

Chang Hwa Commercial Bank, Ltd.

Modern Slavery Act Transparency Statement

Introduction

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and with reference to the guidelines issued by the Home Office, Transparency in Supply Chains - A practical guide. It sets out the steps that Chang Hwa Commercial Bank, Ltd. (the “Bank” or “we” or “us” or “our”) has taken to ensure that slavery and human trafficking is not taking place in our supply chains or any part of our business for the financial year from January 1, 2021 to December 31, 2021.

It is contrary to the Bank’s position to tolerate any form of slavery or human trafficking in our operations, supply chain, products, services and activities. We expect the staff, suppliers and business partners to adhere to the same high standards and to take reasonable steps to ensure that other third parties they do business with also adhere to those standards as well.

Background

The Bank is a financial institution incorporated and headquartered in Taiwan on 5 June 1905. We offer a wide variety of financial related products and services to individuals and corporations. Details of our branches and the countries in which they are operated, as well as our businesses, are set out in our 2021 Annual Report. The Bank’s London Branch (“CHB London”) is authorised and regulated by the Financial Supervisory Commission of Taiwan. In the U.K, CHB London is authorised by the Prudential Regulation Authority, subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

Policies and procedures

The Bank requires all employees to follow the highest personal ethics and moral standards in the realm of undertaking business operations as well as to comply with all the relating laws, rules, regulations and the Bank’s policy. The measures we have taken to mitigate the risk of slavery and human trafficking in our business and supply chains include:

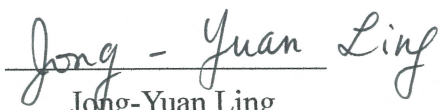
- Recruitment policies that are based upon the principles of professional and equal opportunity. We encourage diversity and inclusion in the workplace by prohibiting discriminations on race, color, birthplace, nationality, religion, age, gender, marital status, sexual orientation, disability, or veteran status and promoting equal access

to opportunities.

- Human rights policies to support the international conventions on the protection of human rights, including guardian against any forms of slavery and human trafficking related to business, supply chain, product, service and any activities of the Bank.
- Anti-bribery and anti-money laundering policies to address areas of the business and supply chains posing heightened risk, which may result in unlawful acts such as modern slavery. The policies and procedures help the Bank mitigate the risks of being used as a mean to launder the crime proceeds from slavery and human trafficking.
- Whistleblowing procedures in place to facilitate reporting, through email or helplines, of concerns relating to slavery or human trafficking or issues relating to criminal offence. We provide confidentiality and protection to staff who raise the concerns and will report to the relevant authority or law enforcement if we suspect of human trafficking activities. In the UK, there is also a Modern Slavery Helpline on 0800 0121 700 that our staff can contact.
- Due Diligence processes to ensure all business activities are conducted in a fair and transparent manner. We assess our suppliers, customers and business partners to have greater knowledge about their legitimacy and ensure they adhere to the same ethical principles as we do.
- Risk assessment carried out on new suppliers, customers and business partners on a risk-based approach. If we suspect of slavery and human trafficking activities are taking place, we will choose not to proceed with the relationship or stop dealing with them.
- We require all suppliers to provide letter of commitments regarding their compliance with Supplier Social Responsibility to ensure (1) child, forced, bonded or indentured labor is not used in any part of its business, (2) discrimination of any kind is eliminated, (3) employees are compensated in accordance with all applicable laws, including that relating to workweek, overtime hours and minimum wages, and (4) working environments comply with the health and safety regulations. The Bank may conduct review on the suppliers' implementation of their commitments. Any breach or violation of their commitments may result in termination of the contracts.
- Staff training provided on the Principles of Ethics and the awareness of unlawful

acts. In addition, we have integrated them as part of our annual performance assessments and HR policies.

This statement, reviewed annually and updated as required, has been approved by the Bank's Board of Directors on May 13, 2022 and has been signed on behalf of the Board by Ms. Jong-Yuan Ling, Chairperson.


Jong-Yuan Ling
Chairperson