

China Construction Bank Sydney Branch

(Accordance with the Modern Slavery Act 2018)

Introduction

This statement is made by China Construction Bank Sydney Branch (hereinafter referred to as “CCBS”, ARBN: 125167553, AFSL: 377293) as the reporting entity under the Australian Modern Slavery Act 2018 (the Act). CCBS is committed to improving its local practices to identify, mitigate and combat modern slavery.

Our structure, business and supply chains

CCBS is a branch of China Construction Bank (CCB) in Australia. The branch was registered in Australia on 14 June 2007 and has held an Australian Financial Services License issued by the Australian Securities and Investments Commission (ASIC) since 20 September 2010. The Australian Prudential Regulatory Authority (APRA) approved CCBS as a foreign authorised deposit-taking institution in August 2010.

CCBS had a staff of 122 as at 31 December 2021. It provides financial services (including corporate banking, trade finance, financial market business and private banking) to wholesale clients. CCBS is located in Sydney, with three sub-branches located in Melbourne, Brisbane and Perth.

Supply chains are in place to support the CCBS operation, including third-party banking services, property leasing, transport, accommodation, office equipment and IT services, and professional services (consulting, audit arrangements, legal and recruitment services).

Modern slavery risk and policy

CCBS considers the risk of modern slavery being present in its own operations as low. Nevertheless, we are acutely aware of the potential risks that may arise from our relationship with customers, suppliers and other third parties. As part of our risk management framework, we have policies that require compliance with regulation and legislation, including those relating to the risk of modern slavery. Under such policy framework, CCBS has put processes in place to identify, monitor and mitigate risk. Further

details as to the initiatives CCBS takes to prevent or mitigate the risk of modern slavery are as follows:

Human Resources

CCBS human resource policies include a code of conduct, whistleblowing policy, reputational risk policies, an employee handbook, and human resource standards in response to legislative and regulatory expectations.

Procurement

CCBS has Centralised Procurement Management policies, procedures, methods, and operating processes, which provides the foundation for selection and management of suppliers. Based on internal assessment criteria (including cost, impact of supply disruption, potential losses from service failure and reputational impacts), CCBS currently has three material suppliers including IT services, the Disaster Recovery site and outsourced internal audit function. Each of the material suppliers has been assessed as reputable, based on current regulations and legislation, including the modern slavery requirements. While material supplier arrangements are subject to enhanced levels of scrutiny, CCBS expects all its suppliers to comply with regulations and legislation.

Modern Slavery Policy

A CCBS Modern Slavery Policy was implemented in 2021. This Policy provides the principles and requirements for monitoring and applying the modern slavery obligations, mitigating modern slavery risk in operations and supply chains, and promoting a culture of transparency and integrity. The Policy strictly prohibits any activities defined as modern slavery by the Act, directly or indirectly.

Actions in connection with modern slavery risk and the effectiveness of actions

Human resources

CCBS "people" include employees and contractors. We have abided by legal requirements (prior to the first reporting period) in the recruitment, retention and employment of our people to address potential modern slavery risk, specifically by:

- Following legal requirements in the recruitment and on-boarding process;

- Conducting reviews on our prospective employees prior to on-boarding, including during the selection process, background checks and employment references;
- Recruiting and developing our people based on merit and capability, and promoting a positive culture of integrity;
- Having a code of conduct that defines the responsibility of our people to conduct themselves with a high degree of integrity and that sets the minimum standards of expected (and acceptable) behaviours; and
- Providing a whistleblowing procedure to encourage the reporting of incidents of misconduct or impropriety.

Business Relationships (Customers, Suppliers, and other third party arrangements)

When developing business relationships, reputation is a primary consideration of CCBS. If a business relationship is identified as having a heightened risk to modern slavery (for instance when CCBS determines that certain industries or jurisdictions have higher modern slavery risk), CCBS conducts enhanced due diligence before entering into the relationship. We:

- Undertake an enhanced level of due diligence for on-board suppliers that are deemed material in our admission process. Before entering into cooperation with any supplier or third party, CCBS takes measures to make sure that we share similar values, ethics and controls to prevent modern slavery risk; and
- Undertake due diligence and monitoring activities in compliance with CCBS's policies and procedures to identify, manage and mitigate the risks when entering into a business relationship with a customer, supplier or other third party. Enhanced due diligence will be undertaken where modern slavery risk is identified.

Overall Assessment of Effectiveness

CCBS reviews modern slavery measures on an ongoing basis and provides a yearly Modern Slavery Statement. Key actions include:

- Reviewing policies in connection with modern slavery to reflect key requirements for the identification, mitigation and reporting of such risks;
- Reviewing whistleblower reports to identify concerns that may be related to modern slavery;
- Implementing policy requirements in connection with operations and supply chains;

- Addressing modern slavery concerns when they emerge and considering whether any policy or process changes are needed to address relevant systemic issues;
- Learning from best market practice on modern slavery measures and address legislative changes;
- Assessing the attendance at relevant trainings and monitoring the involvement in community standards;
- Responding to government agencies on the lodgement of statements; and
- Consulting, approving and lodging the annual statement on a timely basis.

Training

Modern slavery training is provided annually to all CCBS staff. The training program relating to modern slavery is updated and developed based on annual plans. The most recent modern slavery training was conducted in October 2021.

Reporting Period 1/1/21 to 31/12/21

- No instances of modern slavery were identified in CCBS's direct operations or wider business relationships for the period;
- Throughout the CCBS risk assessment process, including enhanced due diligence and ongoing monitoring, no modern slavery instances were identified;
- No whistleblower events associated with modern slavery were raised; and
- No other sources of information have identified modern slavery risk within the reporting period.

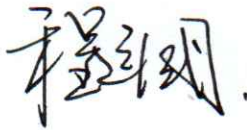
CCBS will continue to improve its identification, management and mitigation of the risks associated with modern slavery.

Consultation

CCBS closely communicates with all its sub-branches to continuously optimise business processes and improve modern slavery risk control measures.

Approval

This statement was approved and signed by Mr. Cheng Yuanguo in his role as the principal governing body of the China Construction Bank Sydney Branch (Senior Officer Outside Australia - SOOA).



Cheng Yuanguo
Senior Officer Outside Australia (SOOA) of China Construction Bank
Sydney Branch
23 June 2022