



Modern Slavery and Human Trafficking Statement 2021

This statement is made pursuant to the Modern Slavery Act 2018 constitutes our slavery and human trafficking statement for the financial year ending 31 December 2021.

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Identification of the reporting entity

This is the 'Modern Slavery Statement' that has been prepared by the Australian Branch of Hua Nan Commercial Bank Ltd ARBN 138 221 637 (**Australian Branch of Hua Nan Bank**) in accordance with the requirements placed on 'reporting entities' by the *Modern Slavery Act 2018* (Cth) (**the Australian Modern Slavery Act**). In preparing this statement, we have followed the rules from Hua Nan Financial Holdings Co., Limited (**Hua Nan Holdings**), the ultimate controlling entity of the Australian Branch of Hua Nan Bank, as well as with Hua Nan Bank head office in Taipei (**Hua Nan Bank**). Collectively, all Hua Nan entities – Hua Nan Holdings, Hua Nan Bank and related entities are referred to as the 'Hua Nan Group'.

As Hua Nan Bank has a reporting year ending on 31 December, this 'Modern Slavery Statement' is prepared for the period 1 January 2021 – 31 December 2021 (**Reporting Period**).

Description of the reporting entity's structure, operations and supply chains

Hua Nan Bank is a banking and financial service institution with its head office located in Taipei, Taiwan. It is a wholly-owned subsidiary of Hua Nan Holdings.

During the Reporting Period, Hua Nan Bank had 186 branches in Taiwan, 12 foreign (offshore) branches, 1 sub-branch, 3 representative offices and 1 subsidiary.¹

Hua Nan Bank employs over 7,900 staff globally and has paid up capital of NT\$90,767million (circa AUD4.5billion) as at 31 December 2021. In Australia, the Australian Branch of Hua Nan Bank has an office in Sydney which employs 19 staff.

Hua Nan Bank is a full service commercial bank offering a wide range of products including:

- Deposit products;
- Loan products;
- Trade Finance;
- Remittance services;
- Wealth Management Advice; and
- Treasury services including issuing and dealing in:

¹ Overseas operations of Hua Nan Bank include Australia, China, US, UK, Hong Kong, Philippines, Singapore, Vietnam, Macau, Thailand, and Myanmar.

- Foreign exchange
- Derivatives and
- Securities

The Australia Branch of Hua Nan Bank provides its wholesale clients (as defined in the *Corporations Act, 2000 (Cth)*) with the following products and services:

- deposit products;
- payment services;
- foreign exchange; and
- derivatives.

The Australian Branch of Hua Nan Bank also provides syndicated and commercial loans to its customers. These loans are not regulated by the *National Consumer Credit Protection Act, 2009 (Cth)*.

During the Reporting Period, Hua Nan Bank engaged a supply chain of approximately 102 suppliers. In Australia, these suppliers included companies who provided services such as:

- Communication and technology;
- Office related services including leasing, cleaning and security;
- Professional services including legal, audit, tax accounting, and property valuations;
- Services provided by training organisations; and
- Other financial services including those provided by other banks and financial institutions.

Description of the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

Hua Nan Bank takes a zero tolerance approach to modern slavery and human trafficking and has always sought to ensure that our suppliers have similar values, including values relating to modern slavery and other human rights.

Therefore, as a regulated financial services institution in all jurisdictions in which we operate, Hua Nan Bank considers that the risk of directly engaging in modern slavery practices is low. Hua Nan Bank's supply chains are relatively simple and Hua Nan Bank considers that, due to the nature of goods and services we acquire from our suppliers, there is limited opportunity for modern slavery and/or human trafficking practices to occur.

Hua Nan Bank acknowledges that it is important that we develop a specific policy and appropriate procedures to address the risk that one or more of our suppliers engages in unacceptable modern slavery practices. One of Hua Nan Bank's key values is "respect for people". This means Hua Nan Bank does not tolerate slavery, human trafficking, child labour, domestic servitude or workplace abuse. It also means that we have in place a specific policy and appropriate procedures to address the risk that one or more of our suppliers engages in unacceptable modern slavery practices.

Additionally, in accordance with International Bill of Human Rights, Hua Nan Holdings has stipulated its Corporate Social Responsibility Best Practice Principles.

The Australian Branch of Hua Nan Bank reviewed the risks that we face in our local supply chain, having regard to the:

- location of our suppliers; and
- the industries in which our suppliers operate

Description of the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes

The Hua Nan Group is aware of a number of risks of modern slavery practices that may be faced, and therefore Hua Nan Holdings has developed policies to provide the group with a clear path to manage the risk of inadvertently engaging in modern slavery practices.

As part of the established framework, Hua Nan Holdings is responsible for developing the group's 'Supplier Code of Conduct' which ensures that only reputable suppliers are engaged. The group requires all of our suppliers to comply with labour regulations, basic human rights of labour and the ban on the use of child labour and to sign the Supplier Code of Conduct.

In Australia, in order to ensure that our non-tolerance of modern slavery and other human rights issues are also upheld by our suppliers, all major suppliers, and those who we determine may pose a higher risk of engaging in modern slavery practices, are required to confirm that they also comply with the Australian Modern Slavery Act. We will terminate any relationship that we have with a supplier if that supplier has not complied with their obligations under the Australian Modern Slavery Act.

We manage the risks that we may face in relation to Modern Slavery issues in accordance with a number of policies and due diligence processes which support our approach to ensuring that we do not engage in, and do not engage suppliers who engage in modern slavery practices.

At a group level, the relevant principles, policies and processes include:

- Hua Nan Holdings' 'Corporate Social Responsibility Best Practice Principles' which provides the framework of the business standards and cultural expectations of the group;
- Hua Nan Holdings' 'Code of Ethical Conduct' which further sets out rules and social responsibilities which our staff must observe;
- Hua Nan Holdings' 'Human Rights Policy' which strictly prohibits employing children, using forced labour or engaging in other modern slavery practices;
- Hua Nan Holdings' 'Corporate Governance Best Practice Principles'; and
- Policies which have been adopted by Hua Nan Bank, branches, subsidiaries and representative offices globally:
 - Anti-Money Laundering and Know Your Customer policies and procedures;
 - Human resources policies and procedures; and
 - Whistleblowing policies and procedures.

At a local perspective, the Australian Branch of Hua Nan Bank, also has the following policies to support our commitment not to engage in, and not to engage suppliers who engage in modern slavery practices:

- AML/CTF Program (Part A);
- Staff Handbook;
- Outsourcing Policy; and
- Credit Policy Manual and Credit Procedure Manual.

In recognition of the importance that Hua Nan Bank places on ensuring that neither we nor our suppliers engage in modern slavery or other human rights abuses, the above policies and procedures are reviewed annually and updated on an on-going basis.

Hua Nan Bank has also implemented relevant and ongoing training to all areas of our business to ensure that our staff are aware of our policies, can identify any modern slavery practices that they may encounter and notify management as required. The Australian Branch of Hua Nan Bank provided training on modern slavery to all staff. This training was compulsory.

Description of how the reporting entity assesses the effectiveness of these actions

Hua Nan Bank continues to adopt the following indicators to show and evaluate the effectiveness of managing the risk of slavery and human trafficking:

- our assessment of our suppliers, including our standard contractual provisions for contracts with significant suppliers to ensure that we mitigate the risk of a supplier engaging in slavery and human trafficking practices;
- our on-going training of staff and constant review of our policies and procedures;
- our continued advocacy of the Australian Modern Slavery Act and relevant policies; and
- ensure that Hua Nan Bank pays all staff a reasonable wage plus benefits.

Hua Nan Bank undertakes an on-going evaluation of the results from these key indicators.

Describe the process of consultation with any entities the reporting entity owns or controls

As a branch of Hua Nan Bank, the Australian Branch regularly consults with Head Office which acts as the co-ordinating body to ensure that all of our policies (and those of other Hua Nan Bank entities) are consistent with the policies and procedures mandated by the group.

Any other relevant information

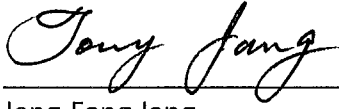
Due to the impact of COVID-19 over the past years, the Australian Branch of Hua Nan Bank has been impacted like most banks/organisations across the globe. We will continue to identify, assess and address modern slavery risks (if any) that are relevant to us.

Approval

This statement covers the financial year 1 January 2021 to 31 December 2021.

It was approved by the Board of Directors of Hua Nan Bank on 2 June 2022, and has been signed on behalf of the Board by the President Jeng-Fang Jang and General Manager of the Australian Branch of Hua Nan Bank, Billy Yang.

Signed



Jeng-Fang Jang
President
Hua Nan Commercial Bank, Ltd

Signed



Billy Yang
General Manager of Sydney Branch
Hua Nan Commercial Bank, Ltd