney branch is in the banking industry and operates primarily within an office environment. During the reporting period, their supply chain comprised of reputable first tiered suppliers providing basic services such as information technology, communications, property management (including cleaning services), utilities and stationary supplies.

Furthermore, the arrangements between our Sydney branch and its suppliers (domestic and overseas) consists of a combination of medium and large firms established with long and

short-term contractual relationships. We also require that all of our suppliers comply with respective local labour laws, principles of basic human and worker's rights, environmental protection, and occupational health and safety.

Risks of modern slavery practices in our operations and supply chains and any entities BOT owns or controls

In all the overseas jurisdictions which we have established an operational presence, our risk of exposure to modern slavery practices is considered low to moderate risk. This is based on the Global Slavery Index Report 2023¹, which listed the countries BOT has its global operations.

Furthermore, based on nature of services acquired from our suppliers, there is limited opportunity our operations would cause, contribute to, or directly linked to modern slavery and/or human trafficking practices. This is because the arrangements with our first tiered suppliers are contracted directly in meeting the needs of our banking operations.

However, we do acknowledge there are potential risks that some of our suppliers could unknowingly and be inadvertently engaged in some form of unacceptable modern slavery practices beyond Tier 1 suppliers (e.g., Tier 2 suppliers etc.).

Therefore, our Sydney branch's mitigating approach during the reporting period, was to undertake an assessment based on the locality and industry of our suppliers to identify and address any potential risks within the high-risk sectors facing our banking business. From this we identified both information technology and property management (e.g., cleaning services) are potential vulnerable areas.

Actions taken by BOT to assess and address these risks including due diligence and remediation processes

Being a regulated and wholly government owned bank, BOT maintains ethical responsibilities in protecting international human rights, and this aligns with the Taiwanese Government's support on the principles of human rights in which it has adopted two international human rights treaties:

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

BOT does not tolerate any form of worker's exploitation within its workplace and/or supply chains (both domestically and overseas) that would infringe worker's rights. This is formally documented in our Overseas Branch Personnel Administration Rules and respective Employment Manuals of our overseas branches.

In Australia, our Sydney branch is cognisant with its responsibilities under the Act. Over the reporting period, it has undertaken the following due diligence measures of its supply chain that are potentially vulnerable:

- Engaged with supply chain suppliers to understand their stance and our expectations on addressing modern slavery risks to ensure transparency and on-going collaboration.
- Review and revisit each respective supplier's contracts and terms of business:
 - to ensure appropriate clauses are in place to address modern slavery and human rights principles.
 - obtain copies of supplier's annual modern slavery statements for further verification.

¹ <https://www.walkfree.org>

- ensure compliance with local labour laws (State & Federal) including protection of basic human and worker's rights, environmental protection, and occupational health and safety.
- if required, undertake appropriate remediation process of any concerns relating to risk of modern slavery practices. Failure from this could potentially lead to possible termination with the relevant supplier(s) resulting in exclusion from participating in future procurement processes.

Further, the Sydney branch also maintains the following policies and procedural manuals to support our commitment in mitigating incidences of modern slavery practices:

- *Employment Manual* - compliance with employment standards and workplace protections under the *Fair Work Act 2009*
- *Code of Conduct & Whistle-blower policy* - deal with staff misconduct and/or unethical behaviour and ability to disclose reportable conduct without fear of reprisals under the protection of *Corporations Act 2001*
- *Anti-Money Laundering policies* - recognising modern slavery may be subject to money laundering activities
- *Compliance policy* - outlined our obligations under the Act (e.g., maintain an annual modern slavery statement).

In addition, BOT requires all its staff (local and domestic) to undertake on-going training (i.e., refresher or enhanced) annually. This is to raise awareness that any inappropriate behaviour, potential violation of human rights, suspicion of money laundering activities and any forms of modern slavery activities, staff are required to report and escalate their concerns to senior management.

Assessing BOT's effectiveness of actions undertaken

The success of BOT's overall strategy is driven by the existence of an effective compliance and risk management frameworks including those at our overseas branches. This also forms the basis of monitoring modern slavery and human rights risks, and the effectiveness of its on-going evaluation is based on satisfactory assessment in meeting its due diligence KPIs including remediation process (if required) undertaken.

During the reporting period, our Sydney branch continues to instil awareness amongst our branch staff to ensure appropriate moral and ethical standards in performing their duties are maintained. For instance, aspects of modern slavery are included in the mandatory compliance self-assessment training that is held biennially and reported to BOT.

Consultation process with any entities BOT owns or controls

BOT maintains a significant number of branch and representative offices in overseas jurisdictions. Because of this, BOT regularly consults with all its overseas operations to ensure their respective policies and procedures, are not only subject to compliance with local regulatory requirements, but are also consistent with the policies and procedures mandated by BOT.

Where required, the Sydney branch will consult with other overseas branches in aligning our respective policies and procedural manuals with BOT requirements. This consultation process will however continue to evolve due to unexpected changes in legislations and external regulatory environment in each of our overseas operations.



Other relevant Information

BOT recognises that modern slavery and human rights issues are challenging, complex and evolving in nature. Notwithstanding this, BOT will continue 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 annually 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 Jiaw-Sen Suen.

The statement was approved by Mr I-Lin Chen 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 Jiaw-Sen SUEN

General Manager
BANK OF TAIWAN
Sydney Branch

Date: 08 May 2024

Mr I-Lin CHEN

Senior Officer Outside Australia
BANK OF TAIWAN

Date: 22 May 2024