

Slavery and Human Trafficking Statement for the year ended December 31, 2023

Shanghai Commercial Bank Limited (the “Bank”) is a financial institution incorporated in Hong Kong, and has branches in Hong Kong, Mainland China, the United States of America and the United Kingdom. The Bank offers a comprehensive range of retail and corporate banking services and products including deposits, securities trading, credit cards, insurance and wealth management services and corporate and personal loans.

The Bank upholds zero tolerance to modern slavery and human trafficking, and requires the management and its personnel to conduct business as well its service providers to render services ethically and with integrity. To effectively implement and enforce the Modern Slavery Act (“Act”), enacted in the United Kingdom, the Bank recognizes the indispensability of its policies, procedures, system and personnel, which are regarded as integral components in the Bank’s efforts to combat modern slavery and human trafficking.

Corporate culture on ethics and equal opportunities

All the internal stakeholders of the Bank must adhere to the Bank’s Code of Conduct, Guideline for Modern Slavery Act, and Policy on Equal Opportunities with an aim to maintaining a good reputation of the Bank; upholding the highest ethical standards, which are based on the Bank’s seven core values, namely Proactive, Integrity, Respect, Professionalism, Teamwork, Accountability and Leadership, serving as the bedrock for the Bank’s highest ethical standards to respect human rights and prevent any modern slavery activities both internally and externally.

Discrimination, bullying, and harassment on any grounds are strictly prohibited. The Bank requires all employees to treat their colleagues with dignity and respect, and takes extensive measures to ensure that the employment contracts of individuals do not involve any form of slavery, servitude, forced or compulsory labour, or human trafficking. In 2023, the Bank received no report or concern regarding bullying, harassment, discrimination, or retaliation.

The Bank's Supply Chain and Operations

The majority of our suppliers are engaged in providing IT and consultancy services, and they are not located in the high risk jurisdictions set out in the publication of the Global Slavery Index, nor associated with adverse news related to modern slavery and human trafficking. The Bank was not aware of engaging any high-risk suppliers and operations throughout the year.

In addition to the Customer Acceptance and Anti-Money Laundering and Counter-Terrorist Financing Policy, as well as the Guidelines on Outsourcing and Insourcing, the Bank also has other policies and guidelines in place to address the requirements for preventing slavery and human trafficking:

a) The Supplier Code of Conduct outlines the Group's requirements and expectations for the social and environmental performance of suppliers, ensuring that suppliers align with the Bank's commitment to responsible and ethical practices.

b) The Sustainability Policy sets out the approach and principles that the Bank will adhere to for promoting sustainable growth and the governance process. In pursuit of sustainability and corporate responsibility, the Bank seeks to work collaboratively with all supply chain partners to ensure its supply chain operates sustainably and responsibly.

c) The Guideline for Modern Slavery Act explicitly states the Act related requirements on suppliers including complying with the standards required by applicable legislation relating to employment and labour; avoiding causing or contributing to adverse human rights impacts and addressing any issues when they occur; and prohibiting the use of all types of slavery, forced labour and human trafficking within supplier's operations and their supply chain.

d) The Whistleblowing Policy as elaborated further below is instrumental in establishing comprehensive procedures and processes to promote a secure and confidential platform for reporting whistleblowing concerns.

To ensure that slavery and human trafficking is not taking place in businesses or supply chains, the Bank has also developed Act related clauses applicable to the suppliers.

Whistleblowing and the escalation protocol

The Bank encourages individuals to raise concerns about wrongdoing or unethical behaviour, and has implemented a robust Whistleblowing Policy for all internal and external stakeholders¹, to ensure that the desired culture of the Bank is well understood and shared at all levels.

The Bank's whistleblowing mechanism, coupled with the escalation protocol that promotes transparency and accountability in addressing reported issues, ensures that staff and stakeholders can report any observed illegal, unethical or questionable practices in a confidential setting without the risk of reprisals. The process involves escalating the incident to the relevant independent authority for independent and confidential investigation. All evaluations and remedies implemented are documented for record-keeping purposes.

To provide effective governance and management oversight, the Bank has established mechanisms to monitor and evaluate the implementation of whistleblowing arrangements, and ensure that necessary follow-up actions are taken in response to the outcomes of whistleblowing investigations. In 2023, no confirmed whistleblowing case was reported.

Training

Staff training is a crucial element of an effective system to prevent modern slavery and human trafficking activities. To enable that the staff are well informed and adequately trained to implement the abovementioned policies and controls, the Bank has provided induction training serving as the initial step for all new staff to understand the Bank's requirement and examples of modern slavery and human trafficking, and to ensure that they are aware of the requirements and expectations from the outset.

Starting from 2024, the Bank will continue to enhance the induction training, equipping staff with

¹If you have witnessed any illegal activities or misconduct in the Bank, we encourage you to report it by clicking the hyperlink below and completing the provided form. Your assistance in maintaining the integrity of the Bank is greatly appreciated.

https://www.shacombank.com.hk/eng/about/sht-stm/pdf/WR_Form.pdf

the necessary knowledge and skills to understand the slavery and human trafficking facilitation framework and carry out the stipulated procedures. The Bank will further organise refresher session to the Bank staff on an annual basis to continuously remind them the principles, required work steps and any latest changes and developments. Effectiveness of training will be monitored through assessment (e.g. quiz) and training records will be properly retained.

Due Diligence

All activities involving third-party suppliers are identified for information management and risk assessment purposes. Before engaging with these suppliers, including employment agencies, the supplier owner conducts initial due diligence to evaluate their social and environmental performance, sustainable growth, governance processes, human rights practices, and etc. These assessments determine the level of awareness and focus required during procurement activities.

To ensure the Bank, its subsidiary companies, branches and service providers are in compliance with the Act and to mitigate the potential risk to which the Bank may be exposed, the Bank will engage only those suppliers adopting high ethical, professional and legal standards. In cases where a supplier is found to be non-compliant with the Act, the Bank will take steps to exit the relationship. In 2023, the Bank did not engage any high-risk suppliers throughout the year. To further strengthen our efforts in combating modern slavery and human trafficking, the Bank engaged an independent party to review this statement and evaluate the effectiveness of the risk assessments and established controls.

Review and Approval of the Statement

This statement shall be reviewed annually and as required to ensure its relevance and effectiveness.

This Statement has been endorsed by the Risk Committee of the Bank and is signed on behalf of the Board of Directors of Shanghai Commercial Bank Limited by the Managing Director & Chief Executive Mr. David S. C. Kwok on 24 April 2024.