



MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2021

This Statement is made pursuant to Section 54 of Modern Slavery Act 2015 of United Kingdom and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2021.

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 office in Hanoi, Vietnam, 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 Corporate Social Responsibility 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 regulation. Those issues include the control of employee working hour, anti-sexual harassment, occupational safety and health, anti-violence, anti-money laundering and information security. With the respect to human rights, we aim at creating a fair workplace.

During the COVID-19 pandemic has created a shift in economic activity which consequently has impacted modern slavery risks. With many countries in the world imposing lockdown or social distancing measures on their populations to help stop the rapid spread of the virus, this

has increased the risk of modern slavery. Our COVID-19 response has been focusing on keeping our employees safe while supporting our customers and other business partners including its suppliers. We always meet local governments' regulation to ensure our employees' health and safety and to make appropriate risk assessments to prevent the emerging risks of COVID-19. We continue to request our suppliers to sign our corporate social responsibility commitment letter before entering the contract and make good relationship 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 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 right 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 right risk through human right terms in contract and audit in suppliers' operation sites randomly.

Risk management

As for suppliers management, we assess the impact of suppliers' procurement has on society as well as the environment of the community that they are procuring from before entering the 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 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 the risk management perspective, we carefully inspect our supply chains and operation and establish controls to prevent modern slavery and human trafficking from happening.

Trainings

Our employees undertake anti-money laundering and sexual harassment prevention training on an annual basis. In addition, the employees are required to undertake Modern Slavery and human trafficking Act training and have finished this training course in July 2021. We also provide periodic training courses for all new employees.

Approval

This Statement was approved by the Board of Directors on 02 JUNE 2022 and has been signed on behalf of the Board of Directors by Director and President Jeng-Fang Jang and General Manager of London Branch Yi-Hsin Huang.

Signed

Jeng Fang Jang

Jeng-Fang Jang

Director and President

Hua Nan Commercial Bank Limited

Signed

Hsiang, Giffon

Yi-Hsin Huang

General Manager of London Branch

Hua Nan Commercial Bank Limited