

## 2023 MODERN SLAVERY ANNUAL REPORT

This document constitutes the Annual Report (the “**Report**”) pursuant to section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (the “**Supply Chain Act**” or the “**Act**”) and is filed on behalf of Industrial and Commercial Bank of China (Canada) (“**ICBC Canada**”, “we”, “us” or “our”) covering the financial year ended December 31, 2023.

We recognize that forced labour and child labour risks are ongoing and constantly evolving, as such we continue to advance and enhance our processes in order to have effective risk management controls over such risks.

### 1. Our Structure, Operations and Supply Chains

ICBC Canada is a Canadian chartered bank listed in Schedule II of the *Bank Act* as an authorized foreign bank. ICBC Canada is 80% owned by the Industrial and Commercial Bank of China (our “**Parent Bank**”), the People’s Republic of China’s largest bank and the world’s third-largest bank by market capitalization, and 20% owned by the Bank of East Asia, a local bank registered in the Hong Kong Special Administrative Region.

We operate a network of seven branches and two centres, covering four major immigration cities in four provinces, including the greater Toronto area in Ontario, Vancouver and Richmond in British Columbia, Calgary in Alberta, and Montreal in Quebec. ICBC Canada only operates in Canada, where it employs 185 staff.

As a supplier of financial services, our selling, importing and distributing activities are limited. They are concentrated on the use of IT service provided by our Parent Bank and the distribution of bank cards.

We offer a wide range of corporate and retail banking services including deposits, loans, settlement remittances, trade finance, foreign exchange trading, funds clearing, RMB cross-border settlement, RMB cash, cash management, electronic banking, bank cards and investment and financing advisory services.

Our spending on the procurement of goods and services from third-party suppliers primarily goes to suppliers based in Canada except for those services primarily in the area of information technology acquired through our Parent Bank.

We engage with a diverse range of third-party suppliers who provide us with products and/or services such as technology and other office equipment, software, property and facilities management services, including products and/or services related to business activities that we outsource as part of our delivery and offerings to our customers. Such services include, but are not limited to, professional consulting, human resources, advertising and marketing, information technology and real estate. We may also engage with suppliers that may employ workers who provide cleaning, catering, travel, hospitality, courier services, telecommunication and call centre services.

ICBC Canada takes steps to ensure that there is zero tolerance for forced labour and child labour in its business relationships and supply chains.

### 2. The Steps We Have Taken in 2023 to Prevent and Reduce the Risk of Forced Labour and Child Labour

In 2023, we conducted an annual review and update of our ICBC Canada Code of Conduct.

The contents of ICBC Canada's Code of Conduct, which is discussed further at section 3(a) of this Report, were reviewed in 2023. It was determined that no substantive change was required. A section on the maintenance and review of the Code of Conduct was added so as to entrench our practice of reviewing the document annually and updating it according to new relevant regulatory changes which may impact it, as further discussed in section 3(a) of this Report.

We also started gathering information on workers recruited through third party staffing agency we may use during our hiring process and we maintain internal controls to ensure that all workers hired through such agencies are recruited voluntarily.

In 2023, we have also undergone the process of developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in our activities and supply chains. For example, in our supplier onboarding due diligence questionnaire we are requesting a confirmation from the supplier that its operations are compliant with applicable modern slavery legislation.

We are also requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.

ICBC Canada's suppliers contracts contain contractual clauses providing us with the right to audit a supplier's operation and supply chains and, in a situation where we determine there may be a high risk of forced labour and child labour, we would apply enhanced monitoring to the operations of such supplier, or terminate the contractual arrangement.

Finally, in 2023, we updated our Whistleblower Policy which was developed using the Financial Consumer Agency of Canada's Guidelines on Whistleblower Procedures for Banks and Authorized Foreign Banks. These Guidelines lay out the expectations with respect to implementation of the whistleblowing provisions contained in the *Bank Act* (Canada). For more information on our Whistleblower Policy, see section 3(b) of this Report.

### **3. Policies, Due Diligence and Controls**

ICBC Canada has in place a Code of Conduct which governs at a high level issues related to human rights, including the topics of forced labour and child labour.

#### **(a) Code of Conduct**

ICBC Canada is committed to conducting its affairs with the highest standard of ethics, integrity, honesty, fairness and professionalism. The Code of Conduct establishes the minimum standards of behaviour that govern how we interact with each other, our customers, shareholders, governments, regulators, suppliers, competitors, the media and the public at large. The Code of Conduct sets out the baseline ethical standards of conduct required from all ICBC Canada personnel at all times. The Code of Conduct applies at all levels in the organization from major decisions made by Senior Management and the Board of Directors, to the day-to-day transactions at operational level.

The Code of Conduct reflects the fact that ICBC Canada values diversity and is committed to conducting all business with fairness and equity. The Code of Conduct establishes that ICBC Canada will treat every supplier, employee, potential employee officer, director, customer, or person with whom it has a business relationship with dignity and respect. Employees, officers, and directors must comply with all laws regarding non-discrimination and regarding human rights, including the elimination of forced labour and child labour. Employees, officers, and directors at

all levels are committed to maintain a culture and work environment that is free of discrimination, harassment, and violence.

#### **(b) Duty to Report and Whistleblower Policy**

Our Code of Conduct makes clear that every employee, director and officer has a duty to report any actual or suspected misconduct including violations of the Code of Conduct, laws and other regulatory requirements. Our Whistleblower Policy strongly encourages them to report the breach to their manager, Senior Management, Chief Compliance Officer (“CCO”), the Integrity and Security Compliance Officer (“ISCO”), Chief Executive Officer (“CEO”) or to the Chair of the Audit Committee of ICBC Canada directly.

Alternatively, our Whistleblower Policy provides that they can confidentially report actual or suspected breaches of the Code of Conduct using ICBC Canada’s hotline and online reporting tool. Such services are administered by an external provider and are available seven days a week, 24 hours a day. The contact information of the CCO, the CEO, the ISCO, the Chair of the Audit Committee, the hotline and the online reporting tool are provided in the Whistleblowing Policy.

ICBC Canada has established multiple channels for staff to raise concerns, including confidential and anonymous options. Reporting channels include the direct manager of the reporting employee, the human resources, the head of the employee’s department, ICBC Canada’s CCO and the Chair of the Audit Committee. Once ICBC Canada receives a report under its Whistleblower Policy, the internal reporting process follows a set procedure and will generally involve a review and investigation of the reported wrongdoing. During the course of this procedure, ICBC Canada may engage in the performance of this review and investigation by its Internal Audit, Legal, Human Resources and/or Business Units, where appropriate. Depending on the result of this review and investigation procedure, with respect to forced labour and child labour occurrences, remedial action may involve ceasing, preventing or mitigating any adverse impacts resulting from such forced labour and child labour.

#### **4. Risk Assessment Methodology and Results of Assessment**

We conduct appropriate due diligence checks on our suppliers, and apply enhanced due diligence and enhanced ongoing monitoring where the business relationship is identified as presenting a high risk forced labour and/or child labour. Following its risk assessment process for forced labour and child labour ICBC Canada has not identified any specific sectors in its operations and/or supply chains which pose higher risk of forced labour or child labour.

#### **5. Risks of Forced Labour and Child Labour in our Operations and Supply Chains**

To the best of our knowledge, we have not identified risks of forced labour or child labour in our operations and supply chains. Our risk assessment process is reviewed annually with the goal of identifying possible gaps in our assessment.

#### **6. Remedial Action Taken during 2023**

Since we have not identified any forced labour or child labour in our activities and supply chains, we have not taken any remediation measures.

#### **7. Our Remediation Processes**

Our Code of Conduct and Whistleblower Policy require all employees to report actual or possible misconduct. We encourage all of our employees to speak up when faced with occurrences of misconduct through the reporting channels described under Section 3 above.

## **8. Remediation Actions for the Loss of Income to the Most Vulnerable Families that Results from any Measure Taken to Eliminate Forced Labour and Child Labour from our Operations and Supply Chains**

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

## **9. Our Training**

All new employees, officers, and directors are provided with a copy of the Code of Conduct when joining ICBC Canada, and they must sign to confirm they have read, understood, have followed and/or will continue to follow it during their employment with us. As part of ICBC Canada's mandatory training program, all employees, officers, and directors must review the Code of Conduct every year and sign an attestation to ensure compliance to its requirements. Any violations will be taken seriously and may result in disciplinary action.

## **10. Assessing our Effectiveness**

We aim to continually refine our human rights strategy. ICBC Canada conducts regular assessments of its due diligence processes to remain up to date and in line with business operations, regulatory changes, industry norms, and best practices. This approach seeks to maintain compliance with all pertinent laws and regulations across Canada, including mitigating risks associated with forced labour and child labour.

## **11. Our Consultation and Governance Process**

In preparing this Report, ICBC Canada consulted with key areas of our organization, including Finance, Human Resources, Compliance, Risk Management, and our external legal counsel. These teams operate across our enterprise. This consultation process has supported our enterprise-wide approach to forced labour and child labour.

## **12. Approval**

This Report was approved by the board of directors of ICBC Canada on May 15, 2024.

## **13. Conclusion**


ICBC Canada remains committed to preventing forced labour and child labour from taking place in our businesses and in our supply chains. We will continue to review our policies, procedures and practices periodically to determine any enhancements we can make to help prevent forced labour and child labour and any other forms of human rights abuse.

**14. Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Dated this 16<sup>th</sup> day of May, 2024

**Industrial and Commercial Bank of China (Canada)**

Per:   
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Lubin Wang, Executive Director  
I have the authority to bind Industrial and  
Commercial Bank of China (Canada).