

Slavery and Human Trafficking Statement 2020

Bank of China (UK) Limited
Bank of China Limited London Branch

INTRODUCTION

This statement applies to Bank of China (UK) Limited (“BOC UK”) and Bank of China Limited London Branch (“BOC LB”) (hereafter also referred to jointly as “we”, “our” and “the Bank”) and it sets out our approach to preventing slavery and human trafficking in our own business and supply chains.

This is our fourth report made under the provisions of the Modern Slavery Act 2015 (“the Act”) and with reference to the guidelines issued by the Home Office: Transparency in Supply Chains – a practical guide, as amended in April 2020.

STEPS TAKEN DURING THE PREVIOUS FINANCIAL YEAR

During 2020, the Bank has continued to implement steps and measures to mitigate the risk of slavery and human trafficking in its business and supply chains, including:

- Reviewing, updating and publishing the Anti-slavery and Human Trafficking Policy, followed up by Zoom training sessions aimed at all members of staff
- Reviewing and amending the Bank’s Whistleblowing Policy and Procedure, through which employees can escalate any concerns relating to slavery or human trafficking and followed up by Zoom training sessions aimed at all members of staff.
- A new Regulatory Issue and Breach Management Policy was introduced, to emphasise staff duty to report and escalate any potential or actual breaches, which would include any concerns relating to slavery or human trafficking.
- Continuing with mandatory annual online-training and assessment for all members of staff in relation to modern slavery and whistleblowing.
- Continuing to apply a modern slavery due diligence process. Developing and circulating a comprehensive red flags guidance document across the Bank, which included a dedicated section in relation to human trafficking and modern slavery. In particular, these red flags address issues such as the types of business known to be linked to exploitation of individuals, and most importantly, guidance to staff on how to spot unusual activity, related to modern slavery and human trafficking and related unusual payment systems and financial flows associated with this activity. Workforce profiles and victim indicators are also encapsulated within the guidance.
- Revising new and renewed supplier agreements to ensure they contain a supply chain transparency clause.
- Adopting a robust anti-slavery stance, with a named Executive Management Committee member, Chief Compliance Officer and Money Laundering Reporting Officer, Mr. Jon Sartoris, as the Responsible Officer for this area of work in the Bank. The governing body has approved the Bank’s annual statement which confirms the Bank’s commitment to eliminating modern slavery in our business and supply chains.

During 2020, no referrals concerning modern slavery were made through internal or external channels.

OUR ORGANISATION’S STRUCTURE AND OUR BUSINESS

BOC UK, incorporated in England and Wales, is a full service bank offering retail, corporate and trade finance services in the United Kingdom. BOC UK is a wholly owned subsidiary of Bank of China Limited, incorporated in China. BOC UK is regulated by the Prudential Regulation Authority (“PRA”) and Financial Conduct Authority (“FCA”) and authorised by the PRA.

BOC UK corporate and transaction banking business encompasses funding and advisory services for Chinese corporates seeking to expand in the UK or elsewhere. BOC UK retail activities focus on branch banking. BOC UK offers standard high street retail banking services including current accounts, savings accounts, debit and credit cards and mortgage loans.

BOC LB is a UK establishment of Bank of China Limited, incorporated in China. BOC LB is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA.

BOC LB operates separately but in parallel, under the same management team as BOC UK. It provides a range of wholesale products such as: commercial banking, corporate lending, trade finance, money market, foreign exchange, and debt capital market services.

OUR SUPPLY CHAINS

The Bank maintains a modern slavery due diligence process for new supplier relationships. During 2020, despite the challenges of the Covid-19 Pandemic, the Bank continued to ensure that all new and renewed supplier contracts contain clauses relating to the prevention of modern slavery and human trafficking. As well as focusing on the health and safety of its staff, the Bank continued to have in place robust policies such as the Outsourcing Policy and the Third Party Supplier Management Policy, which impose the obligation on staff to carry out due diligence checks on third party suppliers.

The Bank's supply chains predominantly include suppliers for the following goods and services provided to the Bank in respect of:

- Hard and soft facilities management,
- Real estate,
- Recruitment,
- Travel,
- Cash management,
- Marketing and communication,
- Mail and logistics,
- IT & telecommunications,
- Security,
- Cleaning,
- Catering & hospitality

Albeit, some at much reduced capacities, in relation to travel and catering and hospitality, for example; and some at increased capacities, e.g. extra deep cleaning of the premises were necessary for the health and safety of staff.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

The Bank is committed to acting ethically and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems and controls to mitigate the risk that modern slavery is taking place in its own business or in any of its supply chains. Furthermore, all our staff must adhere to our Code of Conduct which is based on the Bank's values: "Responsibility, Integrity, Professionalism, Innovation, Prudence, and Performance".

The Bank continues to apply the National Minimum Wage and also adopts the 'UK Living Wage (outside London)' and the 'London Living Wage'.

The Anti-slavery and Human Trafficking Policy 2020 version reflects the same commitment to acting ethically and with integrity in all our business relationships and to taking steps to implement and enforce effective systems and controls. Although this does not mean that we can guarantee that the entire supply chain is free from slavery and

human trafficking at all times.

The Bank's Whistleblowing Policy has also been reviewed and amended to ensure that any concerns about modern slavery in our business or supply chain can be reported and escalated.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

During 2020, the Bank updated its system and controls regarding modern slavery due diligence on third party suppliers. The modern slavery due diligence process is detailed within the Bank's Anti-slavery and Human Trafficking Policy and also aligned with the Bank's Outsourcing Policy. Extra Zoom training sessions on modern slavery and whistleblowing were arranged to educate and reiterate the need of remaining vigilant in the face of heightened risks brought on by the Pandemic.

CONCLUSION

This statement is made pursuant to section 54 of the Act and constitutes the Bank of China (UK) Limited and Bank of China Limited London Branch slavery and human trafficking statement for the financial year ending 2020. This joint statement has been approved by the Board of Bank of China (UK) Limited and the General Management of Bank of China Limited London Branch.



Wenjian Fang
Chief Executive Officer of Bank of China (UK) Limited
General Manager of Bank of China Limited London Branch

15 June 2021

