

## MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2022

This Statement is made pursuant to Section 54 of the Modern Slavery Act 2015 of the United Kingdom and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2022.

### Introduction

Hua Nan Commercial Bank Limited (the “**Bank**”, “**we**” or “**our**”) is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

We are aware of the need for industry and governments to work together to address the presence of modern slavery and human trafficking. We take our responsibilities very seriously and wish to work with our suppliers to ensure positive labour standards across all of our supply chains.

This statement sets out the steps that the Bank has taken to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

### Our Business

The Bank is a wholly owned subsidiary of Hua Nan Financial Holdings Co Limited (TWSE:2880). The Bank provides commercial banking products and services in Taiwan and internationally, and is incorporated and headquartered in Taipei, Taiwan. We have around 7,900 staffs. In Taiwan, we have 186 branches and an offshore banking unit. Additionally, we

have 12 overseas branches, including Los Angeles, New York, Hong Kong, Singapore, London, Ho Chi Minh City, Sydney, Shenzhen, Shanghai, Fuzhou, Manila, and Macao. Furthermore, there are 1 overseas sub-branch in Shenzhen, China and 3 overseas representative offices in Hanoi, Vietnam and Yangon, Myanmar and Bangkok, Thailand respectively.

Our supply chain includes suppliers from the following sectors: Information, Communication and Technology; Property Services (including Facilities Management, Utilities, Contractor, Cleaning, Waste Management and Security); Consulting Services; and Office Supplies.

### **Policies and Principles**

One of the Bank's key values is "respect for people". The Bank does not tolerate slavery, human trafficking, forced or child labour, domestic servitude, and workplace abuse.

In accordance with International Bill of Human Rights and local regulation, Hua Nan Financial Holdings Co Limited has stipulated Sustainable Development Best Practice Principles which the Group, including the Bank, shall comply with the internationally recognized human rights of labour, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labour, eliminating all forms of forced labour, eliminating recruitment and employment discrimination, and ensure that our human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in recruitment and employee welfares.

In addition to anti-slavery and anti-human trafficking, we also support other human right issues by reviewing our policies and complying with the local regulations. Those issues include the control of employees' working hours, anti-sexual harassment, occupational safety and health, anti-violence, anti-money laundering and information security. With respect to human rights, we aim at creating a fair workplace.

We continue to request our suppliers to sign our corporate social responsibility commitment letter before entering a contract and make good relationships with our suppliers to reduce the modern slavery and human trafficking risks.

## **Due diligence processes**

In order to identify and mitigate potential risk, we have conducted the following procedures:

1. Human right due diligence: The Bank has periodically undertake human rights due diligence, which is a risk management tool, to help it identify, prevent, mitigate and account for how it address actual and potential adverse human rights impacts in its own operations, its supply chain and other business relationships.
2. Supplier human rights due diligence: We have categorised suppliers into different groups based on our risk assessment and established different supplier management strategy and mechanism. We plan to track human rights risk through human rights terms in contract and audits in suppliers' operation sites randomly.

## **Risk management**

As for suppliers management, we assess the impact suppliers' procurement has on society as well as the environment of the community that they are procuring from before entering a contract with them. In addition, the content of our contracts with suppliers includes terms stipulating mutual compliance with corporate social responsibility policy, and suppliers are requested to sign a corporate social responsibility commitment letter. Moreover, the contract may be terminated or rescinded any time if the supplier has violated such a policy and has caused significant negative impact on the environment and society of the community of the supply source.

Based on our supplier and employee survey, we are not aware of significant modern slavery and human trafficking risk. However, from a risk management perspective, we carefully inspect our supply chains and operation and establish controls to prevent modern slavery and human trafficking from happening.

## **Training**

Our employees undertake anti-money laundering and sexual harassment prevention training on an annual basis. In addition, employees are required to undertake Modern Slavery and

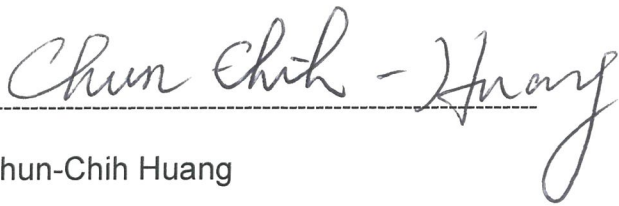


Human trafficking Act training and all have finished this training course in June 2022. We also provide periodic training courses to all new employees.

### **Approval**

This Statement was approved by the Board of Directors on 19 May 2023 and has been signed on behalf of the Board of Directors by Director and President Chun-Chih Huang and General Manager of London Branch Yi-Hsin Huang.

Signed



Chun-Chih Huang

Director and President

Hua Nan Commercial Bank Limited

Signed



Yi-Hsin Huang

General Manager of London Branch

Hua Nan Commercial Bank Limited