

## **Slavery and Human Trafficking Statement for year ended 31.12.2022**

In accordance with the legislative requirements passed in the UK under the Modern Slavery Act 2015, the following Slavery and Human Trafficking Statement is issued by Bank of Taiwan London Branch (the "Branch") for the year ended 31.12.2022.

The Government of Taiwan supports the principles of human rights and has adopted 2 international human rights treaties. Bank of Taiwan is wholly owned by the Government and is guided by the Government principles. This statement outlines the steps taken by the Branch, which we believe mitigate the potential risk of modern slavery occurring in our business and supply chains.

### **1. Bank of Taiwan structure and business**

Bank of Taiwan is a commercial bank incorporated in Taiwan under the laws of the Republic of China. The Bank consists of a branch network in Taiwan together with an Offshore Banking branch and 11 other overseas branches including London.

The Branch activities focus on wholesale banking, participation in syndicated loans, own investment in securities and bonds and money market deposits. There is also a small volume of cross border payments undertaken as a service for other overseas and domestic branches of the Bank in Taiwan. The supply chains to the London Branch consist of normal office supplies and services with the majority of suppliers being located in the UK. All branch activities are conducted from a single office located in London.

### **2. Slavery and Human trafficking policy**

The Branch is committed to understanding the offences of modern slavery including slavery, servitude, forced or compulsory labour and human trafficking to ensure that there is no modern slavery in its business or supply chains. The Branch is guided by the Statutory Guidance for England and Wales (under s49 of the Modern Slavery Act 2015) issued by the Home Office.

The Branch will terminate any relationship with a business partner or supply chain where it is evident or identified as part of the Branch due diligence processes described below, that there is involvement in any offence under the Modern Slavery Act.

The Branch recognises that the proceeds of modern slavery will ultimately be part of money laundering operations by organised crime gangs. The Branch has detailed anti-money laundering policies and procedures to prevent the processing of the proceeds of crime and for the reporting of suspicious transactions, which can help in disrupting crime and the exploitation of vulnerable persons.



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Branch staff are required to demonstrate and maintain appropriate moral and ethical standards in the performance of their duties. Staff are required to report any transactions where there is a suspicion of money laundering or the processing of criminal proceeds, which includes any form of modern slavery offence in the UK including labour exploitation, domestic servitude, sexual exploitation or criminal exploitation. In particular staff are informed to look out for certain industries, where modern slavery may be more prevalent such as construction, agriculture and fishing.

Bank of Taiwan is committed to respecting the human rights of its employees as demonstrated in the employment policies and practices, which enable employees to terminate employment subject to standard notice periods and places no restrictions on freedom of movement or freedom of association. The Branch ensures that its employees can work in a safe and professional environment free of violence, intimidation, discrimination, victimisation or differential treatment or harassment in any form. The Branch will never require compulsory overtime or use child labour for any task. Employees have recourse to specific internal processes to raise any issues or concerns that they may have and to find remedies.

The Branch ensures that its remuneration policy is in line with legal requirements and that it is competitive, which is important in our ability to recruit and retain staff. All staff are hired directly from the UK market or are expatriates transferred to the Branch from Head Office. The Branch is required to meet Home Office standards in the employment of its staff and preventing illegal working. The Branch will never retain identification documentation, which it may request sight of as part of its normal business operations.

### **3. Due Diligence processes**

The Branch is aware of its responsibilities under the Modern Slavery Act 2015 and undertakes due diligence checks as follows:

a. Suppliers. Third party supplier contracts or terms of business are checked to ensure that there are clauses present to address modern slavery, the human rights of employees, agents and supply chains, as appropriate. The Branch will not deal with any company or supplier where there is a potential risk of modern slavery. Bank of Taiwan is a State-Owned Enterprise of Republic of China (Taiwan) and is, therefore, required to follow Government Procurement Act and related regulations and to vet each supplier in conducting any procurement. No organisation in the Branch's current supply chain is considered to be involved in modern slavery.

KPI: all third-party contracts have been checked for modern slavery terms.





The Head Office of Bank of Taiwan provides IT and Management Services to the Branch under a service level agreement. The service level agreement contains undertakings by the Bank to comply with requirements of the Modern Slavery Act.

b. Products and customers. Bank of Taiwan has various policies and procedures designed to prevent the Bank's products from being used for improper purposes, including anti-bribery and corruption, anti-money laundering and counter terrorist financing (modern slavery may underlie any of these crimes). The Branch will identify customers, corporations and financial institutions, which present a higher risk of financial crime, corruption or involvement in human trafficking. Due diligence processes include examination of modern slavery statements (where applicable), policies on corruption, anti-money laundering, counter terrorist financing and human rights. The Branch also checks for adverse media on all customers to identify financial crime or modern slavery failings.

KPI: modern slavery due diligence has been undertaken on all applicable customers.

c. Anti-money laundering/Proceeds of Crime. The Branch has specific policies and procedures for undertaking customer due diligence and obtaining Know Your Customer information. In processing payments the Branch utilises software which checks payments against predefined parameters and produces reports on transactions requiring further due diligence. The Branch has processes in place to examine such transactions, to understand the purpose and the business relationship of the parties involved and to obtain appropriate further evidence. Any payment to a business type commonly used for exploitation will be examined more closely. In this way the Branch may identify suspicious transactions and report them as appropriate.

KPI: all suspicious transactions have been checked for modern slavery risk.

#### **4. Senior Management responsibilities and training**

The senior management of the Branch is responsible for ensuring the appropriate attention and resources are provided within the Branch to ensure that slavery and human trafficking is not taking place within any of its business dealings or in its supply chain.

All staff are required to take online training and tests annually on topics including Culture and Ethics, Financial crime, Money Laundering and Countering bribery and corruption. Each member of staff has a responsibility to raise any concerns relating to the requirements under the Act and the identification and reporting on human rights issues in their normal business dealings with any business partner. Branch employees should report any queries and concerns to the Branch Nominated Officer.

KPI: all members of staff have completed their individual training targets.



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## 5. Risk Assessment

The Branch is committed to having in place appropriate measures to prevent modern slavery in any of its business dealings or supply chains and is aware of the consequences of compliance failures. The Branch has zero tolerance of failures in its modern slavery control obligations.

Due to the nature and scale of the Branch business and its supply chains, the inherent modern slavery risk is considered to be low. As the Branch has processes and procedures in place to mitigate the modern slavery risk and endeavours to improve upon and reinforce these processes over time, the residual risk is also considered to be low.

## 6. The Evolving Process

The Branch recognizes that modern slavery issues may be complex and changing in nature. The Branch will continue to maintain policies and processes to promote respect for human rights and to identify the potential risk of modern slavery. All policies and procedures are reviewed at least annually and any changes in the Statutory Guidance for England and Wales (under s49 of the Modern Slavery Act 2015) as issued by the Home Office will be addressed appropriately. Key Performance Indicators (KPIs) will be updated as appropriate to demonstrate our progress over time in addressing modern slavery risks.

This statement has been prepared by the senior management of Bank of Taiwan London Branch and approved by the Board of Managing Directors of the Bank on 19.05.2023. The Chairman of the Bank in Taiwan and the General Manager of London Branch have signed the statement below. The statement will be reviewed and updated annually.

Signed:

Spencer Tsao  
Vice President & General Manager  
Bank of Taiwan London Branch

Joseph Jye-Cherng Lyu  
Chairman  
Bank of Taiwan

Date: 08.06.2023