



## Japan Bank for International Cooperation Modern Slavery Statement

### 1. Introduction

This statement represents the efforts of Japan Bank for International Cooperation ("JBIC") to combat modern slavery in accordance with the Australian Modern Slavery Act 2018.

This statement has been prepared by JBIC, the reporting entity, and covers the fiscal year ending March 2024. It has been approved by the board of directors of JBIC and signed by HAYASHI Nobumitsu, the Governor of JBIC.

### 2. Organisational Structure Operations and Supply Chain

#### (1) Organisational Structure

JBIC is a financial institution established for the purpose of contributing to the sound development of Japan and international economy and society. It is a Kabushiki-Kaisha (a company limited by shares) incorporated in Japan. JBIC has subsidiaries and affiliates in accordance with applicable accounting standards.

#### (2) Operation

JBIC is a policy-based financial institution wholly owned by the Japanese government that provides services to domestic and international customers, as stipulated under the Japan Bank for International Cooperation Act (Act No. 39 of 2011) ("JBIC Act") and other laws and regulations. JBIC's main operations include Export Loans, Import Loans, Overseas Investment Loans, Untied Loans, Bridge Loans, Equity Investment, and Research and Studies. JBIC's overseas network is comprised of 18 offices in 17 countries, and its Australian operations are based in a representative office in Sydney. The Representative Office in Sydney collects information, supports

project development, and conducts public relations activities in Australia and Pacific island countries.

### **(3) Supply Chain**

JBIC's business activities are supported by suppliers of products and services for its office facilities (office supplies, food and beverages, cleaning services, etc.), IT-related products and services (such as computers, mobile phones, IT systems, and IT infrastructure development, etc.) and various other outsourced services related to lending, equity investment and guarantee ("**Funding**") in each country in which JBIC operates. JBIC emphasises the proper management of its supply chain from a human rights perspective.

## **3. Risks of Modern Slavery in Operations and Supply Chains**

JBIC recognises the potential risk of our suppliers and customers engaging in modern slavery practices. In particular, JBIC acknowledges that modern slavery risk associated with Funding, is a major risk. To address these potential risks, JBIC has implemented the compliance risk management policies and procedures described below.

## **4. Actions Taken by JBIC to Assess and Address Modern Slavery Risks, and Assess Effectiveness of These Actions**

### **(1) JBIC's Philosophy and Policies**

JBIC is committed to establishing a corporate governance structure that is conscious of appropriate and efficient business management, to fulfil its missions as stipulated in the JBIC Act and enact JBIC's corporate philosophy: "positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy".

In 2023, JBIC established and released "JBIC Human Rights Policy" based on the relevant international standards. This policy includes non-tolerance of human rights violations, such as forced labour, child labour, and human trafficking, as well as expectations for customers and suppliers to respect human rights.

JBIC also strives to identify and mitigate the human rights risks associated with its subsidiary through compliance frameworks applicable within its subsidiary.

### **(i) Philosophy and Policies on Respect for Human Rights within JBIC**

JBIC works towards respect for human rights within JBIC through measures including the formulation of internal regulations and other policies and strives to ensure that directors and employees respect the human rights of others and comply with relevant laws, regulations, and ethical standards. In its compliance-related documents, JBIC highlights the importance of respecting human rights, and explains "respect for basic human rights and the prohibition of discriminatory speech and conduct". In addition, JBIC has formulated internal regulations on the prevention of harassment and the prohibition of discrimination on the grounds of disability, and strives to prevent the occurrence of any negative impact on human rights within JBIC.

### **(ii) Philosophy and Policies on Respect for Human Rights by Suppliers**

In the "JBIC Human Rights Policy", which was established and released in 2023, JBIC expresses its expectation for suppliers to endeavour to respect human rights. In addition, in its internal regulations and other policies, JBIC has stipulated the prohibition of harassment and discrimination on the grounds of disability, not only within JBIC, but also for business partners, including suppliers.

### **(iii) Philosophy and Policies on Respect for Human Rights with respect to Funding**

The "JBIC Guidelines for Confirmation of Environmental and Social Considerations" ("**Guidelines**") have been formulated to contribute to the sound development of the international economy and society through environmental and social considerations (which refers not only to the natural environment, but also to the social environment, including human rights) in all projects subject to Funding ("**Projects**"). During the process of revising the Guidelines, JBIC engages in discussions with external parties.

## **(2) Initiatives within JBIC**

### **(i) Labour Management**

JBIC strives to provide a work environment that is free from

abuse, defamation, actions causing discomfort, discrimination, harassment, and other human rights violations on the basis of gender, age, place of birth, nationality, race, religion, disability, and other factors through measures including the formulation of internal regulations and other policies. In its annual audit, JBIC also reviews the work environment of target departments and overseas representative offices.

#### **(ii) Education and Training**

JBIC communicates the importance of respecting human rights every year through compliance training program and other measures. JBIC also carries out in-house training program for directors and employees every year on the whistleblowing system described in (4) below.

In addition, in fiscal year 2023, JBIC provided e-learning program for all directors and employees on sustainability which covered business and human rights.

### **(3) Human Rights Due Diligence**

#### **(i) Supply Chain**

JBIC shares the concept of "JBIC Human Rights Policy", which was established and released in 2023, with suppliers and expresses JBIC's expectations of respect for human rights by suppliers.

The general conditions of contracts with contractors include a provision requiring measures be put in place to ensure the safety of employees (including subcontractors, if any) for suppliers.

#### **(ii) Funding**

In accordance with the Guidelines, for each Project subject to Funding, JBIC conducts confirmation of the environmental and social considerations, including human rights considerations. The outcomes are taken into account for decisions on Funding.

For this confirmation, Projects are first screened and classified in terms of their potential environmental impact, including potential impacts on human rights. Environmental reviews are conducted for Projects which are classified into certain categories. The environmental review involves assessing potential negative impacts, including the likelihood that the Project will cause serious human

rights violations. If it is determined that there is such a likelihood, JBIC will confirm considerations of human rights. This review also ascertains whether the Project meets the World Bank Group's "Environmental and Social Standards", the International Finance Corporation's "Performance Standards", and the World Bank Group's "Environmental, Health and Safety Guidelines", if applicable, with the purpose of environmental and social considerations including human rights protection, and eliminating unjust labour practices.

In addition, following the implementation of Funding, Projects classified into certain categories are monitored in accordance with the Guidelines with respect to the status of implementation of relevant environmental and social considerations. In the event that JBIC judges, as a result of its monitoring, that improvement in the situation with respect to the environmental and social considerations is necessary, JBIC may ask the Project proponents through borrowers and other means to take appropriate measures.

JBIC discloses information regarding environmental reviews prior to making decisions on Funding. In addition, after signing the funding agreements, JBIC discloses the results of environmental reviews and monitoring, to the extent the results of such monitoring are made public.

To ensure its compliance with the Guidelines, JBIC has established and published objection procedures. In response to an objection, the Examiner for Environmental Guidelines, who is independent from operational departments, investigates the facts relevant to compliance with the Guidelines and reports the results of the investigation to JBIC's Executive Committee (a committee which makes decisions and deliberations concerning important managerial matters of JBIC) and encourages dialogue between the parties concerned in order to assist early resolution of disputes on specific environmental and/or social issues related to Projects which have arisen as a result of non-compliance with the Guidelines.

#### **(4) Remedies**

##### **(i) Human Rights Risks within JBIC**

JBIC has set up several contact points to provide remediation for those who have been negatively affected. This whistleblowing system includes a whistleblowing system based on the Whistleblower

Protection Act.

JBIC has also established external consultation desks specialising in harassment consultation and specialised compliance consultation desks for local staff at overseas representative offices.

**(ii) Human Rights Risks at Suppliers**

JBIC accepts consultations from external stakeholders including suppliers via a complaint counter (to the Legal Affairs and Compliance Office).

**(iii) Human Rights Risks in Funding**

In the Guidelines, JBIC encourages project proponents to establish a point of contact for complaints.

**(5) Evaluation of effectiveness**

JBIC's human rights initiatives within JBIC, for suppliers and in Funding are expected to be monitored on a regular basis and are expected to be subject to appropriate management oversight.

**5. Consultation process**

JBIC is working to engage in discussions with/ share information including human rights issues with its subsidiary and overseas representative offices.

**6. Related Matters**

JBIC will continue to implement modern slavery prevention and mitigation initiatives to address issues relating to modern slavery within JBIC's operations and supply chains.

This modern slavery statement was approved by the Board of Directors, principal governing body, of JBIC on 27 August 2024.

Signature of Responsible Member

HAYASHI Nobumitsu  
Governor  
Japan Bank for International Cooperation  
5 September 2024

This modern slavery statement is signed by a responsible member of JBIC as defined by the Australian Modern Slavery Act 2018.